

Norwegian Transparency Act

Annual Account pursuant to Section 5 (1).

Basic Information	Reporting entity	Website	Reporting date	Reporting period
	Endress+Hauser AS (923 897 127)	https://www.no.endress.com/no	30.06.2023	01.07.2022 - 31.12.2022
A1. General description of the enterprise's structure and area of operations				
Description of the enterprise's own operations				
Direct ownership structure (% ownership)	Endress + Hauser (int'l) Holding AG (100%)			
Subsidiary structure				
Products / Services offered (% of revenues)	<p>Endress+Hauser provides process solutions for flow, level, pressure, analytics, temperature, recording and digital communications, optimizing processes in terms of economic efficiency, safety & environmental impact. Endress+Hauser customers come from various industries, including chemical, food & beverage, life sciences, power & energy, mining, minerals & metals, oil & gas and water & wastewater. Products 93% and Services 7%</p>			
Description of the enterprise's supply chain				
Tier-1 supply chain (Direct suppliers)	<p>31 Tier-1 suppliers in 1 countries and 22 industries Europe (100%), Asia (0%), North America (0%), South America (0%) Machinery, Equipment (28%), Retail and wholesale (9%), Other (4%), Telecommunication (4%)</p>			
Tier-2+ supply chain (Indirect suppliers)	<p>15 Tier-2 suppliers in 6 countries and 4 industries Europe (0%), Asia (31%), North America (2%), South America (2%) Machinery, Equipment (15%), Medical services (12%), Automotive (2%)</p>			
A2. General description of guidelines and procedures for handling actual and potential adverse impacts				
Identification and assessment of adverse impacts	<p>Reports of negative impacts in the company's own operations or in the supply chain are received through various channels: (1) software tool called Prewave (incl. media monitoring), (2) Endress+Hauser complaint/deviation system, and (3) other channels (e.g. results of audits, internal whistleblower reports, etc.). Each case is then evaluated by Endress+Hauser responsible process team according to its severity for those affected (e.g., unchangeability of the incident, number of people affected, etc.) and the company's own contribution to determine whether a report received represents an actual negative impact.</p> <p>Significant risks for adverse impacts in the supply chain are identified through a risk-based assessment where each supplier is scored on a scale of 0 - 100 based on a combination of country-, industry-, commodity-, media-, assessment- and grievance-based risk factors in the dimensions of fundamental human rights and decent working conditions. The risk assessment is carried out regularly once per year. Additional risk assessments may be carried out ad-hoc in case of significant changes in the supply chain.</p>			
Implementation of suitable measures to cease, prevent or mitigate adverse impacts	<p>Appropriate actions to stop actual negative impacts are selected from a range of remediation actions previously defined in our escalation levels according to risk category. These include, for example, recognition of the Endress+Hauser Code of Conducts, supplier involvement, and supplier self-disclosure. The severity, the company's own contribution and the degree of influence the company has on the actual remediation are all taken into account.</p> <p>Appropriate measures to mitigate significant risks and avoid negative impacts are selected from a range of different predefined prevention escalation levels, including contractual requirements (code of conduct) or risk-based control measures, which include topic-specific assessments, questionnaires, and supplier self-disclosure. Based on the risk classification (low, medium, high, or red flag) in the Prewave software, different measures were defined in each escalation level based on a combined determination of the likelihood of negative impact and the company's own contribution and level of influence on mitigation.</p>			
Guidelines and routines	<p>The company's due diligence on human rights and decent working conditions is anchored in the following guidelines and routines: Endress+Hauser Human Rights Policy in the attachment and the Endress+Hauser Code of Conduct</p> <p>The Endress+Hauser Human Rights Policy describes the company's commitment to fundamental internationally recognized human rights and decent working conditions in its own operations and in the supply chain and assigns organizational responsibilities for due diligence processes to identify and assess negative impacts and to implement appropriate measures to end, prevent and mitigate negative impacts. Therefore, the company is committed to upholding and protecting human rights as set out in the internationally recognized human rights principles and the UN Guiding Principles on Business and Human Rights. Overall responsibility for respecting and protecting human rights rests with the top management (Executive Board) of the Endress+Hauser Group. The monitoring and control of human rights-related activities is delegated to the Group Human Rights Officer. She reports to the Executive Board.</p>			

All Endress+Hauser employees worldwide are regularly trained and sensitized in the Code of Conduct. The Endress+Hauser Code of Conduct defines the fundamental rules of conduct and reflects the expectations of the behavior in the daily business dealings. Endress+Hauser lives a zero-tolerance policy with regard to compliance with human rights and environmental due diligence obligations. Where misconduct is identified, corrective action is taken immediately, and the risk management system is tightened accordingly. Endress+Hauser expects its suppliers to comply with the basic rules of conduct. Accordingly, they obtain confirmation that they recognize a code of conduct for business partners that is customary in the industry.

