

Transparency Act Report

HG Teknikk AS - 2022

Account of due diligence assessments, HG Teknikk AS,
Norwegian Register of Business Enterprises NO 964 389 020
MVA.



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1. The 2022 Transparency Act Report

1.1 Introduction

HG Teknikk AS shall annually conduct due diligence assessments in accordance with the Transparency Act and publish an account of the assessments.

The purpose of the Transparency Act is to promote companies' respect for fundamental human rights and decent working conditions.

This report accounts for the company's duty to report on the due diligence assessments conducted for 2022. The report also describes the measures assessed and implemented to reduce the risk of potentially negative impact from the company's activities and business relationships on fundamental human rights and decent working conditions.

1.2 Contact Information

Please direct any inquiries related to the report to:

HG Teknikk AS

Managing Director, Tor Marthin Sørli

E-mail: tor.marthin.sorli@hareidgroup.com

1.3 Obligation to report

The company is headquartered at Raffelneset 6, Hareid, Norway.

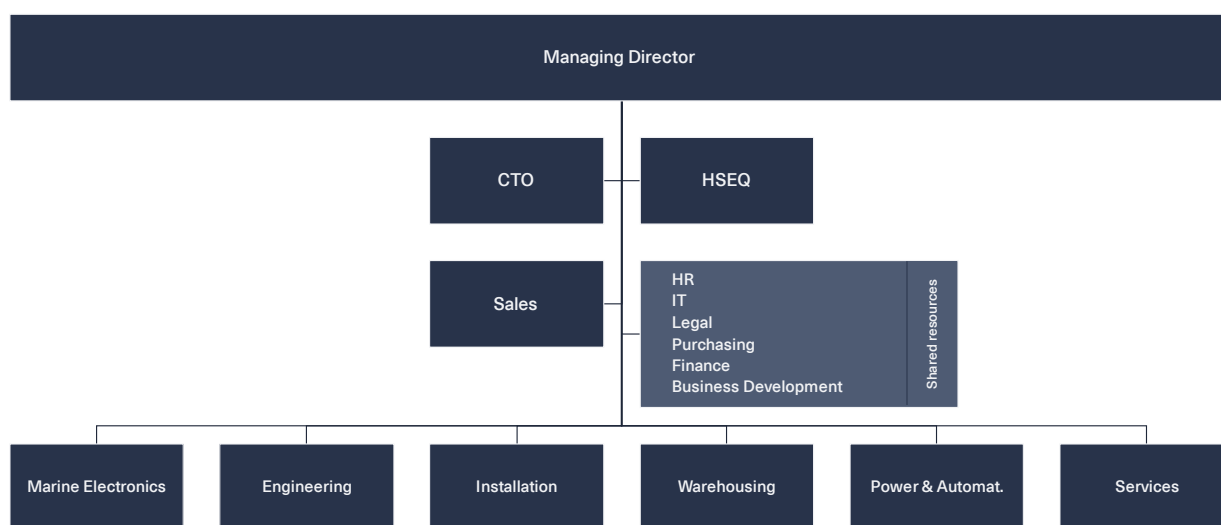
On the balance sheet date, the company had sales revenues of NOK. 276.012.350,-, balance sheet sum of NOK 112.473.519,- and employed 84,8 full-time equivalents. The company is therefore obligated to report.

2. The company's activities

2.1 Organisation and area of operations

HG Teknikk AS is a subsidiary fully owned by Hareid Elektriske AS. In 2022, the company had operating revenues of NOK. 276 012 350,-. The profit for the year after tax was NOK. 23 420 706,-.

Organisation as of 31.12.22:



The company had 84.8 full-time equivalents in 2022.

HG Teknikk AS supplies the full range of electrical products and services for the maritime industry, mainly to shipyard customers in Norway. The business delivers to larger projects on new buildings and renovations, and to smaller service assignments. In addition, the company offers product deliveries within power systems, automation and maritime electronics.

The scope of delivery includes:

- Design and system integration
- Project management, coordination and planning
- Electrical steelwork and electrical installation
- Deliveries of installation material
- Cable installation
- Navigation and communication systems
- Fire alarm and emergency light installations
- Network installation
- Completion, test and commissioning
- Service and maintenance
- Switchboards and distributions

2.2 Internal guidelines

The company has its own routines for anchoring work on human rights and decent working conditions, see "Routines for anchoring the work on the Transparency Act for HG Teknikk AS" attached to this report. The routine includes the company's work to meet the requirements set out in the Transparency Act.

