



AIRTHINGS

Sustainability Report 2020



About the Report

As part of Airthings' commitment to the UN Global Compact initiative, we have created this sustainability as our official Communication on Progress (COP), covering the period from May 2020 to March 2021.

This Sustainability Report was prepared in accordance with the principles of the United Nations Global Compact (UNGC) initiative and in line with the Sustainable Development Goals (SDGs). We use these "SDGs" as a framework to create our Environmental Social and Governance (ESG) actions. This report describes Airthings' first year of its sustainability journey. As a first step, we decided to prioritize and incorporate the SDGs into the Airthings' main strategy. This report explains our approach to how we assess our risks, impacts and opportunities on key issues that we think we can make a difference. These include human and labor rights, environmental impact, anti-corruption and occupational health, and wellbeing. We think it's key for every business to address social and environmental issues.

Therefore, we want our internal actions as well as our products, to help create responsible environmental and social impacts on the health and wellbeing of the people and the planet.

This is our first Airthings Communication on Progress (COP) report and it is published as the first Airthings Sustainability Report in the Annual Report 2020. In this annual COP, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to sharing this information with our stakeholders using our primary channels of communication. The reports are published on airthings.com/sustainability.



This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

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CEO letter



Dear Airthings stakeholders,

I am pleased to confirm that, in light of our passion and commitment to sustainability, Airthings wants to continue our sustainability efforts as a participant in the United Nations Global Compact. We will do this by following the UN's ten principles, which focus on the environment, human rights and anti-corruption. Airthings is a purpose-driven company that cares about making a difference for our people, planet and the way we do business. By adhering to the ten principles, we hold ourselves accountable.

What does this mean for you? An enormous 40% of global energy consumption comes from buildings, so we have the ability to make a huge impact¹. Whether you own an Airthings air quality monitor, work with Airthings or have Airthings installed in your workplace you can rest assured that we are committed to making a sustainable future for everyone. Since the start of this journey, we helped our customers reduce 567 tons of CO₂e so far². That is the equivalent of removing 138 cars from the road.

In pursuit of a sustainable organization it is not simply the reduction in CO₂ that needs our attention. Instead we focus on three things; people, planet and business. From the 17 Sustainable Development Goals (SDGs) laid out by the UN, we have chosen 5 key ones which we plan to focus on. These include:

- SDG#3 - Good health and wellbeing : We empower people to take control of their air quality ensuring a healthy lifestyle.
- SDG#8 - Decent work and economic growth: Decent work and economic growth: We are very proud of our inclusive and diverse team with 30 nationalities and counting.
- SDG#11 - Sustainable cities and communities: We use innovation as the essence of Airthings to improve health and productivity of urban communities.
- SDG#12 - Responsible consumption and production: We want to improve our unsustainable practices in our value chain by developing an innovative business model you feel proud of.
- SDG # 13 - Climate action: We are looking at our products life cycle, to take actions to decrease our GHG impacts, at the same time, our products save 15% of energy in buildings.

This is the first of our annual sustainability communication progress report. Every year, we commit to describing our actions to help continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to sharing this information with our stakeholders, as without you this would not be possible.

All the best,

Oyvind Birkenes
CEO, Airthings
22nd of April 2021

¹ European Union, *Impact Assessment*, 2018, https://ec.europa.eu/info/news/questions-answers-energy-performance-buildings-directive-2018-apr-17_en

² Calculations based on estimates of energy saved from buildings controlled by Airthings devices.

Airthings helping people and the planet

This is Airthings

Airthings is a global tech company and producer of award-winning radon and indoor air quality monitors for consumers, businesses, and professionals. Established in 2008 and led by a team of experienced scientists, engineers, leaders, and visionaries. Airthings is on a mission to empower the world to breathe better through simple, affordable, and accurate technology solutions while optimizing energy consumption in buildings.

The Airthings story

Every idea starts with a problem: radon testing for homeowners hadn't improved in almost 30 years. Several particle physicists working together at CERN (European Organization for Nuclear Research) saw a gap in the radon market—or more like a deadlock. Traditionally, consumers only had two options: call a professional to test their radon levels, or purchase a single-use charcoal test which was then sent to a lab for the results.

Airthings founders went to work creating the very first consumer digital radon detector. Airthings was founded to break free from these traditions and put consumers, as well as business owners, back in control of their indoor air quality. Today, we have branched out from a pure radon focus, to monitoring and controlling a wide range of air quality issues for homes, businesses, and professionals. Headquartered in the heart of Oslo, and with offices in the US, Canada, Germany and Sweden, Airthings has over 120 employees from more than 29 nationalities and counting.

International recognition

Airthings' radon and air quality monitors have received several awards including the TIME's Best Inventions of 2019 award and CES 2021 Innovation Award Honoree. Recently, the company received Frost & Sullivan's 2020 Global Product Leadership Award in the indoor air quality monitoring industry. The award recognizes companies that offer a product or solution that deliver the best quality, reliability, and performance in the industry.

Airthings is a proud supporter of the American Lung Association's LUNG FORCE initiative and the Norwegian Asthma and Allergy Association.

Airthings technology

Airthings has introduced a steady stream of innovative solutions for consumers, businesses, and professionals, tackling indoor air pollutants such as radon, carbon dioxide (CO₂), and airborne chemicals (VOCs), as well as energy efficiency in buildings. The heart of our system is in the cloud where we provide advanced analytics and insights from the data. Airthings is gathering massive amounts of data from sensors in homes and buildings around the world.

Our technology and solutions are done in-house: from industrial design and radio protocol, to app creation, software and firmware. The majority of products are smart products with corresponding apps, online dashboards, an API, plus a constant stream of new features. Airthings' offerings now include digital radon detectors as well as smart indoor air quality monitors and solutions for homes, schools, offices, restaurants, and other commercial buildings—earning a reputation for true leadership in the industry.



Airthings sustainability challenges and SDGs

In 2020, we worked on identifying not only our direct and indirect negative risks on the environment and on human rights throughout our value chain, but also how Airthings provides products and services that contribute in achieving the SDGs. We have assigned 3 main challenges: business, people and planet. The changes we make to the

way we do business will have a direct impact on the people and the planet. Each of these dimensions have subcategories which are challenges that Airthings is taking into account in order to minimize our environmental footprint and enhance our social impact. Here you can see each of these challenges and opportunities:

Sustainability challenges



Even though we have prioritized five SDGs, we have two main positive contributions to them that we want to display:

SDG-3 Health and Wellbeing:



We contribute to this SDG #3 by empowering people to improve their health and wellbeing by taking awareness of the air we breathe. On average people spend 90% of the time indoors. It is shocking though, that the air we breathe most—indoor air—is often 2 to 5 times worse than outside (Allen and Macomber, 2020).

Radon gas for instance, gets trapped indoors, killing more than 20,000 people every year in Europe, 21,000 in the US and over 350 in Norway alone (European Commission 2004, EPA 2016, NGU 2017), . There is also particulate matter (PM 2.5) which comes from city pollution, combustion from cooking and fireplaces, as well as wildfires, and from dust and other allergens. PM 2.5 is a known factor in heart attacks and cancer and the leading cause of death due to poor air quality, causing an alarming rate of 379,000 premature deaths in Europe (Miljodirektoratet, 2020). Also very important, good air quality is proven to help with sleep, decision making, focus, productivity and overall well being. Just recently with the pandemic, these facts have come to the forefront in the news.

