



Cubility AS

Sustainability Report

2021

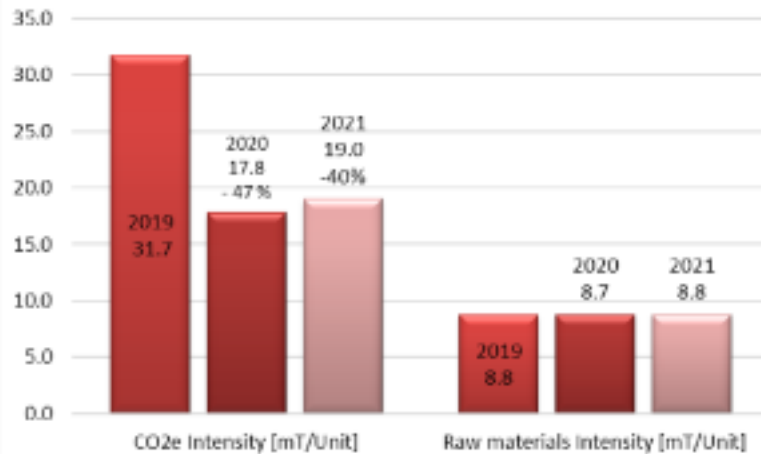
www.cubility.com



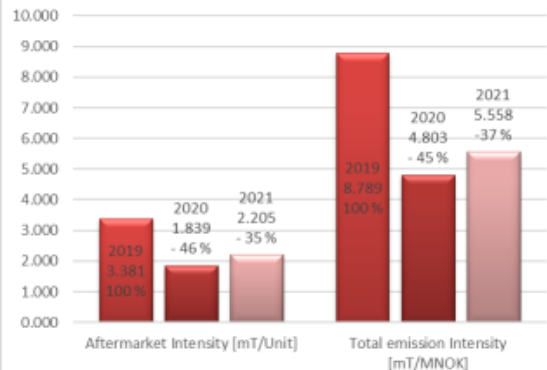
SUSTAINABLE DEVELOPMENT GOALS

Executive Summary

Annual Unit CO2e Intensity



CO2e Intensity vs Revenue



Our climate commitment

No one can do everything, but everybody can do something.

- Cubility will be carbon neutral from 2021. Carbon Offsetting are used to compensate our footprint.
- We will increase the percentage of recycled materials to minimum 50% by 2025.
- We will be using 100 % renewable energy by 2025.
- Cubility should by 2026 have 30% of our revenue from industry segments other than Oil & Gas.
- We will continue to reduce our waste; the waste intensity should be below 200 kg / MNOK revenue by 2025 (20% reduction from 2021).
- More than 80% of our waste should be sorted into correct fractions.
- Remaining waste should either be recirculated or used for energy. Less than 1% waste should be defined as non-used waste by 2025.

Cubility will be a part of the solution to a better future.

About this report

Sustainability is becoming one of the most important and pressing themes of our age. Environmental, Social and Governance (ESG) are the three central factors in measuring the sustainability and ethical impact of a company.

Cubility have been reporting on ESG issues for a longer period with an increasing details year by year. We have during this time built a Management System ensuring the Environment, Sustainability and Governance matters are fully covered and integrated.

Cubility have used 2021 to identify how sustainability responsibility will apply to us and our business. The legal aspects of sustainability are yet not applying to a company as Cubility. However, the moral aspects and responsibility to conduct our business in a sustainable way apply to us all.

Cubility want to ensure that we focus in the areas that matters. We are still learning but believe getting started is the best way to continue our learning process.

ESG factors, though non-financial, have a material impact on the long-term risk and performance of a company. Principally, companies that use ESG standards are more conscientious, less risky and are more likely to succeed in the long run.

The report is the result of data extracted from our ERP system. ESG data have been provided to our owners through a portal at Greenstone+. Greenstone+ provides sustainability reporting software solutions and is providing such reporting to all companies in the Triton Portfolio companies. Financial data guides our decision-making, but the non-financial data you'll find in this report allows us to measure and drive meaningful change.

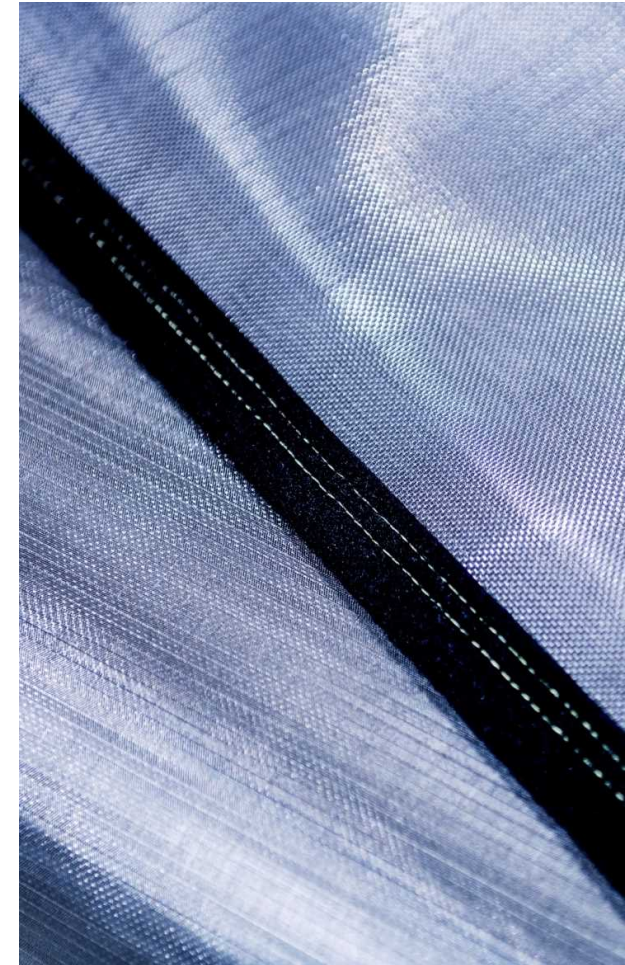
The CO₂e accounting / calculations have been performed by Carbon-Zero, a division of Data Engineering Project s Limited UK.

This report describes the relevance of ESG in the industry that Cubility is operating in. It highlights our key material ESG themes, assesses performance on those themes and provides an action plan to identify further value creation opportunities. The report is updated annually to monitor progress and keep the company focused on achieving our goals.

This report and data herein is also reviewed and approved by the board and management of Cubility.

Note: All judgements are, where possible, based on or backed by analyses conducted by Greenstone+ & Carbon-Zero

www.carbon-zero.uk
www.greenstoneplus.com



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Cubility will be a part of the solution to a better future.

During 2021, Cubility have implemented actions helping us to start this journey towards a responsible and conscious road to meet our targets.

Our focus is on separation solutions and waste treatment, from solids control in the oil and gas industry, to a broad range of applications within fluid treatment in all sectors.

Cubility is traditionally operating in the Oil and Gas industry. We will continue operation in this market segment as our machine is providing a much smaller carbon footprint compared to traditional technology for solids control.

MudCubes are cutting operational cost, reducing waste and reducing carbon emission. The MudCube is part of the solution to reduce the overall impact of such activities until energy transition has made the industry redundant.

This sustainability report for 2021 is published for the first time and marks the start of our reporting and conscious transformation.

We have also performed CO₂e calculations for MudCube operations as well as a complete CO₂e accounting for our operations from 2019 and forward.

Our direct carbon emissions are being reduced (Scope 1 & 2) by installation of more efficient heating systems in our premises. We will identify potential savings in our product related CO₂e footprint (Scope 3) based on the accounting from 2019 and forward.

