

## **Norwegian Transparency Act Human Rights**

Title: Norwegian Transparency Act Human Rights Report

### **Introduction – MP statement**

This Statement has been prepared in line with the requirements of the Act relating to enterprises' transparency and work on human rights and decent working conditions (Transparency Act).

The registered office of Maritime Protection AS ("MP") is Rignedalen 13, Kristiansand, Norway. The ultimate holding company of MP is Survitec group.

The policies, procedures, and systems described in this Statement have been adopted by MP. References to "we", "us" and "our" in this report are to MP, unless the context otherwise requires.

We have arranged for appropriate consultation to be undertaken between us in relation to this Statement, through reviews by MP personnel, and with the support of personnel in Procurement, Law, and other functions.

We are committed to respecting human rights and decent working conditions ("human rights") as a fundamental principle in our operations.

### **Structure, operations, and supply chains**

Based in Norway, we have been partnering with the maritime industry to protect fleets transporting flammable cargoes for over 50 years.

We provide world-leading, high-quality inert gas and nitrogen solutions, designed, manufactured, and delivered according to the highest safety standards to set you on course for a lifetime of safety at sea.

We are involved in the engineering, producing, and shipping of Inert gas systems worldwide. Center of Excellence, OEM, ETO, Spares & Services - including test laboratory and assembly facility, Service Fire Prevention Systems, Inert gas systems, Nitrogen systems.

### **Supply chains**

Our operations require a wide variety of goods and services to operate, the majority of which are produced with higher-skilled and trained labour, including engineering and technical services, as well as specialized equipment and services for production of equipment.

Our supply chain includes purchasing equipment/parts to produce our products. The distribution and installation - commissioning of our products generally require technical and professional skills and use of capital-intensive labour.

To support our operations, procurement professionals steward the acquisition of other goods and services from third parties, including engineering, procurement and construction services, general maintenance and technical support services, catering services, chemicals, transportation and logistics services, operations support services including, temporary labour and specialist consultancies, and corporate services such as information technology (IT), legal services and marketing support.

Goods and services to support our operations were purchased from third parties located in Norway as well as from other countries.

Our operations also require third party marine transportation services via ocean-going cargo vessels.

### **Assessment and description of the human rights risks**

For the purposes of preparing this statement, an analysis has started of human rights risks in our operations and supply chains.

In our operations, we do not utilize forced or compulsory labour. All our employees are above the legal employment age in Norway and are recruited and provided with working conditions and the payment of wages and benefits that comply with applicable laws and regulations. Our operations require deep technical skills. Most of our employees are higher-skilled professionals and trained labour with technical degrees, including from scientific and engineering disciplines.

In the supply chain of our products from sources in countries with a general prevalence of human rights risk, the production, operation, and trading of these products generally require technical and professional skills and use of capital-intensive assets that are at a lower risk for human rights.

Our supply chain also involves third party supplies of lower-skilled, physical labour, such as shipping.

### **Actions taken to address human rights risks**

We maintain a commitment to safeguarding the health and security of our employees and the public, responsibly managing our social impacts, and upholding respect for human rights in our operations. It is our policy to comply with all applicable laws and regulations, including those related to employment, safety, security, health, and the environment.

We are committed to respecting human rights as a fundamental principle in our operations, reinforced through training and integrated into our policies and practices.

### **Standards, procedures, and processes**

Several key standards, procedures and processes guide our integrated approach to human rights: Standards of Business Conduct.

Our practices reflect the spirit and intent of the United Nations' Universal Declaration of Human Rights. Elements of the United Nations' Guiding Principles on Business and Human Rights also guide our approach to

managing human rights. Our Standards of Business Conduct are the principles that guide the conduct of our business operations by all employees at all levels. Through the Standards of Business Conduct, we commit to:

- being good corporate citizens in all the places where we operate
- maintaining high ethical standards
- obeying all applicable laws, rules, and regulations
- respecting local and national cultures

The Standards of Business Conduct include our Ethics Policy, which affirms our philosophy that the way results are achieved is as important as the results themselves, and states that even where the law is permissive, the course of highest integrity is chosen.

Consistent with our Standards of Business Conduct and our Ethics Policy, we expect compliance by all officers and employees with applicable laws and regulations and prohibit conduct those conflicts with human rights.

We operate through various standards, procedures, and processes, which outline practices in various socioeconomic areas, including human rights.

### **Addressing human rights risks in our supply chains**

We hold our suppliers, vendors and contractors to stringent compliance, anti-corruption, non-conflict, safety and other guidelines and our standard terms and conditions oblige suppliers to adhere to all applicable laws and regulations. To identify, assess and manage potential human rights risks, we use an integrated due diligence approach that focuses on workplace rights, is risk-based, and leverages our current processes, practices, and systems.

Procurement professionals apply a rigorous set of standards and follow procedures that outline the requirements for acquiring goods and services, processes for qualifying suppliers, executing contracts and monitoring supplier performance during the contract term. Prior to awarding a contract to a new supplier, we screen suppliers across several compliance areas (e.g., sanctions, anti-corruption, and human trafficking) using third-party information, such as government. Our due diligence process for identifying, assessing, and monitoring human rights risks focuses on three factors: supplier, commodity, and location. Identification of a higher risk in these areas triggers further assessment of a supplier's policies and risk management practices prior to continuing with the contracting process.

The standard terms and conditions in our supplier agreements oblige suppliers to adhere to all applicable laws and regulations, including those related to employment, safety, security, health, and the environment, impose similar terms and conditions on their subcontractors, and permit audits and allow access to office and work locations, documentation, and personnel. These standard terms also allow for termination if the supplier's performance is not acceptable. Enhanced contractual requirements with respect to human rights may also be utilized depending on the level of risk assessed.

