

Fred. Olsen Seawind Sustainability Summary 2023





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INTRODUCTION



Dear shareholders and stakeholders,

As an invested player in the energy sector, Fred. Olsen Seawind is, together with its operating subsidiaries, dedicated to contributing to the development of the offshore wind industry and the production of clean energy. The mission, vision, and purpose have always been centered around creating a sustainable future for our planet.

Fred. Olsen Seawind's projects have reached important milestones in 2023, and Fred. Olsen Seawind is actively seeking new business opportunities both in the core markets and in new geographies.

While acknowledging the sustainability challenges related to biodiversity and emissions in the supply chain, Fred. Olsen Seawind is working closely with environmental organizations, research institutions, and other industry players to find better solutions and minimize the environmental footprint.

At the same time, Fred. Olsen Seawind believes that social awareness and strong engagement with local stakeholders and communities are essential prerequisites for successful development of projects. That is why Fred. Olsen Seawind engages with local businesses, suppliers and service providers to ensure that activities also benefit those communities that Fred. Olsen Seawind operates within.

Fred. Olsen Seawind is a company with high integrity and ethical standards and is committed to complying with all applicable laws, rules, and regulations. This is described in the Code of Conduct, all employees and suppliers are expected to behave and conduct their business in accordance with the principles of this code.

Fred. Olsen Seawind is confident that the unwavering commitment to sustainability, combined with strategic partnerships and investments, will contribute significantly to the development of the offshore wind industry and the production of clean energy.

Thank you for your continued support.

Sincerely,
Lars Bender
Chief Executive Officer,
Fred. Olsen Seawind



Lars Bender
Chief Executive Officer

About Fred. Olsen Seawind

Fred. Olsen Seawind (“FOS”) is building on the maritime history of Fred. Olsen-related companies dating back to 1848. FOS originates from Fred. Olsen Renewables AS, another subsidiary of Bonheur ASA, which placed its first onshore wind farm into operation in the early nineties and has since established 12 wind farms with 342 turbines with a total capacity of 806 MW.




In 2021, the business area for offshore wind was spun off from Fred. Olsen Renewables AS as a distinct business segment and entity, and FOS together with its operating subsidiaries now exclusively focuses on further developing the offshore wind segment. FOS’ 31 permanent employees are located in Norway, England, Ireland, Scotland and Denmark.

Together with partners, FOS through operating subsidiaries currently has two ongoing projects where site exclusivity has been secured, namely the Codling Wind Park project in Ireland together with EDF, and Muir Mhòr Offshore Wind Farm in Scotland alongside Vattenfall. Installation completion dates are subject to approval of consent and final investment decisions.

FOS is also working actively on the bid for the Norwegian floating wind project Utsira Nord together with partner Hafslund in the partnership called Blåvinge.

In addition to these projects, FOS is developing a pipeline of offshore wind projects in various phases of early planning stage.



Country	Project	Partner	Capacity	Description
	Codling	EDF	1242 MW	<p>Location: Codling Bank in the Irish Sea.</p> <p>Status: A successful outcome in Ireland's first CfD auction was announced in May 2023, guaranteeing a fixed, government backed price on future energy production. The project is moving towards FID in 2025-2027 (flexible timing).</p>
	Muir Mhòr	Vattenfall	798 MW	<p>Location: Northeast of Aberdeen, Scotland.</p> <p>Status: The project is working on developing its consent application with expected submission in 2024 and is currently undertaking data collection on site.</p>
	Utsira Nord, "Blåvinge"	Hafslund	Announced 1500 MW, 3 projects of 500 MW	<p>Location: North Sea.</p> <p>Status: The project is working on its application, application deadline has been postponed to 2025.</p>

About the report



This report is a summary of FOS' Sustainability Statement, which is inspired by EU's Corporate Sustainability Reporting Directive (CSRD). It provides a general description of the company, business context, strategy, policies and targets ("The FOS approach"), activities and performance in 2023 for the material topics within 'Environment', 'Social' and 'Governance'. The full Sustainability Statement may be made available upon request.

This Sustainability Statement is further prepared on a consolidated basis, and the scope of consolidation is the same as for the financial statements. FOS' major offshore wind development projects are structured as joint ventures where FOS does not have controlling interests. Hence, the activities carried out by the joint ventures are not in scope for this sustainability statement, and targets and metrics from the joint ventures will not be disclosed.

Nevertheless, the activities carried out by the joint venture projects form an integral part of FOS' business, and these projects will be referred to throughout the report. The joint venture projects are included in the assessment of which topics are material to FOS, and consideration is made to FOS' influence on these projects in its capability as joint owner.

Taking account of the aforesaid the reader should note that the term FOS may, where the context so dictates, refer to one or more of FOS' operating subsidiaries or joint ventures rather than or in addition to FOS itself.

In 2023 FOS kicked off its sustainability work in order to become duly aligned with CSRD, and during 2024 FOS will work at further developing sustainability targets and concretize the actions needed to take in order to reach the targets.

Stakeholder engagement

FOS has a wide range of stakeholders, both external and internal. Identifying what is material to FOS' stakeholders and taking these considerations into account is crucial for success, and FOS engages with its stakeholders in a variety of ways. The stakeholder's views and input form the basis for the materiality assessment, and are considered integral parts of FOS' strategy.

