

UN Global Compact Report 2021



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

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1. NORBIT and corporate social responsibility

1.1 About NORBIT

NORBIT ASA is a global provider of tailored technology to carefully selected niches, solving challenges through sustainable and innovative solutions, in line with its mission to Explore More. The company is structured in three business segments to address its key markets: Oceans delivering technology solutions to global maritime markets, Connectivity supplying solutions for asset identification, monitoring and tracking, and PIR offering R&D services and contract manufacturing.

NORBIT is headquartered in Trondheim, Norway, with manufacturing facilities in Trondheim, Selbu and Røros, Norway. NORBIT has a worldwide sales and distribution platform.

1.2 NORBIT's purpose, values, and corporate responsibility

1.2.1 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.

1.2.2 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

1.2.3 Framework for corporate responsibility and structure of this report

NORBIT's ambition is to contribute to sustainable development both in terms of acting responsible in the group's own value chain (internal focus), as well as developing and selling products that contribute to solving sustainability challenges for customers and the society at large (external focus). Figure 1 illustrates NORBIT's overall framework for corporate responsibility along these two lines; the framework describes high-level goals and policies for both the internal and external focus.

Area	Main goal (more details in policies)		Policies
Internal focus (own value chain)	Human rights	Support and respect of internationally proclaimed human rights. NORBIT shall have no form of human rights abuse in any stage related to production of its products.	<ul style="list-style-type: none"> Code of Conduct Whistleblowing policy
	Labour	Labour rights	<ul style="list-style-type: none"> Code of Conduct Employee Handbook Job descriptions Salary tables Whistleblowing policy
		Equality, diversity & respect	<ul style="list-style-type: none"> Code of Conduct Whistleblowing policy
		HSS	<ul style="list-style-type: none"> Code of Conduct Safety routines Work instructions
	Environment	Business units have defined environmental policies and goals in separate business plans. The manufacturing companies within the business units are certified according to several environmental certification schemes (see Chapter 4).	<ul style="list-style-type: none"> Business unit policies KPIs for production sites
	Anti-corruption	Zero tolerance for any form of corruption, bribery, fraud, or dishonesty.	<ul style="list-style-type: none"> Code of Conduct Ethical guidelines for employees Whistleblowing policy
External focus (products & community)	Contribution to SDGs through products/solutions	Digital transformation	<ul style="list-style-type: none"> Creating safe and decent work conditions Stimulating innovation in a range of different industries
		Blue economy	<ul style="list-style-type: none"> Sustainably using the oceans by environmental monitoring
	Community	Sponsor selected local sport associations and student organizations (monetary support and nonfinancial initiatives) to stimulate the engineers of the future to become interested in innovation and development.	

Figure 1 NORBIT's overall framework for corporate responsibility - overview of main goals and policies.

Internal focus

In 2020, NORBIT was approved membership in the UN Global Compact, the world's largest sustainability initiative. Through participation, the group confirms that it supports the Ten Principles of the UN Global Compact on the four dimensions human rights, labour, environment, and anti-corruption. NORBIT is committed to making the UN Global Compact and its principles part of the group strategy, culture, and day-to-day operations. Figure 1 illustrates NORBIT's main goals and policies for the four dimensions of UN Global Compact.

External focus

NORBIT also aims to create value for customers, shareholders, employees, and society; first and foremost, by producing a variety of specialized products and solutions that support the customers' sustainability strategies within two main areas; digital transformation and blue economy.

Structure of this report

As part of the UN Global Compact commitment, NORBIT reports on practical actions that the group has taken to implement the UN Global Compact principles. This report is NORBIT's second Communication on Progress Report. The report is structured along NORBIT's framework for corporate sustainability; first by summarizing policies, goals, activities, and outcomes of the four factors defined in the UN Global Compact initiative (internal focus, Chapter 2-5), and then by describing how NORBIT contributes to selected SDGs through products and solutions, as well as the group's contribution to local community (external focus, Chapter 6-7).

2. Human rights

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

2.1 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 in the Whistleblowing policy, including whom to report to, how to report and how the company is required to act on the report.

2.2 Implementation

The following activities have been conducted in 2021:

- Revision of The Code of Conduct by the Board of Directors of NORBIT.
- Integration of The Code of Conduct and Whistleblower policy in the Quality Management System for easier compliance and follow-up of potential breaches of policy.
- Continued integration of a new Supplier Quality Management (SQM) system with self-assessment questions for suppliers and business partners regarding human right issues. The plan was to roll-out the system for the entire organization in 2021, but due to logistics and component challenges because of the covid-situation, the process is delayed. The roll-out will continue in 2022. The SQM-system is fully integrated at the manufacturing facility in Røros.

