

Transparency Act: Due Diligence report 2024 on fundamental human rights and decent working conditions

In accordance with the Norwegian Transparency Act that became effective on July 1, 2022, Frøy has prepared a due diligence report on fundamental human rights and decent working conditions. This report aims to fulfill the legal obligations outlined in the act. It provides insights into our organizational structure, our approach to human rights due diligence, and the integration of responsible business practices into our management systems. Additionally, the report highlights the risks associated with potential negative impacts and outlines the measures we have implemented to mitigate them.

Frøy's work to handle actual and potential negative consequences for human rights and decent working conditions in its own business and supply chain is carried out on Group level and includes all business areas in the Group. This Due Diligence assessment and report therefore covers both Frøy and its subsidiaries ("Group") that are independently subject to the Transparency Act, and their supply chains.

Frøy is obliged to respond to any inquiries about how the Group handles the risk of negative impact on basic human rights and decent working conditions. A separate e-mail address has been set up to which such inquiries can be directed: apenhetsloven@froygruppen.no

About Frøy

Frøy Topco AS ("Frøy") is a Norwegian integrated aqua service company, delivering a wide range of day-to-day farming services to Nordic aquaculture companies. Frøy installs fish farms and performs regular maintenance on farming sites at sea, carries out biological treatments on fish and transports live fish and fish feed. Frøy has an operational track record of more than 20 years and operates a modern and well-invested fleet.

As of 31.12.24 the Frøy team includes 1 100 specialized aqua service professional workers (including temporary employees). The fleet consisted of 19 wellboats, 61 aqua service vessels and 3 feed transport vessels located at 10 local offices along the Norwegian coast.

Frøy Topco AS is a holding company with headquarters in Trondheim, Norway, and with operating subsidiaries along the Norwegian coast.

Policies and procedures

Within Frøy, responsible business conduct has been integrated into governing documents. Revised in 2024, our Code of Conduct emphasizes our dedication to upholding human rights and labor rights within our operations. We hold not only ourselves but also our partners, contractors, and hired personnel working alongside us accountable for adhering to our standards and embracing our values. Frøy has established a whistleblower channel that will help uncover negative consequences for fundamental human rights and decent working conditions linked to the company's activity. The whistleblower channel and policies are found on our webpage.

Due Diligence

Frøy prioritizes ongoing human rights due diligence as an integral part of our operations. In alignment with the OECD Guidelines for Multinational Enterprises, we have adopted the OECD due diligence model to guide our efforts. By conducting a comprehensive high-level risk assessment, we aim to identify and address human rights risks across our business operations, supply chain, and partnerships. The assessment focused on pinpointing the most significant human rights issues specific to Frøy's operations. To ensure our responsiveness to evolving circumstances and emerging risks, we commit to revising the risk assessment regularly and/or as necessary. We have successfully identified human rights risks that pertain to our own operations, subsidiaries, and value chain. By evaluating the severity and likelihood of potential adverse impacts, we have determined the areas with the highest risk of policy breaches, which include the following:

- Working hours and compensation
- Discrimination and harassment
- Health and safety
- Labor organization and union rights
- Raw materials and supply chain

Our approach to prioritizing human rights areas for further assessment and action was built upon the foundation of the high-level risk assessment. This assessment was carried out in collaboration with individuals who possess deep knowledge of their respective areas of responsibility and operational expertise, ensuring a comprehensive evaluation of our operations and supply chains. The prioritization process was guided by various criteria, such as the potential severity of impacts, the likelihood of risks materializing, and Frøy's potential contribution to or amplification of the identified risks. By considering these factors, we were able to determine the areas that require heightened attention and measures to safeguard human rights.

Key take aways from due diligence process

The findings from our high-level risk assessment indicate that Frøy operates in a low-risk environment with regards to adverse impacts on fundamental human rights. The majority of Frøy's operations are in Norway which is highly regulated in the areas of labor rights and health and safety, with high levels of human development and low risk of violations of fundamental human rights. We identified many potential inherent risks of adverse impacts on human rights, of which five were identified as moderate and none as high risk. No substantial human rights risks or actual adverse impacts were identified in the high-level risk assessment. Based on our high-level risk assessment, Frøy prioritized the following areas:

- Risk of long working hours, especially in foreign shipyards
- Risk of health and safety breaches for the employees at sea
- Risk of human rights breaches from our suppliers, especially from foreign shipyards
- Risk of use of raw materials extracted in countries associated with demanding conditions regarding human rights and working conditions.
- Anti-Corruption

Several of the well-boats are built at a shipyard in Turkey. There is a risk that human rights, decent working conditions and rights concerning health and safety are not as regulated in Turkey as it is in

Norway. Also, several of the vessels are equipped with battery packages to electrify the fleet and to mitigate emissions. There is a risk that the production of these battery packages uses raw materials extracted in countries associated with child labor and human rights violation.

