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OnTime Networks AS
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0484 Oslo
Norway

Transparency Act

The Norwegian Transparency Act came into effect on July 1, 2022, mandating large businesses in Norway, including OnTime Networks AS and its subsidiaries, to safeguard universal human rights and ensure fair working conditions. This involves conducting thorough due diligence throughout their business and value chain and publicly disclosing the results and subsequent actions taken.

The overarching goal of the Transparency Act is to encourage businesses to uphold fundamental human rights and decent working conditions in the production of goods and services. It also aims to provide the public with access to information regarding how businesses address negative impacts on human rights and working conditions.

As of July 1, 2022, OnTime Networks AS falls under the category of a large enterprise according to § 3 of the Transparency Act, thereby obligating it to comply with specific provisions:

§ 4 perform due diligence assessments following the OECD's guidelines for multinational companies,

§ 5 publish a summary of the due diligence assessment conducted under § 4,

§ 6 respond to written requests by providing information on how the business addresses identified negative consequences in line with § 4.

This report outlines the actions taken in accordance with § 4 and § 5 of the Transparency Act, as well as our intentions to comply with § 6. The reporting period spans from June 1, 2023, to May 31, 2024.

Similar legislation is concurrently being implemented in other European countries, with both the UN and OECD offering their own guidelines for multinational companies. The OECD due diligence model has been incorporated into Norwegian law through the new Transparency Act.

About OnTime Networks AS

OnTime Networks AS ("OTN") is a technology company that develop and supply airborne, military and space graded data communication products. OnTime is a privately held company based in Norway with a subsidiary in USA.

OTN's mission is to:

- Offer data communication products for applications with demanding environmental requirements,
- Products for distribution of precise time over Ethernet,

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- Customer customized Ethernet solutions.

The Ethernet switches, routers, and time servers of OnTime are based on robust and reliable industrial designs for maximum life cycle and minimum lifetime costs. Real time properties are implemented to achieve determinism for real time critical applications.

Sustainability in the context of the OTN product offerings are based on OTN using the latest and most modern technology available in the market that represents low power, low weight, and low size for the OTN products. This means lower fuel consumption when the OTN products are used in space, aircrafts, or military vehicles. Extensive acceptance testing of each product prior to delivery also ensures that the safety properties of the products are maintained.

Guidelines and policies in place for basic human rights

OTN addresses basic human rights through the implementation of a set of OTN defined Code of Conduct, Health, Safety, and Environment (HSE) principles and competitive and reasonable employee wages.

OTN compliance to basic human rights according to the UN Global Compact Principles 1-6:

Principle 1

Businesses should support and respect the protection of internationally proclaimed human rights; and

The OTN Code of Conduct contains a set of business ethics principles for the company that are relevant for all OTN employees.

Principle 2

make sure that they are not complicit in human rights abuses.

OTN's code of conduct is also flowed down the OTN's supply chain to OTN main suppliers as part of a Standard Operational Procedure (SOP) from the OTN quality management system, where the questionnaires of this SOP addresses principles from the UN Global Compact.

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

The OTN Code of Conduct contains a set of defined employee rights according to Ethical Trading Initiative (ETI) base code convention of ILO relevant for the company.

Principle 4: the elimination of all forms of forced and compulsory labour;

See above.

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Principle 5: the effective abolition of child labour; and See above.

Principle 6: the elimination of discrimination in respect of employment and occupation. See above.

Transparency Act at OTN

Compliance to the Transparency Act is the responsibility of the OTN management team. The annual OTN Transparency Act report will be launched no later than June 30th each year on the www.ontimenet.com web page after the OTN board of directors and OTN assembly meeting has approved this report.

The OTN Transparency Act Due Diligence assessments at OTN are based on the UN's Guiding principles on Human Rights, local Norwegian Law, and the Norwegian Privacy Act. OTN shall meet or exceed the legal expectations for its employees. The OTN Transparency Act is also performed vs. the main OTN suppliers as well as suppliers that are identified with medium or high-risk levels with respect to potential breach to basic human rights. The due diligence process is part of the OTN quality management system and contains the following steps:

- OTN's code of conduct is communicated to each OTN employee.
- Perform annual HSE review at OTN.
- Ensure that employee wages are fair.
- Ensure that OTN does not use conflicting minerals in any of its products. This is ensured by purchase of parts through responsible, trusted sources as well as verified in review of the OTN products bill-of-material based on cross-check with SiliconExpert component database.
- As part of the continuous OTN supplier evaluation self-assessment risk levels per OTN suppliers regarding potential human rights breach will be defined.
- Report and communicate suppliers' human rights risk levels (this report)
- Mitigate potential breaches on reported human rights issues.

Result of the supplier Due Diligence

The OTN supplier evaluation contains self-assessment risk levels per OTN suppliers regarding potential human rights breach, where the assessment is based on OTN's past knowledge, geographic risk, and industry risk. The conclusion is that OTN has a healthy supplier portfolio with respect to human rights.

The results are as follows:

- 33 suppliers have low risk for human right breach.
- 1 supplier has medium risk for human right breach.
- All main OTN suppliers have low risk for human right breach.

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Mitigation

The supplier company with medium risk level defined (due to geographical location) will be subject for further evaluation as if this supplier was defined as an OTN main supplier. OTN's code of conduct will be flowed down for this supplier as part of a Standard Operational Procedure (SOP) from the OTN quality management system, where the questionnaires of this SOP addresses principles from the UN Global Compact.

Right to Information

Section 6 of the Transparency Act (Right to information) requires companies to respond to requests from the public on how the company is managing actual or potential human rights impacts across its organization and supply chain. For any further information or inquiries in accordance with the Transparency Act § 6, please send such request to: contact@ontimenet.com.

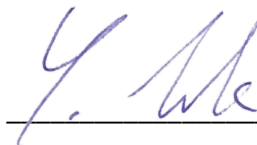
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Øyvind Holmeide

Chairman and CEO, OnTime Networks

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