



Transparency Act Report 2024

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Foreword

Hystar operates in accordance with the Norwegian Transparency Act Section 5. The following report summarizes operational activities and supply chain oversight to analyse business partners mapped in 2024, and to identify and assess any potential adverse impacts on fundamental human rights and decent working conditions linked to Hystar.

The report summarizes Hystar's due diligence activities related to its supply chain and demonstrates Hystar's commitment to transparency and accountability. Hystar values responsible business conduct and oversees business activities to ensure compliance with internationally recognized human rights and promotion of decent working conditions.

At Hystar, the ambition is to accelerate the green hydrogen transition through cutting-edge technology, responsible innovation, and scalable industrial solutions. By pursuing this mission, it recognizes that a fully transparent, ethical, and compliant supply chain is not only a legal obligation—but a core enabler of our long-term success.

Hystar Overview

Hystar is a high-tech company that specializes in advanced PEM electrolyzers for large scale green hydrogen production. The company develops and manufactures the world's most efficient PEM electrolyser, making the production of hydrogen from renewable electricity significantly more affordable and thereby, more accessible.

As part of its mission to drive the green transition, Hystar emphasizes the importance of respecting human rights, conducting transparent and responsible business practices, and ensuring decent working conditions that align with internationally recognized human rights. This includes commitments to workplace health, safety, and environmental standards, as well as ensuring fair compensation that provides a living wage within its entire value chain.

Transparency and integrity are essential to Hystar's approach to business. In 2024, efforts were executed to strengthen collaboration with key suppliers and external stakeholders, ensuring alignment with global standards on human rights, labor conditions, and environmental performance. Due diligence activities included structured risk assessments, proactive supplier engagement, and continuous improvement of monitoring and control systems. These actions support the company's ambition to build a resilient, ethical, and sustainable supply chain that reflects its core values and long-term vision for growth.



Hystar's Governance and Commitment

Hystar is committed to responsible business practices, strong governance, and high ethical standards. To support this, two separate Codes of Conduct have been established: one for employees and representatives of Hystar, and another for suppliers.

The Hystar Code of Conduct outlines the expectations for all individuals representing the company, including board members, management, employees, consultants, and others acting on Hystar's behalf. It defines our commitment to operating in compliance with applicable laws, upholding high professional standards, and acting in accordance with our core ethical values. The Code serves as a framework to guide ethical decision-making and behaviour in day-to-day operations, and reflects our obligations to customers, clients, suppliers, business partners, government authorities, shareholders, and employees.

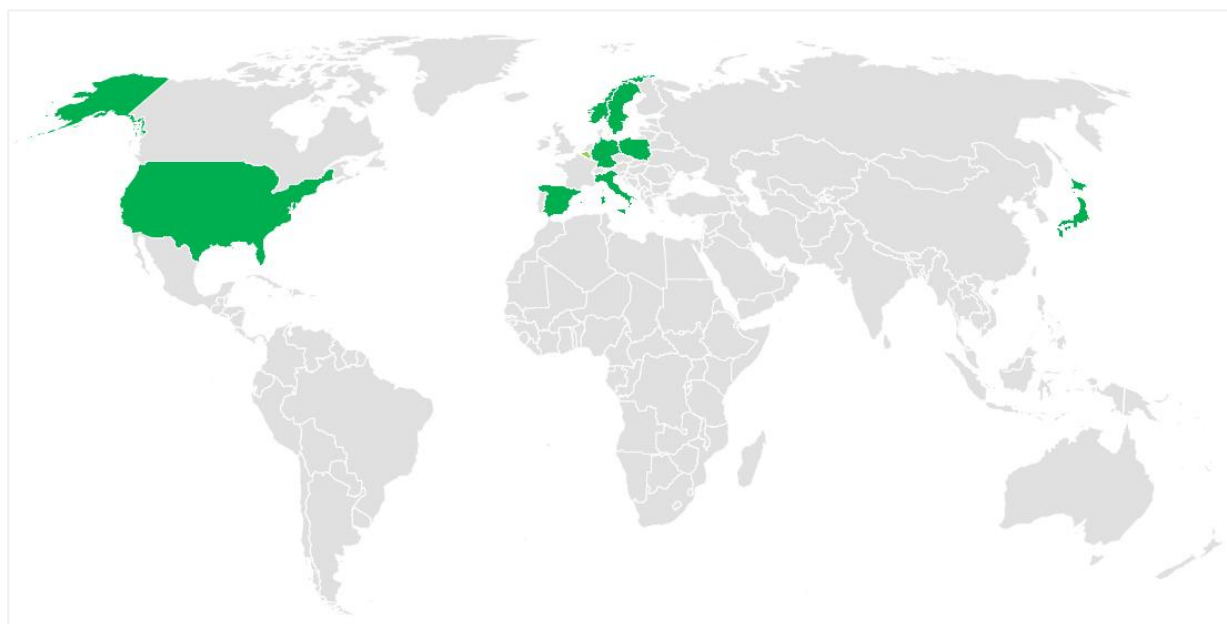
In addition, a separate Supplier Code of Conduct has been established to provide clear guidelines for responsible business practices throughout our supply chain. This policy sets out minimum standards based on internationally recognized principles, including UN and ILO conventions, covering areas such as ethical conduct, human rights, and decent working conditions.

