

Hydrogen Solutions

The Transparency Act Due Diligence Assessment

SAFE



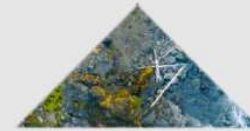
TRUST



DRIVE



SUSTAINABLE





Foreword by CEO

“Our goal is to create a positive impact on the world by prioritising on our corporate social responsibility and ensuring that all our actions are guided by responsible decision-making”.

Hydrogen Solution (HYDS) is committed to conducting business in a responsible and ethical manner, prioritising the well-being of our customers, employees, and the wider community. Our goal is to make a positive impact through our purchasing decisions and to continuously enhance efforts to improve working conditions and environmental standards within our supply chain.

We recognise our social responsibility and the global challenges we face, including fundamental human rights and decent working conditions. Consequently, we have proactively implemented risk evaluation processes that identify, prevent, mitigate, and document any negative impacts on human rights associated with the production of HYDS’ products or services, whether directly or indirectly. Our aim is to improve our supply chain operations by eradicating forced and child labour, promoting equality, and ensuring safe and healthy working environments for all workers.

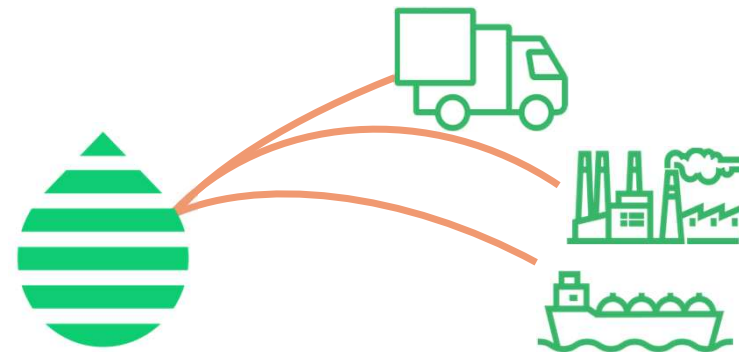
Thor Henrik Hagen
CEO Hydrogen Solution AS



The Transparency Act

The Act shall promote enterprises' respect for fundamental human rights and decent working conditions in connection with the production of goods and the provision of services and ensure the general public access to information regarding how enterprises address adverse impact on fundamental human rights and decent working condition. *Source: [The Transparency Act, section 1](#) (Lovdata).*

By carrying out a due diligence assessment of suppliers and partners, the Transparency Act will help uncover conditions that may be a violation of human rights. Among these, the assessments that are made are on direct suppliers right down to the production. Where there is a risk of breaches, the companies must take the necessary measures. The Transparency Act also requires the companies to present information on the due diligence process and the result. The process and the results due diligence performed by HYDS is presented in this report.





Due diligence assessment

Simply explained, a due diligence assessment under the Transparency Act means that an enterprise will investigate whether there are any actual, or risks of, adverse impacts on human rights or decent working conditions in their own operations, their supply chain and other business relationships.

HYDS has conducted a Due diligence assessment in accordance with the recommendations made by the OECD guidelines. This includes assessing risk in all departments of HYDS, associated suppliers and the entirety of the supply chain. Appropriate measures have been implemented to ensure avoidance of actions relatable to breach of human rights or unethical working environments.