Cubility are using local suppliers for our products in order to ensure minimum transport of parts in our supply chain.

2020 and 2021 have been special due to the Covid 19 pandemic. We have implemented measures ensuring the wellbeing and safety to our employees. Our employees are considered our most valuable asset. Use of electronic media for collaboration across different locations & borders have been increasingly used by both us, our partners and customers. We will use this momentum to ensure travel activities are maintained going forward within a more sustainable level compared to before the pandemic.

Sustainable business is the only way to perform business going forward.

Kai Preben Sæveland (CEO)



«Compared to conventional methods, the MudCubes are cutting operational cost, reducing waste and carbon emissions. At the same time improving the working environment»

The MudCube provides:

43%

Less CO₂e

35%

Less waste



Better working environment

Contents

Executive Summary	2	Performance on key material themes	
About this report	3	KPI Details	14
CEO Introduction	4	Material use	15
Company at a glance	6	Waste	16
How we operate	7	Energy	17
How we look at Sustainability	7	GHG Emission	18
Managing our key material themes	9	GHG Product	19
Our Achievements / Targets 2021	10 - 11		
How we calculate emissions	12		
How we look at sustainability	13		
Climate Risk & Opportunities	20 - 22		
EU's Taxonomy	23		
ESG Rating by owners	24		
Targeted UN SDG's for Cubility	25		
What's Next	26		

This report applies the Brundtland Commission's definition of sustainable development – that we need to leave the Earth the same or better condition for future generations. Sustainability is a broad concept that covers a range of economic, social and environmental issues. In line with the NSRS process, we focus on climate-related topics first. This allows us to kick-start our sustainability journey and to raise our ambitions with time, eventually covering all dimensions of sustainability

RPT29429-2

What do we do:

- › Cubility's Head Quarters are in Sandnes, Norway. We also have an office in Moscow in Russia that offers sales, customer service and warehousing facilities. Cubility has agreements with selected partners around the world, providing global sales and support services to our customers.
- › Our mission is to deliver innovative technologies that outperform our customers' expectations for efficiency and value for money, while at the same time mitigating the environmental cost of industrial activity, with a vision of a brighter and more sustainable future.
- › Cubility is built by dedicated people who take great pride in developing and manufacturing high-quality products that will outperform your expectations.
- › Cubility was established in 2005, with the ambition to develop an innovative and revolutionary replacement for the traditional 'shaker' systems in the O&G sector. The result of this development work is the **MudCube**, introduced to the industry in 2012.
- › Since then, more than 200 of these unique machines have been delivered to customers across the world. Cubility has later expanded its core technology into other industries, and we promise that there will be more to come.

Our key Stakeholders

- › Customers
- › Business Partners
- › Shareholders
- › Nature
- › Employees
- › Management
- › Board Members
- › Society



Legal form

- › Organisational form: AS
- › Organisational Number: 988 100 242

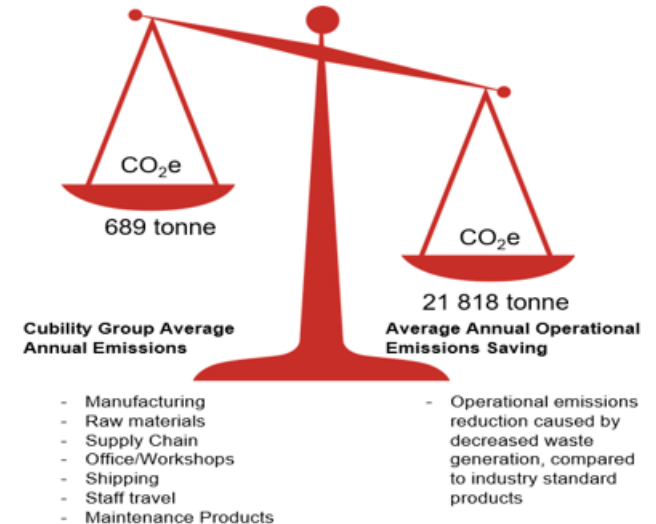
NACE Code

- › 28.92 - Production of Machines & Equipment for mining, quarrying and construction.
- › 09.10 - Support Activities for petroleum and natural gas extraction.

Key Suppliers:

- › Cubility are using 85% local suppliers and the remaining 15% are in North Europe area.
- › This is a conscious decisions based on sustainability principles.

116 MNOK Revenue	30 Full time Employees
0 Accident rate	16% Female on BoD



How we operate

Transparency is the foundation of sustainability reporting. We here invite our stakeholders to understand how we run our organisation by providing insight into our core values, internal management structure and level of sustainability integration.

How Do We Govern Sustainability



Our sustainability decision-makers.

The management and the CEO is our primary decision-makers.

The Board of Directors are mandated the supervisory role.



Non-financial disclosures that have been included in our financial report.

Sustainability, Energy consumption and GHG emission for the respective reporting year is included in the financial report.



Person responsible for reviewing material topics & Head of Sustainability

Knut Haga

VP Production & Supply Chain.



How we integrate circularity into our business model.

Cubility does not currently have a circular economy model. Action for 2022:

Investigate circular economy opportunities.



Management Structure

How we structure management processes.

Cubility AS have a flat organisation whose governance structure has a minimum level of hierarchical supervision and where all employees are involved in these matters. Supply Chain personnel are more than others able to change our way forward. We have also appointed a Head of Governance / Compliance Officer in Cubility. The CEO is the ultimate responsible employee for governance in Cubility.

Committees of the highest governance body.

Our Board of Directors are directly involved in all decision making related to economic, environmental and social topics.



Our Commitments

Our values, principles, standards and norms of behaviour

Cubility is committed to responsible business practices and to conducting business to the highest ethical standards.

We strive to maintain stable and transparent relationships with all of our contractual 'partners in business' including, but not limited to, our employees, suppliers, advisers, agents, and clients.

As a minimum requirement, Cubility and our partners must adhere to Cubility Policies, to the legislation and regulations prevailing in the countries in which they operate, and to any relevant international regulations related to anti-corruption and business ethics.



Our Core Values

Our values, principles, standards and norms of behaviour.

