



TRANSPARENCY AND ACCOUNTABILITY

ABOUT PARAT HALVORSEN

PARAT Halvorsen, in collaboration with the sister Company PARAT P2H, is Norway's largest provider of steam and heating systems. The primary industries we serve include renewable energy, energy and offshore, infrastructure, construction, and various other industries. Boilers from PARAT Halvorsen AS are in daily use in all corners of the world, and we are proud to have delivered products characterized by quality and reliability.

PARAT Halvorsen demands integrity, loyalty, and respect for fundamental human rights in all parts of our business operations, including providers, partners, and others affected by the Company's activities.

PARAT Halvorsen is aware of its social responsibility and has implemented the requirements defined in the Act on Transparency and Work with Fundamental Human Rights and Decent Working Conditions (Transparency Act). Due diligence assessments have been carried out and are periodically reviewed.

PARAT HALVORSEN AND THE TRANSPARENCY ACT

PARAT Halvorsen is subject to the Act relating to Enterprises' Transparency and Work on Fundamental Human Rights and Decent Working Conditions (Transparency Act)

The Transparency Act requires the Company to identify and assess actual and potential negative consequences for breaches of human rights and decent working conditions internally within the Company and in the supply chain. Those covered by the Act must account for their due diligence assessments and publish them on the website by June 30 each year or upon significant changes in the Company's risk assessments.

The due diligence assessments are carried out in accordance with the OECD Guidelines for Multinational Enterprises in human rights, which align with the UN Guiding Principles on Business and Human Rights (UNGP).

The UN Declaration of Human Rights is the foundational document in the international work for human rights. It consists of 30 articles and applies to all UN member states. As an industrial Company, it is important for PARAT Halvorsen to lead by example and have a profile that is sustainable and climate friendly. We will do what we can to reduce climate emissions, promote human rights, and democratic principles.



CORPORATE STRUCTURE

Parat Halvorsen AS and the sister Company Parat P2H AS are wholly owned by Babcock-Wanson Nordics. Since its inception, Parat Halvorsen AS has been committed to delivering high-quality products where health, safety, environment, and quality are fundamental to the business operations.

The companies covered by this report are:

- Parat Halvorsen AS
- Parat P2H AS

Both companies have the same chairman and the same CEO.

PARAT HALVORSEN AS

Parat Halvorsen AS is the parent Company and assists Parat P2H AS with administrative functions and tasks, including finance, HSEQ, HR, internal control, and similar activities.

PARAT P2H AS

The sister Company Parat P2H AS supplies electrodes for electrode boilers produced by Parat Halvorsen AS.

SUSTAINABILITY AND SOCIAL RESPONSIBILITY AT PARAT HALVORSEN

PARAT Halvorsen is certified according to ISO 14001, ISO 45001, and ISO 9001. The work on sustainability and social responsibility is carried out in close collaboration with the other companies in the Babcock-Wanson Group. This work is structured around the following core principles:

- Climate and CO₂ emissions
- Biodiversity, water conservation, and extraction activities
- Social diversity, inclusion, working conditions, equal treatment, and social justice
- Business ethics, anti-corruption, child labor, and exploitation
- Human Rights

GUIDELINES AND PROCEDURES

The companies covered by the report are subject to and operate in accordance with an integrated system for quality, HSEQ, sustainability, and social responsibility, which includes policies, routines, and processes for:

- Ethical guidelines



- Whistleblowing
- Human Resources
- Continuous improvement
- Risk assessments and management
- Incident reporting
- Investigations
- Provider evaluation and follow-up

Furthermore, PARAT Halvorsen, through the Babcock-Wanson Group, is a member of the UN Global Compact.

WHISTLEBLOWING CHANNELS AND COMPLAINT MECHANISMS

Internal whistleblowing is described in a separate procedure that includes rights, obligations, protection, and procedures, including the possibility of anonymity and protection of the whistleblower.