With Airthings air quality monitors, simple changes at home, at work, at school, make a big difference in our overall health, safety and wellbeing. Monitoring and learning about the air we breathe will empower us to breathe better, and change our habits from our indoor routines to circulate the air.

SDG-13 Climate Action:



We contribute directly to this SDG as our devices are able to help decrease the energy consumption in buildings and housings. Following the fact that people spend 90% (Allen and Macomber, 2020) of the time indoors, this requires a high amount of energy consumption to keep the buildings comfort and air circulation. Therefore, buildings are Europe’s largest energy consumer, accounting for approximately 40% of EU energy consumption accounting to 36% of the total CO2 emissions in Europe (European Commission Report, 2018). With Airthings devices and solutions we are able to contour the ventilation system and help customers decrease their energy consumption up to 25%. Approximately 10% of energy consumption can be saved by optimizing heating, ventilation and air conditioning, while on average during operating hours, 15% of energy consumption can be saved by aligning indoor and outdoor pressure.

³ Allen and Macomber, 2020, Healthy Buildings, <https://www.fastcompany.com/90506856/we-spend-90-of-our-time-inside-why-dont-we-care-that-indoor-air-is-so-polluted>

⁴ European Commission, 2004, Radon gas in homes increases lung cancer risk, https://ec.europa.eu/commission/presscorner/detail/en/IP_04_1539

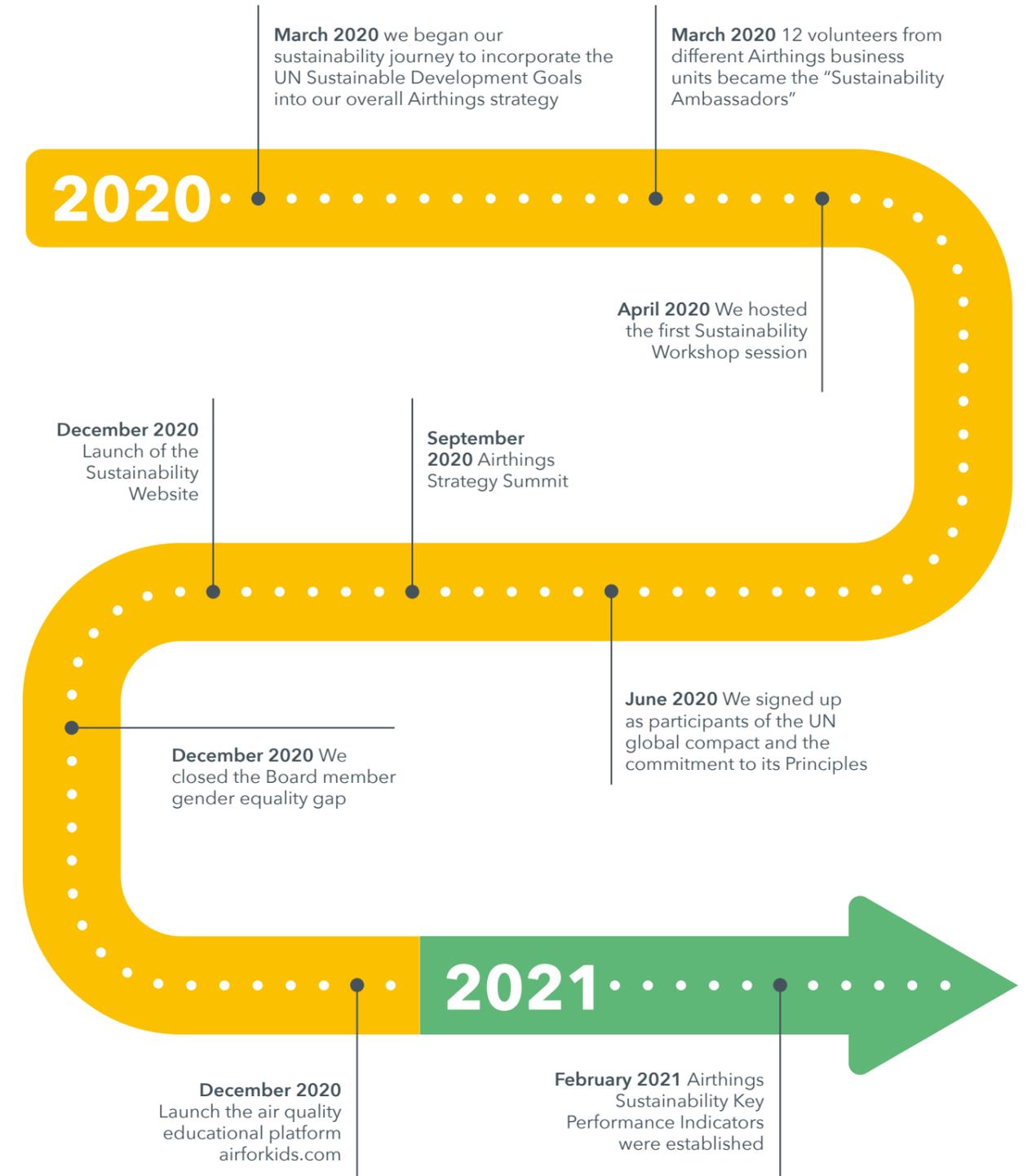
⁵ Environment Protection Agency, 2016, Health Risk of Radon, <https://www.epa.gov/radon/health-risk-radon>

⁶ Geological Survey of Norway, 2017, Radon Hazards, <https://www.ngu.no/en/topic/radon-hazards#:~:text=Long%20term%20exposure%20to%20radon,cancer%20each%20year%20in%20Norway>

⁷ Allen and Macomber, 2020, Healthy Buildings, <https://www.fastcompany.com/90506856/we-spend-90-of-our-time-inside-why-dont-we-care-that-indoor-air-is-so-polluted>

⁸ European Commission, Impact Assessment, 2018, https://ec.europa.eu/info/news/questions-answers-energy-performance-buildings-directive-2018-apr-17_en

Airthings sustainability timeline 2020



Highlights in 2020

3 Sustainability Dimensions:



People



Business



Planet

5

Sustainable Development Goals (SDG's) prioritized

9

Key Performance Indicators

11

Material Issues

50

Opportunities identified

Airthings has helped reduce

567

TONNES OF EMISSIONS (ESTIMATE)

through energy optimization from customers businesses and homes

Airthings Main **strategy and values** have been embedded with the UN SDGs

A strong **60/40 ratio** of female and male board members



We are committed to a diverse and inclusive company. We are proud of our diverse working culture which includes **29 nationalities**.

