

# TZERO LABS

Oil & Gas Testing | Inspection Coordination | Petroleum Product Verification

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## Environmental, Social & Governance (ESG) Framework & KPI Report

Commitment to Responsible Operations in Petroleum Inspection Services

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## Environmental, Social & Governance (ESG) Framework & KPI Report

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E — ENVIRONMENTAL	S — SOCIAL	G — GOVERNANCE
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*"Leading responsibly. Growing sustainably. Governing with integrity."*

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## 01 EXECUTIVE SUMMARY

Tzero Labs is committed to embedding Environmental, Social, and Governance principles at the heart of our corporate strategy. As a United States-based oil and gas testing, inspection coordination, dip testing, petroleum product verification, and laboratory field services company, we recognise that our operating environment carries specific and meaningful ESG obligations — particularly relating to environmental responsibility in petroleum handling, the safety and wellbeing of our field workforce, and governance standards that underpin the independence and credibility of our inspection and verification activities.

This report presents our ESG framework, 2025 performance KPIs, and forward targets, aligned with GRI Standards, TCFD recommendations, and the UN Sustainable Development Goals (SDGs).

82% ESG Score	34% Carbon Reduction	100% Compliance Rate	48% Women in Leadership
ON TRACK — 2025 Composite	ACHIEVED — vs. 2022 baseline	ACHIEVED — Regulatory & Ethics	ON TRACK — Senior roles

Figure 1: 2025 Headline ESG Performance Metrics

Our ESG strategy is governed by a Board-level ESG Committee that meets quarterly. Tzero Labs has embedded sustainability targets into executive performance structures, reinforcing the alignment between long-term value creation and responsible operations. This report is published annually and independently assured.

### SDG ALIGNMENT

Tzero Labs' ESG activities directly contribute to: SDG 3 (Good Health & Wellbeing), SDG 8 (Decent Work & Economic Growth), SDG 10 (Reduced Inequalities), SDG 12 (Responsible Consumption & Production), SDG 13 (Climate Action), SDG 16 (Peace, Justice & Strong Institutions), and SDG 17 (Partnerships for the Goals).

## 02 ESG VISION & STRATEGY

**Vision:** To be a globally recognised leader in responsible, ethical oil and gas testing and inspection coordination — delivering services that create lasting value for our clients, protect the environment, and support the communities and economies in which we operate.

**Mission:** We integrate ESG considerations into every operational decision, client engagement, and supply chain relationship — ensuring that our growth is responsible, our environmental footprint is managed, and our governance standards are beyond reproach.

ENVIRONMENTAL	SOCIAL	GOVERNANCE
Pollution prevention and responsible petroleum sample management. Reduced operational emissions. Responsible chemical and waste disposal. Environmental compliance in all jurisdictions.	Zero harm workplace culture. Inclusive and diverse workforce. Safe field inspection environments. Community investment and professional development.	Board-level ESG oversight. Zero tolerance for corruption or manipulation of inspection data. Transparent client and regulatory disclosures.

Figure 2: Tzero Labs ESG Three-Pillar Strategy Framework

### 03 ESG GOVERNANCE STRUCTURE

ESG governance at Tzero Labs operates across three tiers: Board-level oversight, executive-level accountability, and operational working groups. This structure ensures that ESG commitments are embedded throughout the organisation — from corporate headquarters to field inspection teams operating at port facilities, storage terminals, and accredited laboratories.

#### Governance Structure:

Board of Directors (ESG Committee Oversight) → CEO / MD (Executive ESG Sponsor) → Environmental Director / Social & HR Director / Chief Governance Officer → Working Groups (Cross-functional teams)

Quarterly ESG Reports → Board ESG Committee → Annual Disclosure

Figure 3: Tzero Labs ESG Governance Structure

Body	Composition	Meeting Frequency	Key Responsibilities
Board ESG Committee	3 NEDs + CEO	Quarterly	Policy approval, target-setting, public disclosures
Executive ESG Council	C-suite + Pillar Heads	Monthly	Strategy execution, KPI review, escalation
E/S/G Working Groups	Cross-functional staff	Bi-monthly	Operational delivery, data collection, field-level initiatives
External Assurance	Independent Auditor	Annual	Third-party verification of KPI data & disclosures

### 04 ENVIRONMENTAL FRAMEWORK

The Environmental pillar of Tzero Labs' ESG framework addresses our material environmental responsibilities as an oil and gas testing and inspection coordination company. We operate in environments that involve petroleum products, chemical reagents, industrial port facilities, and storage terminals. Our environmental commitments are grounded in prevention, responsible management, and continuous improvement. We have adopted a science-based approach aligned with the Paris Agreement's 1.5°C pathway for our own operational emissions.

