

## Novenco AS Transparency Act Declaration

### About Novenco

Novenco AS develops and manufactures high-quality heating, ventilation, air-conditioning and refrigeration solutions for marine and offshore applications. With more than 75 years of experience within our field, we are among the world leaders in supplying HVAC&R systems.

Novenco was established in Denmark in 1947, and today employs about 200 employees worldwide. Our offices are situated in 3 countries combined with a network of agents. Further, Novenco has an extensive range of qualified 3rd party suppliers which, combined with our own range of products, enables the company to select the right solutions for our customers to suit their specific needs. Novenco factory is located in China in the Wuxi Jiangsu province and employs 40 people. It was established in 2007. Further, being a part of the Hi Air Korea group, we have access to several factories in Korea where we can manufacture Novenco equipment. We also have cooperation with workshop in Norway where we manufacture Novenco equipment.

### Approach

Novenco has several policies and processes in place in order to make sure that fundamental human rights and decent working conditions within our area of operation are respected. The Novenco Code of Conduct gives guidance and support to all employees to ethically conduct business, comply with the law and maintain reputation. It also provides guidance to all parties that work with Novenco.

Novenco do not accept any form of discrimination or harassment within our organization or within our supply chain. Novenco believes that everyone should have equal opportunities, and we recruit, select, develop, and promote our people on qualifications, performance, and merits. Everyone has a personal responsibility to act ethically, to comply with the law, and with the Novenco policies and procedures, at all times. It is important that everyone, at all levels, familiarizes themselves with our Code of Conduct and complies with it, and regular training is provided.

Novenco is committed to providing and promoting a healthy, secure, and safe workplace, protecting the environment in accordance with applicable laws and in accordance with our QHSE Policy. QHSE responsibilities are integrated into how Novenco conducts its business. Through observance and encouragement of these commitments, we contribute to protecting the environment and the overall well-being of our stakeholders, our employees/consultants, clients, subcontractors, and communities.

Novenco have adapted our operations to the law that came into force on 1 July 2022 and implemented processes to ensure that the company complies with the conditions set by the law. The work is based on the OECD's guide for due diligence assessments for responsible business.

## Due diligence assessments

The purpose of due diligence is first and foremost to avoid causing or contributing to adverse impacts on people, the environment and society, and to seek to prevent adverse impacts directly linked to operations, products or services through business relationships.

Novenco's well-established and continuously improved Supplier Code of Conduct are guidelines that all our suppliers agree to work in accordance with if they are to work with Novenco. In this document we describe the requirements for the supply chain regarding decent working conditions, human rights, environment, HSE, compliance with laws, competition, and information security. All contracts entered into with suppliers contain specific reference to our Supplier Code of Conduct, and it is a requirement for suppliers to comply with this document, and the same goes for their sub-suppliers. In short, 100% of the suppliers that we are currently working with have agreed to work in accordance with our Code of Conduct.

Novenco has a dedicated system for qualifying new suppliers where parameters such as health & safety, environment and working conditions, as well as quality, compliance and financial factors are evaluated. This process further includes a review of supplier commitments towards social justice and internationally recognized human and labor rights.

Novenco has categorized its supply chain in order to perform due diligence assessments related to the supplier in the context of what Novenco is procuring. The following categorization is applied:

|    |  |
|----|--|
| R1 | Not critical suppliers delivering equipment/services not critical for operations, or considered low risk due to location/own requirements/certifications |
| R2 | To be checked due to importance of suppliers (but not because of specific risk identified beforehand)  |
| R3 | High possible risk, due to location and/or use of specific suppliers   |

All details about the suppliers we are cooperating with, including categorization and evaluation, are logged in our dedicated Supplier Matrix available to the entire Novenco organization.

## Where are we today?

Novenco is continuously doing due diligence assessments of our own business, supply chain and towards parties we cooperate with. Main risks are considered to be related to the supply of goods and services provided to Novenco.

We have utilized our already established process for Supplier categorization, approval, and evaluation, and made required updates in order to accommodate for relevant requirements. We have focused on the most critical suppliers, and the suppliers currently active in our supply chain for the ongoing and planned projects. During these evaluations the following has been considered:

- Suppliers located in the Nordic countries are considered low risk due to current legislation.
- Suppliers operating with their own set of requirements towards their suppliers in the form of code of conduct, guidelines for working environment and HSE are also considered lower risk.
- Suppliers that are working according to or have been certified in accordance with ISO 45001 are considered to have lower risk.

As a result of the said measures, Novenco found there to be no or low risk both in the company itself and with the Company's suppliers in regard to complying with fundamental human rights and employees' rights.

If Novenco suppliers do not meet the requirements of the Transparency Act, Novenco will initiate action. The actions will be assessed based on the type of supplier concerned, the extent of the risk/infringement, and the type of risk/infringement in question. In such a situation, Novenco will engage in dialogue with the supplier and investigate which actions are necessary in order to continue the collaboration. This will be logged and monitored, and Novenco will evaluate suppliers' actions to rectify.

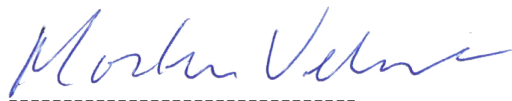
### Closing

Going forward, the focus will be on continuous improvement in our work on raising awareness on human rights in our organization through training, communication, and knowledge sharing. Raising awareness of human rights risk exposure and knowledge of human rights due diligence within the procurement function will be prioritized, also in regards to supplier audits conducted. We will also continue to focus on business partners to make sure that all our future endeavors comply with fundamental human rights and employees' rights.

All external inquires to be addressed to: [NO-Transparencyact@novencogroup.com](mailto:NO-Transparencyact@novencogroup.com)

This statement is revised annually.

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