

Due diligence report 2023



28.06.2024

Introduction

The Norwegian Transparency Act entered into force July 1st 2022. The Act covers all private companies with more than 50 employees and requires companies to map how people in the value chain are affected by the company's operations and products. The Act also requires companies to prioritise the areas where the risk of negative impacts on people is greatest, take action, and report on progress.

The Act further requires companies to report on their work related to the requirements of the Transparency Act. This report has been prepared in accordance with the requirements of the Transparency act:

- general description of the enterprise's structure, area of operations, guidelines and procedures for handling actual and potential adverse impacts on fundamental human rights and decent working conditions
- information regarding actual adverse impacts and significant risks of adverse impacts that the enterprise has identified through its due diligence
- information regarding measures the enterprise has implemented or plans to implement to cease actual adverse impacts or mitigate significant risks of adverse impacts, and the results or expected results of these measures.

Horisont Energi

Horisont Energi AS is a Norwegian clean energy company accelerating the transition to a carbon neutral future. Through profitable solutions to produce clean ammonia and large-scale carbon storage, we will contribute to new industry and a cleaner Europe. Our head office is located in Sandnes and in addition we have small offices in Oslo, Edinburgh and Hammerfest. Horisont Energi currently have no construction, production, or operational activities. Our activities are project management and engineering. We have contracts with several Norwegian and European engineering companies. Supply of office goods and services are mainly through local and Norwegian suppliers. Horisont Energi had 38 employees at the end of 2023 and the Transparency act is hence not directly applicable for us.

Due diligence procedure

Horisont Energi has developed and follow a due diligence procedure to identify, prioritise, and manage actual or risks of negative impacts on people throughout our value chain. The procedure is based on the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

The Board of Directors of Horisont Energi is responsible for the organisation's business conduct, for assessing sustainability risks and opportunities, and for evaluating the results of the work undertaken. Our management team is responsible for the work of conducting risk identification and management related to due diligence and has appointed the HSSE function to lead the work.

Horisont Energi conducts due diligence risk assessments prior to entering into key contracts and business relationships. For ongoing relationships, we carry out a due diligence risk assessment as a minimum once a year and whenever there are significant changes in the business. Information or events that affect the overall risk assessment will be included in the risk assessment on an ongoing basis. Based on the information gathered and available, risks are prioritised, which in turn form the basis for an action plan to prevent or reduce negative impacts on people.

The different actions in the action plan are implemented by relevant functions in our organisation and progress and results are followed up on an ongoing basis. Where possible, progress is evaluated using measurement indicators.

Reporting concern or requesting information

Information on how to report a concern or request information is available on our website and is accessible to all internal and external stakeholders. We treat all requests and complaints with great care.

Communication

The results of our risk assessment, actions taken, and their expected outcomes are communicated through this report which is updated annually. The next revision will be included as part of the sustainability report.

Revision

The above steps of risk assessment, implementation, monitoring, and reporting are carried out continuously to capture changes in the risk landscape that may trigger more thorough assessment and new measures.

Result

In spring 2024, we updated our risk assessment. No actual adverse impacts or significant risks of adverse impacts was identified through the assessment. The limited impact is due to the fact that Horisont Energi is in the planning phase of projects and the work is mainly engineering work. The focus now is therefore

to prepare for project implementation and operation, and increasing number of suppliers, partners, customers, and employees.

We have identified the following stakeholder groups:

- own workers;
- workers in our supply chain;
- communities that may be affected by our projects
- business partners.

Following the risk assessment, we have identified priority areas we are working on. These activities are also included as part of our sustainability report:

- Review Code of Conduct and provide training to employees;
- Ensure involvement of the indigenous Sami people in connection with the impact assessment for Barents Blue;
- Arrange anti-corruption training for Board members;
- Review and update materiality assessment
- Establish a working environment committee;
- Conduct a new working environment survey;
- Look at ways to improve training/development for employees;
- Maintain our zero-accident track-record.

These actions will be followed up on a regular basis and has been added as part of the Horisont 2024 Safety and sustainability program.