

**Human Rights and Transparency Act Report 2022**

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# HAV Group: Human Rights and Transparency Act Report 2022

## 1. About

### 1.1 The Norwegian Transparency Act

The Norwegian Transparency Act entered into force on 1 July 2022. According to the Transparency Act, larger enterprises are required to carry out due diligence of fundamental human rights and decent working conditions. The Transparency Act is based on the UN’s Guiding Principles on Business and Human Rights (UNGPs) and the OECD’s guidelines for multinational enterprises.

### 1.2 Our policy for handling requests of information

For questions about HAV Group’s approach to human rights and decent working conditions, please reach out to our head of legal affairs, Daniel Kopperstad: [daniel.kopperstad@havgroup.no](mailto:daniel.kopperstad@havgroup.no).

### 1.3 HAV Group ASA

HAV Group is an international provider of technology and services for maritime and marine industries. Although formally established in 2021, HAV Group has several decades of industry experience. The company possesses special expertise in guiding the marine and maritime industries towards zero emissions. HAV Group’s services and solutions include:

- 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.

HAV Group is a privately owned company listed on Euronext Growth Oslo (ticker: HAV). The company is headquartered in Fosnavåg, Norway, with offices in Bergen, Ålesund and Egersund (Norway), Sopot (Poland), Matulji (Croatia) and Istanbul (Turkey).



Figure 1: HAV Group’s supply chain.

## 2. Guidelines and routines

Good corporate governance forms the basis for HAV Group's value creation. Our corporate culture is founded on good business practice, openness, honesty, and respect for other people. This is the basis for carrying out responsible operations and making sound investments.

At HAV Group, we strive to ensure that our internal control mechanisms, organisation, and management structures comply with good corporate governance principles. Our main governing documents for dealing with ethical business conduct and human rights specifically are the company's Code of Conduct and Supplier Code of Conduct, which are available on <https://www.havgroup.no/about/corporate-responsibility/>

### 2.1 Code of Conduct

The company's Code of Conduct for Business, Ethics and Corporate Social Responsibility (the Code of Conduct) has been adopted to underscore the principles by which HAV Group conduct its relations with employees, business partners and other stakeholders.

The Code of Conduct applies to all members of the Board of Directors, and all staff employed by the company. 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 Code of Conduct shall be applied.

### 2.2 Supplier Code of Conduct

HAV Group shall adhere to integrity, governance, and responsible business practices in all our operations. We are committed to conducting our businesses with integrity, in accordance with internationally proclaimed human rights and with the aim of furthering sustainable development. Hence, 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 HAV Group's expectations for suppliers and business partners. 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. By entering into a supply agreement with a company within HAV Group, suppliers shall warrant that it conducts and will continue to conduct its business in a responsible and ethical manner and in accordance with the Supplier Code of Conduct.

### 2.3 Whistleblowing – the Integrity Channel

The Group has a system in place to facilitate internal and external notifications should circumstances 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 company's 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.

Employees are encouraged to use their right and responsibility to report concerns. This also applies to external parties, including employees of associated companies. Reports of concerns can be made through HAV Group's Integrity Channel (external whistleblowing channel, available on HAV Group's website), 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.

HAV Group has not received any complaints linked to actual or potential negative impact on human rights and decent working conditions in the reporting period.

### 3. Impact assessment

#### 3.1 Negative consequences

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 HAV Group has offices in Poland, Croatia and Turkey, the company's 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, HAV Group's is dependent on suppliers that operate globally, which makes human rights violation and decent working conditions important topics for us.

Our company conduct assessments ('due diligence') of the potential adverse impact on human rights in HAV Group's supply chain to identify risks among our suppliers. Such assessments are always made when entering into contracts with new suppliers, and entails for instance that the supplier receives information about our ethical guidelines, request for more information from the supplier itself and some suppliers also have to fill out our supplier 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

Based on the ESG questionnaire, we have previously found that terms of employment, wages and workhours, discrimination, health and safety, data privacy and sexual harassment to be the main risk areas that should be considered when choosing suppliers and business partners.

In 2022 and 2023, HAV Group and its subsidiaries have conducted additional assessments of existing suppliers. In these assessments, we have listed all HAV Group and subsidiaries’ suppliers (more than 100) based on for example size, industry, and country of operations. We have also looked into whether the supplier itself was subject to the Transparency Act as well as the Norwegian law on collective bargaining agreements, which many of our suppliers are.

The assessment confirms that the risk of human rights breaches in HAV Group and its subsidiaries is generally low. Main risks are however related to some of NES’ and NGT’s 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). HAV Group and its subsidiaries have a long-term cooperation with several of our suppliers, which is likely to further reduce risks.

KPIs	2022
No. of suppliers assessed for human rights risks in the reporting period	102
No. of suppliers to be followed up based on the risk assessments	17

**3.2 Measures taken**

In addition to implementing relevant policy documents, a channel for reporting irregularities and distributing the supplier questionnaire, HAV Group has taken a number of measures in order to mitigate risks in our supply chain.

Based on the findings of the risk assessment conducted in 2022/2023, we have collected additional information about selected suppliers, such as certifications obtained, the company’s sustainability/CSR report or other relevant documentation, which is saved and evaluated/discussed. Several of 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).

**3.3 Going forward**

Going forward we will look closer into selected suppliers, in particular those that are using a significant number of sub-suppliers or high degree of foreign workers, to make sure that payments and decent working conditions are considered. We will also make sure that all suppliers receive and sign 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.