

Transparency Act statement 2024

1. Introduction

1.1 The Norwegian Transparency Act

On 1 July 2022, the Act relating to enterprises' transparency and work on fundamental human rights and decent working conditions (the Transparency Act) entered into force in Norway. The Act is based on the UN's Guiding Principles on Business and Human Rights (UNGPs) and the OECD's guidelines for multinational enterprises, and shall promote enterprises' respect for fundamental human rights and decent working conditions in connection with the production of goods and the provision of services, and ensure the general public access to information regarding how adverse impacts on fundamental human rights and decent working conditions is addressed.

By fundamental human rights we mean the internationally recognised human rights that are enshrined, among other places, in the International Covenant on Economic, Social and Cultural Rights of 1966, the International Covenant on Civil and Political Rights of 1966 and the ILO's core conventions on fundamental principles and rights at work, and by decent working conditions we mean work that safeguards fundamental human rights and health, safety and environment in the workplace, and that provides a living wage.

According to the Transparency Act, HAV Group is required to undertake human rights due diligence assessments and report annually on the work, risks, and potential and actual impacts on human rights. Among HAV Group ASA's subsidiaries, HAV Design AS ("HDE"), Norwegian Greentech AS ("NGT") and Norwegian Electric Systems AS ("NES") are subject to the Act and required to publish statements. HAV Hydrogen ("HHY") is not itself in scope of the Act but is however considered part of our own operations and part of HAV Groups' general work with human rights and therefore included in this report.

1.2 Our policy for handling requests of information

For information about how HAV Group or its subsidiaries handles actual and potential adverse impacts to fundamental human rights and decent working conditions in its supply chains, please contact office@havgroup.no. Enquires will be answered as swiftly as possible and within reasonable time.

1.3 The Group

HAV Group ASA, together with its main subsidiaries (hereafter referred to as “the Group”) is an international provider of technology and services for maritime and marine industries. Although formally established in 2021, the Group has several decades of industry experience and possesses special expertise in guiding the marine and maritime industries towards zero emissions. The Group’s services and solutions includes:

- SHIP DESIGN: Supplier of innovative ship design, pioneering the design and construction of zero and low-emission vessels
- ENERGY DESIGN AND SMART CONTROL SYSTEMS: Supplier of sustainable energy systems, electric propulsion, automation and NavCom systems for a wide range of vessels
- HYDROGEN-BASED ENERGY SYSTEMS: Supplier of zero-emission hydrogen-based energy systems for vessels
- WATER TREATMENT SYSTEMS: Supplier of ballast water treatment system and other process water treatment systems for aquaculture and maritime use

Our experience and expertise, as well as the focus on efficiency, safety, and sustainability, lays the foundation for developing and delivering high-quality innovative solutions to our customers in the seafood, energy, and transport sectors.

We are headquartered in Fosnavåg, Norway, with offices in Bergen, Ålesund and Egersund (Norway), Sopot (Poland), and Istanbul (Turkey).

2. Embedding due diligence in governance, strategy and business model

Sound corporate governance forms the basis for the Group’s value creation. Our corporate culture is founded on good business practice, openness, honesty, and respect for other people. The Group shall adhere to integrity, governance, and responsible business practices in all our operations.

We strive to ensure that our internal control mechanisms, organisation, and management structures comply with sound corporate governance principles. The Group has implemented guidelines (policy documents) related to fundamental human rights and decent working conditions within the enterprise and throughout the supply chain. The guidelines are part of our efforts to embed responsible business conduct into policies and management systems.

The Group operate under the same overarching Code of Conduct, Supplier Code of Conduct and reporting systems and procedures to facilitate internal and external notifications.

2.1 Code of Conduct

Our main governing documents for dealing with ethical business conduct and human rights specifically are the Group's Code of Conduct for Business, Ethics and Corporate Social Responsibility (the "Code of Conduct") and the Supplier Code of Conduct. Both documents are available on <https://www.havgroup.no/about/corporate-responsibility/>

The Code of Conduct has been adopted to underscore the principles by which we conduct our relations with employees, business partners and other stakeholders. The Code of Conduct applies to all Board members and employees.

2.2 Supplier Code of Conduct

We are committed to conducting our businesses with integrity, in accordance with internationally proclaimed human rights and with the aim of furthering sustainable development and we recognise the importance of our suppliers, contractors, subcontractors, distributors, agents, consultants, and joint venture partners in achieving this pursuit.

The Supplier Code of Conduct communicates the Group's expectations for suppliers and business partners, and any supplier of the Group is required to comply with it. The Supplier Code of Conduct includes information about compliance with legislation, respect for human and labour rights, decent working condition, child labour, working hours, wages, non-discrimination, freedom of association, health and safety, etc.

2.3 Whistleblowing – the Integrity Channel

The Group has established reporting systems and procedures to facilitate internal and external notifications if circumstances can be found to exist that are subject to penal sanctions, or that are in violation of statutory obligations or prohibitions, or in breach of the Code of Conduct or generally accepted ethical standards. Examples of violations include, but are not limited to, fraud and corruption, harassment and discrimination, and violations of environmental and human rights laws. There is no requirement that the whistleblower can prove the event, act, or omission.

Reports of concerns can be made through the Group's Integrity Channel available at <https://www.havgroup.no/about/corporate-responsibility/>, which offers the whistleblower the possibility to report anonymously, and where the whistleblower's identity will be kept confidential to the extent permitted by the applicable personal data regulations. Employees and external parties are encouraged to use their right and responsibility to report concerns.