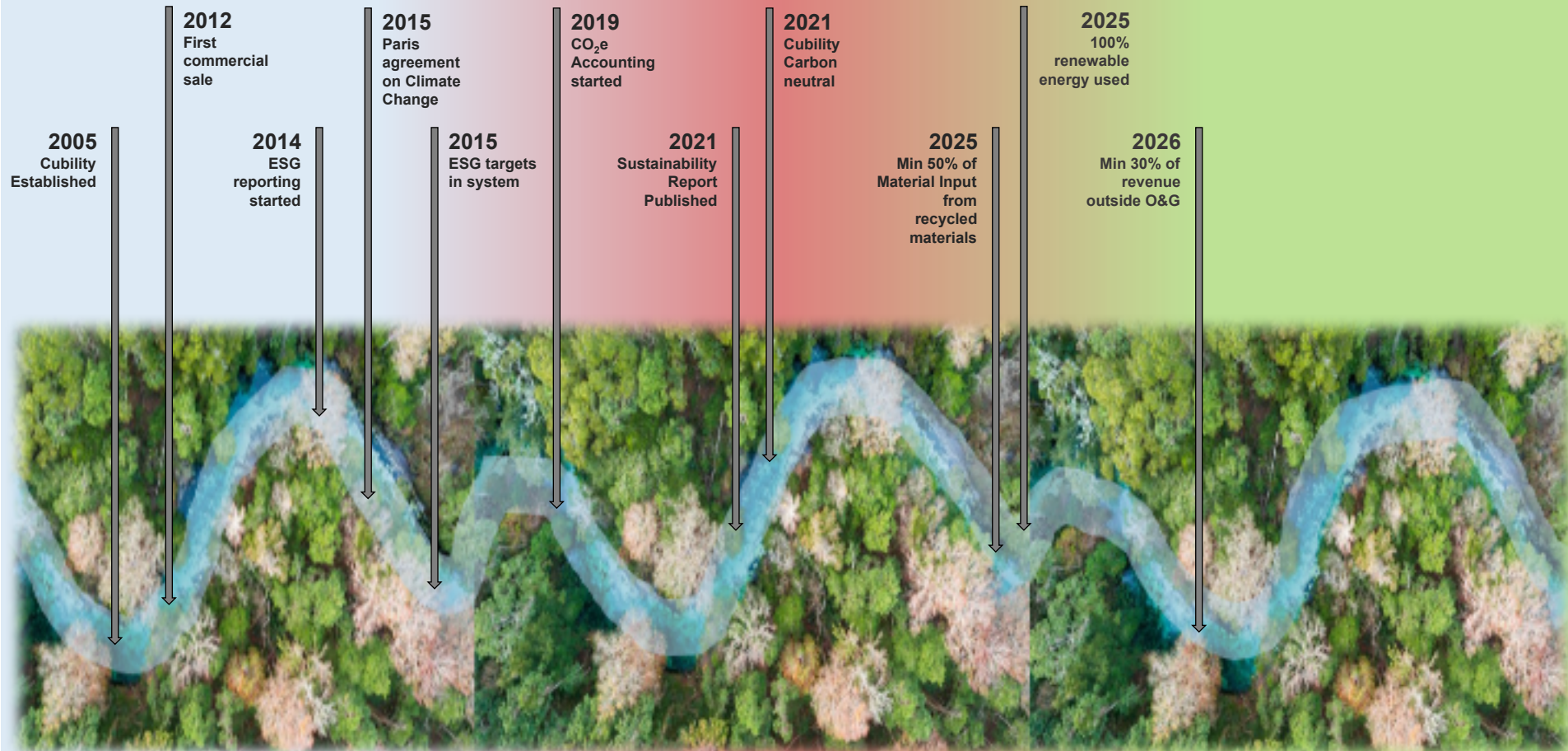
Creativity: We shall be courageous and open-minded in our quest to identify the best mutual solutions together with our 'partners in business'.

Reliability: We shall be a trustworthy company that our 'partners in business' can rely on, and shall aim to deliver to the highest ethical, societal and governance standards.

Efficiency: We shall encourage innovation and pursue efficiency and collaboration together with our 'partners in business'.

Determined: We believe in what we do, and know it takes team effort together with our Business Partners to become the best and deliver quality products and services.

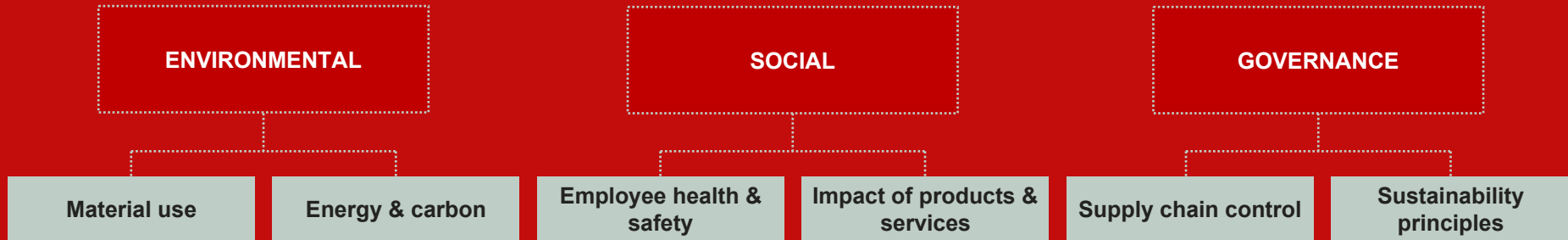
Our path towards a better future



Overview of our key material themes

9

Highlighting ESG themes that are relevant to our business using a materiality map



Material use



- › Cubility are building a machine for challenging processes and 316L is the main material in use.
- › We have performed a CO₂e accounting of the process of sourcing parts, assembly, testing and delivery for the machine. We have also included the aftermarket parts & consumables in this accounting to get the full picture of emissions involved.
- › The outcome of this CO₂e mapping can be used to identify adequate actions to reduce the carbon footprint we currently hold.
- › We will be increasing the demands for recirculated materials in our supply chain to improve our performance going forward.
- › We will also increase our focus on the transport solutions selected in general.

Energy & carbon



- › Cubility works to ensure that its business activities are energy efficient and that the environmental impacts are reduced wherever possible.
- › Travel activity need will be further challenged to maintain the lowest possible activity for such beyond 2021.
- › We are in the process of installing further air to air heat pumps to replace the Natural Gas heating system in place for our facilities.
- › The test center are currently using a lot of electrical energy in combination with diesel-based heating for the fluids used. We will establish more effective solutions for testing from approx. mid 2022.
- › Our CO₂e accounting have been performed for 2019 and forward. This will provide a solid basis for focus and improvement going forward.

Employee health & safety



- › Occupational health & safety (H&S) is top priority in the organization with inspections conducted on a quarterly basis.
- › Cubility strive to form a dynamic organization based upon teamwork, with competent and motivated employees who take responsibility for meeting customer requirements and achieving our vision and goals.
- › Absenteeism have traditionally been low in Cubility. Our performance have been in the area of 3,6% to 1,5% in 2016-2021. We have registered 2 ea. First aid accident from 2016 -2021.
- › H&S issues are reported and discussed by the board on a regular basis. An online handbook gives employees access to Cubility Management System, including H&S policies and regulations.
- › We are performing an Employee Satisfaction Survey on a quarterly basis.

Impact of products & services



- › Our MudCube have an important role to play in the O&G industry. Better filtration results in dryer cuttings. Dryer cuttings is less waste. CO₂e footprint is much lower using MudCube, compared to traditional shaker solutions.
- › We are building our machine in 316 L as this materials is much more durable and does not require sandblasting and surface protection in the challenging environment they are installed.
- › We will be assessing the circular economy possibilities during 2022. We will try to find ways to optimize the value of the waste from consumption parts by others.

Supply chain control



- › Cubility have built a supplier base mainly using local manufacturers / suppliers (85%). This ensure a low CO₂e footprint both from electrical power and transport related to our parts.
- › Remaining 15% of our suppliers are in neighboring countries located in Northern Europe. This is currently approx. 12% of the raw materials. We will try to reduce this further going forward.
- › Our supplier philosophy is also supporting sustainability and governance principles, as exposure in these countries are low and the travel towards better sustainability more developed at this stage.
- › We are screening our suppliers and such screening needs to be conducted minimum every 3 years. Audits and supplier visits are also performed according to ISO 9001:2015.

Sustainability principles




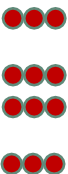

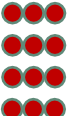








- › Sustainability principles are embedded in our Cubility Management System (Policies, procedures and guidelines).
- › We are performing regular training for our personnel within HSEQ & ESG areas.
- › Our business partners are required to accept our governance through Code Business Ethics and Code of Conduct policies.
- › Cubility has dedicated personnel working on ESG related matters. ESG is an embedded theme in our board reporting/meetings, management meetings as well as Town hall meetings.
- › Top management and the owners of the organization undertake action to promote policies and fully support all objectives, safety measures and procedures as documented in our Cubility Management System (CMS). All employees are expected to do the same.
- › Cubility is ISO 9001:2015 certified and is a supporter of the UN SDG's.