The attached table shows a summarized list of who are considered the main stakeholders and how FOS engages with them. The engagement will be further described in the topical sections of this report.

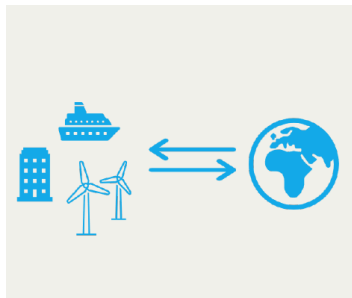
Stakeholder group	Who are they?	How do we engage with them?
Employees	FOS' employees are highly educated, highly skilled personnel with specific competencies within offshore wind development	Primarily through day-to-day line management engagement. In addition, there are regular one-to-one meetings between line manager and employees. The contracted Fred. Olsen & Co. AS HR function provides processes and guidelines for the engagement.
Shareholders /Investors	Current owners, potential future owners/investors lenders and other capital providers	Regular contact with owners through quarterly reporting and board meetings, contact with the finance community as natural, annual report, press releases.
Regulators	Governments in the countries we operate European Commission - EU Regional governments Municipalities and local governments Grid operators Relevant agencies and offices such as environmental protection agencies, historical agencies, water agencies, ministries of defence HSE regulators	FOS initiates meetings with governmental bodies to discuss framework legislation and CfD requirements FOS provides regular updates to different regulators and engage in monthly/quarterly meetings. FOS participates in government led research programs
NGOs	WWF, Zero, Royal Society for the Protection of Birds (RSPB), and other environmental and ornithology and marine organisations, potentially human rights organisations Interest organisations such as Renewables Norway and Offshore Norway	FOS' projects invite for joint meetings and cooperation on selected topics and specific initiatives.
Civil society	Inhabitants along the coast and along cable routes and sub stations on shore Inhabitants living close to the port Other users of the sea such as fisheries, surfers, sailing, maritime/shipping industry, commercial ferries Local industries especially in maritime and oil and gas sector	FOS' projects invite to open meetings to provide information and have dialogue with local communities (Public Consultation Events). FOS is also in continuous dialogue with local government bodies such as municipalities.
Suppliers	Suppliers of goods (turbines, foundations) Suppliers of personnel (contractors) Suppliers of services (surveys, installation, O&M) Infrastructure providers (ports, harbours, grid) Suppliers of quality assessments (Due diligence of suppliers, legal reviews of government terms and conditions)	Contracts Negotiations Tenders Meetings with local potential suppliers (e.g. through the supplier collaboration on the Blåvinge project, "Vingespenn")

Double materiality assessment

Following the stakeholder engagement analysis, FOS has prepared a double materiality assessment. The materiality assessment outlines the sustainability topics assessed to be material for FOS' stakeholders, and it represents the most important impacts, risks and opportunities for FOS' organization.

The table presents which ESRS topics are identified as considered material to FOS. While some of the impacts, risks and opportunities (IRO's) are relevant for the activities currently carried out in FOS, many of the IRO's are linked to activities expected to be carried out by suppliers in the value chain in the construction phase of the joint venture projects. This is further described in the topical sections of this report.

FOS believes providing green energy to the world is its most significant contribution to sustainability. As renewable energy replaces energy produced by fossil fuels, this has a direct positive impact on reducing GHG emissions. Energy will continue to be in high demand in the future, and FOS' production will contribute to securing energy supply to households and allow businesses to grow.



Double materiality refers to the notion that a company's impact on the environment or other sustainability aspects is just as significant as the impact of climate-related factors on the company.

ESG topic	ESRS topic	Time horizon of IRO
Environment	E1 Climate change	All phases of the life cycle
	E4 Biodiversity and ecosystems	Mainly construction and operational phase
Social	S1 Own workforce	All phases of the life cycle
	S2 Workers in the value chain	Mainly construction and operational phase
	S3 Affected communities	Mainly construction and operational phase
Governance	G1 Business conduct	All phases of the life cycle

