

Norwegian Transparency Act

Annual Report pursuant to Section 5 (1).

Reporting entity	Website	Reporting date	Reporting period
Ulstein Group ASA, Reg. no. 980 489 876	https://ulstein.com/	30.06.2023	01.07.2022 - 31.05.2023
A1. General description of the enterprise's structure and area of operations			
Description of the enterprise's own operations.			
Direct ownership structure (% ownership)	Ulstein Group ASA ("Ulstein") is a public limited liability company, owned by approx. 600 shareholders. Ulsmo AS currently holds 63,9 % of the shares and the 593 other shareholders holds the remaining 36,1 % of the shares. A complete overview of the largest shareholders at all times may be found at https://proff.no/		
Business area and subsidiaries	<p>Ulstein and its subsidiaries ("Ulstein Group") are organized in the following business areas:</p> <p>Business area Design & Solutions: Ulstein Design & Solutions AS, Norway (See independent NTA Report on Transparency Act / Openheitslova - Ulstein) Ulstein Design & Solutions BV, The Netherlands Ulstein Power & Control AS, Norway (See independent NTA Report on Transparency Act / Openheitslova - Ulstein) Ulstein Poland Ltd. Sp. Z.O.O., Poland Ulstein Marine Systems (Shanghai) Co. Ltd., China Ulstein Marine Equipment (Ningbo) Co. Ltd., China Ulstein Electrical Technology (Ningbo) Co. Ltd., China</p> <p>Business area Shipbuilding: Ulstein Verft AS, Norway (See independent NTA Report on Transparency Act / Openheitslova - Ulstein) Ulstein Elektro Installasjon AS, Norway</p> <p>Business area Shipping: Ulstein Shipping AS, Norway Blue Ship Invest AS, Norway</p> <p>Analysis and research: Ulstein International AS, Norway</p> <p>Digitalisation: Blue Ctrl AS, Norway</p>		
Products / Services offered (% of revenues)	<p>Ulstein was founded in 1917 and is headquartered in Ulsteinvik, Norway. Ulstein is a company comprising of several marine enterprises operating in the maritime industry. Ulstein Group offers a wide range of products and services, including ship designs, shipbuilding, equipment packages and maritime solutions worldwide.</p> <p>Ulstein Group's vision is to create tomorrow's solutions for sustainable marine operations.</p> <p>Ulstein Group's main areas of operation are Europe and South-East Asia. The split between the various business areas in terms of revenue per 31.12.2022 is as follows: Shipbuilding (57%) Design & Solutions (34%), Power & Control (5%), and Shipping (4%).</p>		
Description of the enterprise's supply chain			
Tier-1 supply chain (direct suppliers)	<p><u>257 Tier-1 suppliers in 10 countries and 36 industries</u> Norway (82%), Germany (5%), Poland (2%), Denmark (2%), China (2%), Netherlands (2%), Sweden, Finland, Austria, United Kingdom (Less than 1%)</p> <p>Machinery, Equipment (20%), Retail and wholesale (10%), Metals, Minerals (9%), Shipbuilding (9%), Construction (6%), Electronics (5%), Other (4%), Civil engineering (3%), IT / Software (3%), Financial and Insurance Services (2%), Automotive (2%), Chemicals (2%), Plastics, Rubber (1%), Utilities (1%), Transportation, Logistics (1%), Personal services (1%), Furniture (1%), Consulting services (1%), Textile, Clothing, Footwear (1%), Legal Services (1%), Cement, ceramics and glass (1%), HR services (1%), Wood, Pulp, Paper, Equipment rental, Food & Beverage, Research and development, Petroleum, Oil & Gas, Hospitality, Marketing and communication services, Social services, Real Estate, Computers, Telecommunication, Pharmaceuticals, Cultural and entertainment services, Medical technology (Less than 1%).</p>		
Tier-2+ supply chain (Indirect suppliers)	Mapping of the Tier-2+ Supply Chain was not performed through the Prewave system. However, mapping of certain Tier-2 suppliers has been performed on an ad-hoc basis, on basis of information received from our Tier-1 suppliers.		