Channel for Transparency /
Grievance requests

<https://endresshumanrights.integrityline.com>

B1. Information regarding <u>actual adverse impacts identified</u>		
Number of actual negative impacts identified		
	Fundamental human rights	Decent working conditions
Own operations affected	0	0
Tier-1 suppliers affected	0	0
Tier-2+ suppliers affected	0	0
Description of actual negative impacts identified		
Section B. Adverse impacts identified	<p>Endress and Hauser has implemented a number of processes and measures in its own business area that enable it to comply with these due diligence obligations and to identify, minimize or prevent risks and create transparency in the value chain.</p> <p>Endress+Hauser AS shall continuously monitor and take into account any new issues relating to human rights and working conditions that may arise. A common platform and a shared understanding of basic ethical principles will build the culture we want to have. All employees have been trained in our Code of Conduct. We are continuously following up on HSEQ and have environmental certificate through EcoLighthouse. Our audits as a ISO9001 certificate holder are extensive and we use them to learn and improve.</p> <p>Due diligence is carried out through our quality work and is the responsibility of the quality department. We also work with this in connection with points in the UN's sustainability goals. Through our due diligence, we shall contribute to; Preserve the environment, Respect human rights, Safeguard labor rights and avoid corruption and bribery</p> <p>Endress+Hauser AS has its own "Verneombud" to which all employees and third parties can report possible misconduct conditions to, in a confidential and anonymous manner.</p> <p>Endress+Hauser AS supports the UN's sustainability goals! We will contribute by actively changing processes and communicating attitudes to employees, customers and partners. We participate in international forums where we share our intentions and attitudes and take part in Endress+Hauser's international values and guidelines.</p> <p>"We are a family-owned company with long-term success as our goal, and we are aware of the importance of well-thought-out business management. For us, economic growth goes hand in hand with ecological and social thinking. Our sense of responsibility extends to our customers, partners, employees and shareholders, as much as it does to the environment and society as a whole."</p> <p>The UN Sustainable Development Goals consist of 17 goals, 169 targets and 232 indicators. Several targets require involvement from the political level both nationally and internationally and will thus be less relevant for private companies. At Endress+Hauser AS, we recognize the importance of all the goals, but we select some to focus our efforts. We will create a clear, ambitious and communicable strategy and action plan to achieve our sustainability goals. Our efforts to achieve the sustainability goals will help shape our strategy up to 2027.</p> <p>Locally, we have chosen the following themes to contribute to in 2023:</p>	
	Own operations	<p><u>Good health and quality of life</u></p> <ul style="list-style-type: none"> We focus on health, Infection control We seek to have a good working environment, good social arrangements We will carry out an ergonomic assessment of workplaces in 2023 Occupational health service offer obtained in 2023 <p><u>Gender equality</u></p> <ul style="list-style-type: none"> We participate in a central initiative "Womens Integrated Network - W.I.N" We seek to employ women <p><u>Responsible consumption and production</u></p> <ul style="list-style-type: none"> Through our supplier assessments, we seek to use suppliers who take responsibility Sustainable procurement We are Eco-Lighthouse certified, Environmental management Buildings are equipped with electric car chargers and will be equipped with solar panels <p><u>Whistleblower system:</u></p> <p>For example, we have established an internal and external complaints management system to address human rights or environmental risks and violations of human rights or environmental obligations that affect our company or the well-being of Endress+Hauser employees and others in the direct or indirect environment. The persons entrusted by the Endress+Hauser Group with the implementation of the procedure for human rights and environmental concerns (Endress+Hauser Complaints Team) are appointed by Endress+Hauser Management AG and offer a guarantee of impartial action; in particular, they are independent and not bound by instructions. They are bound to secrecy. Complaints are preferably received via the web form (EQS system) and recorded in the ticket system (complaint management system). If complaints are received via other channels (letter, e-mail, telephone, etc.), they are manually entered into the EQS system and processed further. If complaints are submitted via the EQS system, the whistleblower must set up an anonymous mailbox. After submitting a whistleblower report, the whistleblower receives an acknowledgement of receipt without delay, but no later than seven days after receipt of the report. Reports are processed internally by the Endress+Hauser complaints team.</p>

After receipt of a tip, it is first validated by the Endress+Hauser complaints team, in particular with regard to relevant human rights or environmental risks or the violation of human rights-related or environmental obligations. After completion of the validation, the Endress+Hauser complaints team will discuss the facts of the case with the person providing the information, if necessary and possible. In the event of a longer processing period, the person making the report will be informed of the current status of the processing no later than three months after submission of the report.

