

Statement on due diligence assessment in Fosstech AS

The Transparency Act is legislation aimed at enhancing transparency and accountability in businesses, ensuring that both public and private organizations practice openness and take responsibility for their actions and consequences.

This statement has been prepared in accordance with Section 5 of the Transparency Act and aims to provide the public with insight into Fosstech AS (Fosstech)'s key findings from due diligence assessments and the measures taken to address risks and negative impacts associated with our operations.

Fosstech, as a responsible company, upholds internationally recognized human rights throughout our operations and supply chain. We conduct our business in a manner consistent with the UN Guiding Principles on Business and Human Rights and the ten principles of the UN Global Compact.

Fosstech AS

Fosstech is part of the Bertel O. Steen Industri (BOSI) group. BOSI has prepared a group-level Transparency Act report that provides an overall description of the group's efforts related to human rights and decent working conditions. This report is available on the group's website: www.bosindustri.no/transparencyact.

Fosstech is organized at the following overarching levels:

1. Board: Responsible for the company's strategic governance and operations.
2. CEO: Accountable for day-to-day operations and implementation of company policies.
3. Departments: Organized by functions and responsibilities to ensure efficient operations and compliance with policies.

Fosstech is engaged in the development, production, and sale of cables, connectors, and electromechanical equipment for use underwater and in other demanding environments. We serve customers and partners both domestically and internationally, and we are committed to complying with applicable laws, regulations, and industry standards in the countries where we operate.

Human Rights and Decent Working Conditions

Fosstech is strongly committed to respecting human rights and ensuring decent working conditions. We continuously conduct assessments and reviews of our supply chain. We have adopted a risk-based approach, considering both the size and the country of origin of our suppliers as key criteria. Additionally, we have established effective whistleblowing channels and grievance mechanisms to identify and address negative consequences.

Our internal policies and procedures, which underpin our work on human rights and labour conditions, provide guidance to all employees in the company. We emphasize principles such as equality, diversity, fair working conditions, and health and safety.

This includes:

- ☐ Ethical guidelines: Clear guidelines promoting human rights and decent working conditions.
- ☐ Training and awareness: Employee training on their responsibilities and the importance of human rights and decent working conditions.
- ☐ Supplier management: Requirements for our suppliers to adhere to human rights and decent working conditions.

Supplier chain management:

1. The Supplier Conduct Principles are available on our website.
2. We are working to ensure that all regular suppliers receive Fosstech's Supplier Conduct Principles, which they must confirm compliance with by signing. In addition, they are required to conduct a self-assessment in relation to these principles.
3. When entering into contracts with new suppliers, we aim to familiarize ourselves with the supplier and understand their quality system requirements.
4. For suppliers deemed significant to Fosstech, we conduct physical internal audits at their premises. These audits involve visits and conversations, focusing on areas such as health and safety, workplace conditions, worker participation, training, and working hours.
 - a. We conduct audits of selected suppliers annually, using a risk-based approach that considers factors such as:
 - i. the supplier's size relative to Fosstech,
 - ii. the country where the subcontractor is based and
 - iii. the supplier's reputation in the market.

Actual Negative Impacts and Risk Assessments

Through our due diligence assessments, Fosstech has not identified any actual negative impacts or significant risks associated with our operations. Fosstech works with several subcontractors in various countries, including China. Trade with China may involve an elevated risk of links to forced labour or other human rights violations. However, to date, our assessments have not uncovered any breaches of human rights or violations of decent working conditions within our supply chain.

Measures and Results

We acknowledge that the work on human rights and decent working conditions is an ongoing process, and all employees at Fosstech are committed to improving measures and practices based on experiences and changes in the environment. We have a particular responsibility to monitor and follow up with suppliers located in higher-risk countries. If we identify actual negative consequences, we will take action to stop such impacts and mitigate significant risks. Furthermore, we will regularly evaluate the effectiveness of these measures to ensure continuous improvement and the achievement of desired outcomes.

We continuously monitor our supply chain and conduct detailed assessments for all new suppliers.

Conclusion

At Fosstech, we are committed to conducting our business in a responsible and transparent manner. Through this disclosure, we have provided initial insights into our organization and our efforts regarding due diligence. We remain dedicated to managing and enhancing our practices to achieve sustainable results and make a positive contribution to society.