

TRANSPARENCY ACT

EXPLANATION OF DUE DILLIGENCE ASSESSMENTS

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| Alice Asbjørnsen | Magus Rønning | The board |

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1. INTRODUCTIONS

The act on business transparency and work with basic human rights and decent working conditions ("The Transparency Act") entered into force on 1 July 2022. Envirex Group AS ("Envirex Group") and associated subsidiaries are covered by the Act's scope, cf. The Transparency Act § 2 and 3.

The Transparency Act § 4 requires Envirex Group to carry out due diligence assessments with the aim of identifying actual and possible negative consequences for basic human rights and decent working conditions, see § 4 letters a-f. According to §5 of the Act, the results of the due diligence assessments must be made public through an annual report.

This document contains an explanation of the due diligence assessments Envirex Group has carried out in the in 2023. The purpose of this report is to give the general public insight into the key findings, and which measures Envirex Group has implemented.

2. ABOUT ENVIREX GROUP

Envirex Group is the parent company for seven subsidiaries in the field of technology and rental equipment with focus on new development, high quality, HSE, external environment and sustainability.

Corporate vision: We care about the details; We drive for perfection.

2.1 ENVIREX

Envirex specializes in advanced technologies for extreme environments. We work as one team, translating innovations from one business area to another, from the bottom of the sea – to outer space, we dare to say that we are one of the best in the industry.

2.2 IXYS

Ixys supplies components, software and complete control systems to companies within subsea, surface, air and space.

2.3 ENVIRENT

Envirent is a trustworthy provider of rental equipment to the offshore and subsea industry. Based in Bryne and Haugesund, we deliver offshore rental equipment, innovative systems and high-quality ROV-tooling worldwide. Through us, our customers will have access to safe, reliable and efficient deliveries of hydraulic systems, topside equipment and subsea tooling.

2.4 FOX SUBSEA

FOX Subsea is an integrated service and expertise for SPS-contractors' total scope of work. Our mission is to add safe, sustainable and reliable technology, experience and high-quality equipment within intervention, completion and P&A operations.

2.5 VELO

VELO supports technology companies, from start-ups to well-established businesses who needs to think new to stay ahead. We don't specialize in a specific field, we invent the solution for you challenges. By thinking outside the box along without partners we have developed a wide range of problem-solving solutions.

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2.6 BELUGA SUBSEA

Beluga Subsea holds systems for 1.2 ton lifting capacity and 2.5-ton capacity. The unique method allows the operator to have full control of subsea lifting without any use of topside crane, liquids, gas or fluids and do only require standard ROV controls and supply for operations.

2.7 WITEC

Witec is a supplier of quality products and services within hydraulics and hydraulic systems for industry, offshore, marine, mobile and agriculture. We work closely with leading manufacturers in hydraulics and hydraulic systems. This is the basis for us to find the most optimal solution.

3. ANCHORING ACCOUNTABILITY

3.1 ACCOUNTABILITY

Envirex Group's work to ensure that human rights and decent working conditions are safeguarded throughout the value chain is anchored in the company's ethical guidelines, supplier declarations (code of conduct) and human rights policy. These governing documents describe how the company works to ensure good business practice in the line with the UN's guiding principles for business and human rights. Envirex Group and its subsidiaries commits to carrying out due diligence assessments for its own operations and the company's value chain.

Envirex Group's policies and procedures for handling human rights and decent working conditions include:

- Ethical guidelines
- Supplier declarations (Code of Conduct)
- Human rights policy
- Anti-corruption guidelines
- Procedure for reporting objectionable conditions

3.2 AREA OF RESPONSIBILITY

The main responsibility for follow-up and compliance with the Transparency Act is placed with the Managing Director in Envirex Group and their subsidiaries.

The Managing Director of the subsidiaries has the overall responsibility for following up their company's compliance with the Transparency Act, including the implementation and publication of due diligence assessments in accordance with § 4 and 5 of the Act. The more specific areas of responsibility of the Act are distributed among various staff functions. The overall distribution of responsibility in the administration can be summarized as follows:

| | | |
|----------|------------------------------------------------------------------------------------------------|----------------------------|
| 1 | Obligation to perform due diligence assessment | Responsible |
| A | Ensure accountability in the company's guidelines | The board of Envirex Group |
| B | Map and evaluate actual and potential negative consequences | HSE, Purchaser and CFO |
| C | Implement suitable measures to stop and prevent negative consequences | HSE, Purchaser and CFO |
| 2 | Obligation to account for the due diligence assessment | Responsible |
| A | Give a general description of the company's organization and operating area | Head of marketing |
| B | Inform about actual negative consequences and risk of consequences | Head of marketing |
| C | Inform about measures the company has implemented | Head of marketing |
| C | | Responsible |
| A | Anyone has the right to ask Envirex Group and their subsidiaries questions about point 1 and 2 | Head of QHSE |
| B | Answers shall be given within a reasonable time and shall answer the question. | Head of QHSE |

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3.3 BOARD DECISION

In a board resolution dated 22.05.2023, Envirex Group has approved guidelines for accountability and decided that accountability and compliance with the Transparency Act shall be anchored within the company's guidelines. This guide shall ensure that accountability and compliance with the Transparency Act is also given an operational basis in the company's guidelines.