Endress+Hauser will investigate the report in accordance with the law and its internal rules, taking into account the interests of all parties involved. The investigation is to be carried out swiftly and without major interruptions. Respectful and fair treatment of the persons concerned is an important principle. The presumption of innocence applies. For this reason, the persons affected by a tip-off will be informed as soon as possible about the tip-off received and advised of their rights to information and rectification. However, if there is a serious risk that notification would jeopardize the investigation of the tip, notification may be postponed until after the investigation has been completed or until the risk has ceased to exist.

The Endress+Hauser Complaints Team will review and evaluate the facts under investigation and, if necessary, propose in consultation with the Endress+Hauser Group General Counsel the determination of appropriate measures to eliminate and prevent improper business practices. This may include, for example, civil action or the involvement of authorities, or an amicable settlement with the person providing the information. However, if no violations are found in a specific case, suggestions for changes in work and business processes as well as changes in organizational and behavioral rules will be considered. As a rule, the whistleblower receives feedback on the follow-up measures to the report three months after receipt of the tip. At the latest after the conclusion of the procedure, he or she will be informed of the outcome, to the extent permitted by law.

The confidentiality of the whistleblower's identity is preserved and effective protection against discrimination or punishment on the basis of a complaint is guaranteed, as the employees entrusted with processing complaints always treat the information received as confidential with respect to other persons; this applies in particular to personal data. The identity of the person providing the information is not disclosed upon request and within the scope of legal possibilities; legal and official obligations to provide information and to report are exempt from the principle of confidentiality.

Discrimination, intimidation or hostility towards the whistleblower as well as other reprisals against the whistleblower or persons who cooperate in the investigation to the best of their knowledge and belief are not permitted and will not be tolerated. Interfering with or obstructing investigations, in particular influencing witnesses and suppressing or manipulating documents or other evidence, is not permitted. The whistleblower and persons who cooperate in investigations to the best of their knowledge and belief shall be protected by the company against discrimination and reprisals within the scope of its possibilities.

The effectiveness of the complaints procedure is reviewed once a year and on an ad hoc basis by the Endress+Hauser complaints team, if necessary also in consultation with the General Counsel of the Endress+Hauser Group. A review is carried out, for example, if a significantly changed or significantly expanded risk situation is to be expected in the company's own business area or in the direct or indirect environment, for example as a result of the introduction of new products, projects or a new business field.

E+H Code of Conduct:

In addition, E+H has established its own Code of Conduct, which reflects Endress+Hauser's values, and all employees worldwide receive regular training on this topic.

Identification of risks through Software provider "Prewave":

The risk analysis was carried out using Prewave's system (www.prewave.com) based on a historic screening of the last two years. Prewave is a global digital supply chain intelligence platform that provides companies operating in complex supply chains with real-time and predictive risk alerts generated by Prewave's AI, which analyses social media and news in more than 50 languages. All Scores displayed on the platform range from 0 to 100, where 100 represents no detected or projected risks, while 0 shows high associated risk factors. The 360° Risk Score represents all the information available. It is a combination of the Peer Scores and the Alert Scores, which are described in more detail below. The result of the 360-degree risk score together with the determination of the influence capacity and the causation contribution is used to assign an action priority to the identified risks. No action needs to be taken for the own operations according to Prewave. This is due to the fact that there are no actual negative impacts identified.

In order to integrate Prewave into the daily operations, Endress+Hauser has written a Prewave handbook that provides clear guidelines and structure on how Prewave should be used and how this is established into the processes. This manual includes high-level processes, different defined escalation levels that need to be used for different risk classes and further explanations about the Prewave tool so that users know where to find something. In addition, two users at Endress+Hauser AS have received very intensive training for the Prewave system, and they are also responsible for regular and incident-related risk analysis. For example, this means that every new supplier will be checked by Prewave and the risk profile of a new supplier will be taken into account.