2.3 Measurement of outcomes

No reports on human right related incidents were received through the whistleblowing system in 2021.

3. Labour

3.1 Assessment, policy and goals

At year-end 2021, NORBIT had 391 full-time equivalents across 15 jurisdictions. NORBIT strives to protect health, safety, human rights, labour rights and maintaining a high ethical standard in its business concept and relations with customers, suppliers, and employees. NORBIT's Code of Conduct describes the group's policies and goals related to these standards. The Code of Conduct covers four categories of labour issues; labour rights and working environment; diversity, equality, and respect; employee relationship and employee satisfaction; and health, safety, and security (HSS).

3.1.1 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. Worker's 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.

3.1.2 Diversity, equality, and respect

Diversity

NORBIT is committed to promoting diversity. NORBIT is a global company with offices in 15 countries worldwide, having employees of 22 different nationalities. NORBIT's employees have a broad and diversified background, both culturally as well as by education and work experience. Different expertise and experience contribute positively to NORBIT's development.

Equality

NORBIT strives to ensure that work of equal value shall receive equal pay, regardless of social differences. Salaries are determined based on a variety of factors, including, but not limited to, seniority, performance, responsibility, and qualifications. Salary adjustments are carried out once a year. Salary levels vary across jurisdictions depending on competition for such resources and the general wage level of the countries NORBIT operates in. As a general guideline, NORBIT shall provide competitive salaries, but not be market leading. In addition to salaries, employees have pension and insurance schemes, which is governed by the employment agreements. All employees with 50 per cent working interest or more are entitled to participate in employee share incentive programs.

Respect

NORBIT does not accept any form of harassment or discrimination based on gender, religion, race, national or ethnic origin, cultural background, social group, disability, sexual orientation, marital status, age, or political opinion. This is governed by NORBIT's Code of Conduct, which all employees are obliged to follow according to the employment agreement. Whistleblowing is an important channel for receiving information about negative issues so that they can be properly corrected and followed up. NORBIT encourages its employees to report suspected or actual occurrences of inappropriate, unethical, or illegal events or breaches of the Code of Conduct. 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.

3.1.3 Employee relationship and employee satisfaction

NORBIT's main asset is the knowledge and skills of its employees and NORBIT gives each employee considerable scope in making decisions regarding his or her work. This implies a large degree of freedom, but it also places substantial responsibility on the employees.

The 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.

3.1.4 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 group operates. The specific business units have defined safety routines and work instructions for use of potentially harmful tools.

NORBIT has defined specific KPIs for HSS related injuries and sick leave. NORBIT has a vision of zero injuries, and in 2021 no significant injuries or accidents were recorded. The goal for sick leave varies from <2.5 per cent to <4.0 per cent for the different business units.

3.2 Implementation

The following activities have been conducted in 2021:

- Employment of a Business Support and HR Manager at the group level. The HR Manager is in a process of establishing harmonized procedures for recruitment, onboarding, and training of employees both national and abroad.
- Conduction of an employee satisfaction survey and salary survey for the Norwegian companies in the group.
- HSS training for the different business units in accordance with country specific laws.
- A total number of 10 assessments of the local HSS conditions at 3 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.
- Continued integration of a new SQM system with self-assessment questions for suppliers and business partners regarding labour issues. The plan was to roll-out the system for the entire organization in 2021, but due to logistics and component challenges because of the

covid-situation, the process is delayed. The roll-out will continue in 2022. The SQM system is fully integrated at the manufacturing facility in Røros.

3.3 Measurement of outcomes

- No reports on labour related incidents were received through the whistleblowing system in 2021.
- According to the employee satisfaction survey, the working environment in the group is perceived as very good.
- There was 1 minor non-significant HSS incident registered during 2021 (compared to 3 in 2020).
- The group had 4.4 per cent absence due to illness (excluding long-term absence), compared to 3.5 in 2020, 2.6 per cent in 2019 and 3.8 per cent in 2018. Sick leave within the Norwegian workforce is lower than the country average of approximately 7 per cent (as of Q1 2021) according to Statistics Norway.

