

2022 STATEMENT

According to Transparency Act § 5

In July 2022, the Norwegian Transparency Act entered into force. The act is founded on a desire to protect fundamental human rights and decent working conditions through increased transparency related to production of goods and provision of services. Sval had already set out a clear commitment to respect human rights and established principles relating to careful selection of business partners as part of the company's Code of Conduct and Integrity Due Diligence Procedure (IDD). During 2022 we have implemented additional measures to ensure compliance with the new act.

The IDD has been renamed and revised to also include prevention and mitigation measures in addition to the due diligence requirements helping to ensure that all Sval's Business Partners are in compliance. The IDD and Transparency Procedure now describes how we map and assess our business partners with respect to potential impacts on human rights and/or decent working conditions, how we prevent, monitor, and mitigate such impacts and finally, account for our efforts. It further describes how we perform due diligence in relation to new and existing business partners, based on a list of potential red flags. These red flags typically consider ownership structures, geographical location, reputation, and connections to politically exposed persons. In case any red flags are raised through an initial risk assessment, a more extensive IDD is performed.

New clauses have been included in Sval's standard contract templates on compliance requirements, audit rights as well as termination rights. Further, Sval's Invitation to Tender (ITT) package now has a requirement that tenderers provide information about their compliances, and those of their subcontractors, and the tenderers are informed that Transparency Act compliance will be a scoring point during the tender evaluation processes.

A supplier risk management tool was established in 2022, and this is actively used to support the due diligence process. The tool provides a high-level assessment of business partners against the criteria set out in the act.

One supplier due diligence activity was completed in 2022 in relation to a new IMR contract. Two other due diligence activities were completed in 2022 relating to the refurbishment project for our offices in Stavanger, and the ownership structure of our offices where Sval has a rental agreement. No findings were made, and overall current risk level is considered low given Sval NCS focus, and the limited operated supply chain activities with the current portfolio.

Key performance metrics related to supplier audits

	2022	2021
No. of supplier audits that include social issues auditing (human rights, labour rights, etc.)	1	0
No. of Integrity Due Diligence processes related to other business partners	2	0
No. of identified negative impacts	0	0

A cross-discipline team have been involved in the development of the new processes and procedures, and relevant personnel have been made aware of the new requirements to comply with the act. A new training module for the revised IDD & Transparency Procedure has been established and will be implemented for all employees during 2023.

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Nikolai Lyngø – Sval CEO