3. Engaging with affected stakeholders in all key steps of the due diligence

We encourage suppliers, consultants and other business partners within our sphere of influence to adopt the principles of the Code of Conduct, and in the assessment of potential and current suppliers, the principles described in the Supplier Code of Conduct shall be applied. The supplier is required to report on potential and actual adverse impacts, and if any potential or actual adverse impacts are detected, the Group has the right to demand efforts from the supplier to rectify the situation. The Group takes a partnership approach in relation to suppliers by proactively seeking continuous improvement also on the part of suppliers, but in severe cases the Group has the right to terminate the contract.

4. Identifying and assessing adverse impacts

4.1 Prioritisation in the Group

The Global Economy's Human Rights and Rule of Law Index considers the relationship between the state and its population insofar as fundamental human rights are protected and freedoms are observed and respected. The higher the indicator's value, the less protected are the human rights and the rule of law in the country.

Although the Group has offices in Poland, and Turkey, our main operations take place in Norway, where the risk of human rights violations is perceived to be low (0.5 as per the Human rights and Rule of Law Index). However, the Group is also dependent on suppliers that operate globally, which makes human rights violation and decent working conditions important topics for us.

In 2024, the Group updated its due diligence assessments of existing suppliers. In these assessments, we have listed suppliers across the Group (more than 100) based on for example size, industry, and country of operations. We have also looked into whether the supplier itself is subject to the Transparency Act as well as the Norwegian law on collective bargaining agreements, which many of our suppliers are.

4.2 Due diligence process

The Group has implemented guidelines to identify and assess adverse impacts, prevent and mitigate such impacts, track improvements and communicate any findings and results. Such due diligence processes are carried out regularly, proportionally to the size of each enterprise, the nature of the businesses, the context of the operations, and the severity and probability of adverse impacts on fundamental human rights and decent working conditions.

As part of our due diligence processes, we have created an initial overview of our areas of operation and type of relationship with suppliers and business partners. Based on the

initial scoping process, we perform a risk and impact assessment of prioritised operations, suppliers and business relationship to identify and assess specific actual and potential adverse impacts. Where significant risks or impacts are detected, the Group will consider how to cease, prevent or mitigate the adverse impacts and/or risks in accordance with its guidelines. Results are tracked and reported on, in accordance with the Transparency Act.

Assessments of the potential adverse impact on human rights and decent working conditions are always made when entering into contracts with new suppliers, and entails for instance that the supplier receives information and accepts compliance with our ethical guidelines, request for more information from the supplier itself and some suppliers also have to fill out our ESG questionnaire where we request information on topics such as:

- Due diligence and supply chain management
- Human rights and decent working conditions
- Use of short-term employment
- Forced labour
- Child labour
- Working hours, wages, and benefits
- Non-discrimination
- Freedom of association
- Health and safety

4.3 Results

The 2024 due diligence assessment confirms that the risk of human rights breaches in the Group is generally low. Risks identified relates to NES' and NGT's supply chain, see chapter 4.3.3 and 4.3.4.

4.3.1 HAV Design AS ("HDE")

Based on previous assessments, we have found terms of employment, wages and workhours, discrimination, health and safety, data privacy and sexual harassment to be the main risk areas for HDE. These are considered when choosing suppliers and business partners. In the 2024 due diligence assessments, no negative impact on human rights and decent working conditions has been identified in HDE.

4.3.2 HAV Hydrogen ("HHY")

As for HDE, we have found that terms of employment, wages and workhours, discrimination, health and safety, data privacy and sexual harassment pose the greatest risk areas for HHY, and such risks are considered when choosing suppliers and business partners. In the 2024 due diligence assessment, no negative impact on human rights and decent working conditions have been identified in HHY.

4.3.3 Norwegian Greentech AS (“NGT”)

No negative impact on human rights or decent working conditions have been identified for NGT in 2024. The company has identified risks related to some of its suppliers which are operating in countries where the risk of human rights breaches is higher, where the supplier has a lot of sub-suppliers, is dependent on a high degree of foreign workers, and/or are operating in risk-related industries such as textile, cleaning, and transport (where wages and occupational health and safety can be a risk). However, NGT have a long- term cooperation with several of our suppliers, which is likely to reduce such risks.

4.3.4 Norwegian Electric Systems AS (“NES”)

No negative impact on human rights or decent working conditions have been identified for NES in 2024. The company has identified risks related to some of its suppliers which are operating in countries where the risk of human rights breaches is higher, where the supplier has a lot of sub-suppliers, is dependent on a high degree of foreign workers, and/or are operating in risk-related industries such as textile, cleaning, and transport (where wages and occupational health and safety can be a risk). However, NES have a long- term cooperation with several of our suppliers, which is likely to reduce such risks.

5. Taking actions to address adverse impacts and risks

In addition to implementing relevant policy documents, a channel for reporting irregularities and distributing a supplier questionnaire, the Group has taken a number of measures in order to mitigate risks in our supply chain, for example, we have collected additional information about selected suppliers, such as certifications obtained, their sustainability/CSR report or other relevant documentation, which is saved and evaluated/discussed. We have also checked whether our suppliers have implemented their own ethical guidelines, are members of the UN Global Compact (UNGC) and/or are certified according to the ISO 9001 certification (Quality Management System).

6. Tracking the effectiveness of efforts and communicating

Going forward, we will continue our due diligence assessments of suppliers, in particular those that are using a significant number of subcontractors or a high degree of foreign workers, to make sure that payments and decent working conditions are considered. We will also make sure that all suppliers have received and accepted to comply with the Supplier Code of Conduct. These measures are likely to further reduce the risk of negative consequences and halt present activities that might have negative impact.