ENVIRONMENT

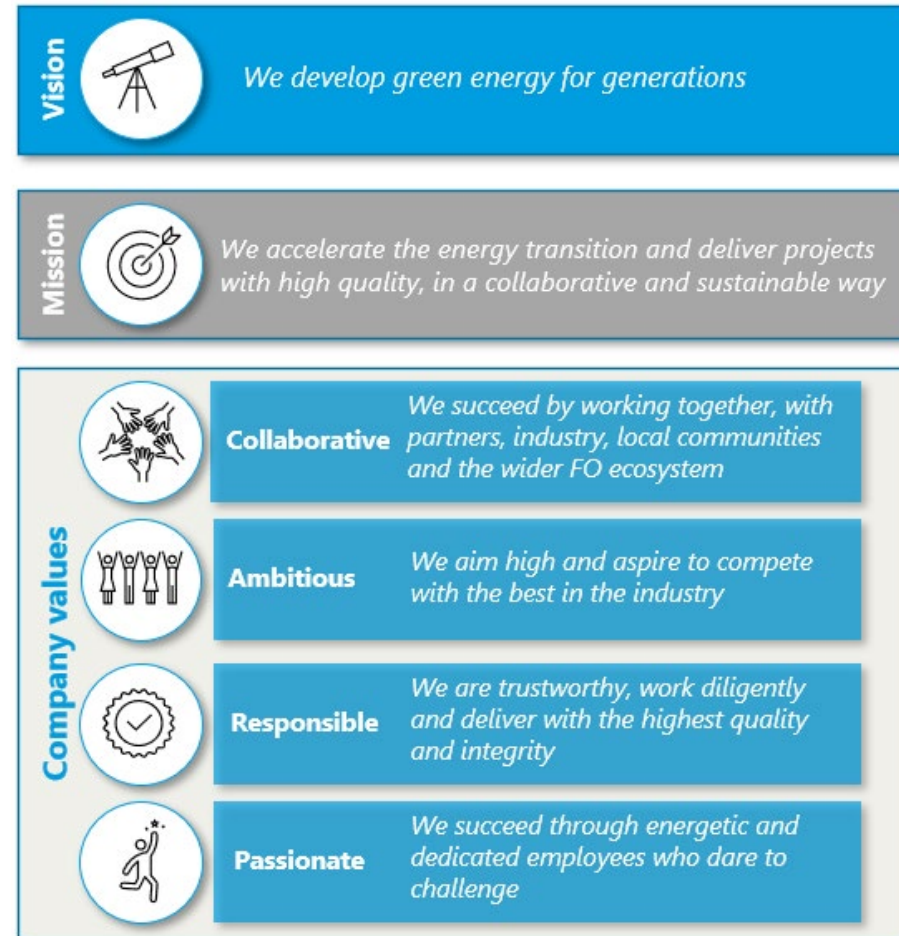


The FOS approach

FOS' strategy is centred around contribution to the mitigation of climate change by delivering renewable energy from offshore wind. FOS believes this to be its primary endeavour towards the general goal of limiting the increase in the global average temperature to 1,5 °C above pre-industrial levels in line with the Paris Agreement.

Developing and constructing offshore wind farms is not without potential negative impacts on the environment, especially with regards to GHG emissions in the JV projects' supply chain. FOS aims at choosing the alternatives with the lowest GHG emissions, taking environmental, social, technical, and economical aspects into account. For construction projects in planning phase, FOS looks at implementing GHG emission as an evaluation criteria for selecting suppliers, and measures are continuously assessed to reduce GHG emissions.

Developing a sustainable offshore wind industry cannot be done in isolation, and part of FOS' strategy is to work together with other industry players and research institutions in order to evolve the industry and identify common solutions to the various challenges that the industry faces.



E1 Climate change

FOS has in the preparation of this report identified the following deemed material impacts and opportunities relating to **climate change mitigation**:

Positive impact

- **Through the JV projects:** Through the offshore wind farm development projects, FOS contributes to the generation of renewable energy and to increasing the share of renewable energy in the global energy mix. Currently, all of the projects are in different stages of the planning phase, and the positive impact through energy production is expected in 5-10 years.
- **Through FOS activities:** Through participation in R&D programs and joint industry initiatives, FOS contributes to the green transition by developing the offshore wind sector and contributing to solutions that will mature the supply chain, improve the infrastructure and address the different technological and ecological challenges. FOS believes this plays a role in making offshore wind a more viable and sustainable source of energy. In addition, FOS works continuously to identify new markets and develop new projects to expand the business and contribute to more renewable energy.

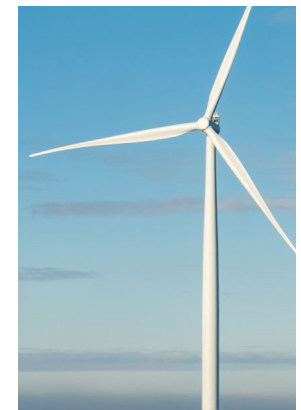
Negative impact

- **Through the JV projects:** Once in construction phase, the offshore wind farms will contribute to GHG emissions through its upstream value chain. The production of turbines, foundations and floaters will generate CO₂ emissions as these structures mainly use steel and concrete as input. Installation vessels run on fuel and will generate CO₂ emissions during the installation phase, and there will be relating emissions during the decommissioning of the wind farms. There are also some CO₂ emissions in the development phase of the projects by vessels performing geophysical and geotechnical surveys, airplanes undertaking EIA studies etc.
- **Through FOS activities:** Negative impact from FOS' own activities are first and foremost linked to business travels.

Opportunities

As the climate changes and the need for renewable energy increases, governments become more positive to supporting the industry through high CfD prices and attractive terms and conditions, and banks and investors may become more positive to provide financing. Continuous development of the industry and maturing of the technology and the supply chain drives down cost levels.

FOS has not identified any material risks related to climate change.



