

Transparency Act – Due diligence assessment for fiscal year 2023

Introduction

Minox Technology AS objective is to create value by supporting our customers in the transition towards a sustainable future and on this basis develop a profitable company.

We believe that a strong focus on environmental, social and governance factors and issues is critical to our long-term success as an industrial company. We are convinced that in this respect, the interests of Minox Technology AS owners align with those of our management, employees, customers, and the communities in which we operate.

From 2023 Minox Technology AS will publish an annual account of our due diligence assessment to comply with the Norwegian Transparency act that entered into force on July 1st, 2022. The account will also be updated and republished in the case of significant changes to the enterprise risk assessments.

Overall principles

Minox Technology AS seeks to ensure that we operate in an environmentally sound manner, as well as ethically, responsibly, and profitably in everything we do. Minox Technology AS aims to be transparent regarding all issues covered by these principles.

Our governance system is based on the principles from the OECD guidelines for multinational enterprises and other relevant international guidelines. The *OECD Guidelines for Multinational Enterprises* are recommendations addressed by governments to multinational enterprises operating in or from adhering countries. They provide non-binding principles and standards for responsible business conduct in a global context consistent with applicable laws and internationally recognized standards.

About Minox Technology AS

Minox Technology AS is a Norwegian engineering company that designs, develops and manufactures process plants for the treatment of liquids and gases. From our headquarter in Notodden, we serve customers all over the world within the offshore oil & gas and onshore process industry. We purchase most of the materials from European and American suppliers. Manufacturing and assembly activities are done in Norway, UK, USA, Asia and Bosnia-Herzegovina.

Minox Technology AS is a subsidiary company of Apply AS and a part of Moreld Group, a leading industrial multidisciplinary engineering powerhouse with services across offshore energy and marine industries.

Up until December 2023, Apply was part of the Remold Group (previously Moreld Group). With effect from 21 December 2023 the newly established Moreld Group acquired several of the companies previously owned by the Remold Group, incorporating them into a Moreld Group structure.

Moreld has its roots in the North Sea offshore oil & gas industry and is a major player on the Norwegian Continental Shelf (NCS) with close ties and long-term agreements with blue chip E&P operators. The company is a leading specialist in the EPCI segment covering maintenance and modifications of offshore assets. In the years ahead, Moreld aims to establish itself in the energy transition on the NCS whilst nurturing its existing business areas in oil service and oilfield technology. Moreld offers comprehensive engineering consultancy, procurement, construction, installation services and well management to the offshore energy, renewable, marine, aquaculture, and onshore markets.

Guidelines and procedures for handling adverse impacts on human rights and decent working conditions

Minox Technology AS respects human dignity and supports the principles of the Universal Declaration of Human Rights. We will ensure that our business activities exercise due care with relation to the basic standards for human rights, and handle risk situations associated therein. The company has fundamental respect for all individuals, and will not accept any discrimination based on sex, race, religion, sexual orientation, age, ethnicity, or political opinion.

Our Code of Conduct, which applies to all directors, officers, and employees and anyone who represents Minox Technology AS or acts on our behalf, reflects our commitment to acting ethically and lawfully and describes our commitment to recognizing human rights on a global basis.

Our focus on diversity and inclusion extends to our selection of business partners, and our work with our portfolio companies. Our business principles for suppliers and partners specifies that we require suppliers and partners to provide their employees with good, healthy and safe working environment, offering equal opportunities and respecting fundamental human rights, labour rights and union engagement. Child labour is unacceptable, and Minox Technology AS will avoid suppliers who practice this.

Our guidelines are laid down in a process-based management system, that complies with the ISO 9001, ISO 14001 and ISO 45001 standards (latest versions) and national legislation. Our Quality Management System is certified to ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 by DNV GL.

Our business principles for suppliers and partners contain fundamental requirements in order to do business with Minox Technology AS, including the requirements related to the Transparency Act. All suppliers to Minox Technology AS and subsidiaries are required to confirm adherence through Supplier Declarations. Minox Technology AS requires its suppliers and partners to extend the same requirements to their supply chain.

Minox Technology AS business principles for suppliers and partners and the *supplier declaration form* requires fundamental human rights and decent working conditions for all supply chain employees associated with Minox Technology AS.

Supply Chain Management (SCM) has the main responsibility for due diligence assessments in collaboration with a selected multidisciplinary team from engineering, sales and aftermarket.

Due diligence assessment

We carry out annual due diligence assessments in accordance with the requirements of the Transparency Act. These are carried out in accordance with an established risk matrix and associated work instructions. Minox Technology AS purchase materials and services from suppliers both in Norway and abroad, mostly within Europe and USA. We have fabrication and assembly carried out by suppliers in Norway, UK, Asia and Bosnia-Hercegovina.

