

Due diligence report Transparency Act

This report describes how Fishbones works with due diligence assessments, measures and follow-up of identified risks. The report covers the period from 1 January 2023 to 31 December 2023 and is prepared in accordance with section 5 of the Transparency Act.

Purpose and Scope

Fundamental human rights and decent working conditions form the basis of Fishbones AS (hereinafter Fishbones) activities, as an employer, supplier of well-stimulation technology and installation services, and purchaser of goods and services.

About Fishbones

Fishbones is a Norwegian SME oil- and gas technology company that delivers unique well-stimulation technology and installation services to the Norwegian continental shelf and the international oil and gas market. The company is headquartered in Sandnes and has a branch office in Abu Dhabi. We have an employee base of a total of 42 people consisting of 16 different nationalities, of which 29 people are permanent workers at our headquarters in Norway.

Fishbones is organised as a Norwegian corporation (AS). The company is registered in the Brønnøysund Register Centre with organisation number 987 560 053. Fishbones had a total turnover of NOK 171 million in 2023 and total assets of NOK 159 million as of 31 December 2023. The main shareholders of Fishbones AS are FREYER Holding (51.02 percent), Equinor Ventures AS (24.99 percent) and Aker BP (17.39 percent). Information about the board of directors and the CEO can be found in the [Central Coordinating Register for Legal Entities – Fishbones AS](#) (Nøkkelopplysninger fra Enhetsregisteret).

The company's daily operations are managed from the head office in Sandnes municipality. The business is organised with senior management consisting of the CEO and the management team for support functions and operational functions. The company provides authority and responsibility through job descriptions. Ethical good behaviour is set for employees through our Code of Conduct, policies and employment contracts.

Corporate Governance

Climate, environmental, social and corporate governance (sustainability or ESG factors) are integrated into Fishbones' strategy and corporate governance. Our governing documents set out how we will work with sustainability and live up to our commitments, and the individual managers are responsible for implementation and compliance in their respective departments.

Our Code of Conduct is the highest level of our governing documents which states Fishbones' duty to act socially responsible and contribute to sustainable, social and environmental development in the communities where we operate and live. Our Code of Conduct, together with our human rights policy and corporate social responsibility policy form the overall framework for our sustainability work, supported by our procurement and purchasing process, supplier evaluation and qualification process and integrity due diligence process for business partners, risk and opportunity process and a certified HSE management system. This framework applies to all of Fishbones' operations, regardless of geography and customer groups, and sets out the international obligations and principles that apply to our business activities.

Our business is based on trust. Maintaining this trust requires that we act professionally and with integrity in all contexts, not only in terms of our own business but also in the expectations we place on our business partners and customers. Fishbones acknowledges all internationally recognised human and labour rights standards as set out in the International Bill of Human Rights and the International Labour Organization's Declaration on Fundamental Principles and Right at Work. Our business operations shall be characterised by predictability based on laws, the UN Guiding Principles on Business and Human Rights (UNGP), the OECD Guidelines for Multinational Enterprises and the UN Ten Principles on Sustainability (UNGC).

We require that every employee and Fishbones representative is aware of, understands and is committed to conducting business in accordance with these standards and in full compliance with all applicable Norwegian laws such as the Working Environment Act, the Equality and Anti-Discrimination Act and the Transparency Act. We encourage employees, contractors and external parties to raise concerns and report suspected violations of applicable laws, our Code of Conduct or ethical norms that are generally accepted in the community through our whistleblowing channel. All matters reported in good faith shall be dealt with in accordance with internal procedures. Fishbones has clear guidelines towards no retaliation for whistleblowers.

Account of due diligence assessments

Below is a report from the areas in Fishbones considered to be significant in terms of inherent risk of violations of human and labour rights.

Due diligence assessments

The UN Guiding Principles on Business and Human Rights (UNGP) and the OECD Guidelines for Multinational Enterprises state that the responsibility to avoid and manage adverse human rights impacts includes both the company's own activities and impacts that can be directly or indirectly linked to the company's activities, products and services. As stated in section 4 of the Norwegian Transparency Act Fishbones must carry out due diligence assessments in its operations, with business partners and in the supply chain aligned with the OECD Guidelines.

Fishbones apply a risk-based approach to our due diligence work. To assess the risk of adverse impact on human rights and decent working conditions we have mapped the goods and services we purchase, as well as the countries in which they are produced/delivered. Furthermore, assessments have been made of where in the supply chain the risk is considered to be highest.

