



TRANSPARENCY ACT REPORT 2022

Integrated Wind Solutions ASA

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1. IWS'S REPORT PURSUANT TO THE TRANSPARENCY ACT FOR 2022

1.1. Introduction

Integrated Wind Solutions ASA (the “Company”) with subsidiaries, together the IWS Group (“IWS” or the “Group”), shall conduct due diligence in accordance with the Transparency Act each year and publish a report on the assessments and findings.

The purpose of the Transparency Act is to promote companies' respect for fundamental human rights and decent working conditions.

This report comprises the Company's duty to account for the due diligence assessments conducted by the Group until the publication of this report in June 2023. In the report, the Group also describes the measures that have been assessed and implemented to reduce the risk of adverse impact the Group's activities may have on fundamental human rights and decent working conditions.

1.2. Contact information

Any inquiries in connection with this report can be directed to:

Marius Magelie
CFO Integrated Wind Solutions ASA
mm@integratedwind.com

1.3. Duty to account for due diligence

The Company is headquartered at Beddingen 8, NO-0250 OSLO and is resident in Norway.

The Company is a public limited liability company and is subject to reporting obligations.

2. ABOUT THE GROUP'S OPERATIONS

2.1. The Group's organisation and area of operations

IWS is an offshore wind service company listed on Euronext Growth in Oslo. IWS aims to integrate commissioning and service operation vessels with engineering, product, and manpower services in a windfarm's installation, commissioning, and operations phases.

The IWS Group is divided into three units for the purpose of this report:

- IWS Fleet: Owner and operator of six CSOV (Walk to Work) vessels under construction.
- IWS Services: Electrical engineering & services and strategic advisory to the global renewable industry with a focus on offshore wind (ProCon Group and Green Ducklings A/S).
- Integrated Wind Solutions ASA: Corporate services to Group companies and related parties.

The Group is headed from Norway and Denmark with global operations. The Group also has a financial investment in PEAK Wind, which is outside the scope of this report. PEAK Wind is the leading independent provider of operations and asset management advisory and services for global offshore wind (Wind Operations and Asset Management).

2.2. Internal guidelines

The Company has its own guidelines on how the work on human rights and decent working conditions has been embedded. The procedures comprise the work that needs to be done by the Company to meet the requirements set out in the Transparency Act.

The Company's guidelines were established and adopted by the Board of Directors on 27 February 2023. The guidelines have been made available to the Company's employees.

The guidelines describe how the Group conducts its due diligence and assessment of the measures. They also contain information about the Group's whistleblowing channels that are meant to help identify any adverse impact on fundamental human rights and decent working conditions linked with the Group's activities.

2.3. Ambitions and progress

2.3.1. Overall ambitions and progress

IWS works continuously on assessing the risks related to the Group's activities and make use of our suppliers and business partners in this respect. Furthermore, the Group works continuously on implementing measures to achieve the ambitions set by the Company.

2.3.2. Ambitions for the coming year

We have set several concrete ambitions for the future.

Ambitions	Status
Further improve the due diligence based on our experience and feedback from suppliers and business partners	In progress
Further raise the competence regarding sustainability, human rights, and the practice of responsible purchasing internally in the Group.	Initial internal training has been conducted for parts of the organisation. To be completed for all relevant employees.
Whistleblowing hotline	It has been decided that a whistleblowing hotline will be established, which is planned for implementation in Q3 2023.

3. THE DUE DILIGENCE

3.1. Focus for IWS's due diligence

The IWS Group continuously makes assessments of the risk¹ of adverse impact on fundamental human rights and decent working conditions linked with the Group's activities and business relationships. The Group continuously tracks any violations of human rights or indecent working conditions that relate to our activities if detected.

In general, the due diligence assessment is carried out as follows:

1. Mapping of the Group's supply chain and business partners.
2. Identifying an overall risk picture of the activities and business conditions of our suppliers and business partners (industry sector, products, services, geographical markets, production process and previously identified risks).
3. Based on the analysis in steps 1 and 2, the Group assesses the risk of actual or potential adverse impact on fundamental human rights and decent working conditions, and determines how to address any risks identified. The Group will implement measures where the severity and probability of damage is greatest and where the Group has the greatest potential for a positive influence on the value chain. The prioritisation corresponds with the Group's connection to- and responsibility for the risk and is proportionate to the size of the organisation, and the nature and context of our operations.
4. Involving stakeholders, suppliers, and business partners in the implementation of possible measures. Collaboration with competitors or trade organisations on the measures may also be relevant.

Relevant factors for the due diligence related to the company's activities and business conditions include, among other things:

- The context of IWS's operations
- IWS's business model
- IWS's position in the supply chain
- The type of services provided by the Group

In the following, we will account for any significant risk of adverse impact on human rights or decent working conditions identified through the Group's due diligence assessments.

3.2. The Group's supply chain and business partners

The Group has in 2022 had commercial relationships with more than 380 direct suppliers, through IWS Fleet, IWS Services and Integrated Wind Solutions ASA.

¹ The "risk" in this context means the likelihood of occurrence of adverse impact on human rights and decent working conditions, and severity of any adverse impact for the affected parties.

IWS Fleet

IWS Fleet has 50 suppliers that include the shipyard, parts suppliers, service providers and agents. The large majority of key suppliers are based in Norway with the exception of the shipyard, which is based in China. 41 of the largest suppliers have been included in the Group's due diligence assessment. The remaining nine suppliers have been filtered out due to one-off purchases or very low values. With delivery of IWS Fleet's first CSOV later in 2023, it is expected that there will be a higher number of suppliers with larger value transactions.

