

Fjord1



Disclosure according to the
Norwegian Transparency Act



Financial year 2023

Contents

Introduction	3
Organisation and responsibilities	4
Governing documents and guidelines	5
Incentra	7
Due diligence assessment	8
Method	8
Measures	12
Whistleblowing channel	12

Introduction

Fjord1 is a leading player in the Norwegian ferry market and aims to offer travellers safe, reliable and environmentally friendly transport. We offer ferry and express boat services along the coast of Norway.

Fjord1 is committed to taking social responsibility for how, in our daily operations, we affect people, the environment and the society around us. Our goal is to act as a responsible social actor, building relationships on trust and credibility.

Fjord1's corporate social responsibility must, among other things, reflect the company's core values such as safety for employees, customers and suppliers. We have extensive operations in Norway and thus also a great social responsibility. Fjord1 has many suppliers in different segments, providing a wide range of goods and services – everything from parts and components to servicing and maintenance at shipyards. In addition, we purchase cleaning services and delivery of food and snacks for our kiosks on board our vessels, as well as deliveries for office operations at our locations in Norway.

In this context, we are dependent on suppliers having confidence in the procurement process and complying with our requirements. It is important to us that employees throughout the supply chain have a good working environment and that Health, Safety and the Environment have the highest priority for our suppliers.

The Norwegian Transparency Act

As one of Norway's largest ferry companies, Fjord1 falls under the provisions of the Norwegian 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 undertake to comply with applicable international and national regulations.

The reporting period pertains to the financial year 2023.

Organisation and responsibilities

Organisation

The core business of Fjord1 is ferry transport, and we are the largest ferry company in Norway. In 2023, the company operated 44 connections with 79 vessels in five counties: Vestland, Møre og Romsdal, Rogaland, Trøndelag and Nordland. In 2023, Fjord1 operated three of the largest ferry connections in Norway.

Fjord1 AS was responsible for the operation of 79 ferry and express-boat contracts in 2023. Administrative personnel are employed in F1 Administration and 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 in guidelines and procedures that ensure that accountability and compliance with the Transparency Act are effectively and operationally implemented.



Own employees

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

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 prioritise the safety and well-being of both passengers and our own employees on board our ferries. This is our highest priority.

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

Governing documents and guidelines

Fjord1's Code of Conduct is one of the company's most important governing documents. Its guidelines form the basis of our rules and procedures.

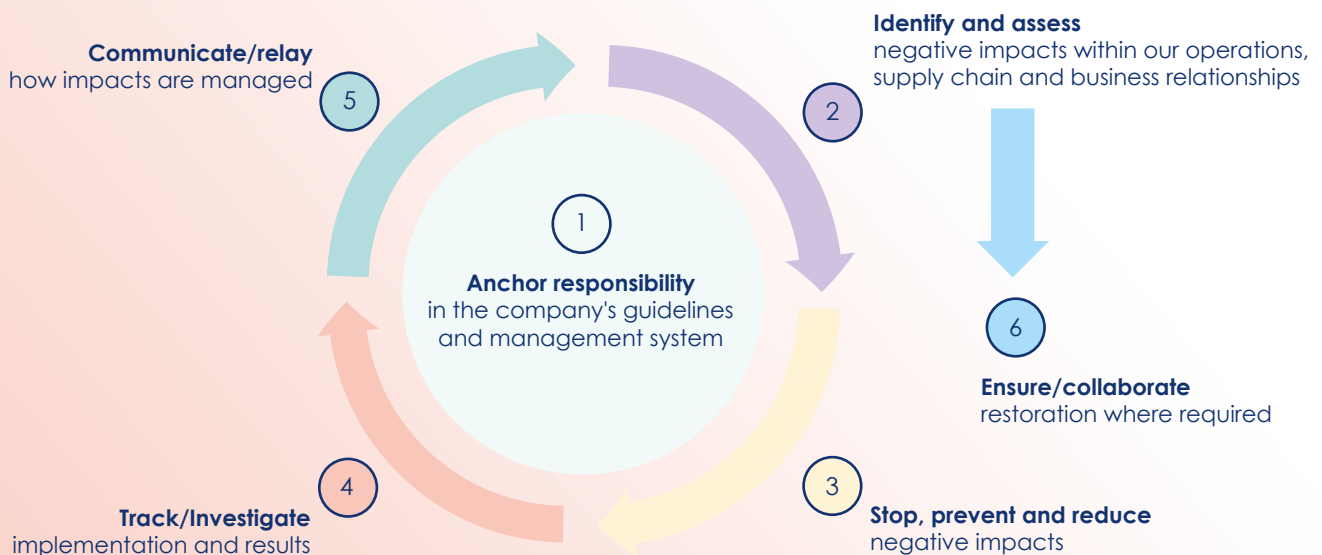
Our Code of Conduct describes our ethical standards and expectations. The culture at Fjord1 is founded on good business practices, open and honest behaviour and respect for others.