Fishbones has established due diligence procedures that take risk into account and are designed to be proportionate in the context of our business partners and suppliers. We keep a record of:

- Who our suppliers are
- What goods and services they provide
- How much we have purchased for the last year

The suppliers are assessed according to four criteria:

- Risk industries
- Risk commodities
- Country risk
- Fishbones experience

We interact closely with our most central business partners both on the supplier side and customer side. We adhere to our customers' expectations regarding safeguarding our obligations related to human rights. We have the same expectations towards our suppliers and business partners who want to work with us, and we expect them to conduct their business in accordance with the same international standard and our Code of Conduct.

Procurement

The risk assessments conducted in 2023 are based on the general risk of violations of human rights or labour rights related to geographical location and industry sector. Key procurement categories are machined components, machining and assembly services and sales and administration services.

Mapping and risk assessment

Based on our risk analyses, we have not identified actual or potential negative impacts on fundamental human rights or labour rights related to our Norwegian supplier, as both legislation and industry-specific requirements ensure the safeguarding of human rights and decent working conditions. We find that the companies we do business with are well aware of the industry expectations of good routines and active follow-up of matters related to their employees, their working environment and fundamental human rights.

Despite significant Norwegian content, we remain dependent on a few global suppliers. Some suppliers are located in countries that are exposed to certain inherent human rights risks. We do recognise the existing country risks of forced and compulsory labour, child labour, discrimination of vulnerable groups, risks related to safety and security at the workplace, censorship, anti-trade union laws and discrimination risks related to migrant workers for our suppliers operating in Asia and the Middle East.

Identified risk

Based on our risk analyses, six due diligence assessments were conducted against companies that provide products and services, directly or indirectly to Fishbones. The nomination is based on an overall risk mapping of our supply chain and is aligned with the risk-based approach in the Norwegian Transparency Act, taking into account the context of our business, the structure of the supply chain and the resources available in Fishbones.

Our main findings were a lack of corporate governance for some companies in policies and procedures on issues related to human and labour rights and the ESG area in general.

Measures

To limit the significant risk of violations of human and labour rights, our terms and conditions for the qualification of suppliers are used when establishing a new supplier agreement. This document required the supplier to describe their company's policy and framework for respecting human rights and promoting decent working conditions. If suppliers do not meet our conditions for qualification, we assess the extent to which exemptions are acceptable, and how the topic can be best covered in the agreement, for example by conducting a supplier audit before agreeing to purchase goods and services.

In 2024, Fishbones plans to conduct supplier audits on three of the six due diligence-assessed companies. The results of these audits will be used to follow up and monitor the supplier's sustainability work. In our experience, audits are valuable tools to get to know the supplier's work

methods better, collaborating on closing non-conformities, achieving improvements and developing learning.

Furthermore, we will in 2024 include a Code of Conduct for business partners and suppliers as part of the document package for the qualification of new suppliers and business partners. The new guideline will also be distributed to all our existing A and B suppliers in 2024. The percentage that commits to our ethical principles for business partners in 2024 will be used further to follow up and monitor suppliers' sustainability efforts. If our guidelines for suppliers and business partners are not accepted, we will consider to what extent exceptions are acceptable, and how the topic can best be covered in the agreement, for example by including the supplier's or business partner's own code of conduct.

Our Employees

As an employer, Fishbones shall respect fundamental human and employee rights, and safeguard decent working conditions. It is important for both management and employees at Fishbones that the health, welfare and universal rights of everyone affected by our business are not harmed or negatively affected as a result of our business. We do not tolerate any form of harassment or discrimination, and we will promote equality and prevent discrimination through targeted and planned work. The company's internal personnel policy guidelines contain information and guidance for managers and employees on schemes, rules and procedures to ensure good knowledge of and exercise of Fishbone's employer responsibilities.

At Fishbones, we emphasize the development of the working environment to ensure safe, health-promoting, inclusive and developing working conditions. This is done through systematic HSE work, anchored in our management system, which is based on mapping, a high degree of worker participation and involvement, risk assessment and targeted follow-up.

Mapping and risk assessment

There is generally a low risk of HSE incidents in Fishbone's office activities, but for our employees who work in our workshops or on an installation, the risk is moderate to high due to the inherent risks of the work and the work environment which is characteristic of the industry. Prevention of HSE incidents in the more risk-exposed work areas takes place through systematic, proactive HSE work, which is based on mapping, a high degree of worker participation, risk assessment, procedures and work instructions and targeted follow-up such as targeted health control through the occupational health services for risk exposed employees.

We consider the inherent risk of violations of fundamental human rights and decent working conditions related to the company's own activities to be low, even though there are, for example, known country and industry risks associated with some places where our field employees are on short work assignments.

Measures

For our own business, Fishbones does not have any ongoing or planned mitigation measures related to actual identified consequences or material risk of adverse impacts that could be caused by, either directly or indirectly, our operations. No circumstances have been identified that would indicate the implementation of such measures.

Stavanger, 26 June 2024

Jan Arild Wathne
Chairman of the board

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