

Due Diligence Report on Fundamental
Human Rights and Decent Working
Conditions

2023

List of Signatures

Page 1/1



2024-06-18 Transparency Act Report.pdf

Name	Method	Signed at
Gjesdal, Even	BANKID	2024-06-26 13:43 GMT+02
Haugland, Jarl	BANKID	2024-06-26 08:03 GMT+02
Nessa, Jon Tennebekk	BANKID	2024-06-26 06:40 GMT+02



This file is sealed with a digital signature. The seal is a guarantee for the authenticity of the document.

External reference: 3216162F6957490BA0B10DF11B556BC5

1 INTRODUCTION

Noova Energi System AS (referred to as “Noova”) recognizes that enterprises have a responsibility to respect and promote human rights and decent working conditions. We therefore do what we can to ensure responsible behaviour in our own business operations and throughout our value chain.

Noova respects international human rights and decent working conditions, as set out in the United Nations Guiding Principles on Business and Human Rights (UNGP) and the ILO Conventions. We will do our best to ensure that human rights are respected in all aspects of our business, as well as with our suppliers and business partners.

Section 5 of the Norwegian Transparency Act requires Noova to publish a report related to the due diligence process that is implemented in our business. This report covers all companies within Noova. The purpose of this report is to provide public insight into how we are organized and how we have embedded responsible business conduct in our management systems. The report will also describe key findings of our due diligence assessments, and what measures we have implemented, or plan to implement in order to prevent or mitigate actual adverse impact, or to limit significant risk of adverse impacts on human rights and decent working conditions. We will also describe the results or expected results of such measures.

2 GENERAL DESCRIPTION OF NOOVAS BUSINESS

2.1 Organization and operating area

Noova Energi System AS is 100 % owned by Noova Holding AS, which again is 100 % owned by Noova Bidco AS. Noova Bidco AS is 48,1 % owned by Noova Topco AS. This report will focus on the operations within Noova Energi Systems AS and its supply chain.

Noova Energi System AS' headquarter is located at Stavanger, and the company also has sales offices in Oslo, Bergen and Trondheim. We are 28 committed employees who are continuously developing our **expertise** and work environment.

Noova is a Norwegian company that helps other companies reduce their energy consumption and achieve more sustainable operations. We develop products that help our customers achieve their sustainability goals without compromising on operations or job satisfaction. Noova offers a wide range of technology services which assist companies with challenges related to adapting hybrid workplaces. Through mapping, consulting and monitoring, we help companies put their energy data into a system to provide a better overview and avoid that companies are using more energy than necessary.

In Noova, we have selected three sustainability goals where we believe we can make a real impact in connection to the green shift. The first is Industry, Innovation and Infrastructure, where we strive to optimize our customers' energy consumption by minimizing the burden on existing infrastructure and ensuring that the consumption has the least possible impact. Our second sustainability goal centers around minimizing our customers' energy usage, emphasizing responsible production and consumption. Our final focus is to leverage our knowledge and technology in collaboration with our customers and partners to drive sustainable profitability. We actively engage in networks to acquire knowledge and exchange experiences with others. By doing so, we aim to raise awareness among businesses regarding their energy consumption and inspire them to make more environmentally conscious choices.



3 GUIDELINES AND PROCEDURES FOR MANAGING ACTUAL AND POTENTIAL ADVERSE IMPACT

At Noova, we work actively and continuously to ensure respect for fundamental human rights and decent working conditions, both in our own business operations and throughout our supply chain. As a natural part of this work, we have embedded responsibility into our guidelines, and developed and adopted a Transparency Act Compliance Procedure that sets out our internal procedures and processes in this regard. The Compliance Procedure has been reviewed and approved by the Board. We have also adopted a Code of Conduct.

Noova is actively working to ensure open and responsible business practices in our value chain. In this regard, we have conducted thorough due diligence assessments in line with the Transparency Act. The approach is also based on the OECD Due Diligence Guidance for Responsible Business Conduct. The assessments have enabled us to identify, prioritize and manage risks of adverse impacts on human rights and decent working conditions in our own operations and supply chain.

As a part of the initial risk assessment, we reviewed our hundred biggest suppliers and business partners in 2023. During spring 2024, we conducted an updated risk assessment which also included new suppliers of Noova. Based on a thorough materiality analysis conducted by an objective third-party, and with a risk-based approach, a selection of the suppliers has been subject to further investigations in both 2023 and 2024. We acknowledge that we are dependent on further information regarding how our suppliers address human rights issues. Thus, as an initial step, we have distributed questionnaires to the suppliers and business partners from whom we require additional information. We use House of Control for contract management and supplier questionnaires, which enables us to work systematically with the due diligence assessments of suppliers. The questionnaires are reviewed by Noova and an objective third-party in order to ensure that the assessment is based on relevant risk factors.