IWS Services

IWS Services has more than 250 suppliers that include suppliers of electrical components such as switchboards, cables and lighting system, cable trays, logistics services and service providers. Large suppliers are based in Europe. Based on a minimum spend threshold of NOK 1.0 million, the top 16 suppliers have been included in the Group's due diligence assessment.

Integrated Wind Solutions ASA

The Company has more than 80 suppliers and business partners that include providers of professional services, financial- and legal services. The Company's top 15 suppliers and business partners, which are all based in Norway, have been included in the Company's due diligence assessment based on a minimum spend threshold.

3.3. The due diligence assessments of the Group's products/services

3.3.1. *IWS Fleet – newbuilding of CSOVs*

The group has 6 CSOVs under construction at a shipyard in China. Construction of the vessels is a multi-year project involving multiple designers, suppliers and sub-suppliers, and a high level of manpower supplied by the shipyard and its subcontractors.

Shipyards employ a large number of personnel, often on short-term contracts through subcontractors. Combined with a working environment with inherent risks, shipyards generally have an elevated risk of breaches of labour regulations. This risk is relevant with regard to wages, working conditions, living conditions and health issues for the yard workers.

Due to the long-term commitment to the yard where the vessels are being constructed, the Group is conducting a programme to ensure compliance with labour regulations. The programme consists of external on-site audits to identify any potential breaches of labour requirements and includes interviews with the workers and follow-up meetings with the yard. Management of the shipyard is supportive and cooperative of the audit and committed to take corrective action where non-compliance is identified. This programme has been in place since 2021 and will continue until completion of the newbuilding programme or until all mitigating actions are completed.

The programme has identified instances of non-compliance with respect to social insurances for subcontracted workers and working hours and overtime, primarily for subcontracted workers. In response, the yard has implemented a project management system to control that subcontractors comply with regulations, and most of the subcontractors working on the

Group's vessels have signed supplementary agreements with the yard about corrective actions over a specified timeframe. At the time of the latest audit, milestones were partially achieved.

3.3.2. IWS Fleet – Ship crewing

After delivery of the Group's first CSOV later this year, the Group will start commercial and technical management of our fleet of CSOVs. One risk related to the operation of the vessels is with recruitment and employment of vessel crew on improper terms. We are reducing our risk by hiring crew only through reputable crewing agents, certified according to the MLC (Maritime Labour Convention). All crew contracts and hiring follow the convention.

Manning agents are screened prior to selection and regularly audited by the Group to ensure compliance.

3.3.3. IWS Services – Engineering, construction, and consultancy services

The Group manages a portfolio of services and solutions for the offshore wind industry through IWS Services A/S, ProCon Group and Green Ducklings A/S. The Group procures specialised materials from key suppliers, primarily located in Europe. No risks have been identified in the direct suppliers analysed.

3.3.4. Integrated Wind Solutions ASA – Corporate services

The Company provides services to Group entities and related parties as detailed in the Group's annual report. Suppliers and business partners consist of service providers located in Norway that are subject to the requirements of the Norwegian Transparency Act.

3.4. The result of the due diligence assessment

The due diligence performed by IWS has not revealed any violations of human rights. Instances of non-compliance with labour regulations have, however, been identified with subcontracted workers as specified in 3.3.1 above, related to the newbuilding of vessels at the shipyard in China. A programme is underway to identify and track risk of violations at this yard, and for implementation of risk-reducing and mitigating measures.

4. MEASURES TO CEASE, PREVENT OR MITIGATE THE ADVERSE IMPACT

In the following, the Group describes the measures implemented to prevent, mitigate, or cease the impact and risks identified in the section above.

Identified risk of violation	Shipyard's labour practices, working hours violations, gap to living wages, lack of required benefits, health and safety conditions.
Measures taken	An action plan with risk-mitigating measures has been agreed with the yard to track and mitigate the risks.
Ambitions for the reporting year	Improvements in all identified risk areas. Continued constructive interactions with the yard, and continuous improvement in workers conditions.
Status	Regular meetings are being held, and the status of mitigating measures is being tracked and reported by the yard as agreed.

5. MONITORING OF THE MEASURES – IMPLEMENTATION AND RESULTS

5.1. Introduction

We work continuously on monitoring the implementation of the measures and the outcome.

5.2. Procedures for monitoring

IWS has the following procedures for monitoring the implementation:

- We study reports that are released and read surveys conducted within the sector.
- We learn from the experience and the feedback that the Group acquires through our due diligence assessments and use it to improve the process and results in the future.
- We regularly carry out internal and/or third-party assessments or audits of the achieved results and communicate the results at relevant levels within the company.
- We receive regular feedback from our suppliers to confirm that the risk-reducing measures are being followed and/or to confirm that damage in fact has been prevented or reduced.

6. COMMUNICATION WITH AFFECTED STAKEHOLDERS AND RIGHTS-HOLDERS

The Group has not uncovered any violations of human rights. For the areas specified in section 3.3.1 above, the Group is working with the yard to improve working conditions for the subcontracted workers and reduce the risk of non-compliance. The external audits take place every six months, including interviews with workers, and the findings are communicated to the Group, the yard and subcontractors.

7. REMEDIATION AND COMPENSATION

The Group has not uncovered any cases requiring remediation in the reporting year.

We continue to follow applicable international standards and we are in dialogue with stakeholders in order to reveal potential necessity for remediation.

Oslo, 28 June 2023

Sigurd E. Thorvildsen
Chairperson of the Board

Cathrine Haavind
Board member

Synne Syrrist
Board member

Jens-Julius Ramdahl Nygaard
Board member

Daniel Gold
Board member

Lars-Henrik Røren
CEO