



Disclosure according to the
Norwegian Transparency Act
Financial year 2022



Organization number: 983 472 583

Table of contents

| | |
|--|-------|
| Introduction | 3 |
| Organization and responsibilities | 4 |
| Organization | 4 |
| Areas of Responsibilities and Guidelines | 4 |
| Own Employees | 4 |
| Governing Documents and Guidelines | 5 - 6 |
| Incentra | 6 |
| Due Diligence Assessment | 6 - 7 |
| Method | 7 |
| Criteria for Probability Assessment | 7 |
| Criteria for Consequence Assessment | 8 |
| Supplier Evaluation | 9 |
| Summary | 10 |
| Measures | 10 |
| Whistleblowing Channel | 10 |

Introduction

Fjord1 is a leading player in the Norwegian ferry industry, with a rich history dating back to 1858. In addition to ferry and passenger boat services, we also operate our own catering concept called "Ferdamat" and contribute to the development of tourism in Fjord Norway through our subsidiary companies, The Fjords and Fjord Tours Group. This means that we have a wide range of suppliers catering to our needs, including various parts and components, shipyard services, cleaning services, and the supply of food and snacks for our onboard kiosks.

As one of Norway's largest ferry companies, Fjord1 falls under the provisions of the Transparency Act. We are at the forefront of electric ferry operations and are committed to sustainability in our procurement of goods and services related to our operations. We aim to collaborate with suppliers who demonstrate social responsibility, voluntarily integrate environmental considerations, and uphold social values throughout the value chain. Furthermore, our framework agreement suppliers commit to complying with applicable international and national regulations.

The reporting period pertains to the financial year 2022.



Organization and responsibilities

Organization

Fjord1 AS is responsible for the operation of 79 ferries and fast boat (hurtig-båter) contracts. Administrative personnel are employed in F1 Administration and are located in Florø, Molde, and Bergen.

Responsibilities and Guidelines

The CEO has the overall responsibility for ensuring Fjord1's compliance with the Transparency Act, including the procedures, implementation, and publication of due diligence assessments according to Sections 4 and 5 of the Act. The more specific areas of responsibility under the Transparency Act are ensured to be carried out in consultation with the CFO and the Procurement Manager.

The Transparency Act is anchored in the company's sustainability strategy, as well as guidelines and procedures that ensure that accountability and compliance with the Transparency Act are effectively and operationally implemented.

Own Employees

At Fjord1, we prioritize the well-being of our employees. They should have a safe working environment and a healthy workplace.

Fjord1 has its own Occupational Health and Safety (OHS) action plan, which includes status updates and measures, accessible through our management system. All employees have access to this plan, which includes an integrated proactive OHS and security plan. Measures are continuously implemented and followed up on.

As a ferry company, we place a strong emphasis on safety. We prioritize the well-being of both passengers and our own employees on board our ferries. This is our top priority.

Fjord1 takes care of its own employees and places a high focus on our own operations. We assess the risk to be very low when it comes to our own operations.