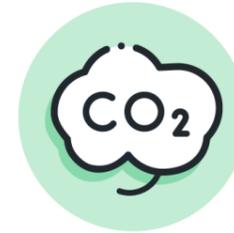


We are committed to become a **Climate Positive Company** by 2026

Over 50%

of Airthings **sustainability impacts** are on the zone of control & high impact

2021 sustainability specific objectives



Quantify Airthings **CO₂ emissions** scope 1, 2 and 3



Create internal **Environmental** and **Human Rights** policies

Create a **GRIEVANCE PLATFORM**

for internal and external stakeholders



Create an Environmental and Social Suppliers **Code of Conduct**



Life cycle assessment >5 of our products

KPIs

Quantify main targets for each of the sustainability **key performance indicators**



Create Airthings **Circular Principles**

Be eligible for a **sustainability certificate and ranking**



Quantify **waste** in our daily business operations

Sustainability key performance indicators



Planet

REDUCE
>1 000 000 tons of CO_{2e}
 through energy optimization in buildings and homes by 2026

BECOME a **CLIMATE POSITIVE** company by 2026



ACHIEVE ZERO WASTE
 in our daily business activities by 2026



People

ENABLE
>4 000 000
 people to breath healthier air by 2026

COMMITTED to build a **DIVERSE & INCLUSIVE** company



ZERO
 HARASSMENT OR HUMAN RIGHTS VIOLATIONS



Business

EDUCATE
>1 000 000
 children about air quality by 2026

GAIN a **GOLD RATING** from Ecovadis Sustainability



All **NEW PROJECTS** to be measured by Airthings

CIRCULAR PRINCIPLES



Health awareness partners



Sustainability Organizations and Commitments

The 10 UN Global Compact Principles:

Human Rights	Labor	Environment	Anti-Corruption
<p>PRINCIPLE 1 Businesses should support & respect the protection of internationally proclaimed</p>	<p>PRINCIPLE 3 Businesses should uphold the freedom of association & the effective recognition of the right to collective bargaining</p>	<p>PRINCIPLE 7 Businesses should support a precautionary approach to environmental challenges</p>	<p>PRINCIPLE 10 Businesses should work against corruption in all its forms, including extortion & bribery</p>
<p>PRINCIPLE 2 and make sure that they are not complicit in human rights abuses</p>	<p>PRINCIPLE 4 the elimination of all forms of forced & compulsory labor</p>	<p>PRINCIPLE 8 Undertake initiatives to promote greater environmental responsibility</p>	
	<p>PRINCIPLE 5 the effective abolition of child labor</p>	<p>PRINCIPLE 9 Encourage the development & diffusion of environmentally friendly technologies</p>	
	<p>PRINCIPLE 6 the elimination of discrimination in respect of employment and occupation</p>		





AIRTHINGS

Progress Report

Airthing's approach to sustainability

Airthings is a purpose-driven company that cares about making a difference for our people, planet and the way we do business by empowering the world to breathe better. As leaders in indoor air quality with a focus on the health and wellbeing of homes and businesses alike, it is only natural to assume that sustainability is close to our values. 2020 was a milestone year for Airthings as we started our sustainability journey using the United Nations (UN) Sustainable Development Goals (SDGs) as a framework to create our own Airthings sustainability strategy.

Our goal is for our values to be completely aligned with the 3 sustainability dimensions; people, planet and economy. We should pursue economic growth without causing harm to

the environment and taking good care of the people involved in our value chain. There is a long road ahead of us before we are considered a sustainable company. This report explains our understanding of the importance of this goal, and how much we value it.

As the first commitment to a real plan of action, we decided to join the UN Global Compact. The voluntary initiative aims to implement universal sustainability principles and align operations and strategies. These include human rights, labor, environment, anti-corruption and take actions that advance societal goals.

To embrace the commitment to these principles, Airthings created a passionate team of



12 volunteers from a wide variety of Airthings departments and nationalities who helped shape Airthings future of sustainability. We have called them the "Sustainability Ambassadors," and with them, we made our Environment, Social and Governance (ESG) self-diagnosis, where we studied all the UN Global Compact Principles and the SDGs. The Sustainability Ambassadors aim to create a holistic sustainability strategy for Airthings in order to embed the UN Sustainable Development Goals in the Airthings core business strategy.

To achieve this, we set a closed-loop strategy where there is constant feedback in each of the stages (see figure to the right):

First, we had to analyze how Airthings manages sustainability today. To do so, we analyzed our current situation against the Sustainable Development Goals and prioritized our efforts. Secondly, we make a plan of where we want to be, by setting goals for each of the material issues that have an impact on Airthings value chain. Finally, we analyzed how we could make this happen, and planned actions to improve our impacts.

In our first year, we have done a full cycle through qualitative analysis, achieving results and taking actions that will be explained later in this report. Our goal for the second year is to make a quantitative analysis on these impacts to have quantifiable goals and act accordingly.

STRATEGY



How is Airthings today?

For this first cycle, we made a series of workshops with our Sustainability Ambassadors, a self-diagnosis methodology. Where we worked on identifying how Airthings applies or could apply its skills and capabilities to provide products, services or investments that contribute towards achieving the SDGs.

- The SDG Level of relevance & prioritization
- Identified the major positive and negative impacts (direct and indirect) and risks in the value chain based on the SDGs targets
- Identified major direct opportunities and risks in the value chain based on the SDG targets
- The severity of these impacts on people and the environment
- Which targets we contribute through Airthings products
- Matrix on the severity of the impact against the likelihood and control on the impact to occur
- Identified the material Issues
- A materiality matrix involving internal and external stakeholders
- Embedding the sustainability dimension (Planet, People and Governance)
- Sustainability main action plan for 2021

We have identified that our sustainable dimensions are aligned with our core values and therefore play a central role:

To **love** the planet and its people's health and well-being by building an agile organization that cares about making a difference.

To **dare**, innovate, be curious, and make a difference in the way we do business and empower



our employees to reach their goals and good work-life balance.

To **focus** on creating the best experiences and solutions, on our customers, processes, and quality by doing no harm to our environment while scaling innovative accessible solutions to serve a global market.

Positive impacts

- CO₂e emission mitigation through energy optimization from our customers' energy consumption
- Customers health and wellbeing by empowering our customers to breathe healthier air
- We are committed to high diversity and an inclusive workplace

Potential risks based on the technology sector

- Potential risk on human rights violations in the supply chain (mineral sourcing)
- CO₂e emissions in our value chain (special focus on Scope 3, indirect, upstream and downstream)
- Environmental impact in the life cycle of the products (focusing on e-waste)
- Gender imbalance in the tech sector

Focusing on priorities through stakeholder engagement

Throughout the 2020 year, overcoming the Covid 19 pandemic, we have been able to keep our stakeholders involved in every aspect of preparing the Airthings Sustainability Strategy. We worked very closely with our internal and external stakeholders to build a resilient strategy and we strongly believe that this close relationship encourages a chain reaction and a shared commitment.

Throughout its workshops and surveys, Airthings identified its challenges that were mapped against the Sustainable Development Goals. This exercise will be done every 2 years to update any changes in the priorities, based on our stakeholders' investments and goals.

Our stakeholders have different interests, expectations and interactions with Airthings and

the sustainability challenges. Throughout 2020, stakeholders have been essential in the development of the sustainability strategy. Internal stakeholders have been the most involved as they have worked in briefings and meetings, including the Airthings Annual Strategy Summit where sustainability played a big role in its development.