Progress on targets set for 2021

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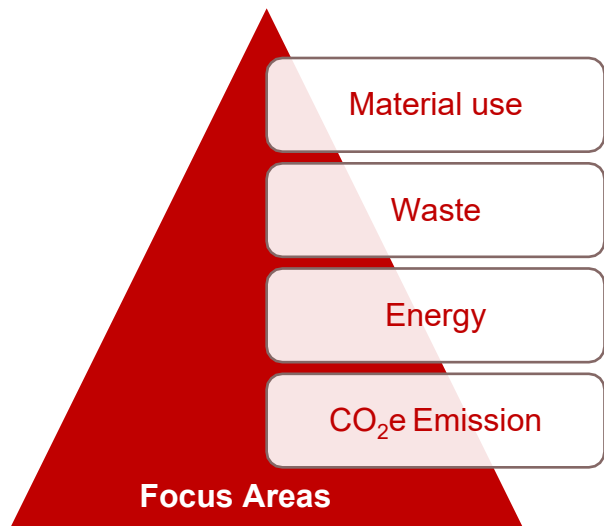
DELAYED 
 IN PROGRESS 
 COMPLETED 

	Targets set	Progress	
 Material use	<ul style="list-style-type: none"> › Calculate material used for 2019 & 2020 as reference. › Perform CO₂e accounting for 2021 as part of our first published sustainability report. 	<ul style="list-style-type: none"> › Done › Done 	
 Energy & carbon	<ul style="list-style-type: none"> › Identify data required and data availability for energy & carbon calculations. › Establish CO₂e accounting system for 2019 & 2020 as reference. › Perform CO₂e accounting for 2021 as part of our first published sustainability report. › Offset all carbon emissions for 2021. 	<ul style="list-style-type: none"> › Done › Done › Done › Done 	
 Employee health & safety	<ul style="list-style-type: none"> › Implement employee satisfaction monitoring tool. › Keep score of employee satisfaction > 4. › Maintaining a zero-accident rate annually. › Maintain general sick leave below target. 	<ul style="list-style-type: none"> › Done › Done › Zero accidents in 2021 › Done 	
 Impact of products & services	<ul style="list-style-type: none"> › Establish CO₂e footprint for MudCube, compared to shaker solution. 	<ul style="list-style-type: none"> › Done 	
 Supply chain control	<ul style="list-style-type: none"> › Conduct supplier inspections in accordance with drafted procedures. › Implement stronger focus on ESG into supplier approval process. 	<ul style="list-style-type: none"> › Due to COVID-19, this target has been postponed. › Done 	
 Sustainability principles	<ul style="list-style-type: none"> › Establish a procedure for Risk assessment of Business Partners . › Conduct review of Corporate Governance Documentation. › Publish Sustainability Report for 2021. 	<ul style="list-style-type: none"> › Done › Done › Done 	

Our climate impact



We aim to play our part in the green and sustainable transition. That means steering our efforts towards the areas where we can contribute the most – that is, where our climate impact is greatest



How to calculate emissions



Greenhouse gas emissions are categorised in three groups or “Scopes” by the most widely-used international accounting tools, the Greenhouse Gas (GHG) Protocol. We have specified which Scope each material topic covers in this report.

Scope 1 covers all direct emissions from the activities of the Cubility Group (Cubility As & Cubility Services AS. This covers fuels, combustion, company vehicles and fugitive emissions.

Scope 2 covers indirect emissions from electricity purchased and used under the organisation. This covers purchased electricity, heat & steam.

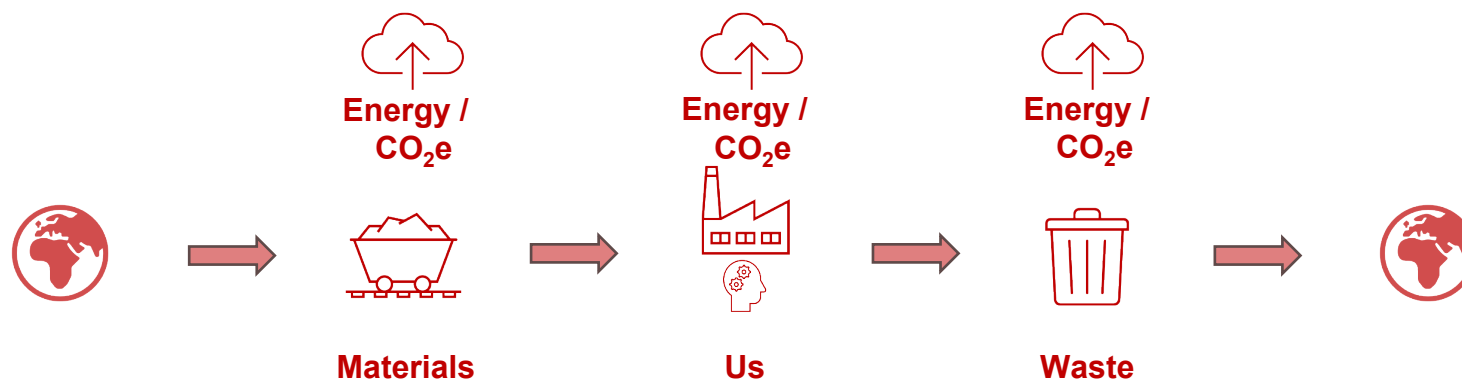
Scope 3 covers all other indirect emissions. Scope 3 are a consequence of the activities of Cubility Group, but occur by from sources not owned or controlled by Cubility. Included as part of our Scope 3 analysis is an assessment of our supply chain, considering the embodied carbon within spent raw materials as well as the manufacturing, shipping and logistics requirements, including travel, of the organisation.

Emissions have been determined using the UK government’s BEIS emission factors database and all overseas business facilities were calculated using a relevant nationally or internationally recognised methodology for assigning carbon emissions.

The results of this assessment have been documented in alignment with the UK GHG Protocol and reported as per scopes 1,2 & 3.

How we look at sustainability

13



- › Materials are the substances we are purchasing – i.e. plastic, wood, metal, fuel etc. to make our product.
- › Resource extraction for material use is responsible for half of the world's carbon emission.

- › Cubility purchase parts, have these transported to us, assemble & test our equipment before these are moved to our customers.
- › Our offices, workshops, test center etc. are defined as our facilities.

- › Waste are unwanted or unusable materials, typically discarded from our facilities.
- › CO₂e are also seen as a waste in this picture. We consider the emission for our facilities, embodied material emission as well as emission from all transport we perform.



Circ. Economy Opportunity

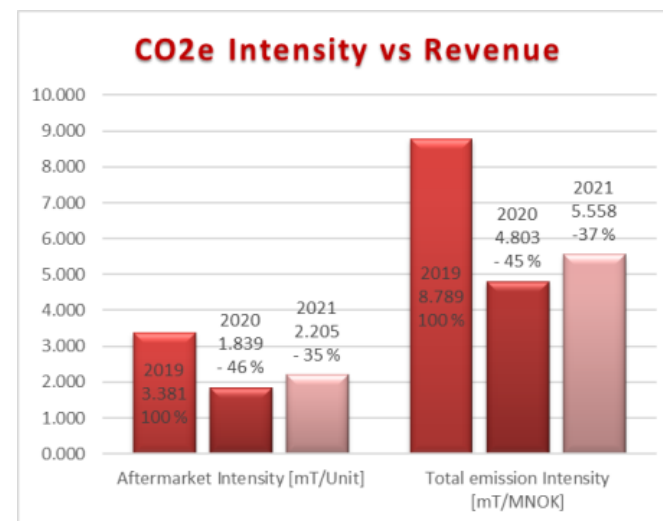
- › Our target is to increase our use of re-circulated materials in our material input.
- › We will investigate further opportunities in 2022.