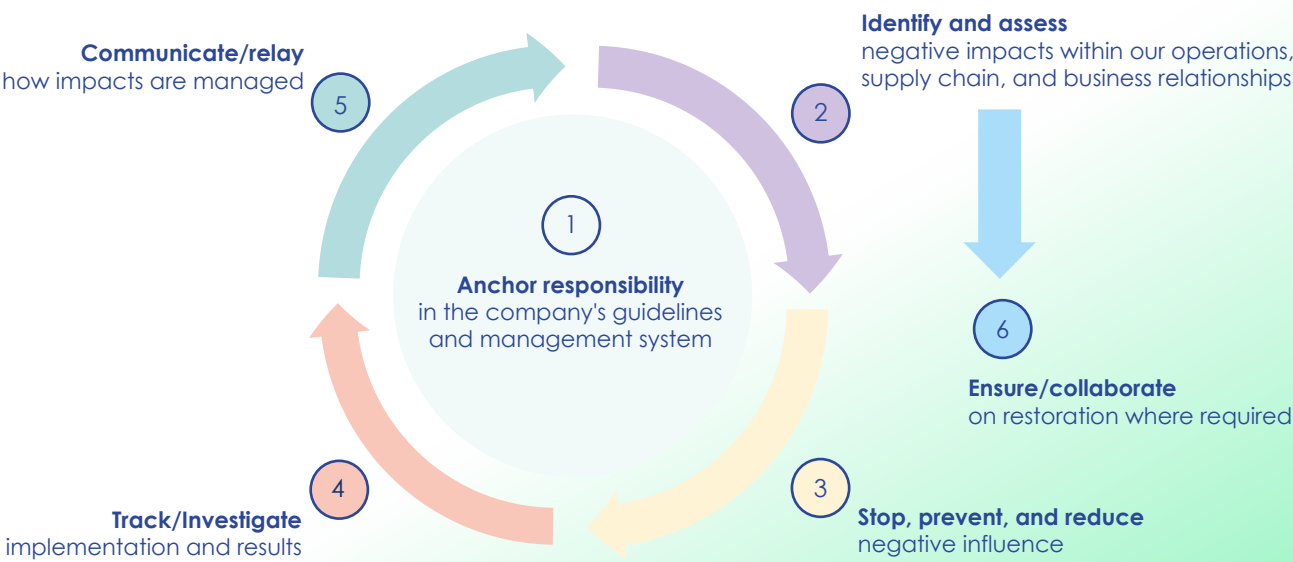
Governance documents and guidelines

Fjord1's Code of Conduct is one of the company's most important governance documents, aiming to build trust and be a respected entity and societal actor. Our Code of Conduct outlines our ethical standards and expectations. The culture at Fjord1 is based on good business practices, open and honest behavior, and respect for others.

We have a fundamental requirement for social responsibility from our suppliers. This entails the voluntary integration of social and environmental considerations throughout the value chain. Suppliers must confirm that they do not violate fundamental laws and regulations regarding labor and human rights, occupational health and safety, environmental precaution, and combatting all forms of corruption. These requirements are embedded in our Code of Conduct and procurement procedure.

In 2016, we introduced two self-declarations: one for occupational health and safety and one for corporate social responsibility, which our framework agreement suppliers must sign upon entering into an agreement.

These documents have been regularly updated to demonstrate Fjord1's focus on social responsibility and the requirements we impose on our suppliers and their subcontractors regarding Corporate Social Responsibility (CSR). Social responsibility, in this context, means that companies voluntarily integrate environmental and social considerations throughout the value chain. These documents are signed by all our framework agreement suppliers.



As mentioned above, our suppliers must also commit to complying with applicable international and national regulations, including the UN Universal Declaration of Human Rights. This includes adherence to the UN Sustainable Development Goals and principles based on UN and ILO conventions, environmental responsibility, combating corruption, and complying with the requirements of the Freedom of Information Act. Suppliers are also expected to identify human rights risks in their own operations and supply chains and adopt a risk-based approach to human rights compliance in the supply chain.

Incentra

Fjord1 is a member of Incentra, which is a procurement organization for Norwegian shipping companies. Incentra enters into agreements on behalf of its members in the cooperative. Before any agreement is made, all suppliers must go through a qualification process to become a supplier to Incentra. Suppliers must meet various criteria, including occupational health and safety (HMS), anti-corruption measures, business ethics, transportation, and packaging, among others, before a contract is signed.

Furthermore, Incentra collects information from their suppliers annually through the Factlines software. Self-reporting is based on the UN Global Compact and OECD guidelines for responsible business conduct and aligns with the due diligence process required by the Freedom of Information Act. Incentra has been qualified for the Factlines Verification Mark for compliance with the Freedom of Information Act. The data collection provides a basis for assessing whether good practices are in place to comply with the Freedom of Information Act. Learn more about their work with the Freedom of Information Act: <https://verified.factlines.com/no/933227944>

Due diligence assesment

Fjord1 has chosen to assess risks based on the industry in its risk analysis to identify potential negative consequences related to human rights violations and decent working conditions.

