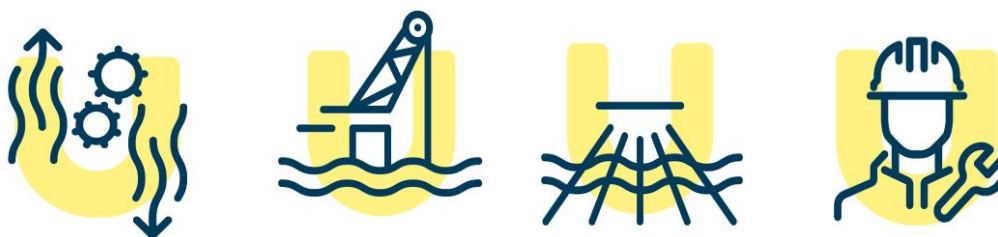


Ulstein Marine Technology AS, and its subsidiary companies forms the Ulmatec Group.

Ulmatec Group's obligations to commit a responsible and sustainable supply chain is described in the following chapters.

The Ulmatec Group's business areas is described below as:

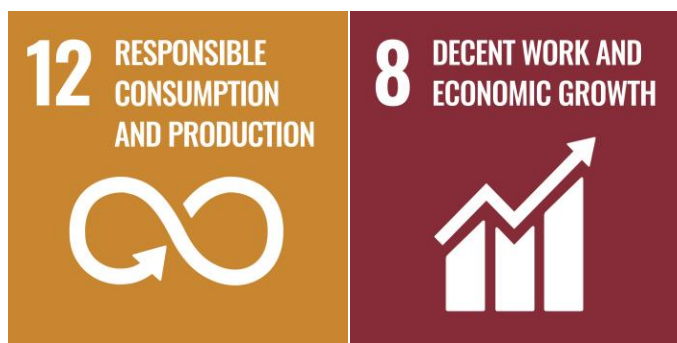


**Thermal Solutions, Handling Solutions, Insea Solutions, Engine & Service Solutions**

Ulmatec Group's responsible supply chain covers the topics:

Supply chain, Human and worker's rights, as well as local workforce and wages.

We work with our suppliers for continuous improvement and to mitigate potential negative impact to people in our supply chain, and work actively to fulfil UN Sustainable Developments Goals number 8 and 12.



## Why this matters for the Umatec Group:

For more than 70 years, Umatec has been developing world-class solutions for the maritime sector. And through in-depth knowledge and passion, we will continue to make the smartest, most sustainable, and profitable solutions to our Handling, Thermal, In-sea and Engine & Service customers.

Umatec Group is committed to conduct its businesses with integrity, in accordance with human rights and with the aim of furthering sustainable development. In this respect, Umatec Group recognizes the importance of its suppliers, contractors, subcontractors, distributors, agents, consultants, and joint venture partners, in achieving decent working conditions and reduced adverse impacts on fundamental human rights.

By entering into an agreement with companies in the Umatec Group, the Suppliers then warrants to conduct and will continue to conduct its business in a responsible and ethical manner and in accordance with the intentions of Umatec Group's Supplier Code of Conduct.

## Our approach

A sustainable supply chain is an integrated part of the group's ambitions and long-term strategy.

We have established supplier mapping and due diligence process as a standard supplier evaluating routine in our QA-system, to select and approve new suppliers, and as a yearly assessment for existing suppliers.

Our approach to responsible sourcing is based on the OECD Due Diligence Guidance for Responsible Business Conduct, and can be summarized in 3 steps:

### 1. Mapping of risks.

The goal of the supply chain due diligence process is to map and assess risk.

We have established guidance and a tools in our QA-system to assess and classify risk related to suppliers quality-performance and financial performance.