Section A.
General description

A2. General description of guidelines and procedures for handling actual and potential adverse impacts

Identification and assessment of adverse impacts

Ulstein Group is committed to respecting internationally recognized human rights and decent work conditions in our own business operations as well as in our value chain. We endorse internationally recognised human and labour rights, including the Universal Declaration of Human Rights, the UN Convention on Civil and Political Rights and the UN Convention on Economic, Social and Cultural Rights, the ILO Declaration on Fundamental Principles and Rights at Work and ILO's core conventions. Ulstein Group further endorse the OECD Guidelines for Multinational Enterprises, the UK Modern Slavery Act and the Norwegian Transparency Act. Based on this we have carried out due diligence assessments and implemented a program to address industry-specific human and labour rights exposures, monitor possible impacts of our operations and to implement suitable measures in accordance with the Norwegian Transparency Act.

The risk analysis covering our own operations has been performed through a combination of self-assessments, regular internal audits and on-site inspections, and regular third-party audits in connection with certification and re-certification. Our largest subsidiary, Ulstein Verft AS is ISO9001 certified and in the process of being ISO14001 certified.

The risk analysis for Tier-1 suppliers has been carried out using Prewave's system (www.prewave.com) by generating information in real-time and applying a predictive risk approach based on several aspects of our suppliers' operations. Such aspects include the nature of the suppliers' business, such as the industry and country where the production takes place. The screening includes the last two years and aims to identify the severity and probability of any negative impact focused on human rights and decent working conditions. Based on such factors, each supplier is provided with a real-time score from 0 to 100, where 100 represents no detected or projected risks and 0 shows critical associated risks. The scores are also implemented in a risk analysis graph where Ulstein Group's possible impact on the relevant suppliers is considered on basis of yearly spend with the relevant supplier compared to such supplier's yearly revenue.

The human rights risk assessment was initiated by a broad scoping exercise to identify areas of the business, across countries and operations, including supply chain, where risk of adverse effect on human rights and decent work conditions are most likely to be present and most significant. The risk scoping exercise has been based on the OECD guidelines focusing on industry risk, geographical risk, product / service risk and company risk. The human rights risk assessment has focused mainly of the following 14 categories: child exploitation, child labour, discrimination, human rights violation, labour demonstration, labour dispute, labour rights violation, labour strike, modern slavery, sexual wrongdoing, protest/ demonstration, unethical labour, wage theft and worker suicide.

The assessment of working condition has focused mainly on the following 12 categories: accident, bomb threat, building collapse, disease, employee infection, explosion, fatality, fire, health & safety issues, injury, quarantine and shooting.

Based on the risk scoping a prioritizing was made based on severity and probability and a more detailed risk assessment has been carried out with the outcome as set out below.

Industry risk: The shipbuilding industry in general faces several challenges related to human rights and decent work conditions. The following risks are by industrial organisation considered key risks in the shipbuilding industry:

- Forced or risk of forced labour,
- Poor implementation and respect for basic QHSE work,
- Lack of decent payment for performed work by workers,
- Excessive use of overtime and lack of payment for performed overtime,
- Lack of satisfactory insurance / pension schemes, and
- Poor working and / or housing conditions for hired / immigrant personnel.

Geographic risk: To assess general country risk, we have used the Rule of Law Index and the Global Rights Index. The initial overall country risk assessment indicates that Turkey, Brazil, US, South-Korea and China are high risk countries for breach of human and labour rights and the following countries are medium risk: Poland, Bosnia and Herzegovina and United Kingdom.

Service specific risk: The deliverables from Ulstein Group includes vessels, equipment, material and services involving a wide range of suppliers located worldwide. Lack of visibility in suppliers' and sub-suppliers' supply chains in connection with production of materials and equipment may increase risk of undetected breaches of human rights and decent work conditions.

Reports on adverse impacts at the enterprise's own operations or in its supply chain are received through various channels: (1) Media monitoring, (2) Grievance reports and/or (3) Other channels (e.g., findings from audits, internal whistleblower reports, etc.). In the event of negative reports, the relevant case is assessed and evaluated on basis on its severity for the affected parties (e.g., irremediability of the incident, number of people affected, etc.) and the enterprise's own contribution, in order to determine whether the received report constitutes an actual adverse impact.