There were over 5 different groups of workshops involving Airthings employees and the leadership team. We identified our material issues based on the SDGs and the 3 business standards for sustainability engagement: Environment (planet), Social, and Governance (ESG), in the Material Issues table opposite, you are identified:

Stakeholders Involved

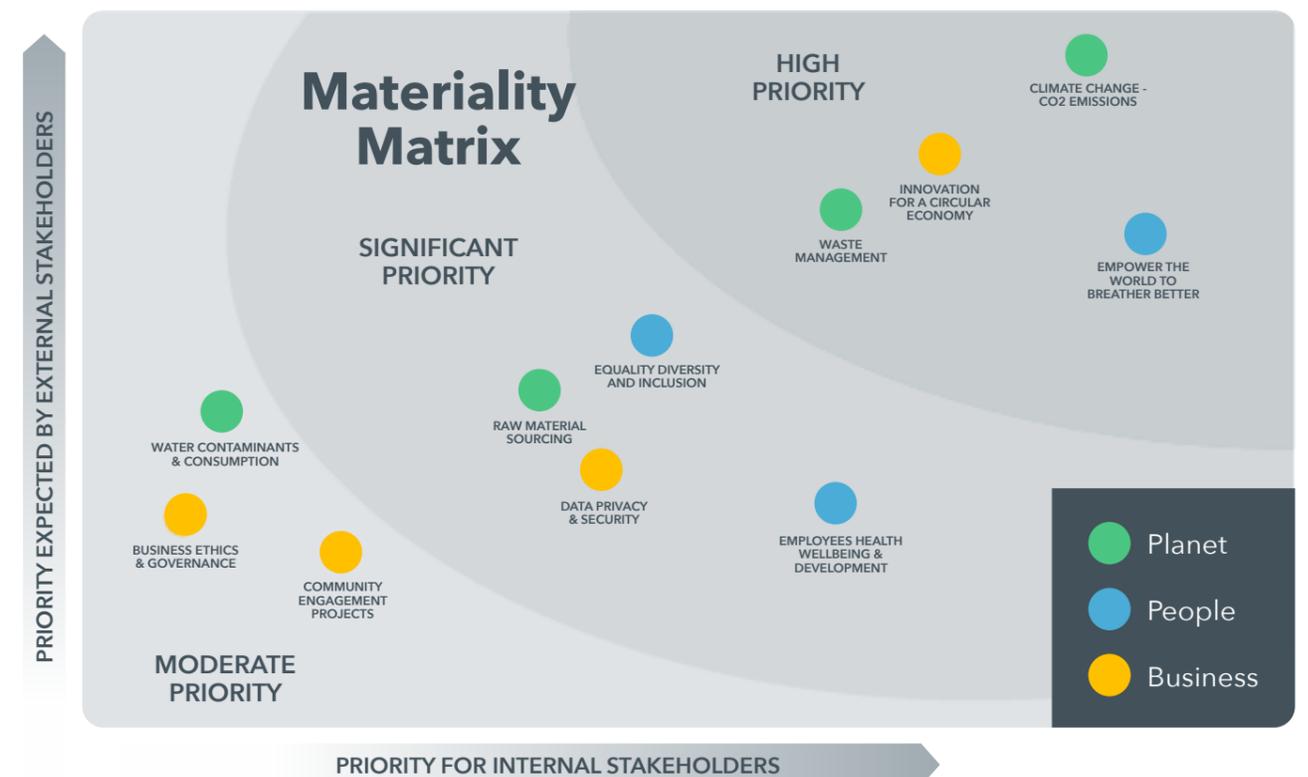


Material issues



The first annual sustainability survey took place to help set the base for the prioritization of our challenges, opportunities and our Sustainable

Development Goals. Every internal and external stakeholder was involved. The outcome of this assessment is illustrated in the next figure:



We found using the material matrix a prioritization for a call to action by internal and external stakeholders. The most significant are in Climate Change and Greenhouse Gas (GHG) emissions, our mission to empower the world to breathe better and waste management in our supply chain. It should be noted that the other 2 high priorities in innovation for circular economy and the life cycle of our products are interrelated to the rest of the material issues, as they will be essential to achieve our environmental goals. The material issues on social aspects come as a significant priority to address in our next year, focusing on how to improve the employees' development health and wellbeing and focusing on the security of data from our customers.

We are working on measuring each of the indicators stated above during 2021 to create a baseline figure of the data from 2019 since 2020 was an extraordinary year, with lockdowns, decreased business travel, and employees working remotely.

UN Sustainable Development Goals (SDGs) priorities

The United Nations Sustainable Development Goals (SDGs) are 17 goals adopted by all UN member states. It provides a shared framework and a call to action for peace and prosperity for people and the planet by 2030. These goals have become the pillars for our framework and we are committed to embedding them in all aspects of our business strategy.

All of the SDGs are interconnected and to be able to focus our efforts and create an achievable and reliable strategy, we have prioritized 5 SDGs that sum up these interconnections:



"SDG3 - Good health and wellbeing: Ensure healthy lives and promote well-being for all at all ages". This SDG is in the DNA of Airthings mission as we foresee

improving people's health and wellbeing. Our products are designed to help people take control of their air quality, ensuring a healthy lifestyle by empowering them to breathe better. Likewise, we want to ensure our employees and the people involved in our supply chain are able to access a balanced life and wellbeing.



"SDG8 - Decent work and economic growth: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all."

Our employees are our most important assets and we treat them equally no matter gender, cultural background or disabilities. We are very proud of our diverse team with 30 nationalities and counting.



"SDG 11- Sustainable cities and communities: Make cities and human settlements inclusive, safe, resilient and sustainable." Innovation is the essence of Airthings. We dare

to create loveable experiences and technology solutions to help buildings improve their indoor air quality, therefore improve the health and

productivity of their occupants. As well as in solutions for reducing the energy consumption in buildings.



