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The Transparency Act

Reach Subsea AS statement June 2023

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1 INTRODUCTION

Reach Subsea ASA (“Reach Subsea”, “Reach” or “the Group”) is a prominent offshore contractor that offer high quality solutions and technology to clients in need of ocean data and services. With a strong commitment to transparency and accountability, Reach Subsea has taken proactive steps to ensure compliance with the Transparency Act.

The Transparency Act, also known as the Transparency in Supply Chains Act, is a legislative framework aimed at promoting transparency and combating human trafficking, forced labour, and modern slavery in supply chains. Organizations are required to disclose their efforts in to identifying and addressing these issues within their operations and supply chains.

Recognizing the significance of these global challenges and the importance of ethical practices, Reach Subsea has adopted the Transparency Act as part of its corporate responsibility strategy. The company firmly believes in the principles of human rights, fair labour practices, and environmental sustainability.

By adhering to the requirements set forth in the Transparency Act, Reach Subsea demonstrates its commitment to upholding high ethical standards throughout its operations. The company ensures that its suppliers and business partners also align with these principles, fostering a responsible and sustainable supply chain.

Reach Subsea actively engages in due diligence to identify and mitigate any potential risks related to human trafficking, forced labour, and modern slavery. This includes robust supplier screening processes, regular assessments, and the implementation of strict supplier codes of conduct. The company maintains an ongoing dialogue with its suppliers to promote transparency and shared responsibility in addressing these critical issues.

Through training programs, Reach Subsea educates its employees and stakeholders about the importance of ethical practices and the prevention of human rights abuses. The company encourages open reporting channels and whistle-blower protection to ensure any concerns or violations are addressed promptly and remediated.

Furthermore, Reach Subsea is committed to continuous improvement and regularly reviews its policies and procedures to align with evolving best practices and regulatory requirements. The company collaborates with industry peers, non-governmental organizations, and relevant stakeholders to collectively promote positive change and advance responsible business practices.

In conclusion, Reach Subsea embraces the principles of the Transparency Act and proactively integrates them into its corporate strategy. By promoting transparency, ethical practices, and responsible supply chain management, Reach Subsea sets a benchmark for sustainable business in the offshore contracting industry operations.

2 ABOUT REACH SUBSEA ASA

Established in 2008, the core business of Reach Subsea is based on modern high-spec ROVs operated by highly qualified offshore personnel and supported by our competent onshore project management and engineering resources. Through targeted acquisitions and technology development Reach Subsea has broadened its offering into surveying and collecting seabed data, as well as analysing such data.

As a platform for performing the subsea services, Reach Subsea aims to utilize modern high specification subsea vessels.

Reach Subsea is an international company with its headquarter situated in Norway with offices in Europe, America and in the APAC. The operations are performed globally; North Sea, Baltic, Atlantic Ocean, Mediterranean, Gulf of Mexico and Caribbean are examples of areas where Reach are operating.

Reach Subsea is listed on the Oslo Stock Exchange (Euronext) and is subject to the laws governing Norwegian share ownership, financial reporting, the stock exchange, and securities trading. The company adopts the "Norwegian recommendation for ownership and company management."

Reach Subsea strives to be an industry-leading subsea operator within sustainability, based on a long-term goal of zero harm to personnel, the environment, and equipment. The management and Board believe that sustainability and long-term profitability go hand in hand. By continuing to focus on sustainable solutions risk will be reduced, transparency increased, and the use of our resources will be more efficient. In turn, profitability and financial solidity strengthen Reach as a reliable employer and service provider. Reach takes a proactive stance to ensure that our operations integrate the consideration of human rights, labour rights and social and environmental conditions.

Reach Subsea have since 2019 published an annual Sustainability report including sustainability goals and measured achievements. The annual Reach Subsea Sustainability Reports are available on our webpages www.reachsubsea.com.

3 PROCESS TO FULFILL THE TRANSPARENCY ACT

Reach Subsea has over the past year worked to map the requirements and any deviations within our operations.

A procedure, ref. REACH-ADM-WP-011 Safeguarding the Transparency Act, has been put in place to ensure that we fully adhere to the regulations.

The procedure applies to all activities concerning the Company's actions including;

- Promoting the Company's respect for fundamental human rights
- Ensuring decent working conditions in connection with the delivery of the Company's services
- Ensuring public access to information accordingly

The procedure of Safeguarding the Transparency Act is owned by our VP Group HSEQ, checked by VP Group HR and CFO, and finally approved by CEO.

The procedure outlines the key duties to comply with the Transparency Act and involves the following activities.

3.1 HOW REACH SUBSEA CARRIES OUT THE DILIGENCE ASSESSMENTS

The due diligence assessments shall be covered in accordance with the OECDs guidelines for multinational companies. In our sustainability report published 30th of March 2023, a stakeholder analysis is referred to involving shareholders, customers, employees, suppliers, business partners and society at large. Our assessments in accordance with the Transparency Act contain a review in relation to our stakeholders.