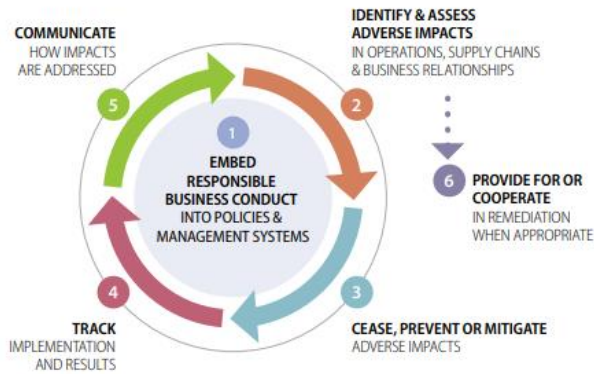
We also assess suppliers' location or geographic presence, with respect to global human rights and corruption index, and together with annual expenditure and track record, this allows us to prioritize our audit efforts towards suppliers with presumably higher risk, and where we have the highest potential to influence them to improve.

We classify the risks in low (green), medium (yellow), High (red) , and prioritize our effort accordingly.

### 2. Clear expectations.

The Umatec Group's Supplier Code of Conduct clearly states the minimum sustainability requirements for all our suppliers. The code is based on internationally recognised standards, such as United Nations Guiding Principles on Business and Human Rights and International Labour Organisation Convention (ILO) among others.

### 3. Support and development of suppliers.



Umatec Group have established guidelines for due diligence related to Human rights and decent working conditions and implemented the guidelines in the Groups QA-system,

Umatec Group is committed to carry out due diligence concerning fundamental human rights and decent working conditions throughout their supply chains.

These guidelines outline the measures which Umatec Group will enact in order to identify and assess adverse impacts, prevent and mitigate such impacts, track improvements and communicate any findings and results. The guidelines are a part of Umatec Group's efforts to embed responsible business conduct into policies and management systems which is implemented in Umatec Group's QA-system for supplier assessment.

Umatec Group carry out due diligence regularly and proportionately to the size of Umatec Group's enterprises, the nature of the businesses, the context of the operations, and the severity and propability of adverse impacts on fundamental human rights and decent working conditions.

Based on the information gathered in the initial scoping-phase, Umatec Group identify and classify the most significant risks and prioritize these as the starting point of more in-depth assessments, using a traffic light assessment.

*Red* signifies significant risk factors based on known information about the conditions in the country, sector or supplier.

*Yellow* signifies moderate risk based on known information about the conditions in the country, sector or supplier, or significant to moderate risk due to lack of information.

*Green* signifies little to no risk based on known information about the conditions in the country, sector or supplier.

The result of the scoping process shall be reviewed regularly, and whenever it is required due to new information.

Based on the prioritized elements of the initial scoping process, Umatec Group shall carry out more in-depth assessments of actual and potential adverse impacts to fundamental human rights and working conditions.

If potential or actual impact is detected in the supply chain, Umatec Group's general policy shall be to encourage improvements before termination of the business relationships.

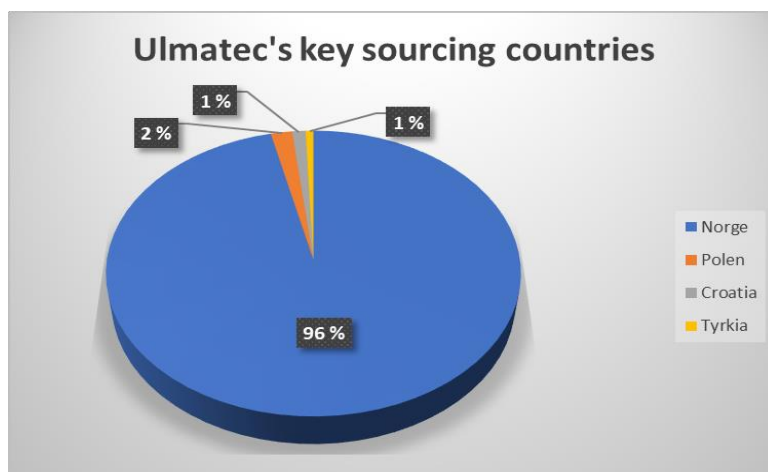
*Potential actions that shall be considered, is:*

- continuation of the relationship throughout the course of risk mitigation efforts.
- temporary suspension of the relationship while pursuing ongoing risk mitigation.
- disengagement with the business relationship either after failed attempts at mitigation, or where the enterprise deems mitigation not feasible, or because of the severity of the adverse impact.