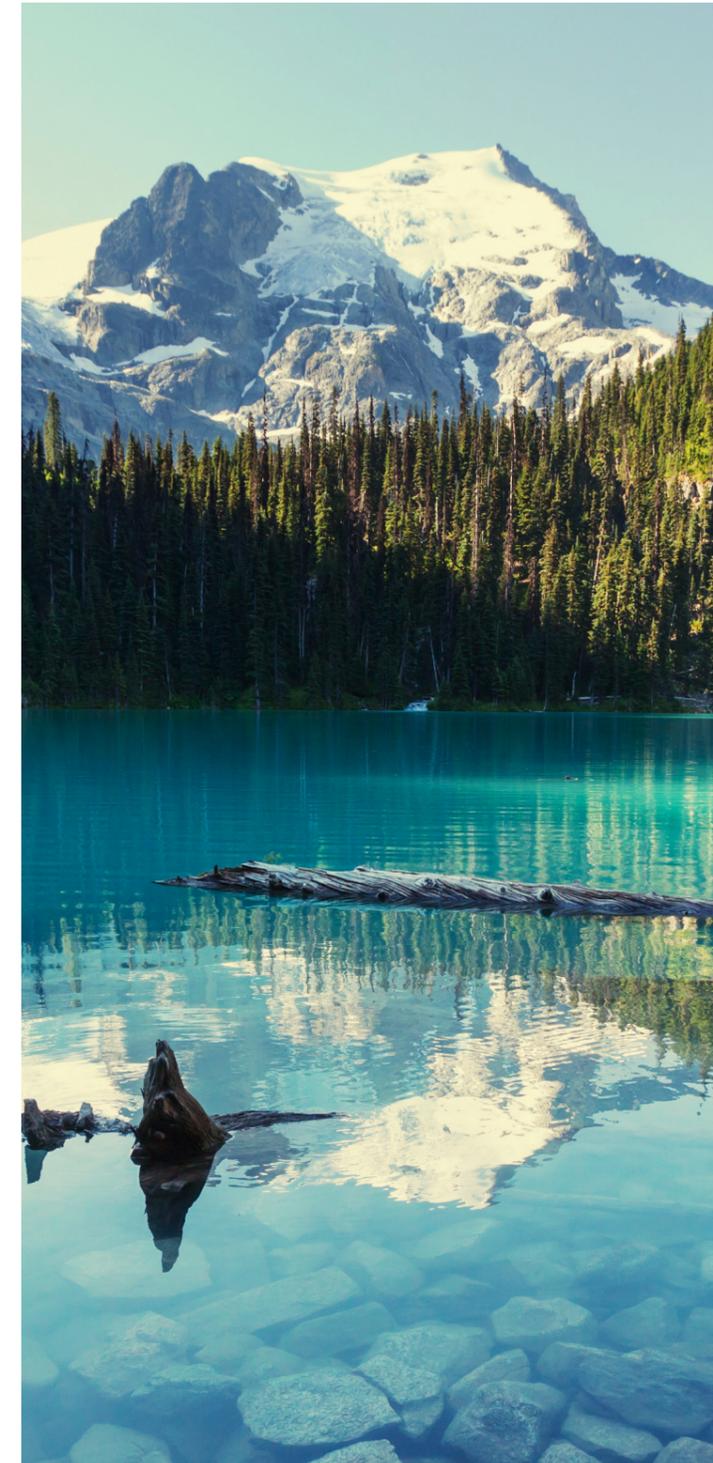
"SDG 12- Responsible consumption and production: Ensure sustainable consumption and production patterns." As a growing company, we are aware of the responsibility

this upholds. Therefore we are going deep into our value chain, and analyzing our social and environmental impacts. We want to improve our unsustainable practices in our value chain by developing an innovative business model to feel proud of.



"SDG 13: Take urgent action to combat Climate Change and its impacts". There is no doubt that the biggest challenge humanity is facing is mitigating Global Warming

and resilience to Climate Change. We take this issue seriously using external and internal efforts. Our solutions offered to customers are able to decrease up to 25% of the energy consumption in buildings, in a sector that accounts for 40% of the total global energy consumption, tackling directly the mitigation of direct GHG emissions. Internally we want to preach by example so we are looking at our product life cycle, collecting the data and the impacts in each of the stages to take actions to decrease its GHG emissions.



Potential environmental and social impact risks



Upstream indirect risks

How and from whom the raw materials are being sourced in the technology industry has one of the largest social and environmental risks according to our research. The potential risks include topics like child labor, abuses on human and labor rights and hazardous chemicals. To avoid these risks we will take action by using certified suppliers following our goals in these subjects. It is essential to certify our supply chain by purchasing goods and services from sustainable certified companies. For electronic equipment, we could follow the Responsible Business Association, and the Responsible Mining Association Standards and policies for screening our supply chain environmental and social impacts. We will create grievance mechanisms and whistle-blowing platforms for anyone linked to our supply chain, so we can take further action.

Airthings manufacturing is outsourced to companies located in Norway, Tunisia and Israel. According to the World Wildlife Fund (WWF 2020), Tunisia and Israel, are countries with high risk of water scarcity, therefore it is important we start monitoring together with our stakeholders the amount of water consumed, and create an environmental and social suppliers code of conduct where waste management is prioritized. We have the responsibility to look deep into these risks and make them an opportunity for improving the conditions and wellbeing of the people involved in our supply chain and the environment.

Operations direct and indirect risks

As a global brand in different markets around the world, the logistics of our operations require a high emission of GHG to transport our goods to our customers. Likewise there is an impact within the energy consumed by data centers, the environmental burden from the Product Circuit Board (PCB) and batteries. Therefore this is an opportunity to improve our operations to be able to help in the mitigation of climate change and improve in gender roles and our employees wellbeing. We are participants at the UN Global Compact, and we are establishing our goals for the next few years to come to improve and mitigate all of the different risks.

Downstream indirect risks

As an electronics company, the downstream side of the value chain has high risk regarding the batteries used by our devices. The way they are treated at the end of life is part of the challenge we face so our products are recycled in a proper manner. The life expectancy of the products shall be increased, likewise the reparability of the products and simplifying for the customer the separation of the materials for the recycling process. This is an opportunity for rethinking our products and design based on Airthings circular principles, which will be stated as one of our goals for 2021.

Where do we want to be?

In the second step of our first-year strategy, we analyzed the priorities established in the first stage and created measurable indicators for the different dimensions and challenges. There are 9 main KPIs; 3 in each dimension, Planet, People and Governance:

Main sustainability KPIs



Planet

REDUCE
>1 000 000 tons of CO_{2e}
through energy optimization in buildings and homes by 2026

BECOME a CLIMATE POSITIVE company by 2026

ACHIEVE ZERO WASTE in our daily business activities by 2026

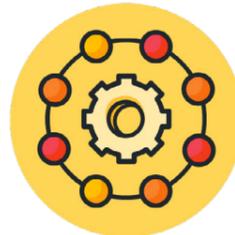


People

ENABLE
>4 000 000 people to breath healthier air by 2026

COMMITTED to build a DIVERSE & INCLUSIVE company

ZERO HARASSMENT OR HUMAN RIGHTS VIOLATIONS



Business

EDUCATE
>1 000 000 children about air quality by 2026

GAIN a GOLD RATING from Ecovadis Sustainability

All NEW PROJECTS to be measured by Airthings
CIRCULAR PRINCIPLES

Airthings sustainability KPIs and SDGs

Planet

Our devices are able to decrease energy consumption in buildings and homes. Since people spend 90% of their time indoors (Allen and Macomber, 2020⁹), they require a high amount of energy consumption to keep buildings comfortable and with good air circulation. Therefore, buildings in Europe alone are the largest energy consumer, accounting for approximately 40% of EU energy consumption or 36% of the total CO₂ emissions in Europe (European Commission Report, 2018¹⁰). With Airthings devices and solutions we are able to optimize ventilation and help customers decrease their energy consumption up to 25%, which translates

into a direct reduction of CO₂ emission. Approximately 10% of energy consumption can be saved by optimizing heating, ventilation and air conditioning, while on average during operating hours, 15% of energy consumption can be saved by aligning indoor and outdoor pressure.

Therefore, we have set a goal to reduce >1.000.000 accumulated CO₂ tons through energy optimizations in our customers' buildings and homes by 2026. By the end of 2020, we helped reduce an estimated 567 tons of CO_{2e} emissions. That's equivalent to a year of use of 138 fossil fuel cars since we started with this project in mid 2020. This leads to the high potential of our technology to mitigate CO₂ emissions.

 PLANET	KPI: Reduce >1 000 000 tons of CO₂ through energy optimization in buildings and homes by 2026	
Material Issue	UN Sustainable Development Goal	Target from the sustainable development goal to tackle
 Climate Change - CO ₂ Emissions	 13 CLIMATE ACTION	Target 13.1. Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries (in our case business units) Target 13.3. Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning
DESCRIPTION: Airthings technology enables customers to reduce their total energy consumption up to 25%, this is a direct mitigation strategy for preventing CO _{2e} being emitted to the atmosphere.		