4. Environment

NORBIT's ambition is to create environmental value both in terms of acting responsible in the group's own value chain (internal focus), as well as developing and selling products that contribute to solving environmental challenges for customers and the society at large (external focus). The internal focus is described in this section, whereas the external focus is described in Chapter 6.

4.1 Assessment, policy and goals

4.1.1 Policies and goals

"Doing more with less" is the group environmental tag, reflected in the group's Code of Conduct. The business units have defined environmental policies and goals in their separate management systems. Figure 2 shows an example of an excerpt from one of the business unit's policy (Connectivity).

Connectivity 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

Figure 2 Example of excerpt from environmental policy for one of the business units (Connectivity).

4.1.2 Certifications

NORBIT has three manufacturing sites: 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. Norbit EMS Selbu is in process of being Eco-lighthouse certified (see more below). The three manufacturing sites have different KPIs defined for electricity and water consumptions, as described in Table 1.

Table 1 KPIs for the different manufacturing sites.

Maufacturing site	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.

4.2 Implementation

The following activities have been conducted in 2021:

- NORBIT EMS Selbu has started a process of becoming certified according to the Eco-lighthouse environmental management system. Eco-lighthouse is a national certification scheme founded by Enterprise Federation of Norway, Innovation Norway, Association of Small and Medium-sized Enterprises, Association of Local and Regional Authorities (KS), Norwegian Confederation of Trade Unions, county municipalities and municipalities. The management system is recognized as complying with the corresponding requirements of the eco-management and audit scheme (EMAS) of the European Parliament. The goal for the process is to be certified by end of 2022.
- NORBIT EMS Røros completed the expansion of the manufacturing facility. The new facility was built with energy efficiency in mind, with thermal energy storage as the main energy source.
- Continued integration of a new SQM system with self-assessment questions for suppliers and business partners regarding environmental issues. The plan was to roll-out the system for the entire organization in 2021, but due to logistics and component challenges because of the covid-situation, the process is delayed. The roll-out will continue in 2022. The SQM system is fully integrated at the manufacturing facility in Røros.
- NORBIT Connectivity has together with customers analyzed how to reduce scrap and refurbish electronics when designing new products. Connectivity has two active product contracts with refurbished electronics as of March 2022.

4.3 Measurement of outcomes

Table 2 Measurement of outcomes at different manufacturing sites.

Manufacturing site	KPI defined	Result 2020	Result 2021
NORBIT EMS Røros	Electricity and water consumption per revenue.	11.4 Wh/NOK 0.029 l/NOK	11.0 Wh/NOK 0.021 l/NOK
NORBIT EMS Selbu	Electricity consumption per revenue.	0.96 Wh/NOK	0.99 Wh/NOK
NORBIT Kabelpartner	Number of environmental deviations.	1 minor deviation.	0 deviations.

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

5. Anti-corruption

5.1 Assessment, policy and goals

NORBIT's Code of Conduct describes policies and goals related to ethical guidelines and anti-corruption. NORBIT has zero tolerance for any form of corruption, bribery, fraud, or dishonesty. NORBIT maintains a high ethical standard in its business concept and relations with customers, suppliers, and employees.

The following ethical guidelines are practiced in the group and apply to all employees:

1. **Personal conduct:** All employees and representatives of the group shall behave with respect and integrity towards business relations and partners, customers, and colleagues. The executive management team has a particular responsibility to promote openness, loyalty, and respect.
2. **Conflict of Interests:** Employees or representatives shall avoid situations in which a conflict between their own personal and/or financial interests and the group's interests may occur.
3. **Confidential Information:** Employees or representatives of the group possessing confidential information related to the group shall conduct themselves and safeguard such information with great care and loyalty and comply with all signed confidentiality statements.
4. **Competition:** The group supports fair and open competition. Employees and representatives shall never take part in any activities that may constitute a breach of competition legislation.
5. **Influence:** 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 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 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.

5.2 Implementation

- NORBIT always conducts an integrity due diligence through a risk-based approach when assessing new business opportunities and partners.
- Particular caution is taken towards business relations that operate in jurisdictions with a high level of corruption or in countries that have exposure to the sanctions list of European Union and the United States. In such assessment, the potential business relation is required to inform NORBIT about its relationship to authorities and public officials, and its general compliance regime. Further background checks are also carried out by NORBIT through renowned third parties to identify risks relating to corruption or breach of laws. The

assessment covers the potential business relation involved, as well as its shareholders and leadership team.

