



Transparency Act - Due diligence assessment 2022

Introduction

Moreld's objective is to create value by supporting our customers in the transition towards a sustainable future and on this basis develop a profitable industrial group.

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

From 2023 Moreld Group 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 group seeks to ensure that we operate in an environmentally sound manner, as well as ethically, responsibly, and profitably in everything we do. Moreld 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

Moreld is a leading industrial multi-disciplinary engineering group offering products and services to offshore energy, renewable, marine, aquaculture, and onshore markets. Moreld was established as an industrial group in December 2019 and includes 16 high-competence companies with proud history, many of which are market leaders and niche players within their respective markets. Moreld was established as an industrial group to allow commercial and operational synergies to take place between the companies, as well as to power energy transition activities across the group.














The Group is headquartered in Stavanger, Norway and employs over 3,000 people. Moreld is present globally with operations in 18 countries. Predominantly Moreld delivers services and products to the Norwegian Continental Shelf (NCS) offshore market, deriving approx. 80% of our revenue from customers based in this market.

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

Human rights and decent working conditions for all employees, suppliers and subcontractors are principles that cannot be compromised. Business conduct, ethical compliance and corporate responsibility are well-established cornerstones in Moreld's governance and compliance system.

Moreld has since its inception in 2019 implemented a comprehensive governance system including a strong corporate and organizational focus on compliance, HSE and other key risk areas. Moreld's Board of Directors (Board) is ultimately responsible for overseeing the company's governance. Management of risks related to human rights and decent working conditions is a line responsibility starting with Moreld's CEO who delegates this to corporate management and line management. Reporting and revision of the guidelines and procedures are supported by the Group's corporate ESG team.

Moreld's governance system includes the following documents:

	Business principles for suppliers and partners.pptx
	Supplier Declaration Moreld.docx
	We behave and comply Anti-Corruption Policy Moreld Rev2.docx
	We behave and comply Code of Conduct Moreld .docx
	We behave and comply Cyber Security Policy Moreld.DOCX
	We behave and comply Data Protection Policy Moreld Rev 2.docx
	We behave and comply Diversity & Inclusion Policy Moreld.docx
	We behave and comply IDD Procedure Moreld Rev 2.docx
	We behave and comply Payment Procedure Moreld.docx
	We behave and comply Personal Trading Policy Moreld.docx
	We behave and comply Sanctions Compliance Policy Moreld Rev2.docx
	We behave and comply-Fighting_Corruption - Brukerveiledning (mal).docx
	Whistleblowing Policy Moreld.docx

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

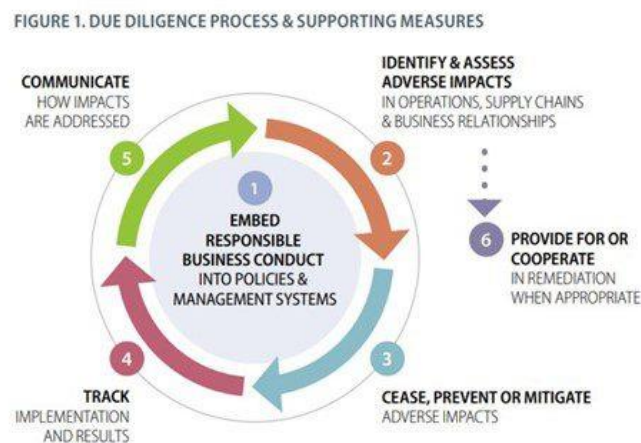
The group business principles for suppliers and partners and the supplier declaration form requires fundamental human rights and decent working conditions for all supply chain employees associated with Moreld.

In addition to the common, group-wide guidelines, several of our group companies have their own principles in place as well. The business principles include expectations towards suppliers and partners on social aspects such as human rights and health and safety, anti-bribery and anti-corruption (ABAC) and environmental topics (e.g. carbon footprint).

Moreld has established a set of **internal procedures** to ensure compliance with the Transparency Act. This includes implementation of a yearly materiality analysis based on supplier significance and a risk analysis based on international risk indices published by e.g. the UN, UNICEF, World Bank, OECD, Transparency International. A due diligence assessment of existing suppliers is conducted on a yearly basis. High risk elements in the supply chain will be flagged and subject to special scrutiny, which may include audits, enhanced questionnaires, and documentation. Unsatisfactory results will be reviewed, and improvement plans, suspension or termination will be considered for implementation.

Due diligence assessment

A due diligence assessment on Moreld's supply chain and business partners has been carried out by the group companies during 2022. The assessment will be carried out on a yearly basis going forward and follows the OECD Due Diligence Guidelines for responsible Business Conduct.



Moreld's companies have carried out due diligence reviews with the following overall results:

- Moderate risk linked to manufacturing abroad.
- Increasing risk of corruption / violation of human rights further down the value chain.
- Limited risk of child labour identified.

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'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 to focus on such suppliers with a total purchase value of over NOK 100,000 in 2022.

Moreld companies with predominantly low risk supply chain, have reviewed the 30-50 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 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's Business principles for suppliers and partners and to extend the same requirements to their suppliers.
- Updated "Terms & Conditions for Purchase" to emphasize the duty to respect basic human rights and decent work conditions.
- Updated "Supplier Declaration" 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'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 intends to comply with this, and general requests are usually handled directly by our group companies which all have contact information available publicly online through their websites. It is also possible to contact Moreld directly through our contact form at: <https://moreld.com/contact/> or through our whistleblowing hotline that is handled by the Group's legal representative: moreldwhistleblowing@schjodt.com.



Stavanger, 26 April 2023

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Chair of the Board

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Jone Skaara

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Board member

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Gunnar Halvorsen
Board member

Appendix 1

This due diligence assessment applies to the following Group companies (all Norwegian operational entities):

Engineering & Ocean

Engineering & Ocean offers cutting-edge expertise within engineering, maintenance, modifications and operations in ocean and land-based industries.



Energy solutions

Energy solutions provides high quality equipment, operational services and software solutions to ensure maximum uptime and successful project execution for operators in the energy industry.