⁹ Allen and Macomber, 2020, Healthy Buildings, <https://www.fastcompany.com/90506856/we-spend-90-of-our-time-inside-why-dont-we-care-that-indoor-air-is-so-polluted>
¹⁰ European Commission, Impact Assessment, 2018, https://ec.europa.eu/info/news/questions-answers-energy-performance-buildings-directive-2018-apr-17_en

 <p>PLANET</p>			<h2 style="text-align: center;">Become a climate positive company by 2026</h2>		
Material Issue	UN Sustainable Development Goal	Target from the sustainable development goal to tackle			
 <p>Climate Change - CO₂ Emissions</p>	 <p>13 CLIMATE ACTION</p>	<p>Target 13.1. Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries (in our case business units)</p>			
		<p>Target 13.3. Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning</p>			
<p>DESCRIPTION: Substantially reduce Airthings CO₂e footprint per product sold aiming to contribute the Paris agreements.</p>					

We are committed to treat Climate Change as it is, a global emergency. We have recognized our CO₂ emissions in the life cycle of our products and our operations. Therefore, we not only want to help our customers reduce their energy consumption, but we also want to look deep in our value chain and understand our GHG emissions impact. By measuring the GHG emissions in the value chain, we will set measurable direct targets to reduce significantly our emissions through the life cycle caused per product. In 2021, we will start a life cycles analysis

of our products to measure the environmental burden in each stage and make a realistic target based on the Paris Agreements and the direct impact of our products. As part of the main goals for 2021 we will create with our main suppliers, as a participant collaboration methodology, a Suppliers Code of Conduct that will include environmental policies for our suppliers. We will become positive by reducing our direct and indirect emission against the capacity of our technology to reduce energy consumption and prevent CO₂e emission in the atmosphere.



Activity Data Per Reporting Period					Emission Factors	Calculated Emissions	
Year	Facility Location	Location	Quantity of energy total yearly (kwh)	sqm space (m ²)	CO ₂ e emission rate g Co ₂ e/kwh (therms to Co ₂ e)	CO ₂ e (kgco2e)	Total CO ₂ Emissions per year
2019	Nordic Pool Facilities	Oslo Electricity	135,832		121	16,436	25,206
		Oslo Heating System	87,943		94	8,267	
		Bergen	4,167	50	121	504	
2020	US Facilities	Geneva, Chicago Electricity	5,460	715	141	3860	27,739
		Geneva, Gas Electricity (unit in therms)	646	715	5.3	3,424	
	Nordic Pool Facilities	Oslo Electricity	111,043	1,266	121	13,436	
		Oslo Heating System	58,078	1,266	94	5,459	
		Stockholm Sept Electricity	133	26	121	16	
		Stockholm Sept Heating	311	26	100	31	
Bergen	12,500	50	121	1,513			

Regarding Scope 3, indirect emissions from downstream and upstream operations, we are currently working on calculating these emissions. Following this, we are having a Life Cycle Assessment for our products in order to understand our environmental burden in each of the stages of our products. These numbers will be disclosed in the 2021 report.

Greenhouse gas emissions data

We have started to monitor our GHG emissions following the guidelines of the GHG Protocol framework of Scope 1, 2, and 3 management. Considering this, there is no GHG emissions from Airthings Scope 1, because as of 2020 we don't own any vehicles or any other means of transportation and we don't produce our energy in any of our operations, therefore the focus of our emissions are in scope 2 and 3.

Using 2019 as a baseline, regarding Scope 2, purchased electricity steam, heating and cooling in rented spaces, there was an increase in our total energy consumption. This is mainly because we have grown in size and number of employees, and rented space for working. The increase of energy was not proportional to

the growth of employees and space due to the current pandemic of COVID-19 that has established remote working conditions. We are not able to measure the energy consumed by each of the employees in their homes. Therefore, we took into account the rented spaces in Norway (2019-2020), Sweden and USA (2020). For the USA we used the greenhouse gas calculation tool from the Environmental Protection Agency (EPA) and for the Nordic countries we used the energy mix conversion rate for the Nordic countries.

Regarding Scope 3, indirect emissions from downstream and upstream operations, we are currently working on calculating these emissions. Following this report, we will start a Life Cycle Assessment for our products in order to under-

 Achieve zero waste in our daily business activities by 2026		
Material Issue	UN Sustainable Development Goal	Target from the sustainable development goal to tackle
 Waste Management  Raw Material Sourcing  Water Contaminants and Consumption		Target 14.1. By 2025, prevent and significantly reduce marine pollution of all kinds, in particular from land-based activities, including marine debris and nutrient pollution
		Target 15.5. Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and, by 2020, protect and prevent the extinction of threatened species
		Target 12.1. Implement the 10- Year Framework of Programmes on Sustainable Consumption and Production Patterns, all countries taking action, with developed countries taking the lead, taking into account the development and capabilities of developing countries Target 12.4. By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their lifecycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment Target 12.6. Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle
		Target 6.4. By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity
<p>DESCRIPTION: Create a reduction strategy for waste management in the value chain with a focus on shipping, product packaging. Therefore, we shall establish recycling policies for our products design and teach our customers how to recycle our products properly. Create a reduction strategy for water consumption in our main offices and manufacturers that are located in water-risk countries and minimize hazardous chemicals from the production line.</p> <p>We will aim to engage with ethically certified companies for our raw materials and components. We are aware of the big environmental and social burden in the Tech Sector.</p>		

stand our environmental burden in each of the stages of our products. These numbers will be disclosed in the 2021 report.

The main goal for 2021 is to formalize our policies and create an internal environmental code of conduct and waste management policy. Waste throughout our operations and shipment is a challenge we want to overcome. This is why we want to make a significant reduction of our

waste and limit our plastics from shipment per product sold by 2025. We need to start quantifying this data to be able to disclose a real number. Making this quantifiable analysis is one of the main goals for 2021. Our packaging is also being evaluated to minimize our plastics in shipping. The main goal is also to create an internal environmental code of conduct.

People

We are on a mission to empower the world to breathe better. With such a global perspective, we have chosen the goal of helping over 4,000,000 people breathe healthier air by 2026. This is why we have established a business model where buildings and businesses are able to constantly monitor their indoor air quality, therefore enabling more people to breathe better. We are currently quantifying our data and how to make the best estimates to calculate the direct health impacts of our products.

On average, people spend 90% of their time indoors. It is shocking though, that the air we breathe most—indoor air—is often 2 to 5 times worse than outside (Allen and Macomber, 2020¹¹). Radon gas for instance, gets trapped indoors, killing more than 20,000 people every year in Europe, 21,000 in the US and over 350 in

Norway alone (European Commission 2004, EPA 2016, NGU 2017¹²).

There is also particulate matter (PM 2.5) which comes from city pollution, combustion from cooking and fireplaces, as well as wildfires, and from dust and other allergens. PM 2.5 is a known factor in heart attacks and cancer and the leading cause of death due to poor air quality, causing an alarming rate of 379,000 premature deaths in Europe (Miljodirektoratet, 2020¹³). Also very important, good air quality is proven to help with sleep, decision making, focus, productivity and overall well being. Just recently with the pandemic, these facts have come to the forefront in the news.