E1 Climate change

FOS' 'CO₂ footprint' is calculated in accordance with the GHG Protocol Corporate Standard, dividing the emissions into three main categories:

- Scope 1 – Direct emissions
- Scope 2 – Indirect electricity generated emissions
- Scope 3 – Other indirect emissions

FOS has not yet wind farms under construction or in operation. FOS has not included emissions included in the joint venture entities. Consequently, there are no scope Scope 1 emissions. Scope 2 and 3 emissions are primarily limited to the following activities:

KPI	2023	2022	Activities
GHG emissions – Scope 1	Not applicable	Not applicable	No GHG emissions from own assets
GHG emissions – Scope 2	2 tCO ₂ eq	2 tCO ₂ eq	Relates to electricity generated emissions from office buildings in Oslo, London and Stirling
GHG emissions – Scope 3	32 tCO ₂ eq	13 tCO ₂ eq	Business travels

FOS aims at including emissions from the joint ventures in the reporting going forward. In the development phase, there will be some scope 2 emissions in the joint ventures relating to rented project office buildings, and there will be scope 3 emissions particularly from vessels undertaking geophysical and geotechnical surveys.



E1 Climate change

One action taken is FOS' involvement in various research programmes that aim at developing the offshore wind industry.

Offshore Wind Sustainability Joint Industry Programme (SUS JIP)

In early 2023, the research programme SUS JIP was set up to increase the application of sustainability principals across the global offshore wind sector. The programme is being led by Carbon Trust, a leading international sustainability advisor with expertise in offshore wind research and carbon certification, with FOS as a founding member.

Along with eleven other leading international offshore wind developers, the aim of the programme is to decarbonise the offshore wind supply chain by developing the first industry-backed methodology and guidance to measure and address the carbon emissions associated with offshore wind farms throughout their lifecycle, including emissions from the manufacturing of materials and installation of wind farms.

To determine which levers to use and when, whilst getting a tangible understanding of their impact across the offshore wind farm project life cycle, the project is divided into 3 workstreams:

- 1. Measurement** – outputs entail a methodology, consideration of tools and processes that allow for consistent, transparent, and comparable life cycle quantification of carbon impacts.
- 2. Data** – outputs entail a framework and approach to supply chain data collection in order to enable effective measurement and reporting. This will include, for example, supplier engagement and guidance on minimum data quality standards.
- 3. Decarbonisation action** – Based on the measurement methodology and tool, this workstream will inform decarbonisation strategies and pathways for development, underpinned by rigorous analysis.

The goal of this work is to help the global offshore wind industry scale as sustainably as possible and continue its important contribution towards meeting the world's Net Zero target by 2050 and limiting the most extreme impacts of climate change.



Northwind project



Together with several large industry players from the entire offshore wind supply chain and major research institutions such as SINTEF, UiO and NTNU, FOS is contributing to the Northwind project initiated by The Centres for Environment-friendly Energy Research (FME). FME Northwind works to turn wind R&D into a profitable export industry that creates green jobs and respects nature. The research addresses the grand science and engineering challenges to realise the full potential of the wind energy sector in a sustainable future.

Grønn Plattform, Ocean grid -



New grid solutions for profitable offshore wind development

The project's vision is that offshore wind farms connected to an offshore grid will provide a large share of the energy supply in Europe to reach climate targets, and that Norwegian companies will be actively engaged in this endeavour as leading wind farm developers, operators and suppliers of technology and solutions. This project is an important step towards realising this vision. It will develop new technology, knowledge, and innovations to support the realignment of the Norwegian industry from oil and gas activities towards the growing offshore wind sector, creating new green jobs and increasing international sales, and it will help to meet the climate targets by enabling large-scale deployment of offshore wind farms in Norway and internationally.

The project is organised in five subprojects of which four are industry led addressing high technology readiness level and a 2030-time horizon, whereas the fifth is an open research subproject to address longer-term issues. The five subprojects cover the full value chain from research to technology and market.

Together with leading energy companies, suppliers, manufacturers, research partners and other wind farm developers, FOS contributes to the project by leading the project board and participating in the subproject Offshore grid development.



Background

The taxonomy is a system of classification that establishes clear and consistent criteria for determining if economic activities are sustainable. It utilises science-based technical screening criteria that must be met for an activity to be considered "green."

EU Taxonomy score

To assess FOS' activities' eligibility and alignment FOS has used Celsia's taxonomy software solution.

An economic activity must make a substantial contribution towards at least one of EU's six environmental objectives to qualify as eligible within the EU Taxonomy. Production of electricity from wind power fulfils this criterion, and the development and construction of offshore wind farms is considered part of this activity. For the activity to be aligned, the Taxonomy sets out certain additional criteria:

- Do no significant harm to any of the EU's other five environmental objectives
- Comply with minimum safeguards
- Comply with the technical screening criteria set out in the Taxonomy delegated acts

Assessment of activities and scope

FOS has conducted a thorough review of its business activities in line with the EU Taxonomy.

FOS' most advanced projects, Codling Wind Park and Muir Mhòr Offshore Wind Farm, are both owned by separate joint venture entities (JV's) that in FOS are subject to equity accounting. The projects are not part of FOS' taxonomy reporting. FOS therefore has no reportable capex. It is FOS' objective that all JV's over time can classify their activities as aligned.

The turnover in FOS is related to charges to the JV's for various consultancy services conducted by employees in FOS. This turnover is not assessed to be eligible as it is considered "technical consultancy" which is not an activity covered by the taxonomy.