We engage with suppliers that comply with local laws and respect human rights. Procurement personnel reiterate Supplier Expectations, including on human rights, on a frequent basis. The Supplier Expectations include:

- complying with laws, rules, and regulations applicable to their businesses
- conducting operations and business practices in a manner consistent with ILO Declaration noted above
- managing activities in a manner that respects human rights and is consistent with the United

Nations Guiding Principles on Business and Human Rights in effect as of 2011.

Throughout the year, computer-based human rights awareness training is available to our employees, including Procurement personnel, to improve their understanding of human rights issues.

We do not own or operate cargo vessels. Any ocean-going cargo vessels providing marine transportation services to us must, at a minimum, comply with the standards set out in the Maritime Labour Convention, which establishes minimum working and living standards for seafarers and imposes inspection requirements on ratifying states, including whether the vessels follow Convention requirements on seafarers' rights.

#### **Actions taken to assess effectiveness**

We regularly undertake audits and reviews of various aspects of our business operations. The effectiveness of our business practices and compliance with all applicable laws (including those in relation to human rights) are in scope for these assessments. In addition, assessments are carried out of relevant third parties including those providing materials and services and contract labour.

To establish a consistent understanding of our ethical standards, employees are required to confirm that they have read, and follow, the Standards of Business Conduct.

Through our Open-Door Communication process, employees are encouraged to ask questions, voice concerns, and make appropriate suggestions regarding the business practices. Employees are expected to report promptly to management suspected violations of law, policies, and internal controls, so that management can take appropriate corrective action. Depending on the subject matter of the question, concern, or suggestion, each employee has access to alternative channels of communication, for example, the Finance Department; the Human Resources Department; the Law Department; the QHSE Department; and the Treasurer's Department.

#### **Based on the above the following are MP detailed initiatives**

Our supply chain has been filtered on spend value and the following letter and questionnaire has been issued to start collecting information and results for future actions.



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The responses received are evaluated and future follow up on items we consider as not adequate or unsure.

In addition, MP as part of Survitec group are following the code of conduct document below and T&C.



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duct.pdf



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### Closing

MP has prepared this Statement in line with the requirements of the Transparency Act. We are committed to respecting human rights as a fundamental principle in our operations.

June, 2024

Sincerely,



Bernt Ohrn

Managing Director - Maritime Protection AS, Survitec group

## ***Annex.***

The Norwegian Transparency Act (Act on Duty to Report on Corporate Social Responsibility), implemented in 2014, mandates Norwegian companies to report on their efforts to uphold human rights in their operations and supply chains. This report aims to provide an overview of the Act's impact on human rights in Norway and assess the effectiveness of its implementation.

### ***Overview of the Norwegian Transparency Act***

The Norwegian Transparency Act requires companies to disclose information about their policies, procedures, and measures to prevent human rights violations. It applies to companies operating in Norway with an annual turnover exceeding a specified threshold. The Act covers various aspects of human rights, including labor rights, environmental issues, and anti-corruption measures.

### ***Impact on Human Rights***

- a) **Labor Rights:** The Act has had a positive impact on labor rights by encouraging companies to assess and improve their employment practices. It has led to greater transparency regarding issues such as working conditions, fair wages, and the prevention of forced labor and child labor.
- b) **Supply Chain Responsibility:** The Act has played a crucial role in promoting responsible supply chain practices. Norwegian companies are required to map their supply chains and address potential human rights risks, such as exploitation and environmental harm. This has resulted in increased scrutiny and accountability throughout supply chains.
- c) **Environmental Protection:** The Act recognizes the importance of environmental responsibility. It has motivated companies to disclose their environmental impact, reduce emissions, and adopt sustainable practices. By doing so, it has contributed to the protection of human rights associated with a clean and healthy environment.
- d) **Anti-Corruption Measures:** The Act promotes anti-corruption efforts by requiring companies to disclose their policies and actions to prevent corruption. This has helped create a more transparent business environment and reduce corruption-related human rights abuses.

### ***Implementation and Challenges***

- a) Compliance and Reporting: The Act has witnessed generally high compliance rates among Norwegian companies, with a significant majority reporting on their human rights efforts. However, there have been challenges regarding the quality and consistency of reporting. Some companies struggle to provide detailed and meaningful information, making it difficult to assess their actual impact on human rights.
- b) Enforcement and Sanctions: The Act empowers the Norwegian authorities to enforce compliance and impose sanctions on non-compliant companies. While there have been instances of enforcement actions, including fines and public exposure of non-compliant companies, some argue that the penalties are not stringent enough to deter violations effectively.
- c) Global Supply Chains: The Act has limitations concerning the extraterritorial impact of Norwegian companies operating abroad. It is essential to address the challenges associated with enforcing human rights standards throughout global supply chains to ensure comprehensive protection of human rights.

### ***Conclusion and Recommendations***

The Norwegian Transparency Act has made significant strides in promoting human rights within Norwegian companies and their supply chains. It has increased transparency, stimulated responsible practices, and facilitated public scrutiny. However, ongoing efforts are needed to address implementation challenges, enhance reporting quality, and strengthen enforcement mechanisms. Furthermore, international collaboration should be encouraged to tackle the extraterritorial impact of Norwegian companies and promote a global respect for human rights.

By continually improving and expanding the Act's scope, Norway can serve as a model for other countries in promoting transparency, corporate accountability, and human rights protection in the business sector.