Tier-1 suppliers

The procedure for Tier-1-suppliers is the same as described above. Also in relation to the immediate supplier count, the processes and measures that have been implemented. All suppliers and other external stakeholder groups have the opportunity to submit a notice via endresshumanrights.integrityline.com. Through a very intensive monitoring and analysis of Tier 1 suppliers, we have not identified any negative impacts, where a risk history from the last two years was also taken into account. In addition, other channels were additionally used to identify negative impacts, such as through the complaint management system of Endress+Hauser. All suppliers are in the Life-Tracking. So if risks arise, Endress+Hauser will be able to find out about it through the alerts and can take appropriate actions immediately. In addition, a self-assessment was sent to all suppliers. These self-assessments are divided into various key topics and include Health & Safety, Labor & Human Rights, Environment and Business Ethics. In conclusion, no actual negative impacts from Tier-1 were identified for Endress+Hauser AS.

Tier-2+ suppliers	Through Prewave's AI, Endress+Hauser was able to identify some suppliers in the downstream supply chain (beyond Tier-1). These Tier-2 suppliers were first screened in an abstract risk analysis and then tracked and monitored in the live tracking. For the suppliers in the downstream supply chain, Endress+Hauser AS has the possibility to receive alerts. In the area of Tier-2 suppliers, 9 suppliers with "Mid Action Priority" were identified. Before this leads to major impacts, measures have been introduced, which are described below in Section C2.
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B2. Information regarding significant risks of adverse impacts identified

Number of significant risks of adverse impacts identified		
	<i>Fundamental human rights</i>	<i>Decent working conditions</i>
Own operations affected	0	0
Tier-1 suppliers affected	0	2
Tier-2+ suppliers affected	7	0

Description of significant risks of adverse impacts identified

Own operations	<p>The risk analysis was carried out using Prewave's system (www.prewave.com) based on a histroscopic screening of the last two years as follows:</p> <p>Endress+Hauser AS sources from a total of 32 Endress+Hauser locations. These include some locations with increased country, industry and commodity risks, which were determined using the Peer Score. The Peer Score represents the risk score of a supplier based on the associated peer groups available on Prewave, which are Country, Industry and Commodity. It is calculated as the weighted average of scores in the underlying peer groups. The three high risk locations are Endress+Hauser Wetzler (Aurangabad) in India, Endress+Hauser in Shanghai, Endress+Hauser (Naucalpan de Juarez) in Mexico and at least Endress+Hauser (Chon Buri) in Thailand. This is solely due to the country, industry, and commodity score. Based on an internal review and consideration of the 360° Risk Score, the Endress+Hauser Group has not been classified as high risk and there is no priority for remediation.</p>
Tier-1 suppliers	<p>Prewave classifies the suppliers notified by the company into different degrees of risk. The 360° Risk Score is a representation of all combined information for a supplier on the Prewave platform. It includes Country-, Industry- and Commodity Risks, as well as the Alert Score which is based on the Alerts generated through the Prewave Monitoring. Additionally, if activated, the Self-Assessment Score and the External data score sources can influence the 360° Risk Score. The 360° Risk Score is calculated as the weighted average of the underlying score weights.</p> <p>The risk of the individual supplier (result of the 360-degree risk score) is then considered under the criteria of influence capacity and causation contribution. The result of the 360-degree risk score together with the determination of the influence capacity and the causation contribution is used to assign an action priority to the identified risks. The user can use this prioritization as a basis for deciding when and which preventive and remedial measures are to be taken.</p> <p>Within the Categories in Prewave, Event Types represent more specifically which types of incidents are covered within the Category. Within the Human Rights Category, 8 different types of events are covered, including Child exploitation, Child Labor, Discrimination, Human Rights Violation, Modern Slavery, Sexual Wrongoing, Unethical Labor, Wage Theft. Within the Health & Safety Category, 12 different types of events are covered, including Accident, Bomb threat, Building collapse, Disease, Employee infection, Explosion, Fatality, Fire, Health & Safety Issues, Injury, Quarantine and Shooting.</p> <p>In the category "Human rights" the risk score ranges from 73 to 96. From 73 to 85 we have a very low risk. This concerns 11 suppliers. The supplier with a score of 73 has a less than acceptable score in relation to child labour. On the other hand, it performs very well in the area of "Health & Safety". Overall, it is not assigned a priority for action. In the category "Health & Safety", the score ranges from 70 to 96. We have two suppliers with a score of 70, which represents a medium risk. There has been an industrial accident or general health & safety issues in the past. But again, no priority for action is assigned.</p> <p>In total, Prewave has identified 7 low priority targets and 25 no priority targets. Furthermore, no red flag suppliers were analyzed. In the Risk Matrix area, the Degree of Influence is related to the 360° Risk Score and displayed graphically. All suppliers are in the green zone.</p>
Tier-2+ suppliers	<p>For Tier-2+-suppliers, the same concept exists as described above. In total, Prewave analyzed 4 suppliers with medium priority, 10 suppliers with low priority and 7 suppliers with no priority. In the "Human Rights" category, a total of 7 suppliers with medium risk were identified. The lowest score in the "Human Rights" category is 63. This supplier "SA Plastic LLC" has known incidents of environmental pollution and violation of human rights. No risk was identified in the area of health and safety. The 360° risk score ranges from 71 to 100 and is thus in the green zone for all suppliers. Here, too, we have no red flag suppliers.</p>