Early phase development such as market studies and various desktop studies is considered eligible opex. However, as the early phase development activities do not yet comply with all the documentation requirements, the opex is not considered aligned.

E4 Biodiversity and ecosystems

The FOS approach

Offshore wind farms may have the potential to have biodiversity impacts on fish, birds, and sea mammals.

An important part of the FOS strategy evolves around seeing the current projects, Muir Mhòr Offshore Wind Farm and Codling Wind Park, through a successful consenting process. The consenting process requires documentation and analysis of a series of different topics, but the expected impact on biodiversity and ecosystems is considered one of the most important and comprehensive topics covered in the consent application. Choosing a wind farm design, layout and technical solutions that minimize the potential negative impact is key to achieving consent, and achieving consent is critical for the development of the wind farm.

The most comprehensive processes to identify and assess material biodiversity and ecosystem-related impacts for the JV's offshore wind farm projects are the Environmental Impact Assessments (EIA). Through the EIA process, FOS will always try to avoid and mitigate the potential nature impact of our business as much as possible.

EIA Process

An EIA seeks to identify and describe likely significant impacts, both positive and negative, that may result from a project. Where likely significant impacts are identified, the EIA Report provides a suite of mitigation measures, the purpose of which is to avoid, reduce or prevent impacts from occurring. These measures are then integrated into the design, programme or construction methodology of our projects.



Site inspection



Intertidal benthic survey- CWP

E4 Biodiversity and ecosystems

FOS has in the preparation of this report identified material impacts, risks and opportunities relating to **biodiversity and ecosystems**:

Potential negative impact

Offshore wind farms have the potential to have both negative and positive biodiversity impacts. As potential negative impacts, the construction of offshore wind farms represents a sea-use change, where the affected areas at sea may become less attractive as a habitat for certain species. Noise and vibrations from the installation and operation of turbines may have adverse effects on critical life functions for a wide range of marine life, including marine mammals, fish and invertebrate species. Turbines have the potential to cause mortality to seabird species due to displacement from feeding areas or direct collision with turbine blades.

Although the largest potential impacts are during the construction and operational phases of the windfarms, some potential negative impacts have also been identified during the development phase. Geotechnical campaigns can create noise and vibration that disturb sea mammals, and general increased activity in the relevant areas might interfere with certain species' life functions.

Potential positive impact

Offshore wind farms also have the potential for positive impacts on biodiversity and ecosystems. The sea-use change might make the ecosystem more attractive as a habitat for certain benthic species and shellfish. The reduction of fishing in the area of the offshore wind farm might lead to a more viable fish stock as a prey for protected species. It is also possible to implement measure to further enhance these potential positive effects, such as placement of artificial reef structures on the seabed.

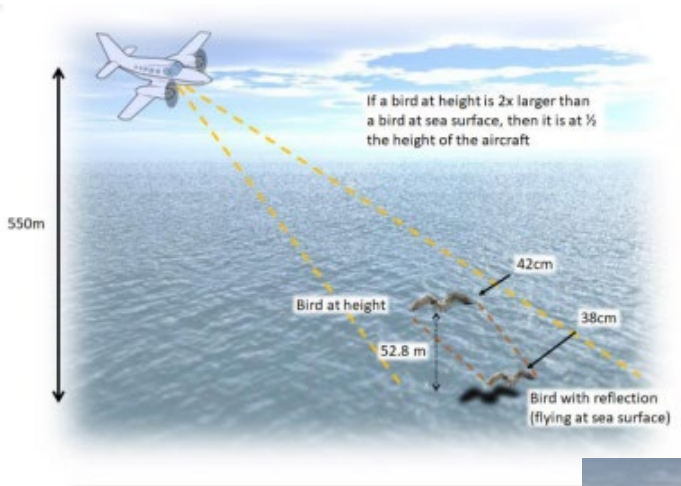


Risks and opportunities

The potential negative impact has been identified as a dependency that gives rise to material risks. There are increasingly stricter government regulations with regards to biodiversity and impact on birds and marine wildlife, and if the potential negative impact of the offshore wind farms is perceived as too high, this could hinder the consent process and stop the wind farm from being built. If consent is granted, the consent may be conditional on several biodiversity measures that increase the cost of developing and constructing wind farms.

There are also opportunities linked to the identified dependencies. An increasing trend in governmental offshore wind auctions is to include different biodiversity matters as auction criteria, and these criteria are often given an important weight in the total score. Entities that are considered front runners with innovative solutions to biodiversity challenges can gain a competitive edge over other developers and increase the likelihood of winning offshore wind auctions.

E4 Biodiversity and ecosystems



Hi-Def DAS Methodology



FLiDAR Bouy



Geotech survey vessel 'Arctic tern' - Codling Nearshore Survey

When planning an offshore wind farm, FOS will take adequate steps with a view to reduce biodiversity impacts.

Digital Aerial Surveys

Undertaking aerial surveys of all sites to characterise the baseline conditions. The surveys are completed by camera mounted systems on survey planes. this technology is used to calculate estimates for birds, marine mammals, sharks, turtles and human activity.

