

## Communication on Progress Report for NORBIT 2020

### About NORBIT

NORBIT ASA is a global provider of tailored technology to carefully selected niches. The business is organized in three operating segments: Oceans, Intelligent Traffic Systems (ITS) and Product Innovation & Realization (PIR). The Oceans segment is offering tailored technology solutions to global maritime markets, the ITS segment is offering tailored connectivity solutions based on short range communication technology for traffic systems and truck applications, while the PIR segment is offering R&D services and contract manufacturing to key customers. NORBIT is headquartered in Trondheim, Norway, with manufacturing facilities in Trondheim, Selbu and Røros, Norway and 14 offices and subsidiaries around the world.

### NORBIT's purpose, values and corporate responsibility

#### Purpose

NORBIT has defined its core purpose to be "Explore More" and vision to be "To be recognized as world class, enabling people to explore more". The purpose sets the direction for NORBIT's choices and priorities. It inspires innovation and drives change. Everything NORBIT does must be in line with the purpose, which is reflected in all the group's activities. From exploring customers' needs and commercial opportunities where NORBIT can bring new tailored technology, to always exploring how to improve performance in all aspects.

#### Values

NORBIT's values describe how the company will deliver the purpose and what is expected from employees, and can be expected from customers, owners, and the society in general. The values are, deeply rooted in the organization, securing customer focus, and acting as important guidelines in the daily work. NORBIT has formulated the following core values to form a guideline for the company's business operations:

- We deliver
- Safe under pressure
- Refinement of talents

#### Corporate responsibility

NORBIT aims to create value for customers, shareholders, employees, and the society at large, first and foremost by producing a variety of specialized products and solutions that support the customers' sustainability strategies.

NORBIT applied for membership in the UN Global Compact in March 2020, the world's largest sustainability initiative. NORBIT is committed to making the UN Global Compact and its principles part of the company's strategy, culture, and day-to-day operations, and to engage in collaborative projects advancing the broader development goals of the UN. As part of this commitment, NORBIT has committed to report on practical actions that the company has taken (or plans to undertake) to implement the UN Global Compact principles, as well as the of outcome of these actions. This report is NORBIT's first Communication on Progress Report, summarizing activities and outcomes for 2020.



## Statement of continued support by the Chief Executive Officer

I am pleased to confirm that NORBIT ASA reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

In this annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture, and daily operations. We also describe how our products and services contribute to the sustainable development goals (SDGs). We commit to sharing this information with our stakeholders using our primary channels of communication.

Sincerely yours,



Per Jørgen Weisethaunet

CEO of NORBIT ASA



## Human rights

*Workplace related issues (such as labour rights, working environment, and health, safety and security) are addressed under "Labour".*

### Assessment, policy and goals

NORBIT's Code of Conduct describes policies and goals related to human rights. NORBIT supports and respects internationally proclaimed human rights. The overall goal is that NORBIT shall have no form of human rights abuse in any stage related to production of its products. NORBIT encourages its employees to report suspected or actual occurrences of inappropriate, unethical, or illegal events related to human rights. NORBIT has therefore drawn specific guidelines for whistleblowing, including whom to report to, how to report and how the company is required to act on the report.

### Implementation

The following activities have been conducted in 2020:

- Revision of The Code of Conduct by the Board of Directors of NORBIT.
- Implementation of a new Supplier Quality Management (SQM) system with self-assessment questions for suppliers and business partners regarding human right issues. The system will be rolled-out for the entire organization in 2021.
- Conduction of a risk assessment analysis regarding, among other topics, human right issues at the group level.

### Measurement of outcomes

No reports on human right related incidents were received through the whistleblowing system in 2020.



## **Labour**

### **Assessment, policy and goals**

NORBIT's Code of Conduct describes policies and goals related to labour issues. The Code of Conduct covers three categories of labour issues; labour rights and working environment; equality, diversity and respect; and health, safety and security (HSS).