However, our Due Diligence assessment has not uncovered conditions that indicate a violation of human rights or working conditions at the Turkish shipyard either nor in the production of battery packages.

The employees at sea may occasionally work under demanding weather conditions which may entail risks to the health and safety of the employees. The management in cooperation with the quality department work continuously to secure the health and safety of the employees.

Supplier survey

As part of the Due Diligence assessment, FrøY conducted a targeted survey in 2025 among suppliers considered most critical to our operations. This year, the focus was particularly on suppliers within ship repair yards, and fuel supply. These categories are seen as high-risk due to their complexity, subcontracting levels, and relevance to maritime operations. The survey forms part of FrøY's ongoing commitment to strengthen transparency and ethical conduct throughout our value chain.

The 2025 survey was sent out to a prioritized group of suppliers. The survey reported on 4 separate sub-topics: human rights, employment, climate and environment, and anti-corruption. The survey was sent to 29 suppliers, of which 25 suppliers provided satisfactory answers to our inquiries. The respondents that did not reply to the survey will be followed up individually. Results from the survey:

- **Human Rights:**

Most suppliers confirmed adherence to international human rights standards and apply similar expectations to their subcontractors. Diversity and equal treatment are widely safeguarded, and many have incorporated ethical standards into their internal guidelines or supplier declarations.

Employment:

All respondents comply with employee rights in their own operations, and most expect the same from their sub-suppliers. Several have established routines for supplier follow-up, including declarations and direct assessments. Documentation practices vary, especially among smaller suppliers, but expectations are generally in place.

- **Climate and Environment:**

Most suppliers apply the precautionary principle and take steps to minimize environmental impact. Common measures include environmental mapping, employee training, and certification. All respondents report active efforts to improve sustainability.

- **Anti-Corruption:**

Over half of the suppliers have a Code of Conduct and guidelines against corruption. Fewer have structured systems for follow-up or risk assessment in their supply chains. Still, all respondents confirm a clear stance against corruption and compliance with relevant laws and standards.

Measures and Areas for Continuous Improvement

At Frøy, our goal is to ensure that our established due diligence processes lead to tangible improvements not only within our own operations but also throughout our supply chain. This commitment necessitates an ongoing and systematic approach to address identified risk areas and suppliers.

To bolster our efforts, we are in the process of implementing a new risk-based framework that will enhance our procurement procedures and supplier development. This framework will empower the Group to analyze, monitor, assess, and enhance relationships with our suppliers. It includes valuable tools for risk analysis, assessment, and monitoring. Concurrently, we are dedicated to strengthening our internal expertise in the domain of human rights and business. We anticipate that these measures will reinforce our internal processes at the Group level.

Effectively addressing risks associated with subcontractors within our supply chain presents unique challenges. However, we have devised strategies to mitigate supply chain risks. For instance, we will impose additional requirements in contracts involving high-risk suppliers. Furthermore, we will conduct investigations to understand and mitigate human rights risks within the aquaculture supply chain. Additionally, we strive to improve our operations in terms of safety and aim to make Frøy the preferred workplace for employees in our industry. Through these measures, we plan to make substantial progress and fulfill our commitment to minimizing potential adverse impacts within our supply chains.

We acknowledge that achieving our desired outcomes necessitates continuous monitoring and evaluation of the effectiveness of our mitigation measures. It also requires close collaboration within the Group, with our suppliers and customers as well as with other stakeholders where possible or beneficial, as extended involvement will promote human rights and decent working conditions in all aspects of our operations and supply chains.

For further information about how Frøy handles the risk of negative impact on fundamental human rights and decent working conditions, please contact us at apenhetsloven@froygruppen.no.



Tonje Foss, CEO

Date: 30 June 2025



Walter Qvam, Chairman

Date: 30 June 2025