Circ. Economy Opportunity

- › Our target is to increase recirculation share of our waste while reducing our waste intensity.
- › We will investigate further opportunities in 2022.
- › We will be looking for future possibilities of recirculating materials after primary use by others.

KPI:	2019	2020	2021	2022
Non-Renewable Materials [mT]	90	120	113	
Renewable Materials [mT]	10	14	12	
Total Material Input [mT]	100	134	125	
Waste Intensity [kg / Unit]	834	935	852	
Waste recycle rate [%]	78	76	80	
Total Waste [mT]	20,02	34,6	29	
Non-Renewable Energy [kWh]	290 912	64 915	145 566	
Renewable Energy [kWh]	512 731	444 262	648 696	
Total Energy [kWh]	803 643	509 178	794 262	



Business Category:	2019		2020		2021		2022	
Scope 1 – Diesel, Natural Gas [mT]	52,214	88,6 %	11,113	63,6 %	26,168	76,3 %		
Scope 2 – Electricity Norway / Russia [mT]	5,916	10,0 %	5,178	29,6 %	7,281	21,2 %		
Scope 3 – Waste & Water [mT]	0,779	1,3 %	1,196	6,8 %	0,885	2,6 %		
Total Cubility Facilities [mT]	58,9		17,5		34,3			
Raw Materials [mT]	210	27,6 %	323,7	49,2 %	297,5	46,0 %		
After Market [mT]	293	38,5 %	252	38,3 %	256,4	39,6 %		
Staff Travel [mT]	181,7	23,9 %	36,8	5,6 %	22,8	3,5 %		
Shipping [mT]	13,7	1,8 %	22,8	3,5 %	2,0	0,3 %		
Cubility Facilities (See above) [mT]	58,9	7,7 %	17,5	2,6 %	34,3	5,3 %		
Russian Office / Operation					28,6	4,4 %		
Cutting, Bending, Welding & Machining [mT]	4,1	0,5 %	5,2	0,8 %	5,0	0,8 %		
Global Supply Chain [mT]	0,2	< 0,1 %	0,3	< 0,1 %	0,3	< 0,1 %		
Total Cubility Group [mT]	761,6		658		646,8			
Carbon Intensity Cubility Group [mT CO ₂ e/Unit]	33,8		18,4	- 46 %	22,0	- 35 %		
Carbon Intensity Cubility Group [kg CO ₂ e / MNOK]	8789		4803	- 45 %	5558	- 37 %		

KPI:	2019	2020	2021
Non-Renewable Materials [mT]	90	120	113
Renewable Materials [mT]	10	14	12
Total Material Input [mT]	100	134	125



Improvement Target:

- › We want to increase the quantity of recycled materials used in our products with **10%** by next reporting cycle.
- › We will increase the percentage of recycled materials to minimum **50%** by 2025.



How to improve:

- › Our current approach have been to calculate all this material as virgin materials. We will be starting in 2022 to challenging our suppliers to report this figure with a target to get traceability in place first, following by a substantial part of recycled materials used.



Method used to retrieve data:

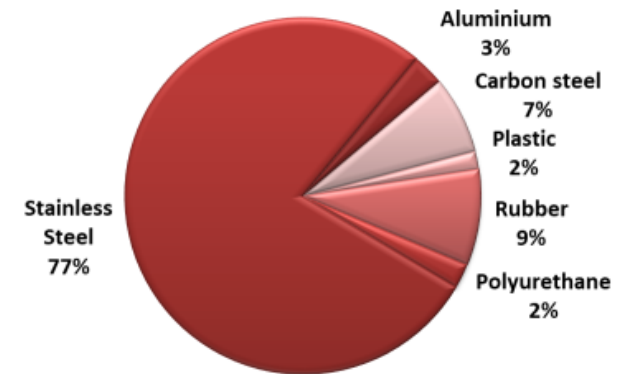
- › This data are extracted from our ERP system and the waste handlers reporting system.
- › All materials used to build our machines are calculated by estimation (Exploded quantities / BOM x Units delivered).

Materials

Data uncertainty:

- › The data can be regarded as high quality and accurate data.
- › All steel calculated to be virgin steel as we do not have adequate data to define the part recirculated steel used at this point).
- › Thus, one can assume that the share of renewable materials are higher than reported.

Material used 2021



Material used



10 % of our material input is recycled

KPI:	2019	2020	2021
Waste Intensity [kg / Unit]	834	935	852
Waste Intensity [kg / MNOK]	231	253	250
Waste recycle rate [%]	78	76	80
Total Waste [mT]	20,02	34,6	29



Improvement Target:

- › We will increase our target for sorted waste in fractions to be larger than **80%** in 2022.
- › We will keep our fraction of Non-used waste to consistently below **1%** by 2025.
- › We want to decrease our waste intensity to below **200 kg / MNOK** revenue by 2025.



How to improve:

- › We will improve sorting by promoting better sorting through targeted information internally.
- › Information is also considered key factor on reducing non-used waste.



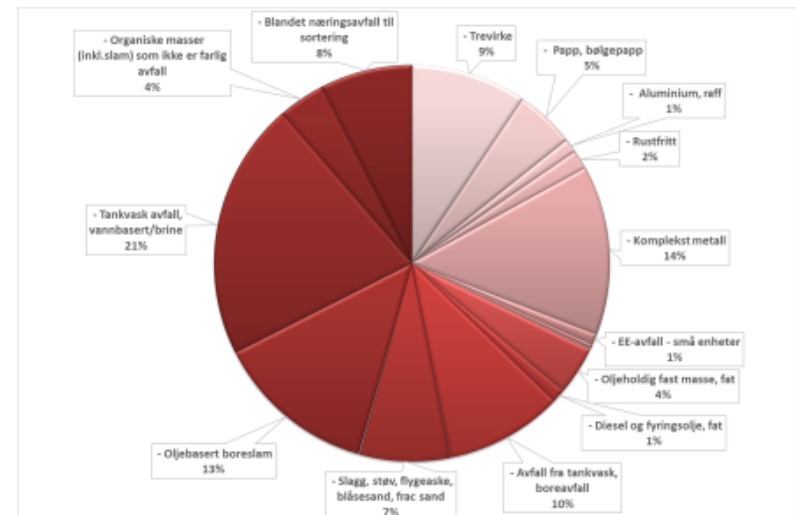
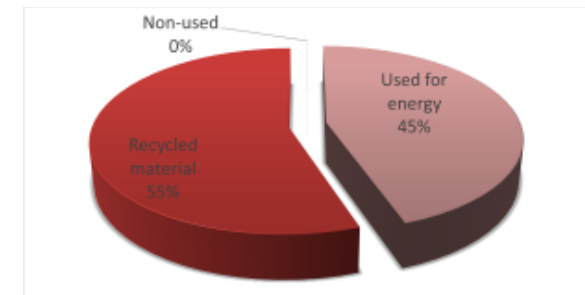
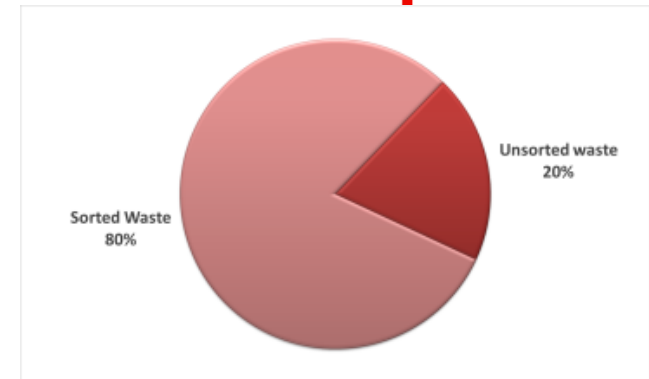
Method used to retrieve data:

- › Data gathered from Supplier of Waste Collection Services.
- › Environmental report downloaded from online portal.