The company's procedures have been endorsed and adopted by the company's Board of Directors on 29.06.23. The routine is communicated to the company's employees and is available on the company's intranet site. The company conducts regular courses on the Transparency Act and the company's routines related to the Act.

The procedure describes how the company conducts its due diligence and assessment of measures. The procedures also contain information about the company's whistleblowing channels, which are intended to help uncover negative consequences for fundamental human rights and decent working conditions related to the company's activities, and how such information is followed up.

2.3 Objectives and progress

2.3.1 Overall goal and progress

The company works continuously to assess risks associated with its activities and the use of business partners (direct suppliers and other business partners). Furthermore, the company works continuously to implement measures to achieve the goals set by the company. See sections 3 and 4 of the report for information on the work done for the reporting year.

2.3.2 Goals for the coming year

Specific targets for the coming year:

Objective	Status
We will further develop our due diligence assessment on the basis of the experience gained during the first reporting period	In progress
We will raise the competence internally in our company when it comes to sustainability and responsible purchasing practices	In progress
We will expand the due diligence assessment to include some of the larger subcontractors to first-tier suppliers	In progress
We will further develop our due diligence assessment on the basis of the experience gained during the first reporting period	In progress
We will improve the internal competence when it comes to sustainability and responsible purchasing practices.	In progress

3. The due diligence assessment

3.1 Introduction to the company's due diligence focus

HG Teknikk AS continuously assesses the risk of negative consequences for fundamental human rights and decent working conditions related to the company's business activities. The company continuously investigates human rights violations and violations of decent working conditions related to the company's activities.

3.2 Supply chain and business partners

The company had commercial relationships with 214 first-tier suppliers in the reporting year. The Company's suppliers are located in the following countries/geographical areas:

Country/geographical area:	Number of suppliers
Norway	201
Poland	3
Italy	3
Germany	2
Slovenia	1
Great Britain	1
Croatia	1
Finland	1
Belgium	1

The company has commercial relationships with 144 business partners in its reporting year. The company's business partners are located in the following countries/geographical regions:

Country/geographical area:	Number of business partners
Norway	144

3.3 Prioritisation of own operations and suppliers/business relationships

In the due diligence assessment for 2022, HG Teknikk AS has chosen to do the following prioritisation of which parts of our own operations and which suppliers/business relationships have been included in the assessment:

3.3.1 Own operations

For its own operations, HG Teknikk AS has chosen to concentrate its due diligence assessment on the degree or risk of injury to workers' health or safety associated with installation assignments at shipyards.

The reason for the prioritisation is that installation assignments at shipyards constitute the largest part of the company's activities during the assessment period, and it is considered to be the part of own operations where the risk of injuries is greatest.

3.3.2 Suppliers and business partners

HG Teknikk AS has chosen to prioritise due diligence assessments of the suppliers and business partners it purchases the most from and has therefore conducted due diligence assessments related to all suppliers and business partners with deliveries with a total value of more than NOK 5 million. In addition, the Elnett Group, of which HG Teknikk AS is a part, has conducted due diligence assessments of other suppliers covered by the cooperation where the company's purchasing volume is lower than NOK 5 million during the reporting year (see further section 3.4.1). This means that due diligence has been carried out in connection with 74% of the total purchasing volume.

HG Teknikk AS has chosen to limit the mapping to first-stage suppliers in this first round of reporting. Selected subcontractors are mapped during the due diligence assessment of the priority first-tier suppliers.

The following suppliers have been assessed by HG Teknikk AS:

Company	Deliveries	Described in section
HG Solutions Sp. Z o.o. NUF (company in Hareid Group)	Electrical installation services	3.5.2
External supplier	Cable and installation materials	3.5.3
Hareid Elektriske AS (company in Hareid Group, owning 100% of the shares in HG Teknikk AS)	Rental and administrative services	3.5.4
HG Solutions Sp.z.o.o. (PLN) (company in Hareid Group)	Equipment deliveries (switchboards, starters, etc.)	3.5.5
External supplier	Lighting	5.5.6
External supplier	Equipment deliveries (frequency converters, surge protection, etc.)	5.6.7

In addition to the supplier assessment based on delivery volumes, HG Teknikk AS has also mapped which countries the other of the company's suppliers have operations (see section 3.2). This mapping revealed that none of the suppliers operates in countries with high risk of human rights violations and decent working conditions (systematic violations) according to the ITUC (International Trade Union Confederation) survey for 2022. Against this background, no further mapping has been carried out of suppliers with volumes lower than NOK 5 million.

