

Transparency Act - Due diligence assessment

Introduction

Moreld Agility's objective is to create value by supporting our customers in the transition towards a sustainable future.

We believe that a strong focus on environmental, social and governance factors and issues are critical to our long-term success as an industrial group. We are convinced that in this respect, the interests of Moreld's owners align with those of our management, employees, customers, and the communities in which we operate.

From 2023 and onward Moreld Agility will publish an annual account of our due diligence assessment to comply with the Norwegian Transparency act which entered into force on 1 July 2022. The account will also be updated and republished in the case of significant changes to the enterprise risk.

Overall principles

Moreld Agility intends to operate in an environmentally sound manner, as well as ethically, responsibly, and profitably in everything we do. We aim to be transparent regarding all issues covered by these principles. Our governance system is based on the principles from the OECD guidelines for multinational enterprises and other relevant international guidelines.

The [OECD Guidelines for Multinational Enterprises](#) are recommendations addressed by governments to multinational enterprises operating in or from adhering countries. They provide non-binding principles and standards for responsible business conduct in a global context consistent with applicable laws and internationally recognized standards.

About Moreld Agility

Moreld Agility is a world leading advanced fabricator based in Norway. Our close to 115 employees represents the company's core competence, which is fabrication of subsea template and manifold systems, subsea processing systems, SURF structures as well as engineering and fabrication. re-applying the existing competence and expertise from the subsea sector to develop new, sustainable businesses, helping to enable the energy transition.



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Guidelines and procedures for handling adverse impacts on human rights and decent working conditions

Human rights and decent working conditions for all employees, suppliers and subcontractors are principles that cannot be compromised. Business conduct, ethical compliance and corporate responsibility are well-established cornerstones in Moreld Agility's governance and compliance system.

Moreld Agility implemented a comprehensive governance system with a strong focus on compliance, HSE and other key risk areas. Moreld Agility's Board of Directors (Board) is ultimately responsible for overseeing the company's governance. Management of risks related to human rights and decent working conditions is a line responsibility starting with Moreld Agility's SVP who delegates this to executive management and line management. Reporting and revision of the guidelines and procedures are supported by HSEQ & ESG team.

Moreld Agility's Business principles for suppliers and partners are available on our website and contain fundamental requirements to do business with Moreld Agility, including the requirements related to the Transparency Act. All suppliers to Moreld Agility are required to confirm adherence through Supplier Declarations. Moreld Agility requires its suppliers and partners to extend the same requirements to their own suppliers and sub-suppliers. Moreld agility perform Qualification audits, which include ESG audit to approve key suppliers.

The group business principles for suppliers and partners and the supplier declaration form requires fundamental human rights and decent working conditions for all supply chain employees associated with Moreld Agility.



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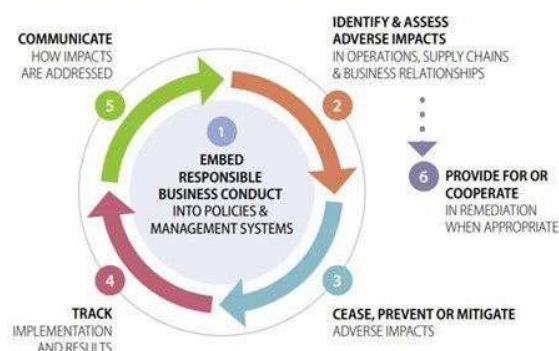
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Moreld Agility has established a set of internal procedures to ensure compliance with the Transparency Act. This includes implementation of a yearly materiality analysis based on supplier significance and a risk analysis based on international risk indices published by e.g. the UN, UNICEF, World Bank, OECD, Transparency International. A due diligence assessment of existing suppliers is conducted on a yearly basis. High risk elements in the supply chain will be flagged and subject to special scrutiny, which may include audits, enhanced questionnaires, and request for documentation. Unsatisfactory results will be reviewed, and improvement plans, suspension or termination will be considered for implementation.

Due diligence assessment

A due diligence assessment on Moreld Agility’s supply chain and business partners has been carried out during 2022. The assessment will be carried out on a yearly basis going forward and follows the OECD Due Diligence Guidelines for responsible Business Conduct.

FIGURE 1. DUE DILIGENCE PROCESS & SUPPORTING MEASURES



Moreld Agility have carried out due diligence reviews with the following overall results:

- Moderate risk linked to manufacturing abroad.
- Increasing risk of corruption / violation of human rights further down the value chain.
- Limited risk of child labour identified.

In the due diligence assessment for 2022 no adverse occurrences related to violation of human rights were uncovered. Nor was any significant risk of non-compliance uncovered.



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In accordance with the principle of proportionality in the Transparency Act a due diligence process focusing on parties with the highest probability and risk of adverse impacts has been carried out. Moreld Agility's approach has been to start the due diligence assessment with a materiality analysis where suppliers who are in countries with an index of 3 or higher in accordance with the Global Rights Index - ITUC (ITUC = International Trade Union Confederation) were selected for further assessment. Materiality reviews were then conducted to focus on such suppliers with a total purchase value of over NOK 100,000 in 2022.

Moreld Agility reviewed the 30–50 most significant suppliers for such compliance. The risk assessments were then carried out in a pre-defined risk matrix considering the various human rights elements, reviewed considering the products or services purchased.

Some suppliers have been identified with a medium risk related to safety, pollution and waste / dangerous chemicals at manufacturers abroad, as well as an increased risk of corruption in certain countries, ref e.g. Transparency International's *Corruption Perceptions Index*.

Measures implemented to handle adverse impacts and risks

As mentioned no adverse impacts were identified in the due diligence process, however several measures have been implemented to reduce, prevent and mitigate risks of such impacts, including:

- Moreld Agility's staff are required to confirm adherence to the ethical guidelines and also undertake *UN's fight against corruption training program* or similar.
- Suppliers are required to confirm adherence to Moreld Agility's Business principles for suppliers and partners and to extend the same requirements to their suppliers.
- Updated "Terms & Conditions for Purchase" to emphasize the duty to respect basic human rights and decent work conditions.
- Updated "Supplier Declaration" to emphasize the duty to respect basic human rights and decent work conditions.
- Results from supplier HSE & ESG audits, inspections and walkabouts are part of normal routines and are addressed directly with the supplier/subcontractor in question.

Information requests

The aim of the Transparency Act is that companies are open and transparent about how they are working with ESG issues. Any person has the right to information from a company regarding how the company addresses actual and potential adverse impacts uncovered by its due diligence. The right to information includes both general information and information relating to a specific product or service offered by the company and the answer to such a request must be «adequate and comprehensible».

Moreld Agility intends to comply with this, and general requests are usually handled directly by our group companies which all have contact information available publicly online through their websites. It is also possible to contact Moreld Agility directly through our contact form at: [Contact – Agility Group](#) or through our whistleblowing hotline that is handled by the legal representative: whistleblower@agilitysubsea.no



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Skien, Norway, 9th
November 2023

Jan Erik Rugland

Chair of the Board

Jone Skaara

Member of the Board

Gunnar Halvorsen

Member of the Board

Odd Arild Nilsen

Employee representative

Arve Rørholt

Employee representative

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