



# INNOVA AS

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*Due diligence report*

**TRANSPARENCY ACT**



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# 1. INTRODUCTION

## Innova AS

Innova AS respects the UN's Declaration of Human Rights. We believe that companies respecting human rights can contribute to a more sustainable development. This includes considering social and environmental factors in business decisions and collaborating with other stakeholders to create long-term and sustainable solutions.

Innova is focusing on reducing its impact on the external environment and promoting a good working environment. We are certified according to ISO 9001 (quality) and work according to ISO 14001 (environment) and ISO 45001 (work environment).

We aim to offer services and products that support a sustainable society and strive to be the natural first choice for our customers. We try to influence in a positive way, both internally and externally, to achieve greener choices to be made.

We are responsible to ensure that the society we have today is handed over to the next generation in a better condition.

We have a management system in place that underpins our commitment to exhibit good community spirit, good practice and ethical standards in business and working relationships.

## Context and industry

Innova AS provides services mainly to the oil and gas industry with strict customer requirements and high level of competition. In order to be competitive, it is important to adapt to a constantly changing oil price and customer requirements, by maintaining a high focus on costs, technology development and efficiency.

The industry has an increasing focus on sustainable development and aims to limit its impact on the external environment from its activities and processes.

It is challenging to measure which companies have the most sustainable production, as there are not yet standards for measurement and reporting.

There is an increased focus on environmental reporting from our customers, as this is perhaps the sustainability goal, we in Norway can contribute the most to achieve a significant reduction. Norway must undertake the transition from fossil fuels to renewable energy easier and faster. We must also increase the energy efficiency, to reduce the electricity consumption. The electricity demand in Norway is expected to increase even more when industry and transport are further electrified.

## **Introduction by the CEO**

At Innova AS, we believe that an open and transparent organisation is essential for building a trusting relationship with our customers, business partners and society in general. We want to be a leading actor when it comes to transparency and accountability, and therefore we report our practice and focus on human rights and the rights of our employees.

As part of this, we will focus particularly on how we work to respect human rights in all our business activities, and how we work to ensure good and fair working conditions for our employees.

We believe that by being transparent about our practices, we can help build a stronger and more inclusive society, as well as strengthen our own business operations and reputation.

Our goal is that we together will continue to build a more sustainable and responsible future.

## 2. POLICIES AND PROCEDURES

Innova AS has mapped potential and actual negative impacts and significant risks regarding human rights and have the following documents to ensure that we comply with the requirements:

- Due diligence assessment of human rights
- Analyzed sustainability goals
- Due diligence report – Transparency Act
- HSE and Quality policy
- Anti-bribery, human rights and legal compliance policy
- Ethical guidelines
- Personnel handbook
- Procedure for reporting of undesirable conditions at work
- Procedure for approval and evaluation of suppliers
- Supplier approval/evaluation form
- Audit of suppliers
- Quality and HSE handbook
- Assessment of compliance with laws and regulations
- Procedure for handling of non-conformance and corrective measures

### **3. FINDINGS**

#### **Actual negative consequences and significant risk discovered in the due diligence assessment of Human rights**

Innova AS operates in Norway, where human rights are controlled by law and well implemented in society. Based on our activities and size (50+ employees), we have limited impact on society other than on our employees and our suppliers.

The International Trade Union Confederation (ITUC) has prepared a report for 2024, the Global Rights Index, which ranks all countries according to the occurrence of human rights violations with a particular focus on workers' rights. The scale goes from 1 to 5+, where 1 means Sporadic violations of rights, 2 Repetitive violations of rights, 3 Regular violations of rights, 4 Systematic violation of rights, 5 No guarantee of rights and 5+ No guarantee of rights due to breakdown of the rule of law.

Norway is 1 of 8 countries that has been given a score of 1, which proves that Norway is a country where the legislation is well implemented and there are few violations of human rights. Innova AS has no conflicts related to the UN's Universal Declaration of Human Rights and shall respect rights and local laws wherever we work.

We have carried out a due diligence assessment of the UN's Universal Declaration of Human Rights and have mapped areas where we may have a risk or opportunity to influence, and implemented and planned the following actions:

## Internal risks and opportunities

1. There is a risk that discrimination and racism may occur (Human Right 1, 2, 18, and 29).

At Innova, we are concerned with diversity and see the advantage of having a multicultural work environment. In 2024, Innova has employees from 11 different nationalities.

**Implemented measures:** Innova has implemented two policies to ensure that human rights are safeguarded internally and externally. The policies are visible in our premises and on the intranet.

Our ethical guidelines include prohibition against discrimination, racism, and other inappropriate behaviour.

Annually an employee satisfaction survey is carried out which includes mapping of the employee's experience of being treated fairly and with respect, and the opportunity to raise difficult issues with immediate manager. The results are analyzed by the management team, communicated internally and necessary measures are implemented if needed.

Management annually conducts employee appraisals interviews with all employees where well-being at work is a theme.

We have a procedure for reporting undesirable conditions, as well as a safety delegate and a working environment committee to safeguard the employees' interests and the working environment.

2. There is a risk that personal injury may occur (Human Right 3).

In the period July 2023 – June 2024, no personal injuries were registered in Innova.

**Implemented measures:** Innova has a risk-based Quality and HSE system and work according to Norwegian law and ISO 45001. We have a stop-job philosophy which means that all employees have the authority to stop a job if there is an immediate danger to life and health.