#### 4.1 OPERATIONAL ENVIRONMENTAL MANAGEMENT

Tzero Labs manages its environmental impact through a combination of operational controls, supplier requirements, and regulatory compliance. Our activities — including dip test coordination, petroleum sampling, cargo inspection support, and laboratory field services — are conducted in a manner that minimises the risk of environmental harm at every stage.

Key environmental controls include:

- Mandatory spill prevention and containment procedures at all field sampling and tank access activities
- Responsible handling, segregation, and disposal of petroleum samples, chemical reagents, and laboratory waste through licensed and approved disposal contractors
- Environmental risk assessments conducted prior to all field operations at new sites

- All personnel engaged in petroleum sampling or tank access activities trained in spill response and environmental protection procedures
- Environmental permit compliance verified for all supplier and laboratory facilities used in support of Tzero Labs services

All new facilities and field equipment procurement decisions incorporate environmental performance criteria. Renewable energy procurement now covers 67% of our office and laboratory facility electricity consumption.

## 4.2 EMISSIONS & ENERGY

Scope 1 and 2 GHG emissions associated with Tzero Labs' direct operations — including office facilities, laboratory support spaces, and company fleet vehicles used in field inspection coordination — have decreased by 34% against our 2022 baseline. Our Scope 3 value chain emissions mapping was completed in 2024, and supplier environmental expectations are embedded in all procurement arrangements.

### GHG Emissions — tCO<sub>2</sub>e (2025 vs Target)

Scope	2025 Actual	Target
Scope 1 (Direct / Fleet)	210	—
Scope 2 (Electricity — Offices & Labs)	380	—
Scope 3 (Value Chain)	890	—

Figure 4: GHG Emissions by Scope — Actual vs Target (tCO<sub>2</sub>e)

## 4.3 WASTE & RESPONSIBLE DISPOSAL

Waste diversion from landfill has reached 78% in 2025, up from 51% in 2022. All petroleum sample waste and laboratory chemical waste is managed through certified and licensed waste contractors in compliance with applicable environmental regulations. A zero-single-use-plastic policy was implemented across all office and field support facilities in 2024. Electronic equipment is recycled through WEEE-compliant providers.

# 05 SOCIAL FRAMEWORK

The Social pillar reflects our commitment to our people, the communities near our areas of operation, and the broader stakeholder ecosystem. The field-based and laboratory-facing nature of Tzero Labs' work means that employee safety, technical competence, and professional integrity are not simply social commitments — they are operational necessities that directly determine the quality of the services we provide.

## 5.1 EMPLOYEE WELLBEING & SAFETY

The Tzero Labs Employee Wellbeing Index — measured annually — reached 82/100 in 2025 (2022: 71/100). Key programmes include a flexible working policy, mental health first-aid trained staff in every office, and an Employee Assistance Programme (EAP) with 24/7 access.

Our field inspection and laboratory support personnel work in environments that include petroleum terminals, marine vessel facilities, port environments, and industrial storage sites. Health and safety performance for field personnel is closely monitored. Lost-Time Injury Frequency Rate (LTIFR): 0.0 in 2025 — maintaining the zero-LTI milestone for the third consecutive year.

All-staff professional development hours averaged 52 per employee against a target of 40 hours, reflecting our investment in technical competence, safety awareness, and professional standards across our inspection coordination and laboratory support teams.

## 5.2 DIVERSITY, EQUITY & INCLUSION

Diversity is a business strength at Tzero Labs. Our Gender Pay Gap Report (published annually) shows a median gap of 3.2%, down from 8.1% in 2022. Women now represent 48% of senior leadership roles and 54% of the total workforce.

### Workforce Diversity — Gender & Nationality Distribution (2025)

Gender: Women 54% | Men 43% | Non-binary/Other 3%

Nationality: Domestic 62% | International 30% | Other 8%

*Figure 5: Workforce Diversity — Gender & Nationality Distribution (2025)*

## 5.3 COMMUNITY ENGAGEMENT

Tzero Labs invested 1.2% of net revenue in community programmes in 2025, exceeding our 1% commitment. Programmes include technical education outreach, graduate apprenticeship pathways into the petroleum testing and inspection sector, and professional skills development initiatives in communities near our areas of operation. We are committed to building the next generation of qualified inspection, laboratory, and verification professionals.

## 06 GOVERNANCE FRAMEWORK

Governance excellence underpins Tzero Labs' ability to deliver on its Environmental and Social commitments — and, more fundamentally, underpins the credibility and independence of every inspection, verification, and laboratory service we provide. Our clients rely on our findings and reports to make significant commercial decisions. That trust is only possible if our governance standards are demonstrably high.

Our governance framework is aligned with the OECD Principles of Corporate Governance, ISO 37001 (Anti-Bribery Management Systems), and applicable US corporate governance standards.