3.4 Overview of the company's due diligence methodology

3.4.1 Due diligence methodology related to external suppliers and business partners

HG Teknikk AS is part of the Elnett Group, an alliance consisting of 19 regionally large electrical contractors. The alliance has on behalf of, and in close cooperation with, its members conducted due diligence assessments related to products and suppliers relevant to the Group's members.

HG Teknikk AS has largely based its due diligence assessments of product suppliers on the work done in and through the alliance, and HG Teknikk AS has used the same methodology in the due diligence assessments of priority suppliers and business partners.

A digital platform developed by Ignite Procurement AS has been used for the mapping, simplifying the implementation of due diligence assessments in accordance with the requirements of the Transparency Act.

Preliminary assessments have been made of the risk of negative impact on fundamental human rights and decent working conditions based on a systematised overview of first-tier suppliers, business partners and other known subcontractors.

The particular steps in the assessment:

1. Based on supplier data obtained from accounting data, order confirmations and internal ERP systems, a complete overview of the company's first-tier suppliers and business partners is created. The list of first-tier suppliers is updated continuously.
2. Supplier information is enriched through third-party collaboration with professional providers of company information. Suppliers' information and financial data such as industry codes (NACE) is obtained through the digital platform.
3. Through steps 1 and 2, the company gets an overview of first-tier suppliers, business partners and other known subcontractors, with associated supplier information.
4. Using the platform's built-in risk evaluation tool, an initial risk classification of the company's first-tier suppliers, business partners and other known subcontractors is generated based on geography and industry. The risk set to "high", "medium" or "low" based on potential negative impact on fundamental human rights and decent working conditions.
5. As part of the risk mapping, the company has distributed custom questionnaires to obtain additional information, documentation and certifications from a defined set of first-tier suppliers, business partners and other known subcontractors.

6. Based on the findings in paragraphs 4 and 6, the company assesses what measures should be taken to investigate potential negative impacts on fundamental human rights and decent working conditions. The company has implemented measures where the severity and probability of injury are greatest and where the company has the best chance to enable positive development. Prioritisations are linked to the company's affiliation with and responsibility for the risk, and must be proportionate to the size, nature and context of the business.

7. The company has involved stakeholders, suppliers and business partners in implementing the measures.

Supply chain analyses have been prepared based on supplier data, the outcome of the risk assessment and information obtained from the supply chain. Section 3.5 below provides a more detailed description of the information collected and the detailed risk evaluation of the prioritised suppliers.

Factors relevant for the due diligence assessment of the company's activities and business relationships:

1. The company's operational context
2. The company's business model
3. The company's position in the supply chain
4. Type of products and services

3.4.2 Due diligence methodology related to intercompany suppliers

HG Teknikk AS has conducted an overall survey of the intercompany suppliers using the platform and methodology used for the external suppliers, as described in section 3.4.1.

The parent company, Hareid Elektriske AS, has conducted its own due diligence assessments in accordance with the Transparency Act. HG Teknikk AS has also carried out its own additional risk assessment based on its own investigations through close dialogue with Hareid Elektriske AS regarding the real property's impact on the environment, mapping of employees' salaries and compliance with the Working Environment Act. HG Teknikk AS and Hareid Elektriske AS have close cooperation on guidelines for safeguarding human

rights and basic working conditions, transparency etc. and routines and assessments related to these conditions.

HG Solutions Sp. Z o.o. NUF has conducted its own due diligence assessments in accordance with the Transparency Act regarding the activity associated with the company's projects carried out at Norwegian shipyards. The majority of this activity has been carried out as a subcontractor to HG Teknikk AS. HG Teknikk AS and HG Solutions Sp. Z o.o. NUF have worked closely together in connection with the due diligence assessments regarding this part of the business. Please refer to the HG Solutions Sp.z.o.o. 2022 Transparency Act report for a more detailed description of the methodology.

In the due diligence assessment of the deliveries from HG Solutions Sp.z.o.o. (PLN), in addition to the aforementioned overall mapping, HG Teknikk AS has conducted its own additional risk assessment based on its own investigations through close dialogue with HG Solutions Sp.z.o.o. regarding certifications, mapping of employees' salaries and compliance with Polish labour legislation and mapping of the main components of equipment deliveries. HG Teknikk AS and HG Solutions Sp.z.o.o. has close cooperation on guidelines for safeguarding human rights and fundamental working conditions, transparency etc. and routines and assessments related to these matters.

3.4.3 Due diligence methodology related to the company's own operations

In the due diligence assessment related to the degree or risk of injury to workers' health or safety associated with installation assignments at shipyards, the company has mapped and analysed its own HSE reports regarding reported accidents and incidents among both its own employees and subcontractors performing work on behalf of the company.