Key elements in the risk assessment include determining whether there are risks related to the industry/product, country of origin, the supplier's own due diligence assessments, and whether the supplier has prepared relevant procedures and guidelines to ensure compliance with human rights in its own business and supply chain. As part of the risk assessment, we have also emphasized the extent to which Noova has an impact on the individual supplier or business partner, as well as the seriousness of the breach at risk and the urgency of follow-up.

The due diligence assessments will be repeated annually and in the event of significant changes in our business or value chain. The work will also be integrated as a natural part of our procurement routines. Thus, new suppliers and business partners will have to go through a qualification process that, among other things, entails a mapping of risks related to human rights and decent working conditions.

We will continuously assess our efforts in this area, including evaluating the effectiveness of implemented measures in mitigating or eliminating the risk of adverse impact.

4 ACTUAL AND SIGNIFICANT RISK OF ADVERSE IMPACT IDENTIFIED IN OUR DUE DILIGENCE ASSESSMENTS

We perform annual employee surveys and interviews in our own company, in order to address employees' needs and motivation for career development. The surveys confirm that the working environment is good, and that the various office locations are in satisfactory conditions. We have



identified no adverse impact or significant risk of adverse impact within our own business operations.

We have conducted an initial risk assessment of our suppliers and business partners and followed up a risk-based selection of the suppliers. Considering the nature of Noova's business operations, our supply chain and business partners are deemed to have a low risk of potential human rights violations. To date, we have not uncovered any actual adverse impact related to human rights or decent working conditions within our supply chain or among our business partners. A majority of our direct suppliers are based in Norway, and a significant number of them have implemented their own respective set of policies and controls to ensure respect for human rights and decent working conditions within their operations.

We have discovered some risk factors among our suppliers which we have followed up with tailored questionnaires. If necessary, we will go into further dialogue with the specific suppliers. Our assessments have revealed that the most prominent risk within our supply chain and among our business partners pertains to ICT (Information and Communication Technology). Suppliers of technological solutions and products may carry a risk associated with human rights and decent working conditions. The information technology sector relies heavily on factories in China and other Asian countries to assemble products and manufacture components. There is a risk of labor rights issues in these factories, particularly regarding wages and benefits, forced overtime, and the abuse of student labor. There might also be risks related to health and safety, as the manufacturing of electronics requires handling dangerous chemicals.

Additionally, construction at our rented offices in 2023 has presented potential risks to the health, safety, and environment (HSE) of construction workers, particularly regarding overtime use. We are committed to following up on such risks all workers on-site have decent working conditions, including reasonable overtime hours, adherence to HSE and safety protocols, and fair wages.

5 MEASURES AND RESULTS

Internally in Noova, we support targeted courses and study programs, and we work to ensure that all employees feel included and accepted regardless of gender, pregnancy, maternity leave, care, responsibilities, ethnicity, religion, disability, sexual orientation and gender identity. Noova also facilitates so that people with disabilities can work for the company. Furthermore, Noova has appointed a HR-Director in 2022, who works alongside the CEO in order to ensure that the company's guidelines for discrimination are complied with. Employee surveys and interviews are performed annually in order to address employees' needs and motivation for career development. The results from the employee satisfaction surveys indicate that the working environment is good, and that the office locations are in satisfactory conditions.

In the absence of sufficient information about some of our suppliers and business partners, we have sent out questionnaires to obtain relevant information about how the suppliers address the risk of adverse impact in their business operations. During the first round of questionnaires, the response rate was not sufficient to provide us with a complete and comprehensive overview of our risk landscape. We conducted follow-up dialogue in spring 2024, focusing on both unresponsive and insufficiently informative suppliers, as well as new suppliers flagged for potential risk in an initial risk assessment. We further examined which of our suppliers, initially identified as potential risks, fall under the scope of the Transparency Act and whether they have published a Transparency Act statement. For potential high-risk suppliers, we will continue to assess whether the statements appear to adequately address the risks associated with the supplier and its supply chain, along with



their risk management strategies. This follow-up process has improved the response rate and provided us with more information which has improved our ability to identify, prioritize and manage risks of adverse impacts on human rights and decent working conditions in our own operations and supply chain. To ensure continuous improvement, we have prepared a year plan for further follow-up on the different steps of the due diligence process.

We recognize that achieving the desired outcomes requires ongoing work and continuous improvement, including monitoring and evaluating the effectiveness of our mitigation measures and close collaboration with stakeholders.

This statement is signed in June 2024 by CEO and all board members digitally.

Jarl Haugland

Even Gjesdal

Jon Tennebekk Nessa



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
3216162F6957490BA0B10DF11B556BC5