Fjord1 will treat suppliers impartially and fairly. We will maintain focus on ethics and human rights. Suppliers who compete to do business with Fjord1 must always be able to trust the company's integrity in the selection process. When choosing a supplier, Fjord1's internal company guidelines and procedures must always be followed. 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 in relation to employee and human rights, occupational health and safety, environmental precautions, and combating all forms of corruption. These requirements are embedded in our Code of Conduct and our procurement procedure.

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

These documents are regularly updated to demonstrate Fjord1's focus on corporate social responsibility and occupational health and safety. We set requirements for our suppliers and their subcontractors regarding corporate social responsibility (CSR). In this context, corporate social responsibility 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, such as the UN Universal Declaration of Human Rights. This includes the UN Sustainable Development Goals and principles based on UN and ILO conventions, environmental responsibility, anti-corruption and compliance with the requirements of the Transparency Act. Suppliers must also identify risks of human rights violations in their own operations and supply chain, and have a risk-based approach to compliance with human rights in their supply chain.





Incentra

Fjord1 is a member of Incentra, which is a procurement organisation for Norwegian shipping companies. Incentra enters into agreements on behalf of its members. Before any agreement is made, all suppliers must go through a qualification process to become a supplier to Incentra. Suppliers must meet various criteria in areas such as respecting human rights, occupational health and safety, anti-corruption measures, business ethics, transportation and packaging before a contract is signed.

All members of Incentra carry out annual supplier evaluations to provide feedback to Incentra on the suppliers they used throughout the year.

Furthermore, every year, Incentra collects information from their suppliers through the Factlines software. The self-reporting is based on the UN Global Compact and the OECD Due Diligence Guidance for Responsible Business Conduct, and is in line with the due diligence process required by the Transparency Act. Incentra has been qualified for the Factlines Verification Mark for compliance with the Transparency Act.

The data collection provides a basis for assessing whether good practice has been established to comply with the Transparency Act.

Read more about Incentra's work with the Transparency Act:

[Varsling \(minivarsling.azurefd.net\)](https://minivarsling.azurefd.net)

Due diligence assessment

Fjord1 has chosen to assess risks based on the industry in its risk analysis to identify potential negative consequences related to violations of human rights 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 inspection, we have prioritised the following risks for evaluation in the various categories:

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

We focus on our closest suppliers, where we have the strongest connection and the most influence. We justify this approach based on proportionality and have therefore continued this prioritisation.

Method

Fjord1 has conducted an overall risk assessment (probability and impact) for violations of human rights and decent working conditions. In our review, we have based our assessments on site visits we conduct in connection with 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.

Fjord1 has developed a tool and an integrity due diligence survey to facilitate our due diligence assessment.

The tool is structured in line with the Transparency Act's principles of proportionality and risk-based approach. Fjord1 assesses the risk of our suppliers in two steps: (1) Initial risk and materiality assessment, (2) Enhanced risk assessment (if necessary).

Initial risk and materiality assessment

Step 1 involves conducting an initial risk assessment, in which we assess risk based on country, risk of OHS breaches based on industry, and risk of work-related crime based on industry. The supplier is initially classified according to the score in the initial risk assessment. In addition, Fjord1's ability to influence the supplier (materiality) is assessed.

The suppliers are divided into two initial risk categories based on the total of the initial risk and materiality assessment, as follows:

- Green (low risk): The supplier has an initial risk score of 12 or lower. No enhanced risk assessment (step 2) is required.
- Yellow (medium/high risk): The supplier has an initial risk score of 13 or higher. It is necessary to carry out an enhanced risk assessment, under which the remaining risk criteria must be assessed (step 2).



Enhanced risk assessment

In an enhanced risk assessment, Fjord1 conducts a more in-depth risk assessment of all yellow (medium- and high-risk) suppliers.