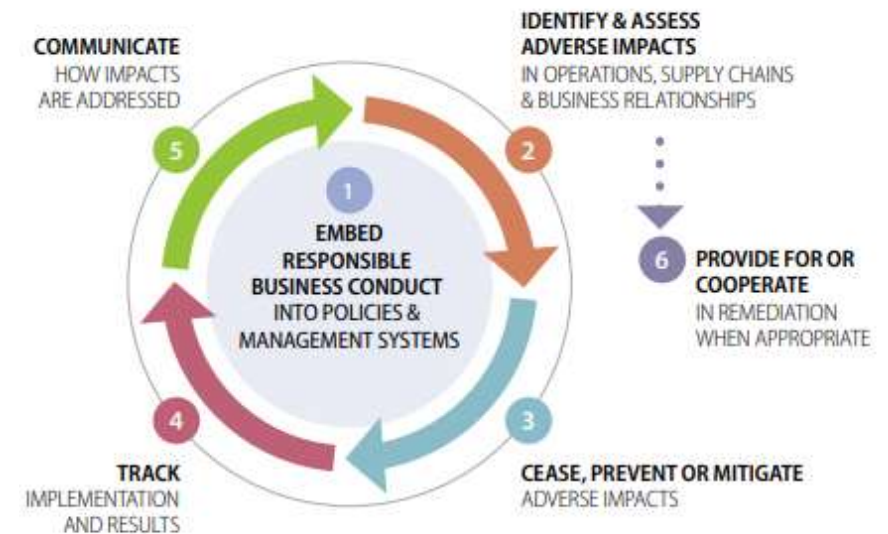
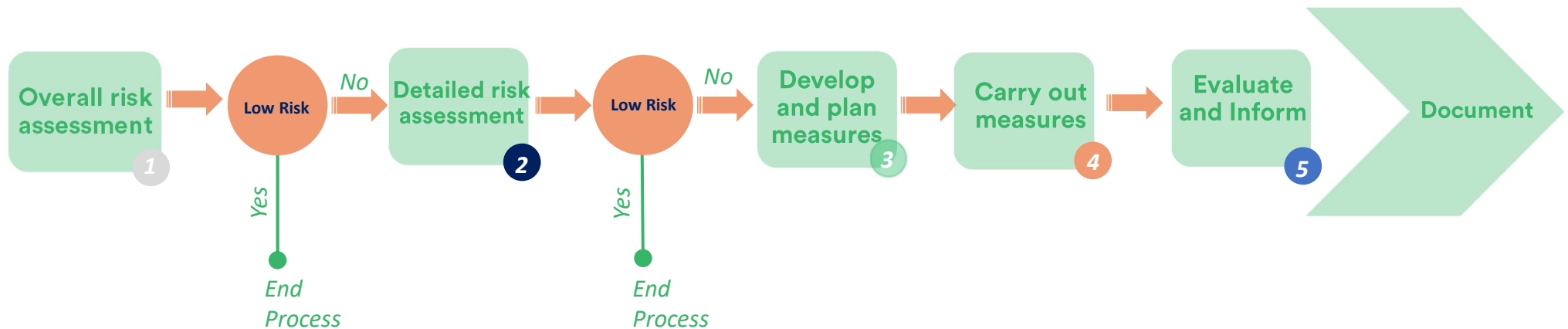


Figure: OECD (2018) OECD Due Diligence Guidelines for Responsible Business Conduct



Our Process

HYDS has created a model to perform comprehensive due diligence assessments. The suppliers for HYDS will be chosen based on criteria such as their products and raw materials, the countries they operate in, and the amount purchased by HYDS. The tool and the principles used for choosing suppliers are constantly being reviewed and updated. The aim is for the model to consider any emerging concerns related to human rights and working conditions.





Process Description

1

The overall risk assessment involves systematic evaluation of potential risks based on origin country, risk commodities and industries evaluated as high risk. The evaluation will result in a suppliers list where fundamental human rights, and decent working conditions are potential risk factors. If no significant risks are identified, the process stops here.

2

Detailed risk assessment consists of a more in-depth evaluation of the suppliers list identified in step 1. Existing documentation and knowledge of the suppliers will be evaluated, and inherent risk is defined according to appropriate risk classification. Suppliers where prior documentation and knowledge is scarce, further research will be conducted to determine risk classification.

3

Develop and plan measures, preparation and planning of risk measures must reduce the risks identified in step 2 and mitigate negative impact. All our suppliers have at this stage been evaluated and classified in risk categories. Suppliers categorised as high risk is included in the next phase where specific measures will mitigate the inherent risk. Necessary internal and external resources are involved, and an action plan is drawn up by responsible parties.

4

Carry out measures, execution of measures and actions determined in step 3. This step is continuously documented to determine that initiated measures has the desired effect. High risk suppliers will be subject to continuous control measures and HYDS will ensure that all suppliers are evaluated on a regular basis.

5

Evaluate and inform, evaluation and learning is done based on the findings. This step includes confirming that implemented measures has mitigated the identified risks and negative impact has been reduced. The findings are communicated and published in accordance with appropriate standards.