We have conducted an overarching risk assessment of our operations based on our procurement categories.

The selection criteria are based on whether these categories can have significant impacts on individuals and/or groups of people.

Through experience and inspections, we have prioritized the following risks for evaluation within the respective categories:

- Pollution or accidents
- Low wages that do not cover basic human needs
- Excessive use of overtime

We focus on our closest suppliers, where we have the strongest connection and most influence. We justify this approach based on proportionality and have therefore given it priority at this time.

We are aware that there are additional risks further down the supply chain, but our current focus is not on those areas.

Our future efforts will involve expanding the due diligence assessment to also include stages closer to the raw material level.

Method

Fjord1 has conducted an overarching risk assessment (probability and impact) for human rights violations and decent working conditions. In our review, we have based our assessments on site visits we conduct during meetings and discussions with employees on such occasions. For example, during visits to shipyards, we conduct comprehensive tours of the entire facility, and in cases where there are guest workers or employees from other countries, we also inspect accommodation facilities and cafeteria conditions.

Criteria for assessing probability

| Risk | | Criterion |
|------|-----------|--|
| 1 | Very low | Unlikely to occur in the next 5 years. |
| 2 | Low | Slight probability of occurring in the next 3-5 years. |
| 3 | Medium | Expected to occur in the next 3-5 years. |
| 4 | High | Ongoing or expected to occur within 3 years. |
| 5 | Very high | Ongoing. |

Criteria for assessing consequences

| Risk | | Criterion |
|------|-----------|--|
| 1 | Very low | No or insignificant risk of harm and/or violation of human rights. |
| 2 | Low | Low risk of harm and/or violation of human rights. |
| 3 | Medium | Moderate risk of harm and/or violation of human rights. |
| 4 | High | High risk of harm and/or violation of human rights. |
| 5 | Very high | Significant risk of harm and/or violation of human rights. |



Supplier evaluation

| | Pollution or accident | | | | Low wages that do not cover basic human needs | | | | Excessive use of overtime | | | | Overall assessment of supplier | | |
|--|--------------------------|---|----------------------------|---|---|---|----------------------------|---|---------------------------|---|----------------------------|---|--|---|--|
| | Probability of deviation | | Assessment of consequences | | Probability of deviation | | Assessment of consequences | | Probability of deviation | | Assessment of consequences | | | | |
| Supplier category 1 - Shipyard | Low | 2 | Medium | 3 | ● | 6 | Low | 2 | Low | 2 | ● | 4 | After inspecting most of the shipyards we utilize, we assess the probability of pollution or accidents occurring at the shipyards as low, but with the potential for significant damage. | | |
| Supplier category 2 - Cleaning and sanitation | Low | 2 | Low | 2 | ● | 4 | Low | 2 | Low | 2 | ● | 4 | Fjord1 employs major Norwegian players in the industry, which are considered reputable companies. Our vessels report back to the administration if they are unsure about the adequacy of their training. | | |
| Supplier category 3 - Insurance | Very low | 1 | Very low | 1 | ● | 1 | Very low | 1 | Very low | 1 | ● | 1 | Well-regulated industry where the primary activity takes place in an office setting. | | |
| Supplier category 4 - Repair, maintenance, and service | Low | 2 | Medium | 3 | ● | 6 | Low | 2 | Low | 2 | ● | 4 | The consequences of injury/damage or pollution can be significant. | | |
| Supplier category 5 - Fire and rescue | Medium | 3 | Low | 2 | ● | 6 | Low | 2 | Low | 2 | ● | 4 | During exercises, there may be occurrences of pollution and damage. | | |
| Supplier category 6 - Catering | Low | 2 | Low | 2 | ● | 4 | Low | 2 | Low | 2 | ● | 4 | Fjord1 utilizes Norwegian suppliers for production and delivery. | | |
| Supplier category 7 - Fuel / power | Low | 2 | Medium | 3 | ● | 6 | Low | 2 | Low | 2 | ● | 4 | Fjord1 uses reputable Norwegian suppliers for the delivery of fuel and power. We do not have control over the supply chain. | | |
| Supplier category 8 - IT and systems | Low | 2 | Low | 2 | ● | 4 | Low | 2 | Low | 2 | ● | 4 | Reputable Norwegian and international hardware and software suppliers. | | |
| Supplier category 9 - Consumables and supplies | Low | 2 | Low | 2 | ● | 4 | Low | 2 | Low | 2 | ● | 4 | Fjord1 utilizes reputable Norwegian suppliers. We do not have control over the supply chain. | | |
| Supplier category 10 - Hotel and travel | Very low | 1 | Very low | 1 | ● | 1 | Very low | 1 | Very low | 1 | ● | 1 | Fjord1 utilizes reputable Norwegian suppliers. We do not have control over the supply chain. | | |
| Supplier category 11 - Rental / leasing | Very low | 1 | Very low | 1 | ● | 1 | Very low | 1 | Very low | 1 | ● | 1 | | | |
| Supplier category 12 - Legal and consulting | Very low | 1 | Very low | 1 | ● | 1 | Very low | 1 | Low | 2 | Low | 2 | ● | 4 | Well-regulated industry where the primary activity takes place in an office setting. |