Global Supply Chain and Related Considerations

Hystar operates a global supply chain across diverse regions and supplier cultures. While this brings innovation and resilience, it also requires careful attention to differences in regulations, communication styles, and labour practices. Ensuring alignment on quality, ethics, and compliance across geographies is essential to maintaining transparency, mutual trust, and responsible sourcing.

Freedom House is a nonprofit organization that tracks and reports on fundamental freedoms and rights in 208 countries and territories worldwide.

Overview of Hystar's Supply Chain

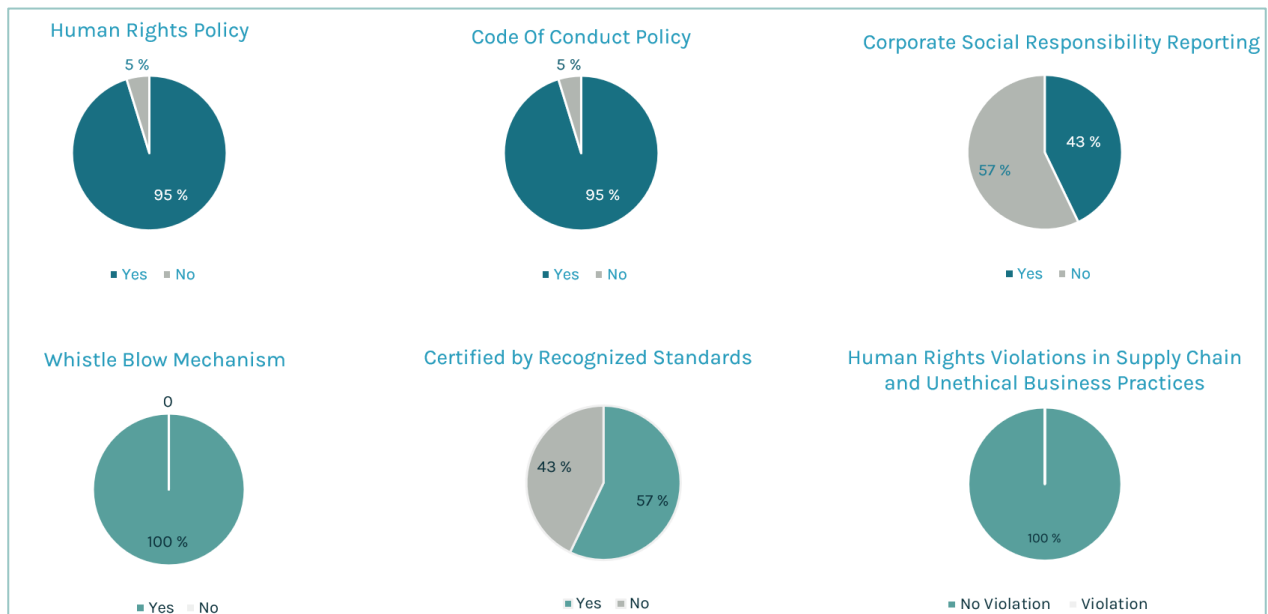


Freedom Scoring



Outcomes of Transparency Act Assessment 2024

Hystar conducted a supplier assessment to evaluate the current level of compliance within its existing supplier base in relation to the requirements of the Norwegian Transparency Act. The findings are summarized below:



1. Human Rights Policies and Practices

- 95% of mapped suppliers have a human rights policy in place, either as a standalone document or integrated into their Code of Conduct.
- Suppliers demonstrate awareness of international labour standards and show commitment to ethical business conduct.
- No suppliers reported any human rights violations in their supply chains over the past five years.

2. Supply Chain Oversight

- 50% of suppliers conduct regular audits or assessments of their own suppliers/subcontractors to ensure compliance with human rights standards.
- 56% of suppliers do not conduct regular audits but enforce compliance through supplier-facing Codes of Conduct.

3. Remediation and Reporting Mechanisms

- 100% of suppliers have implemented measures to prevent and address human rights risks, including,
 - Whistleblower systems for anonymous reporting.

- Legal action in the case of violations.
- Risk identification and mitigation planning.

4. Anti-Corruption and Ethical Business Practices

- 95% of suppliers have anti-corruption and anti-bribery policies in place.
- Compliance is supported by:
 - Inclusion of social responsibility clauses in general terms of purchase
 - Formal confirmation of Code of Conduct adherence by employees and suppliers.
 - Employee training programs.
 - Regular internal audits.
- No suppliers have been involved in legal actions related to corruption, bribery, or unethical practices in the past five years.

5. Transparency and Reporting