C1. Measures planned / implemented to cease actual adverse impacts

Measures planned / implemented to cease actual adverse impacts

Type of measure	Description	Own operations	Suppliers
Statement request	Statement requested from supplier on adverse impacts and status of remediation		X
Corrective Action Plan	Corrective action plan aligned with supplier containing remediation steps		X
Stakeholder engagement	Engagement and dialogue with affected stakeholders		X
Supplier engagement	Conducting worker surveys, establishing of grievance mechanisms at the supplier	X	X
Industry co-operation	Co-operation with industry peers for joint remediation with increased influence		
On-site audit	On-site audit to inspect and control implementation of remediation measures		X
Awareness training	Conducting trainings for workers and/or management to build awareness	X	

Description of results or expected results

As Endress+Hauser AS has identified medium to no risk among suppliers in the areas of human rights, health and safety, we expect suppliers to acknowledge our Code of Conduct and to conduct supplier self-assessments to address the medium risks. These self-assessments again cover the four topics of Health & Safety, Labor & Human Rights, Environment and Business Ethics, which were sent out to the suppliers. For this, Endress+Hauser AS expects feedback within the next two months. If a supplier does not respond within this deadline, Endress+Hauser AS has defined various time deadlines, at which the supplier is reminded to complete these self-assessments. In addition, Endress+Hauser encourages the suppliers as well as the own employees to use the complaint management system if there is a human rights and environmental risk or indication to report it to Endress+Hauser. In addition, Prewave also offers some measures that Endress+Hauser intends to use in the future when risks are detected. These include a request for a statement from the supplier when a risk alert is detected. The prewave user will then send this via the system and Endress+Hauser expects to hear back within a reasonable time. It is planned to enter into a direct dialog with the supplier in order to create an action plan together if risks are detected and these must be minimized or stopped and also prevented.

C2. Measures planned / implemented to mitigate significant risks of adverse impacts

Measures planned / implemented to mitigate significant risks

Section C.
Measures

Type of measure	Description	Own operations	Suppliers
Code of conduct	Written commitment to the enterprise's code of conduct	X	X
Maturity assessment	Assessing the maturity level based on publicly available certifications and policies		X
Self-Assessment	Self-assessment assessing the maturity of standards, policies and certifications		X
Media monitoring	Identification of adverse reports in public media using Artificial Intelligence	X	X
Awareness training	Conducting trainings for workers and/or management to build awareness	X	
Stakeholder engagement	Engagement and dialogue with affected stakeholders		X
Supplier engagement	Conducting worker surveys, establishing of grievance mechanisms at the supplier	X	X
Desk Audit	Desk-based audit to inspect and control implementation of remediation measures		
On-site audit	On-site audit to inspect and control implementation of remediation measures		X

Description of results or expected results

Own operations	To mitigate the significant risks around workplace health & safety, a range of measures were implemented: Awareness trainings were conducted with relevant employees and management and a ISO45001 certification process was initiated. The implementation is tracked via Media monitoring, stakeholder engagement and on-site audits.
Tier-1 suppliers	To mitigate the significant risks around labor rights at Tier-1 suppliers, a range of measures were implemented. The suppliers are to sign the Endress+Hauser Code of Conduct. Additionally, topic-specific self-assessments were sent out to the suppliers. Furthermore, the adherence to the code of conduct is tracked via media monitoring.
Tier-2+ suppliers	A number of measures have been implemented to mitigate the significant risks at Tier 2 suppliers: Endress+Hauser conducts on-site audits at Tier 1 suppliers and engages in direct dialog with Tier 1 suppliers to address Tier 2 suppliers. In addition, compliance with the Code of Conduct is tracked via media monitoring.

