

HUMAN RIGHTS POLICY

Our commitment

Unmanned Aerial Vehicles (“UAV”) and Unmanned Aerial Services (“UAS”) bring huge opportunities and benefits to industries and societies and help reduce negative impacts on both people and the environment. At the same time, UAV and UAS operations are not risk-free. Drones and drone-collected data can also potentially be misused, which may harm the human rights of affected individuals. Moreover, as with all technology products, supply chains may involve potential risks to people in the manufacturing and raw material extraction tiers.

Such risks to people need to be managed by safeguarding human rights throughout the value chain. In essence, respecting human rights means treating people with dignity and decency and having regard for their well-being. This is a key concern for Nordic Unmanned, as respect for human rights is closely connected to our core values and how we work.

This human rights policy (the “Policy”) explains our commitment and how we seek to put it into practice. It is integrated into our management system. The Policy clarifies further our code of conduct that guides the ethical conduct of the company and employees, and also what we expect from suppliers (see code of conduct for suppliers), contractors, clients and other business relationships.

We comply with relevant national and international laws, rules, regulations, and norms in our daily business and external assignments. As part of this commitment, we strive to implement our corporate responsibility to respect human rights in line with the United Nations Guiding Principles (the “UNGP”) on Business and Human Rights and the OECD Guidelines for Multinational Enterprises throughout our operations.

We respect all internationally recognized human rights, including the International Bill of Human Rights and the principles concerning fundamental rights set out in the International Labour Organization’s (the “ILO”) Declaration on Fundamental Principles and Rights at Work.

As set out in the UNGP, all companies have a responsibility to respect human rights, which means preventing and addressing negative impacts on people resulting from their business operations. We seek to implement our responsibility by working to avoid causing or contributing to adverse human rights impacts through our own activities and by working to address adverse impacts from activities in which we are involved. Furthermore, we seek to prevent or mitigate negative human rights impacts that are directly linked to our operations, products or services by our business relationships. We undertake human rights due diligence to identify, prevent, mitigate and account for how we address risks to people’s human rights in our operations and our value chain.

The responsibility to respect human rights is also of relevance in the context of our compliance with Norwegian, as well as international, export control regimes, which includes human rights risk considerations as part of the license systems.

As required by the Norwegian Act relating to enterprises’ transparency and work on fundamental human rights and decent working conditions (the “Transparency Act”), we will publish an account on our human rights due diligence. Also, as required by the Transparency Act, we provide information about our human rights due diligence if requested by external parties.

Moreover, business respect for human rights is a minimum social safeguard requirement under the EU taxonomy for classifying environmentally sustainable economic activities. We seek to meet this requirement through our human rights due diligence.

This Policy applies to the entire Nordic Unmanned Group. We expect our employees, partners, suppliers and customers to share this commitment, even when faced with conflicting requirements. The Policy was developed through consultation with internal and external stakeholders, including expertise with long experience from working in the area of business and human rights and the UNGP.

Key risk areas

UAS is a fast-moving industry with rapidly evolving technologies and solutions that have great potential for contributing to sustainable development. As an emerging industry, new social risks, challenges, and dilemmas also inevitably arise. Moreover, a number of well-known human rights-related risks already exist across industries connected to UAS value chains. Managing these potential and actual negative impacts on people is critical for realizing the gains that sustainable and responsible UAS can bring to individuals, companies, societies, and the environment.

Key issues for our own activities and assignments where we are involved

Health and safety

The most salient “people risk” in the context of our activities is safety. If things go wrong during drone operations, there may be potential negative impacts on personnel involved in the operation or other directly affected persons. Such situations may adversely affect individuals’ right to life and right to health. The most important task in Nordic Unmanned is therefore to make sure we are delivering a safe service through quality and reliable operations in everything we do.

Safe operation remains at the heart of all our operations, and we are committed to an incident-free workplace, every day, everywhere. We conduct our activities in a way that protect people and the environment from harm, applying risk management principles. Ensuring a safe and healthy workplace for our employees and others involved in our operations is a fundamental responsibility for the company, governed by our health and safety policy. Our just culture and emergency response procedures support effective awareness-raising, accountability and learning concerning HSEQ risks and incidents.

Personnel security

A limited number of our operations may expose involved personnel to potential security risks. Our procedures for safeguarding personnel in these types of operations cover all security disciplines, including physical security, information security, and personnel security. We cooperate with relevant authorities to address such risks in line with international standards and best practices.