4. RESULTS FROM DUE DILIGENCE ASSESSMENT CARRIED OUT IN 2022

4.1 MAPPING OF THE SUPPLY CHAIN

The subsidiaries in the Envirex Group started the work on the due diligence assessments by obtaining a complete overview of the suppliers and other partners for the past year.

The overview was prepared by obtaining information on all companies where payment had been made to or from, companies where a framework agreement had been signed as well as other partners.

4.2 LIMITING SEARCH RESULTS, SELECTION OF PARAMETERS FOR DUE DILLIGENCE ASSESSEMENT

After the total number of suppliers had been mapped, they were categorized in order to reduce the number of suppliers to a level where it was practically possible to follow up with further investigation. In that connection, it was decided to limit the search results to companies which, after an assessment of several parameters, posed to the greatest risks for actual and potential negative consequences for violations of human rights and decent working conditions.

The supply chain was categorized and defined according to the following criteria:

- Size of turnover to/from the company
- Product group and product category
- Place of production
- Place of origin
- Whether the company is covered by the Transparency Act
- Whether the company has undertaken to follow the OECD's guidelines

4.3 METHOD FOR MAPPING RISK

As a method of obtaining information, a questionnaire has been drawn up and sent to those selected from the survey with at a deadline for response.

Four of the subsidiaries in Envirex Group are already ISO 9001 certified, which requires mapping suppliers. These companies chose to update their already established questionnaires and procedures to also meet the requirements of the Transparency Act.

For the companies with ISO certification, audits are also carried out annually at selected suppliers. These procedures have also been updated to meet the requirements of the Transparency Act.

5. PLANNED MEASURE FOR IDENTIFIED RISKS

5.1 MAIN FINDINGS – RISK ASSESSMENT OF OWN BUSINESS

Envirex Group and subsidiaries have their operations in Norway. Some companies in Envirex Group provide support and offshore supervision, which means that some employees travel and stays abroad and offshore at our customers sites. All the companies in Envirex Group carry out random checks of employees working conditions, employment agreements, the safety at our locations and the use of the established HSE management system. Based on the last investigation carried out in 2022, there where not found any violations of human rights or risk of indecent working conditions in our companies.

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5.2 MAIN FINDING – RISK ASSESSMENT OF THE SUPPLY CHAIN

Based on the mapping and investigation that have been carried out so far, no concrete violations of human rights or lack of decent working conditions have been uncovered. By using the corruption perceptions index we have certain suppliers under greater surveillance.

We will continue the work of collecting information and based on the information we receive, we will prioritize which suppliers that need further follow-up and more investigations, as well as assess the need for measures.

5.3 MEASURES

Which measures that are suitable for counteracting actual or potential negative consequences for basic human rights and decent working conditions must be decided when a negative consequence has occurred and the risk of it, in addition to which measures are assumed to be effective.

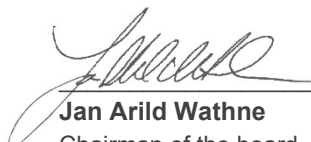
Measures could be:

- Carry out audits
- Carry out internal audits
- Prepare an action plan for improvement together with the company in question
- Notify authorities
- New and tightened contractual obligations
- Breach of contract sanctions

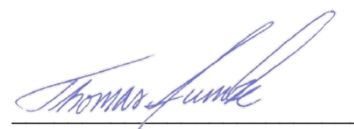
6. TOOLS AND SOURCES FOR DUE DILIGENCE ASSESSMENT

| TOOLS | SOURCES |
|------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|
| Directorate of Administration and Financial Management's list of product categories with a high risk of violation of human rights. | Link to website |
| OECD's guidance | Link to website |
| Transparency International's Corruption Perception Index, 2021 | Link to website |
| The responsibility compass | Link to website |
| Global Child Forum Atlas | Link to website |
| The Transparency Act | Link to website |

7. SIGNATURES



Jan Arild Wathne
Chairman of the board



Thomas Aunvik
Board member



Kenneth Thunheim
Board member