Significant risks for adverse impacts on human rights and decent work conditions in our own operations, in our business partners' operations and/or in our supply chain are identified through a risk-based assessment where each supplier or own subsidiary is classified as either low, medium or high risk based on a combination of country-, industry-, commodity-, media-, assessment- and grievance-based risk factors in the dimensions of fundamental human rights and decent working conditions. On a general basis, the risk assessment is carried out once per year. Additional risk assessments may be

		carried out on an ad-hoc basis in case of significant changes in the risk level, in our own operations and/or in our supply chain.
Implementation of suitable measures to cease, prevent or mitigate adverse impacts		<p>Suitable measures to cease actual adverse impacts are assessed on a case-to case basis and may typically include measures such as preparing and implementing corrective action plans, initiate supplier engagement and industry co-operation. The relevant measures are selected on basis of a combined determination of severity, own contribution, and our actual level of impact on actual remediation.</p> <p>Suitable measures to mitigate significant risks and prevent adverse impacts are assessed on a case-to-case basis and will typically include preventive measures such as contractual requirements (obligation to comply with the Code of Conduct for Ulstein's Business Partners), risk-based control measures (assessments, audits, media monitoring, etc.) and capacity building measures (awareness trainings, supplier engagement, etc.) based on a combined determination of probability of adverse impacts, the supplier's own contribution and our actual level of impact on mitigation.</p>
Guidelines and procedures		<p>The main principles for ensuring internationally recognized human rights and decent work conditions have been incorporated in Ulstein Group's Code of Conduct which have been approved by the Board of Directors and the executive management. Ulstein Group's guidelines and procedures includes the following documents:</p> <ul style="list-style-type: none"> • Code of Conduct for Ulstein Group • Code of Conduct for Ulstein's Business Partners • Guidelines on employer's obligation to control wage and work conditions (NO: "Påseplikt") • HSE Policy • Guidelines on Whistleblowing <p>Our guidelines and procedures are implemented to ensure that the principles set out in our codes of conduct are applied and followed-up towards our suppliers and business partners as relevant.</p>
		<p>Generally, the procedures are communicated internally and externally as relevant and training is provided on various topics in accordance with Ulstein Group's Compliance program. Further, we have implemented measures aimed at ensuring compliance with the requirements of our Code of Conduct, including:</p> <ul style="list-style-type: none"> • Identifying risks of causing or contributing to adverse impacts on human rights and decent work conditions through Ulstein Group's own activities and address such impacts when they occur, • Performing adequate due diligence processes to prevent such risks from materializing, • Seeking to prevent or mitigate adverse impacts on human rights or decent work conditions that are directly linked to Ulstein Group's operations or contributed to by its business relationships • Assessing, monitoring and reporting on progress and performance. <p>As a member of the UN Global Compact (UNGC) since 2013, Ulstein Group reports annually on UNGC's ten principles in the areas of human rights, labour rights, environment and anti-corruption. The report comes in the form of a UNGC questionnaire as well as a textual ESG Report.</p>
Channel for Transparency / Grievance requests		We encourage transparency and facilitates both internal and external reporting through several channels: etik@ulstein.com and telephone +47 954 43 335 (24-hour service) openheitslova@ulstein.com (https://ulstein.com/transparency-act)

Section B. Adverse impacts identified	B1. Information regarding <u>actual adverse impacts</u> identified		
	Number of actual negative impacts identified		
		<i>Fundamental human rights</i>	<i>Decent working conditions</i>
	Own operations affected	0	0
	Tier-1 suppliers affected	0	0
	Tier-2+ suppliers affected	0	0
	Description of actual negative impacts identified		
	Own operations	No actual negative impacts on Fundamental Human Rights or Decent Working conditions have been identified within our own operations in the reporting period.	
	Tier-1 suppliers	No actual negative impact was identified amongst Ulstein's Tier-1 suppliers in the reporting period.	
	Tier-2+ suppliers	No actual negative impact was identified amongst Ulstein's Tier-2+ suppliers in the reporting period.	

B2. Information regarding significant risks of adverse impacts identified

Number of significant risks of adverse impacts identified

	<i>Fundamental human rights</i>	<i>Decent working conditions</i>
Own operations affected	0	0
Tier-1 suppliers affected	0	0
Tier-2+ suppliers affected	0	0

Description of significant risks of adverse impacts identified

Own operations	No significant risks of adverse impacts on Fundamental Human Rights or Decent Working conditions have been identified within our own operations in the reporting period.
Tier-1 suppliers	No significant risk of adverse impact was identified amongst Ulstein's Tier-1 suppliers in the reporting period.
Tier-2+ suppliers	No significant risk of adverse impact was identified amongst Ulstein's Tier-2+ suppliers in the reporting period.