Employee human rights, diversity and anti-discrimination

Beyond health and safety and personnel security, we are committed to respecting the rights of our employees set out in internationally recognized human rights standards, including the International Bill of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work. We prohibit forced, bonded or compulsory labour, human trafficking and child labour in connection with any company activities and relationships.

We actively promote the rights of our employees and regularly engage in dialogue with our employees and union representatives. We comply with legal requirements for fair and safe working conditions, diversity and anti-discrimination and respect employees’ freedom of association and engage in collective bargaining. Nordic Unmanned was the first drone company to establish a collective union agreement in 2022.

We are committed to strengthening diversity across the company, which includes strengthening gender balance at management level and recruiting employees from different nationalities. We do not accept any form of harassment or discrimination toward employees or others with whom we relate through our business (see our equality, diversity, and inclusion policy).

We respect the privacy of our employees, which is governed by our policy for personnel privacy.

Our just culture and internal whistleblowing procedures enable employees to raise concerns about HSEQ, security and other workplace conditions and ethical concerns without fear of retaliation.

Data security

A potential salient risk in the context of data collection operations concerns data that may comprise sensitive personal information of individuals, even if this may not be directly linked to the purpose of the operation. Protecting individuals' personal data is an integral part of protecting their life, integrity and dignity. However, this is not a salient issue in our current activities relating to monitoring and surveillance. These are almost exclusively in the maritime sector and involve monitoring of oil spills, emission monitoring, fishery inspections, and search and rescue operations. Security sector customers who buy our drones and who might collect such data are themselves subject to international obligations and EU data protection regulations.

Grievances

Providing access to grievance mechanisms where concerns can be raised and processes to address them is a vital part of our responsibility as a company. Other persons than employees, such as suppliers, customers and other partners, or persons affected by HSEQ incidents or other ethical and compliance concerns, may report these to our dedicated incident and compliance concern channel. Reports may be sent by email or made anonymously through a dedicated electronic form: <https://nordicunmanned.centrik.net/SMS/Case/ExternalReport.aspx?ReportingSubsystemId=cee1d686-b32a-4d3e-835c-285f72195805>

All reports are handled by our HSEQ and legal team and treated confidentially. We will not accept any discrimination of or retaliation against individuals who raise compliance concerns in good faith.

Key issues for our supply chain

Responsible supply chain

Our commitment to respecting human rights includes a full value chain approach focusing not only on our own activities but also on our supply chain.

It is well-known that global electronics and hardware manufacturing supply chains involve significant human rights risks. Workers in many countries that are part of supply chains are vulnerable to forced labour and breaches of decent work standards. The Covid-19 pandemic has further increased the vulnerability of workers in global supply chains.

Further upstream, as is the case with a range of electronic products, some critical minerals and metals may originate from conflict-affected and other high-risk areas. Actors involved in illicit trade and armed violence in the context of the extraction of some of these raw materials often commit severe human rights abuses. The risk of forced and child labour can also be high in some of these contexts.

There are several tiers between the products we use in our activities and the raw material extraction. We do not have any direct relationships with minerals extraction companies. We ask our suppliers to document their own due diligence concerning responsible sourcing of the metals and minerals that are

used for manufacturing drone components, and we prohibit the use of conflict minerals unless they are purchased from responsible sources.

We expect suppliers and other business partners to adhere to our code of conduct for suppliers, which includes an expectation to meet the globally agreed minimum standard of respecting international human rights and decent work standards, including preventing and addressing forced and child labour.

We screen our suppliers on their commitment to human and labour rights and their own human rights due diligence. If we identify direct links to severe human rights abuses in any components of our products, we will enter into dialogue with the supplier to address the issue. If identified abuses are not addressed and remediated after a reasonable period of time, contracts may be suspended or terminated.

Code of conduct for suppliers:

<https://nordicunmanned.com/app/uploads/2022/07/Supply-chain-responsibility-and-code-of-conduct-for-suppliers.pdf>

Key issues for our downstream value chain

A number of technological innovations that bring benefits to individuals, businesses and societies also have the potential of being used in harmful ways. A key issue for drones, as with other products and services with such “dual- use” potential, concerns the need to ensure responsible end-use.