For external parties, contact information is available on the Company's website:

Switchboard: +47 99 40 55 00

Email: office@parat.no

SCOPE AND PURPOSE OF THE STATEMENT

According to Section 5 of the Transparency Act, Parat Halvorsen is required to publish a statement on the due diligence assessments conducted.

The purpose of the statement is to provide the public with insight into key findings from the due diligence assessments, any measures that have been implemented, and any planned measures.

This is the third report created based on the requirements of the Act and is applicable for the fiscal year 2024. The report is updated as needed and at least annually.

THE TRANSPARENCY ACT AND REQUIREMENTS FOR DUE DILIGENCE ASSESSMENTS

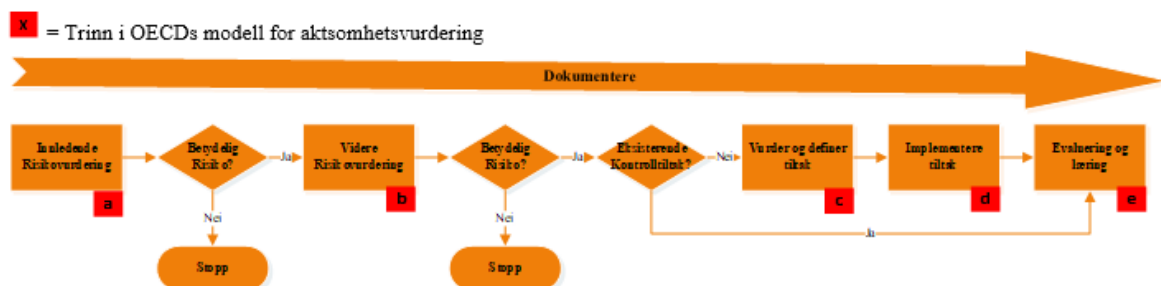
The Transparency Act covers human rights, including labor and social conditions, and primarily affects two areas:

- Own organization
- External providers and partners



The core of the Transparency Act is that due diligence assessments of providers must be conducted in accordance with the Transparency Act and in line with the OECD Guidelines. Due diligence assessments include:

- Embedding responsibility in the Company's guidelines
- Identifying negative consequences
- Implementing measures to prevent, mitigate, or stop negative consequences
- Identifying and assessing actual and potential negative consequences for fundamental human rights and decent working conditions that the Company has caused or contributed to, or that are directly linked to the Company's business operations, products, or services through supply chains or business partners
- Communicating with affected stakeholders and other parties concerned about how negative consequences are being handled
- Remedying any harm; ensuring remediation or compensation if required



DUE DILIGENCE ASSESSMENTS

Due diligence assessments shall be conducted regularly and be proportionate to the Company's size, the nature of its operations, the framework conditions, as well as the severity and likelihood of negative consequences for fundamental human rights and decent working conditions.

ANCHORING AND METHODOLOGY

The Company's ethical guidelines include the aspects covered by the Transparency Act. The ethical guidelines are applied to the Company's own employees, but external providers must also confirm that their operations are conducted within the requirements defined in Parat Halvorsen AS's ethical guidelines.

As part of provider approval and follow-up, Parat Halvorsen AS has implemented a system for evaluating external providers. The evaluation and approval of external providers are



based on recognized industry standards (NORSOK HSEQ evaluation of providers, IOGP 423, Parat Halvorsen AS's own requirements). The evaluation consists of several topics related to HSEQ, such as quality management, environmental awareness, occupational health and safety awareness, verification of finances, reputation, experience, and awareness of sustainability and social responsibility.

Furthermore, a sorting and review of external providers based on turnover have been conducted, and those who have delivered goods worth over NOK 2,000,000 in the last two years have been assessed.

The following criteria have been used for the initial assessment:

- Country of origin
- Industry
- Raw materials
- Country of origin

Based on the results of the initial assessment, an overview is created of any providers and partners that may represent risks related to human rights, decent working conditions, environment, and anti-corruption. If no significant risks are identified, the process stops here.