Stakeholder Engagement

Throughout the lifecycle of the projects FOS engages with key stakeholders, including other users of the sea, such as commercial fisheries organisations to pursue that FOS' plans and proposals have a minimal impact upon existing activities.

Nature Inclusive Design

Throughout the design process of all projects FOS looks to utilise nature inclusive design philosophies where possible.

Seabed Surveys

For all projects, FOS undertakes seabed characterisation surveys of sites pursuing a strong understanding of all seabed conditions, including met ocean and ground conditions.

Ornithology & Marine Mammals

Throughout the EIA process where any potential impact is noted, a mitigation strategy is developed to pursue that biodiversity features are protected throughout the project life. Potential mitigations include; Marine Mammal Observers during surveys, Bubble Curtains during construction and increasing the lower blade tip clearance to reduce the risk of seabirds flying within the rotor swept area.

E4 Biodiversity and ecosystems

In addition to the studies undertaken as part of the EIA processes for the specific wind farm areas, FOS currently contributes to several ongoing studies undertaken by different research institutions.

In Norway, FOS contributes to The Norwegian Polar Institute and Norwegian Institute for Nature Research on sea birds and on migratory birds. These studies are joint industry efforts that aim at gathering information about migrating birds in Norway and on the bird population in North-Atlantic waters, including areas which might be relevant for offshore wind development. These studies will provide useful information going forward for the planning of the offshore wind farms on how to best mitigate potential negative impact on birds.



In Scotland the Muir Mhòr project contributes to regional surveys on the east coast of Scotland covering a large part of the Scottish North Sea to understand seabird and marine mammal distributions. The project also contributes to colony counts for the breeding seabirds in the natura 2000 sites on the east coast of Scotland. Working together with other developers and nature conservation bodies mean larger geographical data sets can be collected and understood allowing impacts to be better understood supporting better spatial planning and strategic conservation projects.

SOCIAL



S1 Own workforce

The FOS approach

Attracting skilled employees with the needed resources is a crucial part of the FOS Strategy. FOS' core values are centred around creating a working environment where people can thrive, and FOS believes a working culture based on collaboration and the passion and ambition of the employees is key to success. FOS invests in development and skill enhancement of its personnel and offer a variety of training to its employees. FOS cooperates closely with other entities within the Fred. Olsen-related ecosystem, facilitating the sharing, as appropriate, of knowledge and the exchange of experiences across the wider group of entities.

Human Resources are managed in compliance with the labour laws and regulations for each country. The personnel management system contains 'Personnel Handbook' and a Code of Conduct and provides the necessary rules and guidelines for the employees.

FOS has a zero tolerance for discrimination and is looking at different measures to further pursue equality related to gender, age, ethnic origin, nationality, disability, sexual orientation, religion, and political opinion. FOS' objective is zero work related sick leave cases and zero labour rights cases.

If any actual negative impact is identified, such shall be properly handled. In addition to informal channels, FOS' workforce can raise concerns via the safety representative or the whistleblower procedure.



S1 Own workforce

Our people

FOS currently has employees in Norway, UK, Ireland and Denmark and is constantly considering new markets and geographies. At the end of 2023, FOS had 31 permanent employees. In addition, FOS has several contractors working more or less full time on the projects.



FOS has in the preparation of this report identified the following material impacts, risks and opportunities relating to **own workforce**:

Potential negative and positive impact

FOS has identified positive impact on own workforce. FOS offers secure employment, career development opportunities and a positive working environment driven by cooperation and motivation. FOS has also identified potential negative impact related to own workforce working conditions. Given the nature of large scale infrastructure projects, stress on resources may vary over time. Time pressure, excessive use of overtime, lack of resources or poor management may lead to stress, burn-out and fatigue.

Risks and opportunities

Skilled personnel is a human resource FOS is dependent on, and there are financial risks and opportunities related to working conditions for own workforce. There is a fierce competition for skilled resources, and failure to provide the necessary compensation, motivation and working conditions might make FOS unattractive as an employer and lead to a high turnover. On the other hand, good working conditions and a diverse working environment with equal opportunities for all might attract and help retain skilled personnel.

S1 Own workforce

Characteristics of the undertaking's employees

Employees	NO/DK	UK/IE	Total (headcount)
Male	11	9	20
Female	4	7	11
Total	15	16	31
Female ratio	27%	44%	35%

Age group	Number of employees	Share
<30	2	6%
30 – 50	22	71%
>50	7	23%

All employees are permanent employees, one of whom is part-time. The sickness rate was 1.53%. FOS had no occupational illness cases and no labour rights cases.

Work-life balance metrics

All employees (100%) are entitled to parental leave. Parental leave is given in compliance with national laws and regulations in Norway, Denmark, UK, and Ireland. The duration of the leave varies from country to country, and male and female do not have the same rights. Two employees (both male) took parental leave of varying duration during the reporting year. This represents 6% of the FOS employees.

A number of wellness and mental health initiatives are facilitated by Fred. Olsen & Co. AS to the wider Bonheur group of companies. During 2023, there have been several voluntary sessions and courses on motivational competence, psychological safety & culture of feedback, stress management and psychological health. Fred. Olsen & Co. AS has also facilitated partial refund for gym membership or participation in sport events for Norwegian employees and arrange for numerous social activities through its own Sporting Club.