#### ***Labour rights and working environment***

NORBIT's Code of Conduct is founded on key UN and International Labour Organization (ILO) conventions and documents. National laws in the country the supplier or business partner operates in shall be respected. NORBIT's employees shall have the right to join or form trade unions of their own choosing and to bargain collectively. The employer shall not interfere with or obstruct the formation of unions or collective bargaining. Workers representatives shall not be discriminated and shall have access to carry out their representative functions in the workplace. Where the right to freedom of association and/or collective bargaining is restricted under law, the employer shall facilitate, and not hinder, the development of alternative forms of independent and free workers representation and negotiations.

NORBIT describes employees' rights, compensation, benefits, and responsibilities through several policy documents, such as the Employee Handbook, job descriptions as well as in salary tables.

#### ***Equality, diversity and respect***

NORBIT shall work to promote a working environment characterized by equality, diversity, and mutual respect. NORBIT does not accept any form of discrimination based on factors such as gender, age, ethnicity, religion, disability, sexual orientation, or political conviction, nor does NORBIT accept harassment, including unwanted sexual attention.

NORBIT's organizational culture shall be characterized by openness and good internal communication so that any misconduct or problems can be addressed, discussed, and resolved in a timely manner. NORBIT's employees are encouraged to report any incident of discrimination to their nearest leader.

#### ***Health, safety and security***

"Safe under pressure" is one of NORBIT's core values. A safe, secure, and healthy working environment is a key priority in the group, and this applies wherever the company operates. National HSS-laws in the country the supplier or business partner operates in shall be respected.

The specific business units have defined safety routines and work instructions for use of potentially harmful tools, such as drills, mills etc.

NORBIT has defined specific KPIs for HSS related injuries and absence due to illness. NORBIT has a vision of zero injuries. The goal for absence due to illness vary from <2.5 per cent to <4.0 per cent for the different business units.

### **Implementation**

The following activities have been conducted in 2020:

- Conduction of an employee satisfaction survey for the entire group based in Trondheim, as well as for the production facility at Røros.



- Implementation of a new Supplier Quality Management (SQM) system with self-assessment questions for suppliers and business partners regarding labour issues. The system will be rolled-out for the entire organization in 2021.
- HSS training for the different business units in accordance with country specific laws.
- Conduction of a HSS risk analysis for the different business units.
- A total number of 15 assessments of the local HSS conditions at six different locations in Norway (three offices in Trondheim, NORBIT Kabelpartner in Trondheim, NORBIT EMS in Røros and NORBIT EMS in Selbu). The rounds were conducted 14 days before Working Environment Committee meetings at the different locations.

### **Measurement of outcomes**

- The response rate for the employee satisfaction survey was 61 per cent for the group office in Trondheim and 92 per cent for Røros. The overall feedback from the employees was very positive.
- There were 3 minor incidents registered during 2020, none of which were significant.
- The group had 3.5 per cent absence due to illness (excluding long-term absence), compared to 2.6 per cent in 2019 and 3.8 per cent in 2018. The absence including long term absence was 4.9 per cent. The long-term absence was not work related.



## Environment

NORBIT shall create environmental value both in terms of acting responsible in the company's own value chain (internal focus), as well as developing and selling products that contribute to solving pressing environmental challenges for the company's customers and the society at large (external focus). The internal focus is described in this section, whereas the external focus is described under the section "NORBIT's work towards the sustainable development goals".

### Assessment, policy and goals

"Doing more with less" is the group environmental tag. The business units have defined environmental goals in their separate business plans. NORBIT ITS has for instance stated:

NORBIT ITS shall work continuously to reduce environmental footprint by:

- Choosing environmentally sustainable solutions
- Smart waste handling
- Carefully use of chemicals
- Reducing travel activities
- Encouraging employee commitment
- Continuous improvement

NORBIT has three production facilities: NORBIT EMS Røros, NORBIT EMS Selbu and NORBIT Kabelpartner. NORBIT EMS Røros and NORBIT Kabelpartner are certified according to the international standard that specify requirements for an effective environmental management system, ISO 14001. The three manufacturing sites have different KPIs defined, as described in Table 1.