Waste

Data uncertainty:

- › The data can be regarded as high quality and accurate data.
- › The vendors of these services have had mandatory reporting for quite some time now and thus maturity level should be good.



KPI:	2019	2020	2021
Non-Renewable Energy [kWh]	290 912	64 915	145 566
Renewable Energy [kWh]	512 731	444 262	648 696
Total Energy [kWh]	803 643	509 178	794 262



Improvement Target:

- › We will be using **100 %** renewable energy by 2025.



How to improve:

- › We will transition used of diesel heaters into electrically powered heaters. We will continue to work with our landlord related to heating of the building. Natural Gas Heating should be replaced with air-to-air heat pump heating.



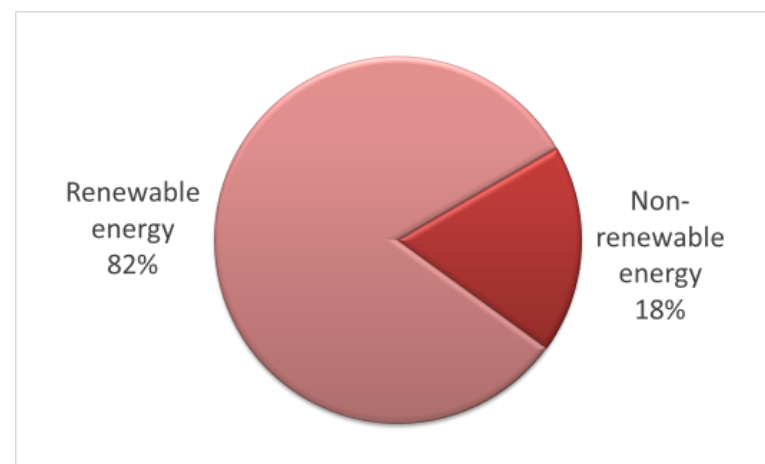
Method used to retrieve data:

- › Data gathered from Supplier monitoring our electrical & natural gas consumption.
- › Other data (Diesel) from our ERP system.

Materials

Data uncertainty:

- › The data can be regarded as high quality and accurate data.
- › We have used data from Table 11 in the NSRS Implementation Tool on page 94 to define the split of renewable electrical power (98% and non-renewable electrical power (2%) in the Norwegian grid.



- › Non-renewable energy sources are diesel used for vehicle & fluid heating + Natural Gas used for building heating.

Business Category:	2019		2020		2021	
Scope 1 – Diesel, Natural Gas [mT]	52,214	88,6 %	11,113	63,6 %	26,168	76,3 %
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After Market [mT]	293	38,5 %	252	38,3 %	256,4	39,6 %
Staff Travel [mT]	181,7	23,9 %	36,8	5,6 %	22,8	3,5 %
Shipping [mT]	13,7	1,8 %	22,8	3,5 %	2,0	0,3 %
Cubility Facilities (See above) [mT]	58,9	7,7 %	17,5	2,6 %	34,3	5,3 %
Russian Office / Operation					28,6	4,4 %
Cutting, Bending, Welding & Machining [mT]	4,1	0,5 %	5,2	0,8 %	5,0	0,8 %
Global Supply Chain [mT]	0,2	< 0,1 %	0,3	< 0,1 %	0,3	< 0,1 %
Total Cubility Group [mT]	761,6		658		646,8	
Carbon Intensity Cubility Group [mT CO ₂ e/Unit]	33,8		18,4	- 46 %	22,0	- 35 %
Carbon Intensity Cubility Group [kg CO ₂ e / MNOK]	8789		4803	- 45 %	5558	- 37 %



Improvement Target:

- › Our CO₂e Intensity factor [mT/MNOK] should continue to decrease.
- › We shall be carbon neutral by 2025.



How to improve:

- › We have 2019 & 2020 numbers to compare with. Both these year have been much affected by the Covid19 Pandemic.
- › We will reduce our CO₂e related to raw materials by increasing amount of re-circulated 316L.
- › We will consciously monitor and limit our travel activities going forward.
- › Remaining emissions which may be unavoidable will be offset to achieve a status of Carbon Neutral, as a last resort.



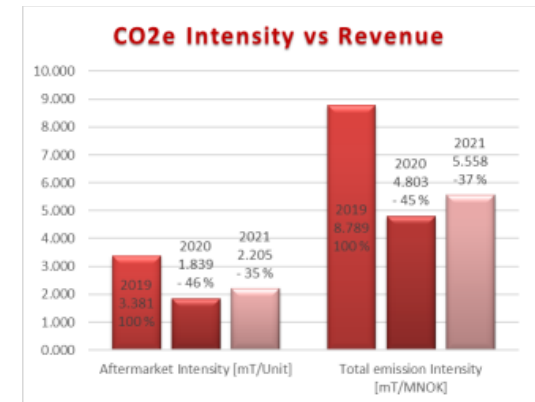
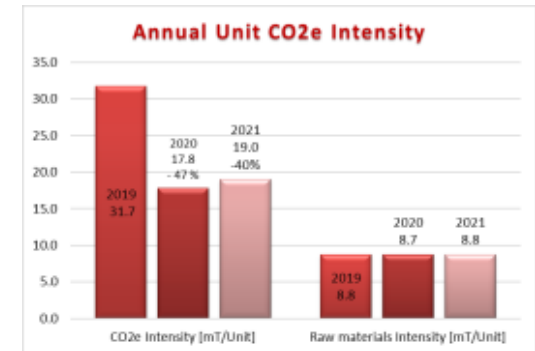
Waste

Method used to retrieve data:

- › Data gathered from Supplier of Waste Collection Services.
- › Environmental report downloaded from online portal.

Data uncertainty:

- › The data can be regarded as high quality and accurate data.
- › The vendors of these services have had mandatory reporting for quite some time now and thus maturity level should be good.



The MudCube is an enclosed, lightweight and cost-efficient alternative which combines high airflow through a rotating belt with micro vibrators underneath.

By improving separation, the MudCube helps to reduce the amount of waste product generated by increasing the volume of fluid that can be retained and reused. This outcome helps the operator to reduce their costs and reduce associated Scope 3 Greenhouse Gas (GHG) emissions.

The independent consultancy company CarbonZero (A division of Data Engineering Projects Ltd) have done a technical carbon emissions comparative assessment of a typical solids control operation using traditional shale shakers compared to MudCubes.