### 6.1 ETHICS & INTEGRITY

- Code of Conduct training completed by 100% of staff and contractors annually
- Anonymous whistleblower hotline operational 24/7 — zero substantiated breaches in 2025
- Anti-bribery and corruption programme maintained; ISO 37001 audit scheduled Q3 2026
- All senior executives subject to annual conflict-of-interest declarations
- Strict independence protocols maintained for all inspection, sampling, and verification activities — no Tzero Labs personnel hold financial interests in any cargo or product they are engaged to verify

### 6.2 COMPLIANCE

- Regulatory compliance rate: 100% — zero material fines or enforcement actions in 2025
- Data privacy: Annual independent audit completed; zero notifiable data breaches
- Tax transparency report published in line with GRI 207; effective tax rate disclosed publicly
- Modern Slavery Act statement updated and published
- All inspection and verification activities conducted in compliance with applicable petroleum industry standards and relevant regulatory requirements in each operating jurisdiction

### 6.3 RISK MANAGEMENT

- ESG-integrated Enterprise Risk Management (ERM) framework reviewed by Board bi-annually
- Climate-related financial risks assessed under TCFD framework and reported to investors
- Supply chain ESG risk assessments completed for all Tier 1 suppliers and inspection agency partners — 100% coverage achieved
- Operational integrity risk — including the risk of manipulation, fraud, or conflicts of interest in inspection activities — maintained as a Top 3 governance risk and actively monitored
- Information security risk managed under ISO 27001 certified controls across all operations

### 07 KPI FRAMEWORK & SCORECARDS

Tzero Labs tracks 18 core ESG KPIs across the three pillars. All KPIs are subject to internal audit quarterly and external assurance annually. The scorecard below reflects year-end 2025 performance.

KPI	Baseline	Target 2025	Actual 2025	Status
Scope 1+2 GHG Emissions (tCO2e)	560	490	589	AT RISK
Renewable Energy Share (%)	42%	65%	67%	EXCEEDED
Operational Energy Intensity	18.4	15.0	15.8	ON TRACK
Waste Diversion Rate (%)	51%	75%	78%	EXCEEDED
Petroleum Sample Waste Properly Disposed (%)	90%	100%	100%	ACHIEVED
Zero Spill Incidents at Field Sites	2	0	0	ACHIEVED
LTIFR (Lost-Time Injury Frequency Rate)	0.4	0.0	0.0	ACHIEVED
Employee Wellbeing Index (/100)	71	80	82	EXCEEDED
Women in Leadership (%)	38%	45%	48%	EXCEEDED
Gender Pay Gap (Median %)	8.1%	4.0%	3.2%	EXCEEDED
Professional Development Hours / Employee	31	40	52	EXCEEDED
Community Investment (%)	0.7%	1.0%	1.2%	EXCEEDED

revenue)				
Code of Conduct Training Completion (%)	88%	100%	100%	ACHIEVED
Regulatory Compliance Rate (%)	99.1%	100%	100%	ACHIEVED
ESG-Assessed Tier-1 Suppliers & Agency Partners (%)	40%	80%	100%	EXCEEDED
Board Independence (%)	55%	60%	63%	EXCEEDED
Substantiated Ethics Complaints	2	0	0	ACHIEVED
ESG External Assurance	No	Yes	Yes	ACHIEVED

Figure 6: Full ESG KPI Scorecard — Baseline, Target & 2025 Actuals

### 08 ANNUAL TARGETS DASHBOARD

The following KPI summary provides a rapid-read executive view of Tzero Labs' 2025 ESG performance across all three pillars.

#### ENVIRONMENTAL KPIs

<b>67% Renewable Energy — EXCEEDED</b>	<b>78% Waste Diversion — EXCEEDED</b>	<b>34% Carbon Reduction — ON TRACK</b>
Share of Facility Electricity	From Landfill Rate	vs. 2022 Baseline

#### SOCIAL KPIs

<b>0.0 LTIFR — ACHIEVED</b>	<b>48% Women in Leadership — ON TRACK</b>	<b>82 Wellbeing Index — EXCEEDED</b>
Lost-Time Injury Rate	Senior Roles	Employee Index Score

#### GOVERNANCE KPIs

<b>100% Compliance — ACHIEVED</b>	<b>63% Independent Board — EXCEEDED</b>	<b>100% Supplier ESG Coverage — EXCEEDED</b>
Regulatory Rate	Directors	Tier-1 Coverage

Figure 7: 2025 ESG KPI Dashboard — All Pillars

## 09 PERFORMANCE CHARTS

### Multi-Year ESG Trend Indicators (2022–2025)

Progressive improvement across all three pillars from 2022 through 2025: GHG intensity index reducing year on year; renewable energy share increasing; employee wellbeing index rising from 71 to 82; women in leadership advancing from 38% to 48%; regulatory compliance maintained at 100%.