In addition, the company has engaged our occupational health service provider Avonova to assess the health status associated with exposures in the working environment, where the employees are particularly followed up in relation to exposures that can potentially cause health problems.

3.5 Due diligence of the company's products and services

The following provides a more detailed account of any significant risk of negative consequences for human rights and decent working conditions identified through the

company's due diligence assessments. The report also covers any confirmed violations of human rights and decent working conditions.

3.5.1 Service – own deliveries of electrical installation work performed at Norwegian shipyards

HG Teknikk AS assesses the risk of negative consequences for human rights and decent working conditions as minor based on recognised standards for risk assessment of industrial risk, geographical risk and social risk based on industry, operational context and position in the supply chain, cf. methodology described in section 3.4.1. Nevertheless, the company has chosen to conduct due diligence assessments of its own operations related to the degree or risk of injury to employees' health or safety in connection with installation assignments at shipyards.

Assessment of risk of injury via the company's own management systems:

The risk of injury to the health or safety of employees is followed up in the company's quality system, where HSE non-conformities are registered and followed up continuously.

In order to detect and reduce risk, the company reports separately on injuries with absence the following shift or day (Lost Time Injuries). In addition, all incidents where employees are exposed to electric current are followed up, regardless of absence after the incident.

During the reporting period, the company has had four cases of Lost Time Injuries:

ID	Incident	Absence (hours)
16821	Fractured rib after pressure against sharp edge as a result of incorrect working position during installation work.	37,5
18682	Sprained ankle after electrician mis-stepped when working in switchboard room.	7,5
19865	Burns on hand after coming in contact with area still hot following use of cutting torch.	45
01/N/ 2022	Electrician from supplier HG Solutions Sp. Z o.o. NUF injured finger during sawing of penetration modules.	60

During the reporting period, the company had two incidents involving exposure to electric current when subcontractors performed work for the company:

ID	Incident	Absence (hours)
18825	Electrician from supplier HG Solutions Sp. Z o.o. NUF was exposed to electric current during work on emergency power system.	Two hours the same day
18862	Electrician from supplier HG Solutions Sp. Z o.o. NUF was exposed to electric current during work on installation of cables for node.	Four hours the same day

Bearing in mind the size of the company's activity and the extent and degree of registered injuries, the risk of injury to workers' health or safety associated with installation assignments at shipyards is considered to be low. The company will nevertheless work to reduce the risk further through measures as mentioned in section 4.

Assessment of the risk of work-related health problems and illness by Avonova:

Avonova has conducted an occupational health survey of employees working on installation assignments at shipyards related to exposures in the working environment.

The employees are particularly followed up in relation to the following exposures, which typically have the potential to cause health problems in the electrical industry:

- Noise
- Chemical substances
- Dust
- Vibration
- Work at a computer screen
- Heavy and monotonous work
- Wet work
- Well-being

In the event of uncovered work-related health problems and illness, this must be reported to the Labour Inspection Authority. Avonova's study has not revealed specific cases of work-related health problems and illness. Against this background, the risk of work-related health problems and illness is considered to be low.

However, Avonova's occupational health survey has revealed that some employees have ailments that may potentially be related to exposure to dust and chemicals and overloads

associated with heavy work, without a concrete, causal link being established. The company will nevertheless work to uncover and reduce risk further through measures as mentioned in section 4.

3.5.2 Service – installation work performed by HG Solutions Sp. Z o.o. NUF (company in Hareid Group)

Deliveries from HG Solutions Sp. Z o.o. NUF consist of electrical installation works performed as a subcontractor to HG Teknikk AS in connection with the company's installation assignments at Norwegian shipyards.

The company has conducted due diligence assessments in connection with the deliveries from HG Solutions Sp.z.o.o. NUF.

When mapping and assessing risk, the methodology as described in section 3.4.1 has been used. The following initial risk assessments have been made:

Industry risk:

The assessment of industrial risk is based on the European Bank of Reconstruction and Development's index that links social risk to NACE codes.

HG Solutions Sp. Z o.o. NUF is registered with NACE code 43.2 (Electrical installation work). The deliveries are considered to have a low risk of negative impact on the environment, medium risk of negative impact on social conditions, which gives an overall medium industrial risk.

Geographical risk:

Assessment of risk based on the ITUC index of probability of internationally recognised collective labour rights being upheld by governments and employers in different countries. The methodology is rooted in standard fundamental rights in the workplace, in particular the right to freedom of association, the right to collective bargaining and the right to strike.