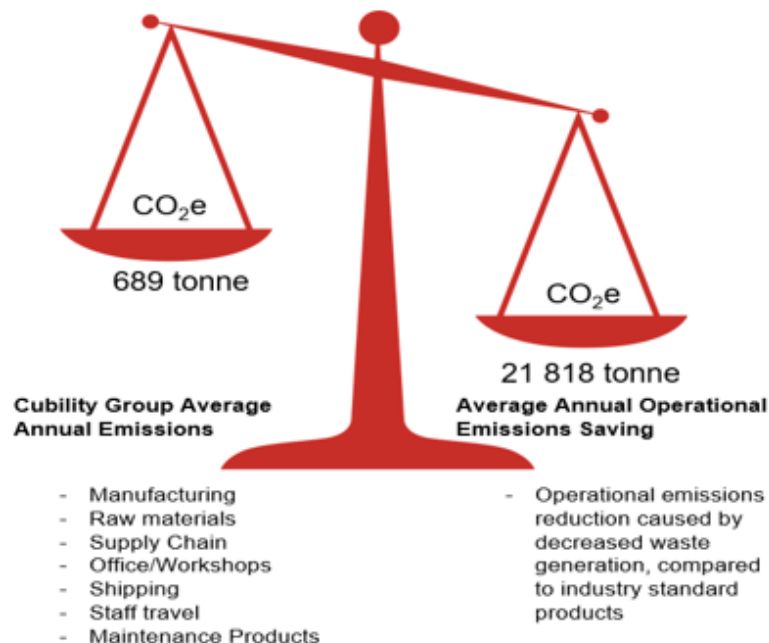
Net emission savings based on the installed base are summarised as follows:

Net Emissions Savings				
Year	Onshore Unit Savings (tCO ₂ e)	Offshore Unit Savings (tCO ₂ e)	Company Annual Emissions (tCO ₂ e)	Net Savings (tCO ₂ e)
2019	8,975	4,153	762	12,366
2020	18,360	3,866	658	21,568
2021	26,053	3,400	647	29,453
Total				63,387

Table 1-Net Emissions Savings



- › Minimum 2 ea. Units would need to be in operation for operational Unit savings to outweigh Cubility's corporate emissions in 2021.
- › On Average it takes 3,5 ea. operating days for a Unit's savings to surpass its share of Cubility's operational emissions, based on 2021 figures.
- › Cubility's average annual net saving (21,129 tCO₂e) would be the equivalent of removing the emissions associated with electricity consumption for over 120,000 homes for an entire year. Based on Norway's average annual household electricity consumption, of 16,000 kWh.



Preparing for the future – Climate Risk

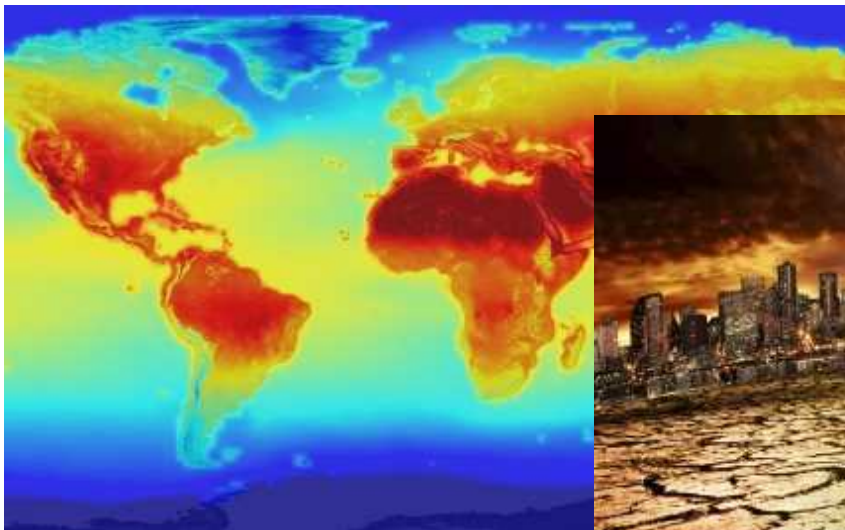
Climate change effects us in different ways. While some are becoming more vulnerable to flooding, others will experience disruptions to their global value chains.

The Nordic climate will become warmer, wetter and wilder. At the same time, climate change has resulted in climate policies – on the national and EU level – to reduce greenhouse gas emissions and adapt society to a change in the climate. These regulations also pose a risk. Climate change will also affect us, and we have to be prepared for this.

How we estimate climate risks

We have made an analysis of our own operations and predicted how these may be affected by climate change in the short-, medium-, and long term. In the process, we identified what climate risks and opportunities are expected to have the greatest impact on our activities and intend to prioritize topics strategically in line with our findings.

Our estimations are self assessment based and should be viewed as a first step towards making more comprehensive climate risk assessments in the future.



Here is an overview over the climate risks that are expected to have the greatest impact to our operations in the short-, medium- and long term picture. The strategic importance of a risk depends on the potential scope of its impact in relation to our level of knowledge about the topic.

NSRS Index:		PRIORITY LEVELS BASED ON RELEVANCE AND IMPACT - KNOWLEDGE MEASURED BY AVERAGE		
		Short-term perspective	Long-term perspective	Knowledge level (from 1 to 10, where 1 is lowest and 10 is highest)
Transition	Increased pricing of GHG emissions	Low	Medium	5.0
	Enhanced emissions-reporting obligations	Low	Medium	5.0
	Mandates on and regulation of existing products and services	Low	Medium	4.0
	Substitution of existing products and services with lower emissions options	Medium	Medium	9.0
	Costs to transition to lower emissions technology	Medium	Medium	5.0
	Changing customer behavior	Medium	High	3.0
	Uncertainty in market signals	Medium	High	3.0
	Increased cost of raw materials	Medium	High	5.0
	Shifts in consumer preferences	Medium	High	4.0
	Stigmatization of sector	High	High	6.0
	Increased stakeholder concern or negative stakeholder feedback	Medium	High	5.0
Physical	Increased severity of extreme weather events such as cyclones and floods	Low	Medium	2.0
	Changes in precipitation patterns and extreme variability in weather patterns	Low	Medium	2.0
	Rising mean temperatures	Low	Low	2.0
	Rising sea levels	Low	Low	2.0

Climate change entails a range of opportunities. As society adapts to changes, new climate-friendly demands will arise – in energy, infrastructure, products and services. The strategic importance of an opportunity depends on the potential scope of its impact in relation to our level of knowledge about the topic. Here is an overview of the key opportunities that we face based on these parameters.

NRS Index:		PRIORITY LEVELS BASED ON RELEVANCE AND IMPACT - KNOWLEDGE MEASURED BY AVERAGE		
		Short-term perspective	Long-term perspective	Knowledge level (for 1 to 10, where 1 is lowest and 10 is highest)
Resource efficiency	Increased pricing of GHG emissions	Medium	Medium	4.0
	Use of more efficient modes of transport	Low	Medium	2.0
	Use of more efficient production and distribution processes	Low	Medium	2.0
	Use of recycling	Medium	High	5.0
	Move to more efficient buildings	Medium	Medium	3.0
	Reduced water usage and consumption	Low	Low	5.0
Energy source	Use of lower-emission sources of energy	Low	Low	5.0
	Use of supportive policy incentives	Low	Low	1.0
	Use of new technologies	Low	Low	1.0
	Participation in carbon market	Medium	Medium	4.0
	Shift toward decentralized energy generation	Low	Low	1.0
Products and services	Development and/or expansion of low-emission goods and services	Medium	Medium	5.0
	Development of climate adaptation and insurance risk solutions	Low	Low	1.0
	Development of new products or services through R&D and innovation	Medium	Medium	2.0
	Ability to diversify business activities	Medium	Medium	4.0
	Shift in consumer preferences	Medium	High	5.0
Markets	Access to new markets	Medium	Medium	3.0
	Use of public-sector incentives	Low	Low	1.0
	Access to new assets and locations needing insurance coverage	Low	Low	1.0
Resilience	Participation in renewable energy programs and adoption of energy-efficiency measures	Low	Low	2.0
	Resource substitutes/diversification	Low	Low	5.0

One of the most pressing regulatory risks in the Nordic region, also for SMEs.