With Airthings air quality monitors, simple changes at home, at work, at school, make a big difference in our overall health, safety and wellbeing. Monitoring and learning about the air we breathe will empower us to breathe better,

 Enable >4 000 000 people to breathe healthier air by 2026		
Material Issue	UN Sustainable Development Goal	Target from the sustainable development goal to tackle
 Empower the World to breathe better		Target 3.9. By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination
		Target 3.4. By 2030, reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being Target 11.6. By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management
	<p>DESCRIPTION: Empower the world to breathe better by daring to innovate and making a difference, while loving our people our planet and our products. Focus on creating the best experience for our customers.</p>	

¹¹ Allen and Macomber, 2020, Healthy Buildings, <https://www.fastcompany.com/90506856/we-spend-90-of-our-time-inside-why-dont-we-care-that-indoor-air-is-so-polluted>

¹² WHO, World Health Organization 2014. https://www.who.int/phe/health_topics/outdoorair/databases/faqs_air_pollution.pdf

¹³ European Commission, Impact Assessment, 2018, https://ec.europa.eu/info/news/questions-answers-energy-performance-buildings-directive-2018-apr-17_en

 Committed to build a diverse and inclusive company		
Material Issue	UN Sustainable Development Goal	Target from the sustainable development goal to tackle
 Equality, Diversity and Inclusion	 4 QUALITY EDUCATION	Target 4.4. By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship Target 4.7. By 2030, ensure that all learners acquire the knowledge and skills needed to promote sustainable development, including, among others, through education for sustainable development and sustainable lifestyles, human rights, gender equality, promotion of a culture of peace and non-violence, global citizenship and appreciation of cultural diversity and of culture's contribution
	 3 GOOD HEALTH AND WELL-BEING	Target 3.4. By 2030, reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being Target 3.8. Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all
 Employee health, Safety, Wellbeing & Development	 10 REDUCED INEQUALITIES	Target 10.2. By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status Target 10.3. Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard
	 5 GENDER EQUALITY	Target 5.1. End all forms of discrimination against all women and girls everywhere
	 8 DECENT WORK AND ECONOMIC GROWTH	Target 8.5. By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value
DESCRIPTION: Manage the health, safety and wellbeing of our employees, while providing a work environment that enables a healthy work-life balance. Create internal strategies for attracting, retaining and developing our employees' education to ensure the success of the business while maintaining and encouraging a strong Airthings culture.		

and change our habits from our indoor routines to circulate the air.

We are committed to being a diverse and inclusive company. As a tech company, we have the challenge to balance the gender inequality gap. Therefore we are setting it as a target of a minimum 60/40 gender balance ratio in employees by 2026. Meaning not only on closing

the gap on the number of women employed by Airthings, per team and position, but also make a calculation on salary disparities. We have also closed the inequality gap in our board of directors, today there are 3 women and 4 men. We are planning how we can close the gender gaps but, we are still pursuing the best candidates in the team, and hiring will be based on

 Zero harassment or human rights violations		
Material Issue	UN Sustainable Development Goal	Target from the sustainable development goal to tackle
 Equality, Diversity and Inclusion	 10 REDUCED INEQUALITIES	Target 10.2. By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status
		Target 10.3. Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard
 Employee health, Safety, Wellbeing & Development	 8 DECENT WORK AND ECONOMIC GROWTH	Target 8.7. Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms
		Target 8.8. Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment
DESCRIPTION: Create a strategy that ensures the abolition of child and forced labor in our supply chain.		

qualifications and not gender-based. We want to encourage more women to join the tech sector and we are creating a strategy to do so. We will create a training program to emphasize awareness of inclusivity and diversity as well as what everyday inclusive action looks like, internally and externally with our main manufacturers.

Multiculturalism has been established as our greatest strengths at Airthings. Therefore we have set a goal that 1 nationality that doesn't weigh any more than 50% of the total employees. We will also establish ourselves as a global company by reaching over 40 nationalities by 2026. By the end of 2020 we have counted 29 nationalities. As a Norwegian-based company, the highest percentage with 47% of the workforce comes from a Norwegian background, but we are still committed to being a global company and with a global perspective on inclusivity and diversity.

We have established a goal where the Airthings value chain is 100% free of human rights violations and harassment every year. We have a formal grievance mechanism internally and we

want to establish a formal external grievance mechanism for our supply chain, this is a priority for the sustainability goals for 2021. We will reevaluate our internal code of conduct, and invite employees to an annual human rights training. As well as writing together with our main suppliers a Suppliers Code of Conduct that will include human rights policies for our suppliers. Employees from our main suppliers should receive at least one year of training on this Code of Conduct. We want to establish relationships with suppliers that are certified within sustainable practices. We want to create capacity building workshops for employees and main manufacturers to emphasize the importance of human rights and explain the grievance mechanisms methodology.

In 2020, the number of full-time employees at Airthings was 79, an increase of 35 compared to last year. Airthings employees are satisfied with the working environment and Airthings continuously strives to further improve the working environment. Sickness absence



amounted to 0.66% (1.5% including child care days due to Covid-19) in 2020. No personal injuries or damage to material was registered in 2020. Employee representatives serve on the company's board.

At the end of the year, 27% of Airthings employees were women. The tech industry in general is characterized by a low share of female employees. To counter this, Airthings works

systematically to improve the share of female employees at all levels. One of the company's objectives is to offer equal salary levels and career opportunities regardless of gender. The Board of Directors comprises a 60/40 gender ratio of male and female.

The purpose of the Norwegian Anti-Discrimination Act is to promote equality, safeguard equal opportunities and rights, and prevent discrimination on the grounds of ethnicity, national origin, descent, skin color, language, orientation, religion, or belief. Airthings endeavors to promote the objectives of the Act in its operations with regards to recruitment, wages and working conditions, promotion, development opportunities and protection against harassment.

Airthings strives to be a workplace where there is no discrimination on grounds of disability.



Business

Circular economy will play a big role in the upcoming years for Airthings, in how we do business. All of the company goals and strategies will be measured by Airthings circular principles. The Airthings Circularity Principles have not been established by the end of 2020, but they are one of the main goals for 2021. They will be set as an evaluation mechanism for all our projects, where they will need a certain score to be considered acceptable to proceed. Through these principles we will establish how to extend the lifetime of our products (>10 years), the index of repairability and the access to separate the materials of the product to be easily handled for recycling, so they are treated accordingly in their end of life. We will ensure that extra waste and pollution is kept out of the supply chain, value renewable energy, the business ethics, and data privacy, focus on how

to build inclusive technology, and ensure social fairness from who we are buying the materials and other supplies in our daily business.

