

Transparency Act – Due diligence assessment 2022

Introduction

In Moreld Ocean Wind AS we recognize that our planet is in danger. Offshore floating wind represents almost unlimited quantities of renewable energy resources. Our target is to reduce the cost of offshore wind farm development by improving and simplifying fabrication, assembly and installation of floating wind turbine foundations.

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

From 2023 Moreld Ocean Wind will publish an annual account of our due diligence assessment to comply with the Norwegian Transparency act that 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 assessments.

Overall principles

Moreld Ocean Wind seeks to ensure that we operate in an environmentally sound manner, as well as ethically, responsibly, and profitably in everything we do. Moreld Ocean Wind aims 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 Ocean Wind AS

Moreld Ocean Wind is a pure play independent technology, product, and solutions provider for the Floating Offshore Wind Industry, established for the purpose of executing large, complex offshore wind projects on an EPCI basis.

Our vision is to enable the industrialization of the industry by designing, fabricating, assembling, and installing the offshore floating units in a highly efficient manner by adopting a modular approach which will enable installation of an entire farm in one season.

In April 2021, Moreld Ocean Winds invested in Ocergy Inc., a design and technology company that provides sustainable offshore solutions through its OCG-Wind floating foundation design, one of the most promising Offshore Floating Wind designs in the world. The design has been developed with industrialization and low cost in mind.

Moreld Ocean Wind is part of the Moreld Group, which includes sister companies such as Global Maritime, Agility, Apply, and Origo Solutions. This allows us to draw on resources, systems, procedures, and project tools from within the group while ensuring a One Team approach.

Moreld Ocean Wind and the Moreld Group are owned by HitecVision, a leading private equity investor that has been active in the North Seas region's energy industry for more than three decades.

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

Moreld Ocean Wind respects human dignity and supports the principles of the Universal Declaration of Human Rights. We will ensure that our business activities exercise due care with relation to the basic standards for human rights, and handle risk situations associated therein. The company has fundamental respect for all individuals, and will not accept any discrimination based on sex, race, religion, sexual orientation, age, ethnicity, or political opinion.

Our Code of Conduct, which applies to all directors, officers, and employees and anyone who represents Moreld Ocean Wind or acts on our behalf, reflects our commitment to acting ethically and lawfully and describes our commitment to recognizing human rights on a global basis.

Our focus on diversity and inclusion extends to our selection of business partners, and our work with our portfolio companies. Our business principles for suppliers and partners specifies that we require suppliers and partners to provide their employees with good, healthy, and safe working environment, offering equal opportunities and respecting fundamental human rights, labor rights and union engagement. Child labor is unacceptable, and Moreld Ocean Wind will avoid suppliers who practice this.

Our guidelines are laid down in a process-based management system, COMPLY, that complies with the ISO 9001, ISO 14001, ISO 45001, ISO 26001, ISO 27001, and ISO 31001 standards (latest versions) and national legislation.

[Moreld's Business principles for suppliers and partners](#) are available on our website and contain fundamental requirements to do business with Moreld Ocean Wind, including the requirements related to the Transparency Act. All suppliers to Moreld Ocean Wind are required to confirm adherence through [Supplier Declarations](#). Moreld Ocean Wind requires its suppliers and partners to extend the same requirements to their supply chain.

Due diligence assessment

Supply Chain Management (SCM) has the main responsibility for due diligence assessments in collaboration with the HSEQ department.

We carry out annual due diligence assessments in accordance with the requirements of the Transparency Act. These are carried out in accordance with an established risk matrix and associated work instructions. Currently all procurement and supply chain services are performed through our sister company Apply AS. All suppliers and partners are assessed and approved and registered in Apply AS supplier database. Currently, Moreld Ocean Wind's main purchases are engineering capacity and office supplies, all from within the EU/EEA.

We have carried out a due diligence assessment for 2022 and no negative actual consequences were uncovered related to violation of human rights. Nor was any significant risk of negative consequences uncovered.

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 Ocean Wind'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 based on the volume of services provided.

Moreld Ocean Wind currently have predominantly low risk supply chain, and we have reviewed the 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 Ocean Wind staff are required to confirm adherence to the ethical guidelines and also to undertake *UN's fight against corruption training programme* or similar.
- Suppliers are required to confirm adherence to Moreld Ocean Wind's Business principles for suppliers and partners and to extend the same requirements to their suppliers.
- *Supplier Declaration* to emphasize the duty to respect basic human rights and decent work conditions.
- *Terms & Conditions for Purchase* to emphasize the duty to respect basic human rights and decent work conditions.
- Results from supplier HSE audits, inspections and walkabouts are part of Moreld Ocean Wind's 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 Ocean Wind intends to comply with this, and general requests are usually handled directly by contact information available publicly online through our websites <https://www.moreldoceanwind.com/> or through our whistleblowing hotline that is handled by the Moreld Group's legal representative: moreldwhistleblowing@schjodt.com.

Stavanger, 28. June 2023

DocuSigned by:
Geir Austigard

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Geir Austigard
Chair of the Board

DocuSigned by:
Trond Rosnes

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Trond Rosnes
Board member

DocuSigned by:
Karsten Gudmundset

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Karsten Gudmundset
Board member

DocuSigned by:
Kristian Ravn

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Kristian Ravn
Board member