An initial overall mapping of main risk areas was first carried out with following results:

- Moderate risk linked to manufacturing abroad.
- Moderate risk linked to social dumping in relation to services (transport, cleaning, canteen)
- Increasing risk of corruption / violation of human rights further down the value chain.

We have carried out a due diligence assessment for 2023 and no negative actual consequences were uncovered. Nor was any significant risk of negative consequences uncovered.

The due diligence assessment begins with a materiality analysis where a total of 4 suppliers who had a total purchase value of over NOK 100,000 in 2023 and who are in countries with an index of 3 or higher in accordance with the Global Rights Index - ITUC (ITUC = International Trade Union Confederation) were selected for further risk assessment. Suppliers that are terminated or considered for one-time-buy are not evaluated.

The risk assessment is carried out in a pre-defined risk matrix for the various human rights elements. The result from the risk assessment is showed in the figure below.

RISIKOMATRISE				Sannsynlighet				
				Veldig usannsynlig (1)	Usannsynlig (2)	Sannsynlig (3)	Veldig sannsynlig (4)	
SEVERITY	Alvorlighet	Omfang	Utbedringsevne	Menneskerettighetsbrudd har aldri forekommet i selskapets virksomhet, men har skjedd i tilsvarende grupper (aldri/usannsynlig å skje om 10 år)	Menneskerettighetsbrudd har skjedd tidligere og kan fortsette å forekomme noen ganger i en avdeling (skjeddkan skjedd 1-4 ganger på 10 år)	Menneskerettighetsbrudd har skjedd tidligere og kan fortsette å forekomme ofte i dag (mensklig kan forekomme 5-8 ganger på 10 år)	Menneskerettighetsbrudd har skjedd og er et pågående problem (har skjedd kan skje hvert år)	
	Lav (1)	Mindre påvirkning på helse og sikkerhet	Ingen negativ innvirkning på interesser	Tar mindre enn ett år (<1 år) å gjenopprette påvirkning	3	6	9	12
	Medium (2)	Moderat påvirkning på helse og sikkerhet	Innvirkning på noen spesielle interesser	Tar 1-3 år å gjenopprette påvirkning	6	12	18	24
	Høy (3)	Høy påvirkning på helse og sikkerhet	Innvirkning på de fleste interesser	Tar 3-5 år å gjenopprette påvirkning	9	18	27	36
	Kritisk (4)	Signifikant påvirkning på helse og sikkerhet	Innvirkning på alle interesser/grupper (lokalsamfunn, ansatte, leverandører)	Umulig å gjenopprette eller vil ta mer enn 5 år å gjenopprette (5 år) påvirkningen	12	24	36	48

Akseptkriterier	LAV	Selskapet fortsetter eksisterende tiltak og overvåker regelmessig forretningsaktiviteter knyttet til risikoene.
	MEDIUM	Risikoene er tolererbare. Selskapet må vurdere eksisterende tiltak dersom de er praktisk rimelige.
	Høy	Risikoene er uakseptable og selskapet må implementere risikoreducerende tiltak.

The colored dots represent an analyzed risk element like corruption, safe work conditions, salary to live on, discrimination, freedom of organization and right to negotiate etc. The different colors represent the different suppliers.

Measures implemented to handle adverse impacts and risks.

As mentioned above, no significant risks of negative consequences are uncovered, but few medium risks. In order to limit the risks of negative consequences, we have implemented the following general measures:

- Updated “Terms & Conditions for Purchase” to emphasize the duty to respect basic human rights and decent work conditions.
- Updated “Supplier Declaration” to emphasize the duty to respect basic human rights and decent work conditions.

Information requests

The aim of the Transparency Act is that companies are open and transparent about how they are working with ESG issues. Any person has the right to information from a company regarding how the company addresses actual and potential adverse impacts uncovered by its due diligence. The right to information includes both general information and information relating to a specific product or service offered by the company and the answer to such a request must be «adequate and comprehensible».

Minox Technology AS intends to comply with this, and general requests are usually handled directly by contact information available publicly online through our websites <https://www.minox.no>

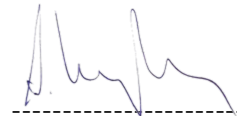
See also link to our parent company: <https://www.apply.no>

or through our whistleblowing hotline that is handled by the Moreld Group's legal representative: moreldwhistleblowing@schjodt.com.

Notodden, 28th of June 2024

Ole-Morten Erichsrud

Ole-Morten Erichsrud
CEO

A handwritten signature in blue ink, appearing to read "Ole-Morten Erichsrud", written over a horizontal dashed line.

Agnar Kongshaug
Chairman of the board

Janne Hornnes

Janne Hornnes
Board member