Table 1: KPIs at different production facilities.

Production facility	KPI defined	Goal
NORBIT EMS Røros	Electricity and water consumption.	Not defined yet.
NORBIT EMS Selbu	Electricity consumption per revenue.	Not defined yet.
NORBIT Kabelpartner	Number of environmental deviations.	0 deviations.

### Implementation

The following activities have been conducted in 2020:

- The production facility NORBIT EMS Røros was expanded in 2020. The new facility was built with energy efficiency in mind, with thermal energy storage as the main energy source.
- Management of facilities according to the KPIs defined in Table 1.
- Implementation of a new Supplier Quality Management (SQM) system with a General Quality Agreement for suppliers and business partners regarding environmental issues. The system will be rolled-out for the entire organization in 2021.
- Establishment of a return scheme for packaging.



## Measurement of outcomes

Table 2: Measurement of outcomes at different production facilities.

Production facility	KPI defined	Goal	Result
NORBIT EMS Røros	Electricity and water consumption.	Not defined yet.	2 per cent and 8 per cent increase in electricity and water consumption compared to 2019 (due to expansion of facility).
NORBIT EMS Selbu	Electricity consumption per revenue.	Not defined yet.	0.96 Wh/NOK Not measured in 2019.
NORBIT Kabelpartner	Number of environmental deviations.	0 deviations.	1 minor deviation.

NORBIT is in a process of harmonizing and following up KPIs more systematically.



## **Anti-corruption**

### **Assessment, policy and goals**

NORBIT's Code of Conduct describes policies and goals related to anti-corruption. NORBIT has zero tolerance for any form of corruption, bribery, fraud, or dishonesty. This means that NORBIT has no tolerance for paying, facilitating, or receiving any bribes or facilitation, payments, extortion, kickbacks or any other improper private or professional benefits to customers, agents, contractors, suppliers or employees of any such party or government officials. NORBIT's employees and representatives shall neither directly nor indirectly offer, promise, request, demand or accept illegal or unjust gifts of money or any other remuneration to achieve a commercial benefit.

NORBIT encourages its employees to report suspected or actual occurrences of inappropriate, unethical, or illegal events related to corruption. NORBIT has therefore drawn specific guidelines for whistleblowing, including whom to report to, how to report and how the company is required to act on the report.

### **Implementation**

- NORBIT always conducts an integrity due diligence through a risk-based approach when assessing new business opportunities and partners.

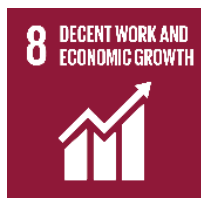
### **Measurement of outcomes**

- No reports on corruption related incidents were received through the whistleblowing system in 2020.



## NORBIT's work towards the sustainable development goals

NORBIT aims to create value for customers, shareholders, employees and the society at large, first and foremost by producing a variety of specialized products and solutions that support the customers' sustainability strategies. NORBIT has identified four sustainable development goals (SDGs) that the company contributes to today and will continue to work towards in the future.



### **Creating safe and decent work conditions**

NORBIT develops and offers technology to detect threats, both to humans, assets, and infrastructure. This technology enables safe and decent work conditions for different occupational groups, ranging from truck drivers to platform workers.



### **Stimulating innovation in a range of different industries**

NORBIT is offering R&D services and contract manufacturing services realizing ground-breaking innovations, systems, and solutions for industrial customers in markets such as automotive, medical, defense, energy, marine and subsea.



### **Reducing CO2 emissions from the transportation sector**

The transport sector is responsible for one third of global CO2 emissions. NORBIT's devices used for electronic tolling contribute in reducing the CO2 emissions from the transport sector; by reducing vehicle miles traveled, stop-and-go traffic and suboptimal truck loads.



### **Sustainably using the oceans**

NORBIT delivers tailored technology and solutions to the global maritime markets. Combining remote sensing technologies with state-of-the-art data fusion and artificial intelligence, the user gets information and tools to increase efficiency and reduce cost, while at the same time ensuring the safety of the environment and marine assets.