

# Transparency Act Report 2023

*("Act relating to enterprises' transparency and work on fundamental human rights and decent working conditions (Transparency Act)")*

## Background

Fred. Olsen Seawind ("FOS") is engaged in offshore wind development. When in the following referring to FOS such reference may however address not only FOS itself but also, as the case may be, comprise the FOS group of companies or refer to one or more of the FOS operating subsidiaries rather than or in addition to FOS itself. Currently, all development projects where FOS has won development rights such as seabed leases are structured as separate joint venture entities where FOS does not have a controlling interest. The suppliers to the joint venture operations have been assessed as out of scope for the purpose of reporting under the Transparency Act.

In addition to providing personnel to the joint venture projects, FOS' activities are centred around early site search and project identification, partnership negotiations and different central functions such as finance and administration.

Both FOS and its current suppliers operate in low risk industries. The suppliers are first and foremost consultants and lawyers and different providers of market research reports. FOS' main activities are located in UK, Ireland and Norway, and FOS currently has employees in these countries as well as in Denmark. FOS also has some activities in other countries such as Italy, USA and the Philippines, but there are no employees in these countries.

In accordance with the Norwegian Transparency Act, a due diligence has been conducted, following the OECD six-step process. This Report summarises the findings from the said due diligence.

## Embed responsible business conduct

The first step in the due diligence was to assess whether responsible business conduct was properly embedded in the business conduct. In FOS, the Code of Conduct serves as a guideline for everything being done. It states the policies for maintaining high ethical standards and integrity, and covers aspects that are relevant for own operations, operations owned by the joint ventures, supply chain, and other business relationships. The Code of Conduct is published internally and at the FOS website, and all new employees must undergo mandatory training on the Code of Conduct upon employment.



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## Identify risks

A broad scoping exercise has then been performed to identify where risks are most likely to be present and most significant. Own operations have been assessed as well as those in the value chain. The due diligence has been performed in two steps, where industry risks have been investigated as well as geographic risks.

### Industry risks

In order to identify the industry risks, the European Bank of Reconstruction and Development’s (EBRD) index has been used. Assessments have been made for industries relevant for own operations as well as the main industries assessed as relevant for FOS’ ten major suppliers. According to the EBRD index, the industry risk is assessed as low for both FOS’ own operations and for the major suppliers.



### Geographic risks

In order to assess the geographic risks, the International Trade Union Confederation (ITUC) Global Rights Index for working condition risks associated with a country has been used. An assessment has been made for the geographic risk for all countries where FOS has own employees, and for all countries where FOS has suppliers.

FOS’ activities in Norway, Denmark, Italy and Ireland are considered low-risk when it comes to human rights breaches and working conditions. ITUC identifies higher risk in the USA and the UK, where recent legislation and practices could indicate weakened conditions for trade unions and the right to collective bargaining. However, given the industries FOS and suppliers operate in and the low associated industry risks, the overall risk related to FOS’ activities and value chain in the UK and the USA is considered low.

The analysis has pointed out that in 2023, FOS’ suppliers in the Philippines represented the primary risk related to potential breaches of human rights.

## Cease, prevent or mitigate adverse impacts

To mitigate the identified risks, FOS has implemented several measures. Written confirmation on compliance with different aspects relating to human rights were required from suppliers in the Philippines. The suppliers were also required to provide a copy of their HSE policies as part of the tender process.

No actual adverse impacts have been identified. FOS’ activities in the Philippines have now been discontinued.

FOS is continuously assessing which markets and geographies to be present in, and the risk of adverse impact is a factor that is given a lot of weight in the assessment.

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