Risk Evaluation

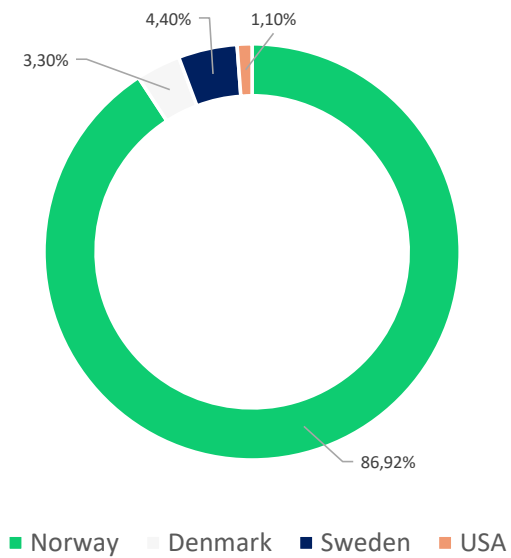
To prioritise where to follow up, take action or implement risk reducing measurements, we determine the areas with the highest risk by connecting the country of origin, product, and volume to recognised global risk indexes. To do this, we utilise the following sources:

Human rights	Anskaffelser.no	Gives an overview of risk of breach in human rights according to industry
Decent working conditions	International trade union	Index. Ranks "all countries" in terms of implementation and enforcement of ILO core conventions
Environment	Environmental performance index	Ranks "all countries" in terms of protection of human health and protection of ecosystems.
Anti corruption	Transparency corruption perception	Ranks all countries according to budget transparency, the public's perception of public corruption.

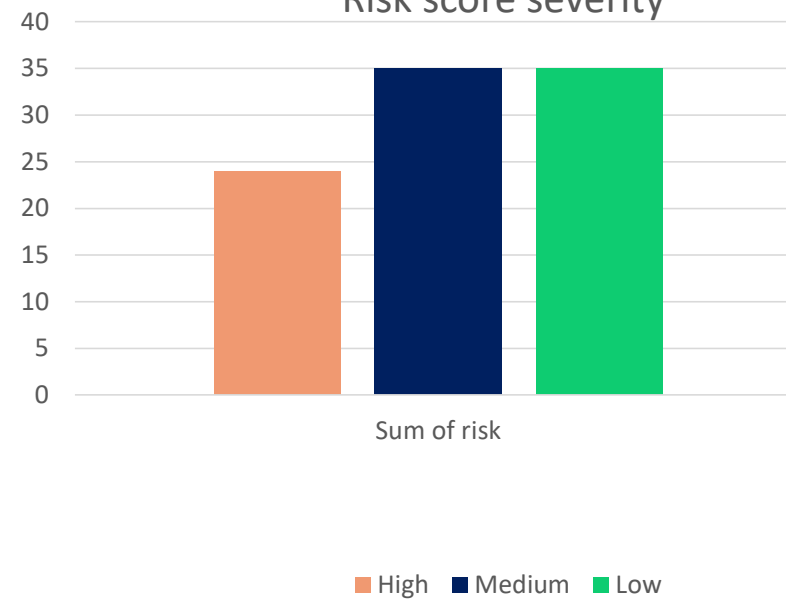


Results

Geographic supplier exposure (2023)



Risk score severity





Completed measures

	Goal	Measure	Status
Contracted COC compliance	All suppliers Comply with requirements in our COC.	All contracts include reference to our Code of Conduct. The supplier must sign to confirm having read the COC and to commit to being in compliance with it	In progress
Supplier Assessment	All suppliers Comply with requirements in our COC	Before entering into an agreement, all suppliers must fill out a "supplier self-assessment", which will then be followed by a dialogue including requests for documentation and any relevant certificates	In progress
On-site visitation	All suppliers Comply with requirements in our COC	Reduce the risk by visiting supplier sites to ensure that requirements are met according to regulations. On-site visitations will be conducted on a regular basis.	Ongoing



Requests

The request to obtaining information can be sent to email

transparencyact@hyds.no with the following information:

- Name of Contact and Company if applicable
- Email
- Telephone no.
- Detailed Description of information being requested

In case of rejection of a request for information, it will be dealt with as per section 7 of the Transparency Act*.

*Anyone has the right, upon written request, to information from a business about how the business handles actual and potential negative consequences as per § 4. This includes both general information and information related to a specific product or service offered by the business. A request for information may be refused if:

- a. The request does not provide sufficient basis for identifying what the request is about.
- b. The request is evidently unreasonable.
- c. The requested information concerns someone's personal circumstances.
- d. The requested information concerns information about technical devices and procedures or other operational or business matters that would be of competitive significance to keep confidential in the interest of the information concerned. The right to information about actual negative consequences for fundamental human rights that the business is aware of, applies independently of the limitations in the second paragraph.

The right to information does not include information that is classified under security law or protected under copyright law