S2 Workers in the value chain

FOS' value chain

FOS' JV projects will, especially when approaching the construction and operational phases of the projects, engage a large amount of subcontractors and suppliers. They will engage suppliers to deliver the turbines, floaters, mooring systems, cables etc, and suppliers that will provide the vessels and perform the installation. Most of the suppliers will be European, but these suppliers might on their side use sub-contractors from other geographical areas. During the coming years, the JV's will enter into contracts with the largest suppliers.



FOS has in the preparation of this report identified material impacts, risks and opportunities relating to **workers in the value chain**:

Potential impact, risks and opportunities

Due to the risky nature of the work that will be performed, FOS has identified the health and safety of suppliers as a material potential impact. As the development of the wind farms progresses and installation commences, FOS might assess other impacts to also be material.

Breaches relating to health and safety in the value chain would represent a risk to FOS. The risk is both relating to reputation and to potential delays to the projects.

The FOS approach

The health and safety and general working conditions for suppliers is important to FOS, and this will be one of the main criteria in the supplier selection process. Proper due diligence processes will be carried out, and FOS will endeavor that suppliers have mitigating measures in place for the inherent risks. Over the next years, FOS will concretize a supplier strategy in cooperation with the JV partners.

The potential impacts and how FOS assesses the risks of breaches related to working conditions in our value chain is further described in the assessment performed in relation to the Norwegian Transparency Act.

S3 Affected communities

Affected communities are an important stakeholder to FOS. FOS' JV projects undergo a variety of engagement activities with local communities in the areas nearby the planned wind farms, and their feedback plays a key role in the planning of the projects.

The FOS approach

From a very early stage of the development projects, in-depth reviews of the social economic and environmental challenges in relevant areas are carried out. Thereafter the projects design an appropriate programme of Stakeholder Engagement and Interaction, and where it is possible, a Community Benefits Strategy. This strategy incorporates the aspirations of the local communities in terms of e.g. jobs, training, upskilling, environmental improvements and engagement across schools and academia.

The engagement with affected communities informs the consent application and the planned response to the different challenges.



FOS' JV projects engage with local communities in several ways. Among others:

- **Public Consultation Events:** The projects invite to open meetings to provide information and ensure an open dialogue with local communities. The public consultation rounds include several physical exhibitions and public events as well as virtual exhibitions.
- **Virtual exhibitions:** The virtual exhibitions give the opportunity to view all the latest information and updates on the project, including photomontages from several local viewpoints.
- **Information clinics:** Dedicated information clinics where affected groups and inhabitants can book an appointment to meet with the project.
- **Feedback questionnaires:** The projects encourage inhabitants in affected communities to fill in questionnaires, giving feedback on how they perceive the project and what is important to them.
- **Meeting with local municipalities:** The projects undertake meetings with local governing bodies and municipalities in order to find common solutions to challenges and ensure an understanding of the views of the affected inhabitants and local communities.
- **Community council meetings:** Engagement with community councils in order to identify suitable organisations for our benefits and charity funding.
- **Supplier meetings:** Meetings with local potential suppliers, working together to find solutions to the technical and logistical challenges in offshore wind and finding out how to mutually benefit from the development of the industry.
- **Meetings with representatives** from different interest groups
- Make sure to also engage with **“invisible stakeholders”**

S3 Affected communities

FOS has in the preparation of this report identified material impacts, risks and opportunities relating to **affected communities**:

Potential impacts

FOS has identified potential negative impacts on affected communities. There may be conflicts of interest with other users of the sea such as fisheries. There will be visual impact from turbines, as these for most projects will be visible from land. In addition, onshore cable routes and onshore sub stations might disrupt existing activities in the affected land areas.

There is also potential for positive impact from our activities. FOS can contribute to creating jobs and revenue in local and rural communities; In addition to the more than 1,000 jobs estimated during the construction phase for each wind farm, one of FOS' projects estimate approximately 75 new, full-time local jobs during the operational phase of the project. There will be opportunities especially for local ports and quayside facilities during construction and for operations and maintenance purposes.

The development of the industry of offshore wind may also contribute to a revitalisation of local maritime and oil and gas industry. Many of the undertakings that are currently supplying the oil and gas industry could be relevant suppliers for offshore wind, and FOS is working together with potential suppliers in order to share knowledge on how they can transition into relevant suppliers to offshore wind farms. This is a key aspect of FOS' supplier strategy.

Risks and opportunities

FOS has identified a dependency on the cooperation with affected communities which gives rise to risks and opportunities for FOS. If the negative impact is perceived as too high and there is a high level of conflict with stakeholders such as fisheries, land owners or local municipalities, this might affect FOS' ability to obtain the necessary consents and building permits. Similarly, if FOS can achieve a high degree of cooperation and find solutions together with affected communities, the chances of success increase.



S3 Affected communities

Projects' community contributions

Both JV projects have significant funds set aside for community contributions. On the Codling project, the Commercial Fisheries Fund announced in 2023 makes €500k available for the offshore fishing community, and €51k has been donated in 2023 to a variety of organisations including local schools, festive parades, sports clubs, hospice, community centre, tidy towns, library, cancer support, etc. Once a commencement notice for construction is issued, a Community Benefit Fund of multi-million euro value will commence.