We consider it very important to certify ourselves with a 3rd party rating on our sustainable performance. We have chosen Ecovadis as our main route to follow, and we are aiming to be rated for the first time by the end 2021, beginning of 2022, and pursue a gold rating by 2026. We will also pursue other ratings and certificates that will be disclosed when achieved. In 2021 we will also revisit our data privacy and security policies and strategy for the benefit of our customers. As a main goal for governance, Airthings will reevaluate our internal code of conduct, establish a Suppliers Code of Conduct and create grievance mechanisms with methodologies for managing conflict of interests. Within the code of conduct, bribery

BUSINESS		All new projects to be measured by Airthings circular principles
Material Issue	UN Sustainable Development Goal	Target from the sustainable development goal to tackle
<p>Innovate for circular economy</p>	<p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	<p>Target 12.1. Implement the 10 - Year Framework of Programmes on Sustainable Consumption and Production Patterns, all countries taking action, with developed countries taking the lead, taking into account the development and capabilities of developing countries</p>
		<p>Target 12.4. By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their lifecycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment</p>
		<p>Target 12.5. By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse</p>
		<p>Target 12.6. Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle</p>
<p>DESCRIPTION: Build a strategy for extending the lifetime of our products, materials, and components. Create the Airthings Circularity Principles, so we can improve our products' lifetime expectancy, the possibility of our products to be repaired, and simplify the way components can be separated to be properly recycled.</p> <p>Build a Life Cycle Assessment (LCA) of our products that will be able to establish the environmental burden of our products throughout the supply chain, so that we can start designing new products accordingly.</p>		

 Educate >1 000 000 children about air quality by 2026		
Material Issue	UN Sustainable Development Goal	Target from the sustainable development goal to tackle
 Community Engagement Project	 4 QUALITY EDUCATION	Target 4.7. By 2030, ensure that all learners acquire the knowledge and skills needed to promote sustainable development, including, among others, through education for sustainable development and sustainable lifestyles, human rights, gender equality, promotion of a culture of peace and non-violence, global citizenship and appreciation of cultural diversity and of culture's contribution to sustainable development
	 17 PARTNERSHIPS FOR THE GOALS	Target 17.14. Enhance policy coherence for sustainable development Target 17.16. Enhance the Global Partnership for Sustainable Development, complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources, to support the achievement of the Sustainable Development Goals in all countries, in particular developing countries
DESCRIPTION: Playing a meaningful role in the education of air quality to children around the world by giving access to our education platforms and establishing alliances with schools.		

will be unacceptable. There will be formal training every year for all employees and it will also be included during the welcome sessions to new employees, by 2021.

Airthings considers good corporate governance to be a prerequisite for value creation, trustworthiness, and access to capital. To secure strong and sustainable corporate governance, it is important that Airthings ensures good and healthy business practices, reliable financial reporting, and an environment of compliance with legislation and regulations across Airthings Group.

We have established a commitment to be in compliance with all relevant laws, including anti-corruption laws, statement of support for international and regional legal frameworks, and we will create a publicly stated formal policy of zero-tolerance of corruption, which will all be part of our Business Ethics and Governance challenges. Airthings ASA is incorporated and registered in Norway and is subject to

Norwegian law. The shares of Airthings are listed on Euronext Growth. As a Norwegian public limited liability company listed on Euronext Growth, Airthings must comply with the Norwegian Securities Trading Act, the Continuing obligations for companies listed on Oslo Børs, the Norwegian Public Limited Liability Companies Act and all other applicable laws and regulations.

The Company endorses the Norwegian Code of Practice for Corporate Governance (Norwegian: "Norsk anbefaling for eierstyring og selskapsledelse"), issued by the Norwegian Corporate Governance Board, most recently revised on October 17, 2018 with the following exceptions:

- Corporate governance report to be reviewed and made available on the company webpage.
- No current nomination committee, however the board is considering establishing a committee by end of 2021.

 Gain a gold rating from Ecovadis		
Material Issue	UN Sustainable Development Goal	Target from the sustainable development goal to tackle
 Business ethics and governance	 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Target 16.5. Substantially reduce corruption and bribery in all their forms Target 16.6. Develop effective, accountable and transparent institutions at all levels Target 16.7. Ensure responsive, inclusive, participatory and representative decision-making at all levels
DESCRIPTION: Responsible management of our supply chain, working with suppliers to effectively manage environmental, social and governance risks. Respect and protect human rights across all aspects of our operations. Maintain an effective system of corporate governance and build a culture to maintain high ethical standards and integrity. Preparing, and safeguarding the privacy and security of the data collected from our customers by following the ethical guidelines and responding to any cyber attacks that could impact our operations and our customers data.		

- Establishment of an audit committee to be considered. Current responsibilities are handled by selected board members.
- Executive compensation related matters are handled by selected board members, all independent of the company's executive personnel.
- Remuneration of board members are not linked to the company's performance. Board members will not be granted share options, however one board member has obtained options prior to listing.
- Guidelines related to compensation to executive employees will not be presented at the AGM.

Financial reporting in Airthings is built on the reporting from the individual legal entities, which are reported monthly according to a predefined process and reported to the Group Finance team in a standardized format. These financial statements are reviewed by the Group Finance team before being consolidated into a set of consolidated financial statements for the Group. Based on these consolidated financial statements, management in Airthings reports on the financial performance of the Group to the BoD monthly. Furthermore, management prepares detailed quarterly financial reporting which is approved by the BoD and published externally.

The applicable governance principles in Airthings are articulated in a set of corporate governance principles which is approved by the Board of Directors. These apply to all of Airthings' subsidiaries as well as Airthings itself.

Shareholders exercise the ultimate authority in Airthings through the Annual General Meeting, where all shareholders are entitled to attend. The BoD encourages all investors to participate in the AGM.

Let's make it happen— conclusion

This report has presented a holistic overview of Airthings' first year of sustainability and ESG efforts to embed the SDGs and the UN Global Compact Principles into Airthings main strategy. We believe that as a fast-growing company we have the responsibility not only to do good, but to be good, not only to offer quality products for better health and decreased energy consumption, but to look into ourselves and start monitoring our Human Rights, Labor, Environment and Anti Corruption efforts. We believe that our company has good internal practices, and this disclosure offers transparency of our ESG efforts to our external stakeholders.

Our aim with this report has been to describe the details of our first-year outline and how we plan to move forward and achieve the result of embedding the SDGs into Airthings main strategy. Our quantifiable performance will be shared in 2021, since 2020 has been thought of as a baseline to create the strategy. We are starting to monitor each of our specific indicators, and they will be presented in the 2021 sustainability report.

The engagement with our main stakeholders through the value chain, such as our customers, suppliers, employees and investors has been key to the success of making a self-diagnosis and creating a strategy taking into consideration our key players.

Our products have a substantial impact on two main SDGs: #3 Health and wellbeing and #13 Climate Action, which gives us a big advantage as a purpose-driven company where our business model is directly linked not only to doing good for our customers but to being a good company from a holistic perspective.

We will continue our effort in 2021, by quantifying our challenges and taking direct actions in pursuit of responsible environmental, social and business ethical practices. We aim to improve your engagement practices by stating environmental and human rights policies in our internal Code of Conduct as well as our Suppliers Code of Conduct. We aim to understand with quantifiable figures, the environmental and social impact from the life cycle of our products and work together with our main suppliers to improve these issues to increase the value creation of Airthings. Our sustainability KPIs will become the guide to our actions.

There's a fascinating road ahead of us and we are looking forward to continuing this journey and contributing our efforts to achieve the Sustainable Development Goals following the UN Global Compact Principles. The future will only be sustainable if we all act together towards a common goal.



AIRTHINGS

Breathe better. Live better.