Drones produced or sold by Nordic Unmanned are non-lethal and not armed, and we are not engaged in services related to arming of drones. Our deliveries to defence and public sector security customers enable them to augment or extend their operational capabilities, insights, and effectivity. Our security business area supports both public and private security, defence, and cross-border institutions across the three key areas of Complex System Integration, UAV Service Operations, and Equipment Sales.

At Nordic Unmanned, we are well aware of the challenge that drones and UAS used for civilian purposes or lawful, legitimate security sector purposes may have other applications after the point of sale. The two most salient human rights issues for the UAS industry in general concerns:

- the use of armed drones in breach of international humanitarian law and fundamental human rights standards;
- drone-collected data that either intentionally or inadvertently may be used for harming individuals’ life, integrity and dignity.

At Nordic Unmanned, we work systematically to identify and manage risk associated with ethical dilemmas in our daily work. All projects are assessed in terms of ethical risk and human rights risk prior to entering an agreement. Above all, we comply with legal requirements and meet international standards.

Dual-use products are subject to strict export and import control regulations. These include the Norwegian export control system, EU regulations, and the US Government’s International Traffic in Arms Regulations (the “ITAR”). Complying with the Norwegian, as well as international, export regulations is an integrated part of our sales process. Sales to defence sector customers are subject to the Norwegian export control system, which requires that defence-related products, technology, and services are only exported from Norway in accordance with Norwegian security and defence policy, and that exports of dual-use items do not contribute to the proliferation of weapons of mass destruction (nuclear, chemical and biological weapons) or their means of delivery.

Moreover, the Norwegian and EU regulations also prohibit exports if, among other things, there is a clear risk that the exported item might: be used for internal repression (based on UN, EU or Council of Europe assessments of the country's records of respecting international human rights and international humanitarian law); be used to commit war crimes; be used aggressively in conflict zones; be used for acts of terrorism; or be diverted to an undesirable end-user or for an undesirable end-use.

We expect our clients to use products in a manner consistent with UN conventions, international humanitarian law, and human rights standards. We also expect our clients to notify us if they learn of potential misuse.

We undertake due diligence to determine the likelihood that our products and services may be misused. Responsible usage is a key consideration for our product and service governance policy, which guides our assessment of post-sale risks and clearly signals our expectation that customers and end-users will use products in a manner consistent with international standards.

If we receive information that our products or services in our downstream value chain have been connected with alleged human rights abuses and breaches of international standards, we will enter into dialogue with the relevant client or business partner to uncover facts and require necessary action to prevent or remediate abuse. We expect clients and business partners to notify us if human rights abuses directly linked to our products or services should occur.

We know our customers. All our military and other customers in the security business area are exclusively within the EU and NATO or recognized by EU and NATO country authorities, who are subject to international obligations of international humanitarian law and international standards for human rights and the rule of law and are subject to EU dual-use export controls. Should special circumstances require the customer base to extend beyond EU and/or NATO members, an approval by the board is required, ensuring appropriate due diligence and alignment from a commercial, risk and ethical evaluation point of view.

Security sector customers who buy our drones and who might collect sensitive personal data of individuals are themselves subject to international obligations and EU data protection regulations.

Our approach

Our commitment to respect human rights and decent work standards is implemented in line with the UNGP and OECD Guidelines. This approach includes:

- Top-level commitment and oversight;
- Embedding the responsibility to respect human rights across the company, through integration in our management system and connection with other relevant policies and procedures;
- Awareness-raising among employees;
- Processes to identify potential and actual human rights risks in our own activities and in our value chain;
- Requiring human rights due diligence from our suppliers and business partners;
- Engagement with clients and other relevant stakeholders to ensure responsible end use of our products and services;
- Procedures to follow up on identified risks and impacts;
- Tracking the effectiveness of measures to address identified risks and impacts, with a view to ensuring continuous improvement;
- Reporting on our human rights due diligence, in line with the Norwegian Transparency Act;
- Contributing to remediation of harms if caused or contributed to by our activities;

- Periodically reviewing and improving our Policy and its implementation.

Responsibility and accountability

Nordic Unmanned Chief Executive Officer is accountable for this Policy at Nordic Unmanned. Its implementation is supported by the HSEQ, human resources, supply chain, sales and legal affairs functions. The board reviews and approves the company's annual human rights due diligence report.

Related policies

- Ethical guidelines and code of conduct for employees;
- Code of conduct for suppliers;
- Product and service governance policy;
- Health and safety policy;
- Equality, inclusion and diversity policy;
- Anti-corruption policy;
- Environment policy.