5.3 Measurement of outcomes

- No reports on corruption related incidents were received through the whistleblowing system in 2021.
- During the year, NORBIT declined to carry out business with a new potential customer due to the party failing to meet NORBIT's integrity due diligence standards.

6. NORBIT's work towards the sustainable development goals

NORBIT aims to create value for customers, shareholders, employees, and society; first and foremost by producing a variety of specialized products and solutions that support the customers' sustainability strategies. Looking ahead, NORBIT has identified two major trends where technology in general, and NORBIT in specific, can play an important role: digital transformation and growth in the ocean economy (blue economy). NORBIT believes technology is part of the solution, either it's enabling clients to further digitise their operations or exploring and protecting the ocean space. Therefore, four sustainable development goals (SDGs) connected to these two areas are identified as the main SDGs that NORBIT contributes to today and will continue to work towards in the future.

6.1 Digital transformation



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 to reducing the CO2 emissions from the transport sector, for instance by reducing vehicle miles traveled, stop-and-go traffic and suboptimal truck loads.

Through Connectivity, NORBIT enables clients to further digitise and make their operations and logistics more effective, with optimised planning of routes resulting in reduced traffic. Sub-segment Smart Data has systems and software designed to monitor, control and protect vehicles through fleet management, using real-time data to determine the current location of a vehicle or asset and allowing for improved route planning, including identifying more fuel-efficient roads.

NORBIT started 2021 with announcing the acquisition of the Hungarian software company iData, a company specialised in vehicle tracking and fleet management related services. The acquisition allows NORBIT to take a stronger position in the asset and vehicle tracking and monitoring market.

6.2 Blue economy



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.

The oceans are an integral part of the world economy, from harvesting of seafood and extraction of resources such as minerals and energy to maritime commerce and transport. Today, ocean industries, known as the Blue Economy, have an estimated turnover of between USD 3 and 6 trillion annually, according to the UN, but are expected to become even more important over the next decades. DNV GL forecast a nine-fold increase in demand for ocean space for sustainable aquaculture and energy production towards 2050, made possible by technology innovation.

The Blue Economy brings endless opportunities, but there is also a need to find solutions that protect marine biodiversity and ensures safe operations at sea. Within segment Oceans, there are five main areas where Oceans' technology and products are well-positioned to support in the Blue Economy: safety of navigation, renewable energy, security, fisheries, and environmental monitoring.

- Within **marine transport**, Oceans offers tools for safe underwater navigation and high-performance sonars are used when conducting maintenance or construction of infrastructure such as quay walls, bridges, and pipelines.
- For **marine renewable energy projects**, Oceans has solutions for permitting surveys, planning surveys, construction, and maintenance support as well as planning of water resources and reservoirs. Towards 2050, Blue Economy investments in offshore wind will exceed oil and gas according to DNV GL.
- **Fisheries** are expected to have a key role in transforming food systems and eliminating hunger and malnutrition, according to The Food and Agriculture Organization (FAO). Oceans provide solutions for habitat detection for planning of asset deployed on seafloor, in addition to technology and services to the aquaculture segment allowing for sustainable growth of ocean related proteins.
- Over recent years, Oceans has built up a strong presence within **environmental monitoring** through its SeaCOP Surveillance System. The purpose of the system is to give the user situational awareness, information, and tools to increase efficiency and reduce cost, at the same time ensuring the safety of people, the environment and marine assets. In 2021, sales of such solutions represented approximately 15 per cent of Oceans' revenues.

7. Community engagements

7.1 Supporting the engineers of the future

One of NORBIT's core values is "Refinement of talents". NORBIT's recruiting strategy includes offering internships to students. As part of the internship programmes, the students learn and experience how technology can innovate and be applied in various contexts. During 2021, the group had 20 internship positions within R&D across Oceans, Connectivity and PIR.

NORBIT also contributes with both monetary support and nonfinancial initiatives to various student organisations to stimulate the engineers of the future to become interested in innovation and development. In close collaboration with educational institutions, NORBIT inspires a new generation of engineers to explore the technology area in search of new knowledge.

7.2 Other community engagements

NORBIT aspires to be a positive contributor in the societies where the group has operations. This covers various activities, ranging from providing reflective vests to children in kindergartens, to being a proud sponsor of several local sports associations. In 2021, NORBIT provided monetary support to over 10 local sport associations.