On the Muir Mhòr project, a total of £12k has been donated in 2023 to a variety of different local organisations and events.

Giving back to local communities



Fred's donation of Energy Adventure books to every Primary school in Orkney.



The OffshoreWind4Kids event in Aberdeen and Edinburgh, sponsored by FOS



Muir Mhòr Offshore Wind Farm contributes to North East charities for health and safety initiatives

GOVERNANCE



Board composition

Board's activities and responsibilities

The board's activities are conducted in reference to applicable Norwegian laws and regulations.

The board is engaged in discussions concerning sustainability, and sees FOS' Sustainability Statement as a true reflection of FOS' values. The board remains focused on opportunities to positively contribute to FOS' sustainability objectives.

Anette Sofie Olsen (Chair)

Ms. Olsen is chair of the board of FOS and equally so of various subsidiaries of Bonheur ASA operating within distinct business segments, hereunder Fred. Olsen Renewables, Fred. Olsen Windcarrier and NHST Holding. Anette S. Olsen is also the owner of Fred. Olsen & Co. AS which is responsible for the management of Bonheur ASA and as part of these services Anette S. Olsen holds the position as Managing Director of Bonheur. Anette S. Olsen holds a Bachelor's Degree in business organization and a Master's Degree in business administration (MBA). She is a Norwegian citizen and resides in Oslo.



Fred. Olsen (Board member)

Fred. Olsen has been chairman of the Bonheur board since 1955 and he is also board member of various Bonheur subsidiaries. He is an Honorary Doctor of the University of Heriot Watt, also of the Queen's University Belfast, a Fellow of the Royal Institution of Naval Architects and further holds the titles of Industry Pioneer from the Offshore Energy Center Hall of Fame in Galveston, Texas and the Institutium Canarium's Dominik Wölfel Medal, Vienna. Fred. Olsen has previously been chairman of the Aker Group, Timex Corporation, Harland & Wolff and Norwegian Oil Consortium. Mr. Olsen is a Norwegian citizen residing in Oslo.

Richard Olav Aa (Board member)

Richard Olav Aa has been related to the Bonheur group of companies for several years, and sits on the board of various Bonheur subsidiaries. He also holds the position as CFO in Fred. Olsen & Co. AS. Richard Olav Aa has previously worked in senior positions within Telenor ASA, Arendals Fossekompagni ASA, Norsk Vekst ASA and Elkem ASA. He holds a Master of Science from Norges Handelshøyskole and is a Norwegian citizen residing in Norway.

The FOS approach

FOS always strives to be in compliance with all national, local and maritime laws, rules and regulations that apply to our activities.

FOS has a Code of Conduct and an Anti-corruption Policy & Programme that fosters corporate culture. The anti-corruption policy has been established in compliance with the anti-bribery laws that at any time are applicable to FOS. FOS strives for continually improvement through achieving or where practically possible exceeding the goals by implementing applicable training programs and by conducting all aspects of the work in compliance with the relevant anti-bribery laws.

FOS has a zero tolerance for corruption. As part of the onboarding program, all new employees are required to participate in the established e-learning modules that treat the different aspects of the anti-corruption policies and Code of Conduct. The content of these courses is regularly reviewed, and relevant updates are implemented accordingly.

FOS will continue to focus on training and further implementation of anti-corruption measures. During 2024, FOS will work on setting specific targets and continue to develop corporate governance procedures.

Identified impact, risks and opportunities

FOS has identified material potential impacts related to business conduct. This is because of the inherent risk in the business. FOS is highly dependent on government consents in order to develop offshore wind farms, and this makes FOS vulnerable to corruption and bribery. If there is a lack of sufficient preventive measures, this could potentially lead to corruption or bribery incidents in the projects or the value chain which again would lead to unfair business practices and lower confidence in governments. This also imposes a risk to FOS, where breaches would entail not only punitive measures, but also reputational damage.

Similarly, there is a potential for positive impact for FOS' business. By imposing strict policy and practices, FOS contributes to orderly conditions in the industry. As an industry player, FOS has a responsibility to ensure proper business conduct, and this is embedded in the strategy. The company values reflect that FOS is trustworthy, work diligently with integrity and strive to deliver with the highest quality.

G1 Business conduct

Anti-corruption and anti-bribery

There have not been reported any breach of the ethical policies or any other unwanted behaviour during 2023.

Protected ethics advice and reporting mechanism

Reporting routines for 'whistle-blowing' have been implemented, covering national regulations, what can be reported, whom to report to, how to do it, and how the organisation shall handle the reports.

Information about the whistle-blowing procedures is part of the e-learning courses on compliance.

Compliance training for all employees

As part of communication and implementation of the policies, FOS' employees undertake the following mandatory compliance related e-learning courses:

- GDPR awareness
- Code of Conduct
- Corporate Social Responsibilities
- Cyber Security Awareness
- Policy & anti-corruption/anti-bribery

In addition, internal procedures related to transactions with related parties, procurement procedures and internal control procedures are regularly presented to the organization in joint meetings.