Fjord1 has chosen to send out a questionnaire to suppliers in the shipyard and cleaning industries, in order to have a better basis for assessing the risk criteria in the enhanced risk assessment.

In accordance with the principle of a risk-based approach, Fjord1 prioritises first taking action towards the suppliers with the highest identified risk.

Fjord1 will monitor and assess all suppliers regularly, including the implementation of relevant measures.

Mitigating measures

Mitigating measures will be used to monitor the implementation and results of relevant measures relating to yellow (medium- and high-risk) suppliers where necessary.

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 impact

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

Supplier evaluation

Category	Pollution or accident		Human rights violations		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	Medium	Low	Low	Low	Low	After inspecting most of the shipyards we utilise, we assess the probability of pollution or accidents occurring at Norwegian shipyards as low, but with the potential for significant harm.
Supplier category 2 – Cleaning and sanitation	Low	Low	Low	Low	Medium	Low	Fjord1 uses 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	Very low	Very low	Very low	Very low	Very low	
Supplier category 4 – Repair, maintenance and servicing	Low	Low	Low	Low	Low	Low	
Supplier category 5 – Fire and rescue	Low	Low	Low	Low	Low	Low	During exercises, there may be occurrences of pollution and damage.
Supplier category 6 – Catering	Low	Low	Low	Low	Low	Low	Fjord1 uses Norwegian suppliers for production and delivery.
Supplier category 7 – Fuel/power	Low	Low	Low	Low	Low	Low	Fjord1 uses reputable Norwegian suppliers for the delivery of fuel and power.
Supplier category 8 – IT and systems	Low	Low	Low	Low	Low	Low	Fjord1 uses reputable Norwegian and international suppliers of hardware and software.
Supplier category 9 – Consumables and supplies	Low	Low	Low	Low	Low	Low	Fjord1 uses reputable Norwegian suppliers. We do not have control over the supply chain.
Supplier category 10 – Hotel and travel	Low	Low	Low	Low	Low	Low	Fjord1 uses reputable Norwegian suppliers. We do not have control over the supply chain.
Supplier category 11 – Rental/leasing	Low	Low	Low	Low	Low	Low	
Supplier category 12 – Legal and consulting	Very low	Very low	Very low	Very low	Low	Low	

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 violations of human rights or decent working conditions.

In our risk assessment for categories such as shipyards and cleaning, we have considered the risk to be Very Low or Low, as we have not found any actual violations or identified any 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. We assume that in the categories of shipyards and cleaning, there may be a risk of violations of human rights and decent working conditions throughout the supply chain, but an evaluation of the entire supply chain has not been carried out.

Fjord1 has carried out an initial risk and materiality assessment and enhanced risk assessment based on the feedback to the integrity due diligence survey, which was sent to selected suppliers within the categories of shipyards and cleaning in order to have a better basis for assessing the risk criteria in the enhanced risk assessment.

In the assessments described, no suppliers have been identified as having a high risk of violations of human rights and decent working conditions.

Measures

The company will strive to expand the scope of the due diligence assessment to also include the entire supply chain within categories with potential risk.

We will continue to pre-qualify suppliers, emphasising sustainable procurement as an integral part of our overarching internal control.

Our requirement for suppliers to sign both the Self-declaration for Occupational Health and Safety and the Self-declaration for Corporate Social Responsibility will continue to be an absolute requirement from us.

The Self-declaration for Occupational Health and Safety and Self-declaration for Corporate Social Responsibility have been updated in 2023, and updated signatures have been obtained in the categories of shipyards and cleaning.

The due diligence assessments will be carried out regularly, based on knowledge we acquire as we progress in this endeavour.

Whistleblowing channel

Fjord1's whistleblowing channel can be found on our website, enabling individuals to report to us in a secure and effective manner.

Link to whistleblowing channel: [Norwegian Transparency Act](#)

Florø, 25.06.2024

The Board of Directors of Fjord1 AS



Martha Kold Monclair

Chairman of the Board



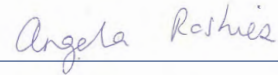
Neil Marvell

Director



David Nahoum

Director



Angela Roshier

Director



Antonie Cavaillé

Director



Eric Nasby

Director



Bjørn Sørli

Director

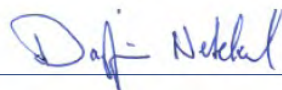
(Employee representative)



Karl Andreas Pedersen

Director

(Employee representative)



Dagfinn Neteland

CEO

Fjord1 AS