Deliveries from HG Solutions Sp.z.o.o. The NUF is considered to have a low risk of negative impact on standard fundamental rights according to the ITUC index based on geographical risk.

Social risk:

Assessment of risk built on Ignite score based on quantification and compilation of industrial risk and geographic risk.

Deliveries from HG Solutions Sp. Z o.o. NUF is considered to have a medium overall social risk.

Own risk assessment:

In addition to initial assessments of industrial, geographical and social risk, HG Teknikk AS has conducted its own risk assessment based on its own investigations through close dialogue with HG Solutions Sp.z.o.o. regarding certifications, mapping of employees' salaries and compliance with regulations for working environment and HSE. HG Teknikk AS and HG Solutions Sp. Z o.o. NUF has common guidelines for safeguarding human rights and basic working conditions, transparency etc. and routines and assessments related to these matters related to the deliveries HG Solutions Sp. Z o.o. NUF has to HG Teknikk AS.

Based on HG Teknikk AS's own risk assessment, deliveries from HG Solutions Sp. Z o.o. NUF is considered to have a low risk of negative impact on fundamental human rights and decent working conditions

As explained in clause 3.5.1, two cases were uncovered in 2022 where employees of HG Solutions Sp. Z o.o. NUF was exposed to electric current when carrying out installation work on behalf of HG Teknikk AS. The incidents caused no harm to the two installers. HG Teknikk AS has implemented measures to prevent the risk of electric shock as described in point 4.

HG Solutions Sp. Z o.o. NUF has conducted its own due diligence assessments in accordance with the Transparency Act regarding the activity associated with the company's projects carried out at Norwegian shipyards, where a more detailed assessment has been provided by HG Solutions Sp.z.o.o. NUF's activities and subcontractors associated with the projects.

3.5.3 Product – supplies of cable and installation materials

The company has conducted a due diligence assessment of the company's main supplier of cable and installation materials.

When mapping and assessing risk, the methodology as described in section 3.4.1 has been used. The following initial risk assessments have been made:

Industry risk:

The assessment of industrial risk is based on the European Bank of Reconstruction and Development's index that links social risk to NACE codes.

The supplier of cable and installation materials is registered with NACE code 46.6 (Wholesale of machinery and equipment for power production and installation). Deliveries of cable and installation materials are considered to have a low risk of negative impact on the environment, low risk of negative impact on social conditions, resulting in an overall low industrial risk.

Geographical risk:

Assessment of risk based on the ITUC index of probability of internationally recognised collective labour rights being upheld by governments and employers in different countries. The methodology is rooted in standard fundamental rights in the workplace, in particular the right to freedom of association, the right to collective bargaining and the right to strike.

The deliveries of cable and installation materials are considered to have a low risk of negative impact on standard fundamental rights according to the ITUC index based on geographical risk.

Social risk:

Risk assessment built on Ignite's score based on quantification and compilation of industrial risk and geographic risk.

Deliveries of cable and installation materials are considered to have a low overall social risk.

Own risk assessment:

In addition to initial assessments of industrial risk, geographical risk and social risk, risk assessments have been made based on feedback on questionnaires regarding, inter alia, supplier certifications (social responsibility management system), various guidelines for safeguarding human rights and basic working conditions, transparency, etc. and the suppliers' routines and assessments related to these conditions.

Based on HG Teknikk AS's own risk assessment, deliveries of cable and installation materials are considered to have a low risk of negative impact on fundamental human rights and decent working conditions.

3.5.4 Service – delivery of office, warehouse and production premises and delivery of administrative services and professional advice to HG Teknikk AS from the parent company Hareid Elektriske AS

The company has conducted a due diligence assessment of the parent company Hareid Elektriske AS, from which the company rents office, warehouse and production premises, and which also provides administrative services and professional advice to HG Teknikk AS.

When mapping and assessing risk, the methodology as described in section 3.4.1 has been used. The following initial risk assessments have been made:

Industry risk:

The assessment of industrial risk is based on the European Bank of Reconstruction and Development's index that links social risk to NACE codes.

Hareid Elektriske AS is registered with NACE code 68.2 (Rental of own or rented real estate otherwise). The deliveries are considered to have a medium risk of negative impact on the environment, medium risk of negative impact on social conditions, which gives an overall medium industrial risk.

Geographical risk:

Assessment of risk based on the ITUC index of probability of internationally recognised collective labour rights being upheld by governments and employers in different countries. The methodology is rooted in standard fundamental rights in the workplace, in particular the right to freedom of association, the right to collective bargaining and the right to strike.