Figure 8: ESG Multi-Year Performance Trends

### Social Performance — 2025 Actuals vs Targets

KPI	Actual	Target
Learning Hours / Employee	52	40
Community Investment (% rev)	1.2%	1.0%
Wellbeing Index	82	80
Women in Leadership %	48%	45%

Figure 9: Social Framework — 2025 Actuals vs Targets

### Governance Performance — 2025 Actuals vs Targets

KPI	Actual	Target
Compliance Rate %	100%	100%
Board Independence %	63%	60%
Ethics Training %	100%	100%
Supplier ESG Coverage %	100%	80%

Figure 10: Governance Framework — 2025 Actuals vs Targets

## 10 REPORTING STRUCTURE & TIMELINE

Tzero Labs' ESG reporting framework is structured to meet the requirements of GRI Standards (Core), TCFD, and applicable regulatory disclosure expectations. Reporting operates on an annual cycle with quarterly internal reviews.

### Annual ESG Reporting & Governance Calendar:

Jan (Data Collection Starts) → Mar (Q1 ESG Review — Internal) → Apr (Scope 3 Data Finalised) → Jun (H1 Board ESG Committee) → Aug (Draft Report Prepared) → Sep (External Assurance Engagement) → Oct (Q3 Board ESG Committee) → Nov (Final Report Sign-Off) → Dec (Public ESG Publication)

Figure 11: Annual ESG Reporting & Governance Calendar

### 10.1 REPORTING FRAMEWORKS & STANDARDS ALIGNMENT

Framework / Standard	Scope	Coverage	Assurance Level
GRI Standards (Core)	Full ESG disclosure	All material topics	Limited External

			Assurance
TCFD Recommendations	Climate-related risks	Governance, Strategy, Risk, Metrics	Board-level review
UN SDGs	Contribution mapping	7 priority SDGs	Internal only
ISO 14001:2015	Environmental Management	All operations	Certified — 3rd party
ISO 45001:2018	OHS Management	All operations including field	Certified — 3rd party
CDP Climate Disclosure	Carbon reporting	Scope 1, 2, 3	CDP scored annually

### 11 GOVERNANCE REVIEW CYCLE

The ESG Governance Review Cycle ensures that commitments are regularly reviewed, updated, and escalated as required. The cycle integrates with Tzero Labs' Annual General Meeting, Board strategy sessions, and external audit schedule.

Cycle Stage	Frequency	Lead Body	Output	Distribution
ESG KPI Data Collection	Monthly	ESG Working Groups	KPI Dashboard	ESG Director
Operational ESG Review	Bi-Monthly	Executive ESG Council	Action Register	C-Suite
Board ESG Committee	Quarterly	Board Committee	Board Report	Board + Investors
External ESG Assurance	Annual	Independent Auditor	Assurance Statement	Public Disclosure
Annual ESG Report Publication	Annual	ESG Director + CEO	Full ESG Report	All Stakeholders
ESG Strategy Review	Annual (Dec)	Board + Strategy Team	Updated Targets	Board
Material Stakeholder Engagement	Annual	CEO + Investor Relations	Materiality Matrix	Public

Figure 12: ESG Governance Review Cycle — Frequencies & Outputs

### 2026 FORWARD TARGETS — HEADLINE

<b>Net Zero Scope 1 &amp; 2 — ON TRACK</b>	<b>50% Renewable Energy — ON TRACK</b>	<b>50% Women in Leadership — ON TRACK</b>	<b>ISO 37001 — ON TRACK</b>
Operations by 2030	by end-2026	Senior Roles	Anti-Bribery Certification

## 12 ASSURANCE & SIGN-OFF

This ESG Framework and KPI Report has been prepared in accordance with the GRI Standards (Core option) and has been subject to limited external assurance by an independent third-party assurance provider. The assurance engagement was conducted in accordance with ISAE 3000 (Revised).

### INDEPENDENT ASSURANCE STATEMENT

Based on our review, nothing has come to our attention that causes us to believe that the selected ESG KPIs contained in this report have not been prepared, in all material respects, in accordance with the Tzero Labs ESG KPI Reporting Criteria. Our work was performed using ISAE 3000 (Revised) and included interviews with key personnel, review of documentation, and analytical procedures. *[To be completed by appointed assurance provider — Signed copy to be appended to final publication.]*

### BOARD APPROVAL SIGNATURES

Role	Name	Signature	Date
Chief Executive Officer	_____	_____	_____
Chief Financial Officer	_____	_____	_____
ESG Director	_____	_____	_____
Board ESG Committee Chair	_____	_____	_____
Independent Non-Executive Director	_____	_____	_____

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