RESULTS OF THE DUE DILIGENCE ASSESSMENT

OWN ORGANIZATION

Parat Halvorsen AS has an established policy aimed at preventing discrimination based on gender, ethnicity, and disability. The Company is committed to diversity among employees and considers this an important factor both socially and professionally.

There should be equal opportunities for employment and promotion regardless of gender. The Company operates in a segment that has traditionally been male dominated within skilled labor (fabrication/production), but Parat Halvorsen AS aims to facilitate an increase in this proportion in the coming years.

Continuous efforts are made to promote health, safety, and the working environment, and the Company is certified according to ISO 9001, ISO 14001, and ISO 45001.

The assessment has concluded that internally within the organization, there is compliance with the Transparency Act's requirements for fundamental human rights and decent working conditions.

The following potential risks have emerged through the due diligence assessments conducted:

There is a risk of personal and strain injuries, and we continuously work to ensure the safety and well-being of our employees.



Implemented measures: Health, environment, and safety are the most important aspects we work on in the Company. All employees receive the necessary training to have the best possible competence to perform their job and to understand the work processes in the Company. We focus on good protective equipment, control of chemicals, machinery, lifting, transport, and the working environment.

Regular HSE inspections, Work Environment Committee meetings, risk assessments, and work environment surveys are conducted.

Further planned measures: HSEQ is a continuous effort, and we will further improve collaboration and interaction with employees and their representatives. In 2025, an additional safety representative has been elected, bringing the total to four.

PARAT Halvorsen has experienced significant growth and has increased the number of employees. We have three permanent locations, and it is important that all employees feel included in PARAT Halvorsen. We also have several project employees who are part of us for shorter or longer periods.

EXTERNAL PROVIDERS AND PARTNERS

In general, most of the assessed providers score low on risk related to country of origin and industry. The Company's current providers are mainly located within the EEA.

For some providers, the underlying supply chain is somewhat unclear; however, Parat Halvorsen AS constitutes such a small part of these providers' sales, and therefore also has little influence. Here, however, the Transparency Act may provide better insight as these providers publish their reports.

The due diligence assessment has not revealed any information about actual negative consequences indicating violations of human rights and decent working conditions.

However, there are some providers/industries where Parat Halvorsen AS will have a particular focus going forward. This concerns companies in industries that are considered to have somewhat higher risk, as well as a few providers where manufacturing takes place in countries where the risk is assessed to be somewhat higher.

PROVIDER RISK

There is a risk that project employees through manning agencies do not have contracts that comply with human rights.

Implemented measures: Only manning agencies that are publicly approved and thus subject to Norwegian laws and regulations are used.



Further planned measures: We conduct annual follow-up meetings and carry out spot checks of employment contracts and wage payments.

With steadily growing production, including outsourcing and increasing purchases, there is an increasing risk in the supply chain.

Implemented measures: Provider approvals are conducted for new providers. Any necessary improvements are included in purchase contracts.

Further planned measures: Purchases and outsourcing will increasingly be carried out in collaboration with the Babcock-Wanson Group and in accordance with the Group's CSR policies.

FURTHER WORK

Parat Halvorsen AS is aware of its responsibility to ensure that the Company is operated responsibly and sustainably. Systematic work, together with employees and partners, to ensure fundamental human rights and decent working conditions is an ongoing process.

Routines related to provider evaluation and compliance with ethical guidelines will continuously contribute to both strengthening and increasing awareness of human rights and decent wages and working conditions in the Company's context.

Parat Halvorsen AS will continue to ensure compliance with the Transparency Act by:

- Further developing our due diligence assessments to identify potential and actual negative impacts or harm, including in the supply chain. Compliance with the principles of the Transparency Act will be an absolute criterion when new and existing providers are assessed and re-evaluated.
- Further developing internal competence in the organization related to the Transparency Act.

The statement on the Transparency Act (§5) is anchored in the Company's board

C. Fournier Montgieux
CEO Babcock-Wanson Group

Gjengve M. Halvorsen