The deliveries from Hareid Elektriske AS are considered to have a low risk of negative impact on standard fundamental rights according to the ITUC's index based on geographical risk.

Social risk:

Risk assessment built on Ignite's score based on quantification and compilation of industrial risk and geographic risk.

The deliveries from Hareid Elektriske AS are considered to have a medium overall social risk.

Own risk assessment:

In addition to initial assessments of industrial risk, geographical risk and social risk, HG Teknikk AS has conducted its own additional risk assessment based on its own investigations through close dialogue with Hareid Electrical regarding the real property's impact on the environment, mapping of employees' salaries and compliance with the Working Environment Act. HG Teknikk AS and Hareid Elektriske AS work closely together on guidelines for safeguarding human rights and basic working conditions, transparency etc. and routines and assessments related to these conditions.

Based on HG Teknikk AS's own risk assessment, deliveries from Hareid Elektriske AS are considered to have a low risk of negative impact on fundamental human rights and decent working conditions.

3.5.5 Product – deliveries of equipment (switchboards, starters etc.) from HG Solutions Sp.z.o.o. (PLN) (company in Hareid Group)

The company has conducted a due diligence assessment of the Polish company HG Solutions Sp.z.o.o. who produces equipment such as switchboards and starters etc. for HG Teknikk AS's projects.

When mapping and assessing risk, the methodology as described in section 3.4.1 has been used. The following initial risk assessments have been made:

Industry risk:

The assessment of industrial risk is based on the European Bank of Reconstruction and Development's index that links social risk to NACE codes.

HG Solutions Sp.z.o.o. are registered with NACE code 43.2 (Electrical installation work). Equipment deliveries are considered to have a low risk of negative impact on the environment, medium risk of negative impact on social conditions, resulting in an overall medium industrial risk.

Geographical risk:

Assessment of risk based on the ITUC index of probability of internationally recognised collective labour rights being upheld by governments and employers in different countries.

The methodology is rooted in standard fundamental rights in the workplace, in particular the right to freedom of association, the right to collective bargaining and the right to strike.

Supplies of equipment manufactured by HG Solutions Sp.z.o.o. is considered to have a medium risk of negative impact on standard fundamental rights according to the ITUC index based on geographical risk.

Social risk:

Risk assessment built on Ignite's score based on quantification and compilation of industrial risk and geographic risk.

Supplies of equipment manufactured by HG Solutions Sp.z.o.o. is considered to have a medium overall social risk.

Own risk assessment:

In addition to initial assessments of industrial risk, geographical risk and social risk, HG Teknikk AS has conducted its own additional risk assessment based on its own investigations through close dialogue with HG Solutions Sp.z.o.o. regarding certifications, mapping of employees' salaries and compliance with Polish labor legislation as well as mapping the main components of equipment deliveries. HG Teknikk AS and HG Solutions Sp.z.o.o. has close cooperation on guidelines for safeguarding human rights and fundamental working conditions, transparency etc. and routines and assessments related to these matters.

Based on HG Teknikk AS's own risk assessment, deliveries of equipment from HG Solutions Sp.z.o.o. are considered to have a low risk of negative impact on fundamental human rights and decent working conditions.

3.5.6 Product - supplies of lighting

The company has conducted a due diligence assessment of the company's main supplier of lighting for the company's projects.

When mapping and assessing risk, the methodology as described in section 3.4.1 has been used. The following initial risk assessments have been made:

Industry risk:

The assessment of industrial risk is based on the European Bank of Reconstruction and Development's index that links social risk to NACE codes.

The lighting equipment supplier is registered with NACE code 27.4 (Manufacture of lighting equipment). The lighting deliverables are considered to have a medium risk of negative impact on the environment, medium risk of negative impact on social conditions, resulting in an overall medium industry risk.

Geographical risk:

Assessment of risk based on the ITUC index of probability of internationally recognised collective labour rights being upheld by governments and employers in different countries. The methodology is rooted in standard fundamental rights in the workplace, in particular the right to freedom of association, the right to collective bargaining and the right to strike.

The deliveries of lighting are considered to have a low risk of negative impact on standard fundamental rights according to the ITUC index based on geographical risk.

Social risk:

Risk assessment built on Ignite's score based on quantification and compilation of industrial risk and geographic risk.

The deliveries of lighting are considered to have a medium overall social risk.

Own risk assessment:

In addition to initial assessments of industrial risk, geographical risk and social risk, risk assessments have been made based on feedback on questionnaires regarding, inter alia, supplier certifications (social responsibility management system), various guidelines for safeguarding human rights and basic working conditions, transparency, etc. and the suppliers' routines and assessments related to these conditions.