The EU Taxonomy is a new classification tool for sustainable private sector activities. By providing a set of industry-specific technical screening criteria, the Taxonomy dictates whether a specific private sector activity is sustainable or not. It is designed to counter greenwashing and to steer finance in a sustainable direction. While directly targeting large companies and financial actors, smaller organisations may be affected indirectly through its financial sponsors and upstream customers as they need the non-financial data from their SME customers in order to report on the taxonomy.

Nace Codes

The taxonomy classifies activities after NACE codes.

Are We Targeted By The Taxonomy?

We have analysed whether and our operations are affected by the Taxonomy. As for today, there are yet no technical screening criteria for our codes under the EU Taxonomy.

- › 28.92 - Production of Machines & Equipment for mining, quarrying and construction.
- › 09.10 - Support Activities for petroleum and natural gas extraction.



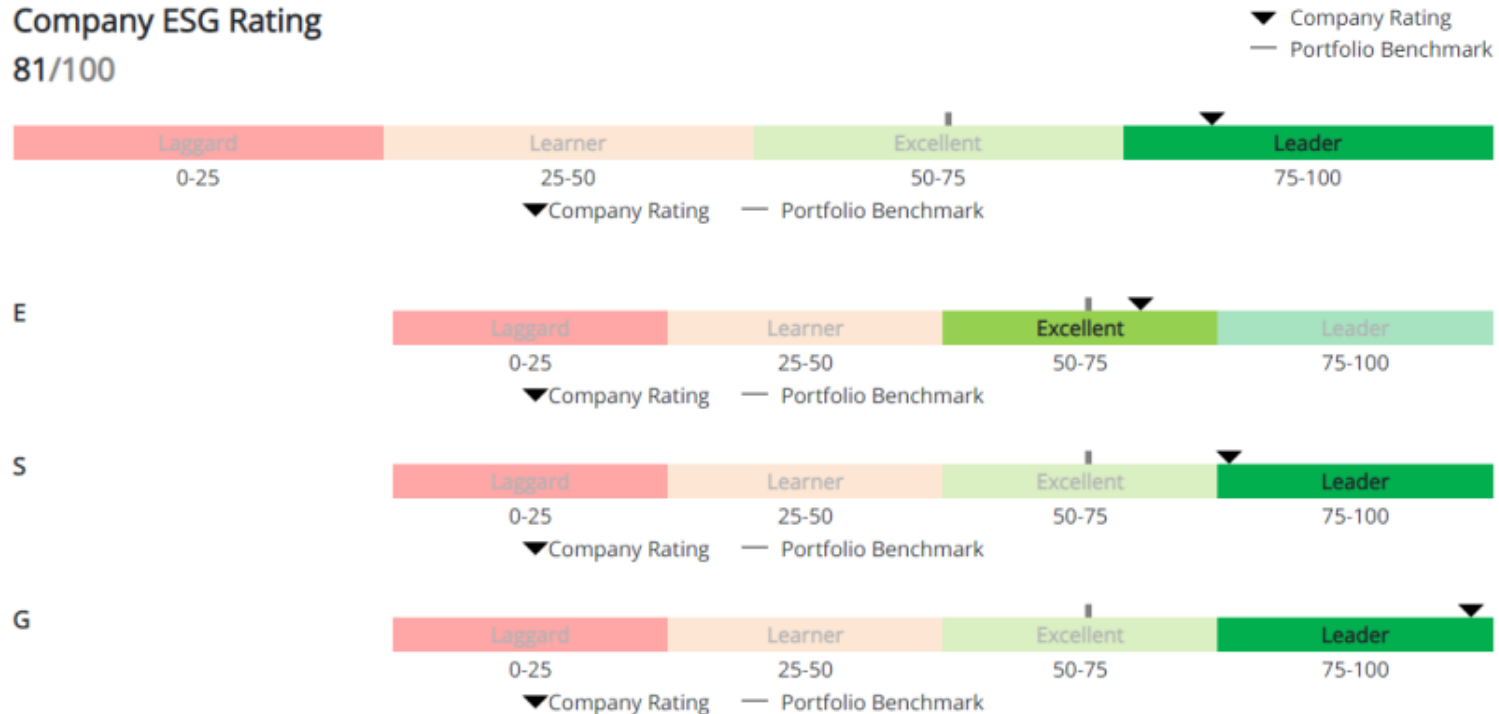
Sustainable finance: Commission welcomes deal on an EU-wide classification system for sustainable investments (Taxonomy)

› ESG have been an important issue to Cubility and our owners for many years. We have been subject to 3rd party (Greenstone⁺) reviews of our management system specifically related to ESG matters. These reviews are used to obtain a status and identify the areas for further improvement.



› We strive to be an industry leader also in these areas and will continue our quest to obtain Leader Score in all 3 categories.

Company ESG Rating

81/100



Targeted UN SDGs* for Cubility

Topic	SDG Goal	SDG Target	Contribution	KPI
Material use	 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Build resilient infrastructure and promote inclusive and sustainable industrialization and innovation.	9.4: By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean environmentally sound technologies and industrial processes.	<ul style="list-style-type: none"> ➤ CO2e calculations ➤ Recirculated materials used. ➤ Sorting of waste ➤ Waste intensity ➤ Explore circular economy opportunities.
	 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Ensure sustainable consumption and production patterns.	12.5: By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.	
Energy & carbon	 13 CLIMATE ACTION	Take urgent action to combat climate change and its impacts.	13.2: Integrate climate change measures into (national) policies, strategies and planning.	<ul style="list-style-type: none"> ➤ Renewable energy used ➤ Carbon footprint ➤ Explore circular economy opportunities.
Employee health & safety	 3 GOOD HEALTH AND WELL-BEING	Ensure healthy lives and promote well-being for all at all ages.	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.	<ul style="list-style-type: none"> ➤ Employee Satisfaction score. ➤ Absenteeism score ➤ ISO 9001:2015 certification ➤ Business Partner Risk Assessment
	 8 DECENT WORK AND ECONOMIC GROWTH	Promote Sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.	8.8: Protect labor rights and promote safe and secure working environments for all workers.	
Impact of products & services	 14 LIFE BELOW WATER	Conserve and sustainably use the oceans, seas and marine resources for sustainable development.	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.	<ul style="list-style-type: none"> ➤ Product Carbon footprint.
Sustainability principles	 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all.	<p>16.6: Develop effective, accountable and transparent institutions at all levels</p> <p>16.7: Ensure responsive, inclusive, participatory and representative decision-making at all levels</p>	<ul style="list-style-type: none"> ➤ Business Partner Risk Assessment. ➤ 3rd party ESG rating ➤ Triton ESG focus & action plans

Sustainability is a complex matter.

What`s good for the planet in one minute, may be deemed harmful a few months later in the light of new research.

It is extremely difficult to have a positive impact in place without creating some level of harm in another. We nonetheless do our best and aim to constantly improve and keep our selves updated.



WE WELCOME YOUR FEEDBACK

This is our first step towards sustainability reporting for Cubility . Our actions for 2021 shown in this report serves at our stat point for future improvements.

Year 2022 will be the first year for Cubility to define actions based on having CO₂e accounting for 2019, 2020 and 2021 available.

As we gain experience with time and learn from the process, we will also raise our ambitions.

We welcome any feedback, input or ideas you might have.

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This report issued according to the Nordic Sustainability Reporting Standard – NSRS Beginner level. This report is adapted to the Global Reporting Initiative (GRI), the Non-Financial Reporting Directive (NFRD) and the Task-Force on Climate-Related Disclosures (TCFD). This does not mean that the report is aligned with these frameworks.