- Nearly 50% of strategic suppliers publish sustainability or social responsibility reports, publicly accessible.

6. Whistleblowing Mechanisms

- 100% of suppliers have established whistleblowing channels for reporting unethical behaviour or violations.
- These systems are anonymous, well-communicated internally, and actively encouraged among employees.

7. Certifications and Standards

- Over 50% of suppliers are certified in:
 - ISO 9001 (Quality Management).
 - ISO 14001 (Environmental Management).
 - ISO 45001 (Occupational Health & Safety).
- Most also hold additional certifications relevant to their specific industries.

Way Forward

Hystar remains committed to operating responsibly and in full compliance with the Norwegian Transparency Act. The publication of this first Transparency Act report marks an important milestone in formalizing our approach to safeguarding human rights and promoting ethical business practices throughout our operations and supply chain.

Over the next calendar year, Hystar will focus on strengthening its compliance framework through established policies, internal practices, and supplier collaboration. Our key priorities include:

- Regular review and updates of the Code of Conduct and internal policies to reflect evolving standards and best practices.
- Continued supplier due diligence, including targeted audits and compliance assessments.
- Strengthened risk assessments related to human rights and environmental sustainability.
- Improved documentation and structured reporting of nonconformities and HSE-related incidents.

In addition, Hystar aims to improve the performance in the Transparency Act assessments by targeting:

- A 20% increase in the number of certified strategic suppliers (by end 2026).
- A 25% increase in the number of strategic suppliers that publish sustainability or social responsibility reports (by end 2026).

To support these goals, Hystar will continue engaging suppliers and internal stakeholders to:

- Clearly communicate Transparency Act requirements throughout the supply chain.
- Promote supplier awareness and capacity-building regarding ethical and legal responsibilities.
- Enhance employee training and internal awareness on human rights, labour standards, and responsible business conduct

These efforts reflect Hystar's ambition to maintain a transparent, ethical, and sustainable business, aligned with international norms and stakeholder expectations.