Based on HG Teknikk AS's own risk assessment, deliveries of lighting are considered to have a low risk of negative impact on fundamental human rights and decent working conditions.

3.5.7 Product - supplies of equipment (surge protectors, inverters, etc.)

The company has conducted a due diligence assessment of the company's largest supplier of equipment such as surge protectors, inverters etc. for the company's projects.

When mapping and assessing risk, the methodology as described in section 3.4.1 has been used. The following initial risk assessments have been made:

Industry risk:

The assessment of industrial risk is based on the European Bank of Reconstruction and Development's index that links social risk to NACE codes.

The supplier of equipment is registered with NACE code 33.2 (Installation of industrial machinery and equipment). Equipment deliveries are considered to have a low risk of negative impact on the environment, medium risk of negative impact on social conditions, resulting in an overall medium industrial risk.

Geographical risk:

Assessment of risk based on the ITUC index of probability of internationally recognised collective labour rights being upheld by governments and employers in different countries. The methodology is rooted in standard fundamental rights in the workplace, in particular the right to freedom of association, the right to collective bargaining and the right to strike.

The deliveries of equipment are considered to have a low risk of negative impact on standard fundamental rights according to the ITUC index based on geographical risk.

Social risk:

Risk assessment built on Ignite's score based on quantification and compilation of industrial risk and geographic risk.

The supply of equipment such as surge protectors, converters etc. is considered to have a medium overall social risk.

Own risk assessment:

In addition to initial assessments of industrial risk, geographical risk and social risk, risk assessments have been made based on feedback on questionnaires regarding, inter alia, supplier certifications (social responsibility management system), various guidelines for

safeguarding human rights and basic working conditions, transparency, etc. and the suppliers' routines and assessments related to these conditions.

Based on HG Teknikk AS's own risk assessment, deliveries of equipment such as surge protectors, inverters etc. are considered to have a low risk of negative impact on fundamental human rights and decent working conditions.

3.5.8 Overview – risk assessments related to suppliers and business partners

Supplier/Business Partner	Country	NACE	Risk Assessment			
			Industry	Sosial	Geographical	Own assessment
HG Solutions Sp. Z o.o. NUF	Norway	43.2	Medium	Medium	Low	Low
External supplier	Norway	46.6	Low	Low	Low	Low
Hareid Elektriske AS	Norway	68.2	Medium	Medium	Low	Low
HG Solutions Sp.z.o.o. (PLN)	Poland	43.2	Medium	Medium	Medium	Low
External supplier	Norway	27.4	Medium	Medium	Low	Low
External supplier	Norway	33.2	Medium	Medium	Low	Low

3.6 Conclusion – due diligence assessment

The due diligence assessment has not revealed violations of human rights/decent working conditions or significant risk of human rights/decent working conditions violations in the reporting year.

4. Measures to stop, prevent or limit negative consequences

In the following, the company will provide an account of the measures its activities have taken to prevent, limit or stop the identified consequences and risks identified in section 3.5.1 above.

Based on the assessments, we have implemented the following measures:

ID	Incident	Absence (hours)	Measures
16821	Fractured rib after pressure against sharp edge as a result of incorrect working position during installation work.	37,5	Training: The incident is used as an example of the importance of adaptation of workplace and correct working posture. Such assessments are included in weekly safety inspections together with shipyards and in separate safe job analyses.
18682	Sprained ankle after electrician mis-stepped when working in switchboard room.	7,5	Physical measures: The need for makeshift floors has been put on the agenda for a weekly safety inspection with shipyards.
19865	Burns on hand after coming in contact with area still hot following use of cutting torch.	45	Training: The incident is used as an example in raising awareness of own employees related to work in zones with several subjects involved at the same time.
01/N/2022	Electrician from supplier HG Solutions Sp. Z o.o. NUF injured finger during sawing of penetration modules.	60	Training: The incident is used as an example in raising awareness of own employees related to the correct use of tools and organization of work.
18825	Electrician from supplier HG Solutions Sp. Z o.o. NUF was exposed to electric current during work on emergency power system.	Two hours the same day	<ul style="list-style-type: none"> • Sequence of events discussed and clarified together with subcontractor • Responsibilities and obligations are pointed out and clarified vis-à-vis subcontractors
18862	Electrician from supplier HG Solutions Sp. Z o.o. NUF was exposed to electric current during work on installation of cables for node.	Four hours the same day	<ul style="list-style-type: none"> • Follow-up in weekly meetings with site teams regarding the use of the safe job analysis form (SJA) and generally about FSE. • HG Teknikk AS will now have information from subcontractors about approval DSB

			and FSE implementation on each employee who is on the projects • Routines for SJA, AFA and procedures for putting power on boards/distributions are adjustments for subsequent projects
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5. Monitoring of measures – implementation and results

We continuously work to monitor the implementation and results of planned measures, and work to further develop routines for monitoring the implementation and results of risk-reducing measures.