Where Ulmatec Group chooses to continue the relationship with a supplier, the company will assist the supplier in developing and implementing plans to combat impacts and reduce risks, by establish a system to track implementation and effectiveness. Ulmatec Group shall implement a partnership approach in relation to main suppliers by proactively seeking continuous improvement.

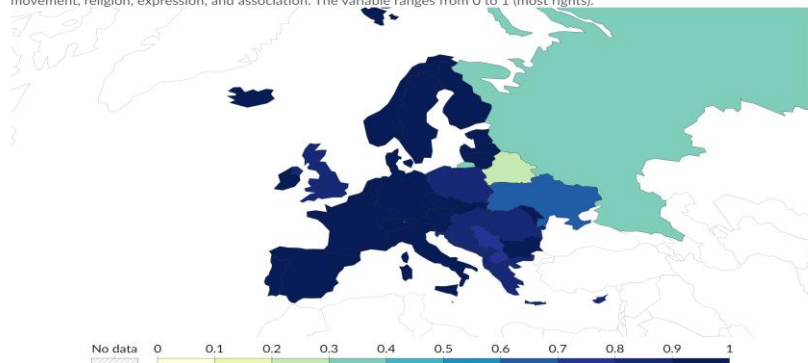
#### 4. Country risk based on global human rights and corruption Indexes

The Ulmatec Group has more than 100 active suppliers globally. More than 96% of the volume sourced in 2023 is sourced from suppliers located in Norway and northern Europe. These suppliers is classified as low risk (Green) related to human rights an corruption. 3% of the volume is sourced from suppliers located in Poland and Croatia and is classified as medium risk (Yellow) related to human rights and corruptions. See attached diagrams for Ulmatec’s key sourcing countries , and Human rights index 2022



#### Human rights index, 2022

Based on the expert assessments and index by V-Dem<sup>1</sup>. It captures the extent to which people are free from government torture, political killings, and forced labor; they have property rights; and enjoy the freedoms of movement, religion, expression, and association. The variable ranges from 0 to 1 (most rights).



Data source: V-Dem (2023)

[OurWorldInData.org/human-rights](https://OurWorldInData.org/human-rights) | CC BY

<sup>1</sup> V-Dem: The Varieties of Democracy (V-Dem) project publishes data and research on democracy and human rights. It relies on evaluations by around 3,500 country experts and supplementary work by its own researchers to assess political institutions and the protection of rights. The project is managed by the V-Dem Institute, based at the University of Gothenburg in Sweden. Learn more: Democracy data: how do researchers measure democracy? The 'Varieties of Democracy' data: how do researchers measure democracy? The 'Varieties of Democracy' data: how do researchers measure human rights?

## 5. Identified risks, findings and action implemented.

Per year end 2023, Ulmatec Group has completed the assessment of approx. 30 % of the groups 1<sup>st</sup> line suppliers, with focus on those with medium risk.

This is tedious work and will be continuing throughout 2024 to complete the assessment of the 1<sup>st</sup> line suppliers.

Our supply chain routines are based on that 1st.line suppliers take the responsibility for assessment of 2. line -suppliers, and reporting status.

If we, from their reporting, experience nonconformity to our guidelines or standards, we will act towards our 1<sup>st</sup>. line supplier to improve their assessment tools and routines.

The assessment conducted by the group in 2022 uncovered some suppliers of medium risk.

The due diligence conducted in 2023 was focused on these suppliers, and new information from these suppliers was obtained during that process. This information formed the basis for an improvement program, which will be followed up by the Ulmatec Group.

So far, no negative findings have been identified to a risk level (red) that suppliers have been abandoned from our supplier list.

For more information, please contact:

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