Summary

The company has conducted an evaluation at an overall level for each category and has not assessed anyone to have a high risk of human rights violations or decent working conditions.

In our risk assessment for categories such as shipyards, maintenance and service, cleaning, and catering, we have considered the risk to be in the categories Very Low or Low, as we have not found any actual violations or identified significant risk of violations. We take, and have taken measures, and follow up with suppliers when necessary.

Fjord1 has not identified significant risk of violations according to the Transparency Act among our suppliers. We suspect that there may be more risk further down the supply chain, but we are not currently focusing on this risk.

We assume that in the categories of shipyards, cleaning, and catering (food), there may be a risk of violation of human rights and decent working conditions throughout the supply chain, but a comprehensive evaluation of the entire supply chain has not been conducted. This will be considered in the next phase.

Measures

The company will expand the scope of the due diligence assessment to encompass the entire supplier chain.

We will continue to pre-qualify suppliers, emphasizing sustainable procurement as an integral part of our overarching internal control. Our requirement for suppliers to sign both the Self-Declaration of Health, Safety, and Environment (HSE) and the Self-Declaration of Corporate Social Responsibility (CSR) will remain a non-negotiable prerequisite.

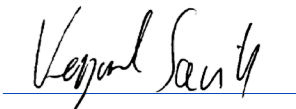
The due diligence assessments will be conducted periodically, leveraging the knowledge we acquire as we progress in this endeavor. We will consider issuing self-reporting questionnaires to suppliers, prompting them to detail their adherence to the requirements stipulated in the Transparency Act.

Whistleblowing Channel

We have established a Whistleblowing Channel to enable individuals to report to us in a secure and effective manner. Link to the new whistleblowing channel: <https://minvarsling.azurefd.net/varsling/NOF/default.asp?cid=1G26G226G42G23>

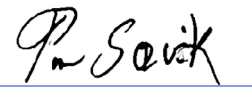
Florø, 29.06.2023

The Board of Directors of Fjord1 AS



Vegard Sævik

The Chairman of the Board



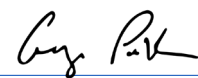
Per Sævik

Board member



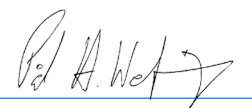
Reuben Munger

Board member



George Polk

Board member



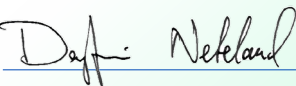
Pål Harr Wefring

Board member



Bjørn Sørli

Board member



Dagfinn Neteland

CEO

Fjord1 AS