6. Communication with affected stakeholders

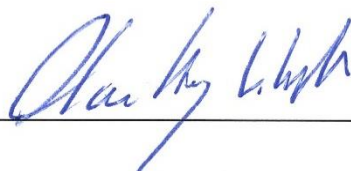
The company has not uncovered human rights violations or breach of decent working conditions in the reporting year. Nor has the company disclosed a material risk of breach/negative consequences.

With regard to the identified (albeit low) risk of harm to workers' health or safety, the Company communicates with workers, relevant suppliers and trade unions how actual impacts have been addressed, including measures taken and the results of these measures, and uses this dialogue actively to strengthen its efforts to map and monitor the results of our work.

7. Recovery and indemnification

The company has not uncovered cases requiring recovery or indemnification during the reporting year.

Hareid, 29.06.2023



Olav Haug Vikebakk
Chairman of the Board



Stian Erik Bjåstad
Board Member



Øyvind Halkjelsvik
Board Member



Tore Skoge
Board Member



Henning Baade
Board Member



Tor Marthin Sørli
Managing Director

8. Appendices

8.1 Appendix 1

Procedures for anchoring work with the Transparency Act in HG Teknikk AS

1. Introduction

The purpose of the Transparency Act is to promote companies' respect for fundamental human rights and decent working conditions in connection with production of goods and provision of services.

In addition, the Transparency Act is intended to ensure public access to information about how businesses deal with negative consequences for fundamental human rights and decent working conditions.

This procedure describes how HG Teknikk AS anchors and works with due diligence in line with the provisions of the Transparency Act.

2. Anchoring

The Board of Directors determines HG Teknikk AS's routines for the work to be performed and the allocation of responsibility for the work to be carried out to meet the requirements of the Transparency Act.

3. Board review and audit

The Board of Directors of HG Teknikk AS shall review the company's procedures regularly. The managing director plans for this and presents the routines and any changes to these to the board.

The managing director shall once a year review the work carried out by HG Teknikk AS, findings made, measures implemented, etc. The annual review is a matter of briefing for the board.

The managing director shall assess whether there is a need for the board's involvement in matters related to the Transparency Act beyond the annual review.

4. Annual reporting

The Board of Directors approves the annual report on HG Teknikk AS 's due diligence assessments and the results thereof, including their publication. The deadline for publication is at the same time as the company's annual report or no later than 30 June each year.

5. Due diligence

HG Teknikk AS shall annually conduct due diligence related to our activities. This means that we must carry out investigations that are reasonable and relevant if we are to uncover possible consequences of or risks of violations of fundamental human rights or decent working conditions.

Due diligence must be carried out for our own activity, our suppliers' activities and our business partners' activities.

Due diligence must be carried out for all of our products and services.

6. Possible actions

Findings through due diligence shall lead to an assessment of measures that may be relevant to implement. The measures shall be suited to prevent actual violations of fundamental human rights or decent working conditions, or to reduce the risk of such violations taking place.

The effect of the measures will be evaluated.

7. Whistleblowing channels

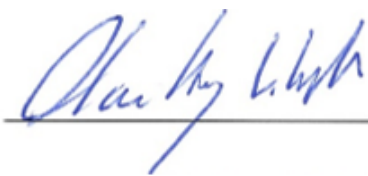
HG Teknikk AS will establish a system for reporting violations of fundamental human rights and decent working conditions. The system shall give its own employees, suppliers and business partners' employees and the general public the opportunity to report incidents.

8. Information and training

HG Teknikk AS shall ensure that information about our work in accordance with the Transparency Act is available to its own employees, suppliers and business partners' employees and the general public. The information must be adapted to external stakeholders and own employees.

HG Teknikk AS shall regularly train its own employees in the Transparency Act and the company's routines and work in accordance with the law. Participation must be documented.

Hareid, 29.06.2023



Olav Haug Vikebakk
Chairman of the Board



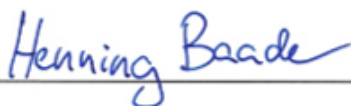
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