We have a well-implemented non-conformance system where all employees can report non-conformities and suggestions for improvement.

**Additional measures planned:** Innova is constantly working to improve and regularly carry out risk assessments to prevent incidents and accidents from happening and to ensure the safety of our employees.

**3.** There is a risk that employees find they cannot join trade unions (Human Right 20 and 23).

**Implemented measures:** Norwegian law and Innova's Personnel Handbook clearly state that personnel are free to join whichever trade union they prefer.

**4.** There is a risk that personnel do not receive equal pay for equal work (Human Right 23).

**Implemented measures:** Innova's HR manager shall ensure that equal work is paid equally. Also, Innova's ethical guidelines include prohibitions against discrimination of all kinds.

**5.** There is a risk of breaching regulations on working hours and holidays (Human Rights 24).

**Implemented measures:** Innova registers all working hours and overtime. Working hours and overtime are continuously monitored and all overtime must be approved in advance.

**6.** Innova has the opportunity to provide vocational training by having apprentices and work-oriented training in collaboration with NAV (Human Right 26).

In 2024, an apprentice has completed his vocational training in Innova and from autumn 2024 we will take on 3 new apprentices.

**Implemented measures:** Innova has apprentices in the computer electronics field and continuously considers personnel working via NAV's work-oriented training.



## Supplier risks

Innova maps its suppliers and is conscious with regards to which suppliers, and from which countries, we purchase from. Countries with a higher rating than 2 shall be evaluated more thoroughly in relation to their policies and efforts to avoid violations of human rights.

Countries Innova purchases from	Rating acc. to ITUCs report: Global Rights Index 2024
Denmark	Rating 1
Italy	Rating 1
Sweden	Rating 1
Germany	Rating 1
Netherlands	Rating 2
Belgium	Rating 3
Poland	Rating 3
Israel	Rating 4
USA	Rating 4
UK	Rating 4

### Global Rights Index Report 2024

1. There is a risk that logistics companies do not comply with the driving and rest regulations or have an acceptable standard of living while at work (Human Right 24 and 25).

**Implemented measures:** Innova has a contract with Posten Bring and DHL, but also uses DB Schenker for some shipments. Since these are all larger companies, the Transparency Act applies to them. Innova annually evaluates the available information as to whether the operation is compatible with the UN’s Universal Declaration of Human Rights.

2. There is a risk that suppliers receive material and components that have been produced or purchased in countries that do not respect human rights.

**Implemented measures:** Innova’s supplier evaluation form has been updated to include requirement for compliance with the UN’s Universal Declaration of Human Rights.

**Additional measures planned:** Innova will continue obtaining supplier approval forms from critical suppliers in Norway and from suppliers abroad having a worse rating than 2 in the Global Rights Index.

**3.** There is a risk that suppliers have personnel who do not receive equal pay for equal work (Human Right 23).

**Implemented measures:** Innova's supplier evaluation form has been updated to include requirement for compliance with the UN's Universal Declaration of Human Rights.

**Additional measures planned:** Innova will continue obtaining supplier approval forms from critical suppliers in Norway and from suppliers abroad having a worse rating than 2 in the Global Rights Index.

## **Business partner risks**

Innova does not have any business partners.

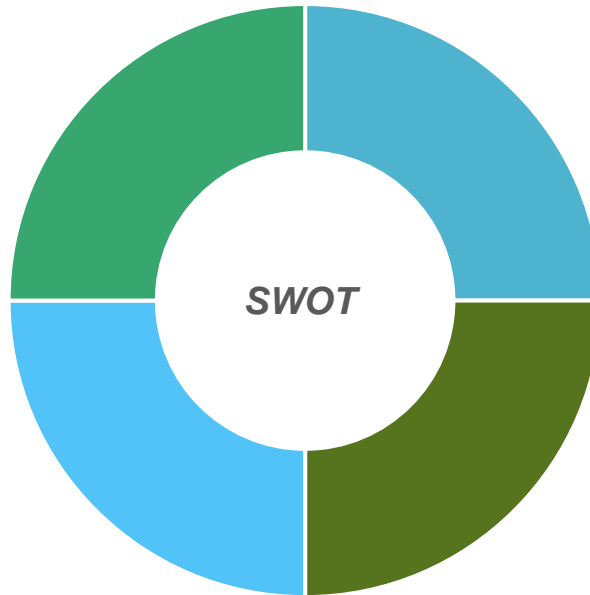
## 4. STRENGTHS AND WEAKNESSES

### STRENGTHS

- Well implemented HSE system
- Strong legislation in Norway
- Good working environment
- Well documented policies and procedures

### OPPORTUNITIES

- Contribute to more people having a better work life
- Contribute to a sustainable development and future



### WEAKNESSES

- Not sufficient control over the entire value chain
- Suppliers not responding to evaluation forms
- Difficult to check the validity of completed supplier evaluation forms

### THREATS

- Loss of employees and/or customers if non-compliance with human rights
- Loss of reputation

## 5. NEXT STEPS

In the period June 2023 – June 2024, Innova has not received any inquiries regarding human rights violations, either internally or externally.

Strategy and further focus areas:

- continued high focus on the supply chain to ensure compliance with human rights.
- continuously evaluate and develop the management system to ensure that we comply with human rights.
- ensure our policies are understood both internally and externally.

Sandnes, 13 June 2024

(signed electronically)

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Chairman of the Board

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Board member

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Terje Ollestad  
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