C1. Measures planned / implemented to cease actual adverse impacts

Measures planned / implemented to cease actual adverse impacts

<i>Type of measure</i>	<i>Description</i>	<i>Own operations</i>	<i>Suppliers</i>
Statement request	Statement requested from supplier on adverse impacts and status of remediation	N/A	N/A
Corrective Action Plan	Corrective action plan aligned with supplier containing remediation steps	N/A	N/A
Stakeholder engagement	Engagement and dialogue with affected stakeholders	N/A	N/A
Supplier engagement	Conducting worker surveys, establishing of grievance mechanisms at the supplier	N/A	N/A
Industry co-operation	Co-operation with industry peers for joint remediation with increased influence	N/A	N/A
On-site audit	On-site audit to inspect and control implementation of remediation measures	N/A	N/A
Awareness training	Conducting trainings for workers and/or management to build awareness	Yes* <small>* Preventive measure</small>	N/A

Description of results or expected results

No actual adverse impact was identified in Ulstein's supply chain.
--

C2. Measures planned / implemented to mitigate significant risks of adverse impacts

Measures planned / implemented to mitigate significant risks

<i>Type of measure</i>	<i>Description</i>	<i>Own operations</i>	<i>Suppliers</i>
Code of conduct	Written commitment to the enterprise's code of conduct	Yes	Yes
Maturity assessment	Assessing the maturity level based on publicly available certifications and policies	N/A	Yes
Self-Assessment	Self-assessment assessing the maturity of standards, policies and certifications	Yes	Yes
Media monitoring	Identification of adverse reports in public media using Artificial Intelligence	Yes	Yes
Awareness training	Conducting trainings for workers and/or management to build awareness	Yes	-
Stakeholder engagement	Engagement and dialogue with affected stakeholders	Yes	Yes
Supplier engagement	Conducting worker surveys, establishing of grievance mechanisms at the supplier	Yes	Yes
Desk Audit	Desk-based audit to inspect and control implementation of remediation measures	Yes	Yes
On-site audit	On-site audit to inspect and control implementation of remediation measures	Yes	Yes

**Section C.
Measures**

Description of results or expected results	
Own operations	<p>No significant risks of adverse impacts were identified in Ulstein's own operations.</p> <p>As preventive measures, we have developed a compliance program to enable our employees to ensure a sound follow-up on the requirements set out in our Code of Conduct. Our compliance program includes regular training on compliance for relevant employees, inter alia, dilemma and awareness training on the topics of labour rights, anti-discrimination, HSE and anti-corruption.</p>
Tier-1 suppliers	<p>No significant risks of adverse impacts were identified amongst Ulstein's Tier-1 suppliers.</p> <p>Several preventive measures have been implemented to reduce the risks of adverse impacts in our supply chain. This includes but is not limited to all suppliers having signed and being committed to comply with the Code of Conduct for Ulstein's Business Partners. Further, self-assessments through completion of Ulstein's Due Diligence Questionnaire has been completed by all suppliers. Our Due Diligence Questionnaire is designed to gather sufficient information from the relevant suppliers and their respective supply chains to enable Ulstein to carry out adequate due diligence assessments to identify adverse impacts on human rights and working conditions. Our Code of Conduct for Ulstein's Business Partners includes explicit requirements in the areas of, inter alia, fundamental human rights and decent working conditions, HSE, anti-corruption and bribery. Adherence to the principles set out in our Code of Conduct is tracked via media monitoring and stakeholder engagement.</p>
Tier-2+ suppliers	<p>No significant risks of adverse impacts were identified amongst Ulstein's Tier-2+ suppliers.</p>

Annual Report pursuant to Section 5 of the Norwegian Transparency Act

Signatures

We remain committed to respecting internationally recognized human rights and decent work conditions and we will continue to work systematically together with our employees and business partners to identify, prevent and/or mitigate actual and potential adverse impact to human rights and decent work conditions associated with Ulstein Group's operations as described above.

This annual account is issued by and signed by the board of directors and CEO of Ulstein Group ASA and is available on Ulstein Group's website ([Transparency Act / Openheitslova - Ulstein](#)).

Tore Ulstein Chair of the Board of Directors	Gunvor Ulstein Deputy chair of the Board of Directors
Olav Holst Dyrnes Board member	Maria Bos Board member
Ole Henrik Bjørge Board member	Cathrine K. Marti Chief Executive Officer