Reach Subsea has established a process to identify, assess and manage actual and potential risk. The risk assessments cover internal and external aspects and shall be prioritised based on probability and consequence.

The following steps has been followed:

- STEP 1: Identify risk areas based on geographical area of operation, evaluating local regulations, actual protection from the authorities, the maturity of the legal system, as well as industry related risk factors and performance measures.

- STEP 2: Do background checks / Evaluate business relationship involving, categorization of business relation based on identified risk areas and performing specific risk assessment of the business relations withholding the highest risks.
- STEP 3: Reinforce measures and continue dialogue in case of identified risks and lack of effective mitigating actions. This may include reporting and remediation requirements and in the worst-case sanctions or termination of agreement.
- STEP 4: Continuous follow-up, involving frequent dialogue with stakeholders, facilitate notification of negative impacts, collaborate to ensure effective measures, and perform frequent audits to verify implementation.
- STEP 5: Ensure corrective and preventive actions are in place to prevent repeating negative impacts.

For new business relations, Reach Subsea's requirements and expectations to the contracting party is set to ensure attention to basic human rights and working conditions. In case of unwanted risks, another contracting party shall be selected. If findings occur during an existing contracting period, we will cooperate to put forth corrective and preventive measures. Alternatively, in case of unwanted risks, termination of the contractual relationship will be considered.

3.2 ANNUAL REPORTING

In accordance with the Transparency Act, Reach Subsea will annually publish a report containing:

- A general description of the Company's structure, area of operations, guidelines, and procedures for handling actual and potential negative/adverse impacts on fundamental human rights and decent working conditions.
- Information regarding actual negative/adverse impacts and significant risks of negative adverse impacts, identified through its due diligence processes.
- Information regarding the measures the company has implemented or plan to implement to cease actual negative/adverse impacts or mitigate significant risks of negative/adverse impacts and the results of or expected results of these measures.
- The accounts shall be made easily available on the company's website www.reachsubsea.com.
- The account shall be referenced as part of the social responsibility chapter pursuant to Section 3-3 © in the Accounting Act.

3.3 INFORMATION REQUESTS

Reach Subsea has established a routine to manage requests for further information on how the company addresses potential and actual negative/adverse impacts, including actual negative/adverse impacts on fundamental human rights the company is familiar with. The information includes both general information and information related to a specific product or service offered by the company.

The right for information does not cover information that is classified pursuant to the Security Act or protected pursuant to the intellectual property rights.

Reach Subsea will reply to the requests in accordance with the regulation. Reply to any request shall be in writing, adequate, comprehensible, and provided no later than 3 weeks after the request for information was received.

4 FINDINGS

4.1 ACTUAL ADVERSE FINDINGS

Based on the STEP model and the investigations we have conducted so far; we have not discovered any violations of fundamental human rights or decent working conditions among our stakeholders. However, we acknowledge that certain areas pose a higher risk, and we recognize that our reviews may not uncover all hidden breaches or risks.

While we strive to conduct thorough assessments, we understand that there are inherent limitations and potential gaps in identifying all issues. Therefore, we remain vigilant and continuously work to improve our processes to better mitigate risks and ensure the protection of human rights.

Expanding on the due diligence process outlined in chapter 3, we have identified a range of improvements, with a specific focus on enhancing supplier documentation and commitments regarding human rights. Additionally, we have pinpointed several areas where increased efforts are required to raise awareness among our stakeholders and strengthen our procedures for effectively preventing and mitigating risks associated with human rights. These improvements demonstrate our dedication to continuously enhancing our practices and aligning with best practices in promoting and safeguarding human rights within our operations.

4.2 SIGNIFICANT RISKS

Although no breaches were detected during our assessments, we acknowledge that certain areas within our operations carry a higher risk of potential human rights violations. The areas we identify as having the highest risks are:

- As an international company with global operations, Reach Subsea recognizes that conducting operations in countries listed as high-risk in terms of human rights carries a corresponding elevated risk for our organization. We are aware of the potential implications and the importance of effectively managing human rights considerations within such contexts.
- Reach Subsea has a substantial number of suppliers compared to the available administrative resources. While a sizeable portion of these suppliers originates from

low-risk countries, the broad distribution increases the challenges in uncovering and mitigating potential risks and breaches. It should be noted that Reach Subsea also maintains supplier relations with companies located in countries categorized as high and medium risk in terms of human rights considerations.

- Over the past year, internal routines, and access to efficient, reliable data within Reach Subsea have faced challenges due to acquisitions, subsequent integrations, and overall growth. These expansions entail inherent risks associated with potential gaps in reliable data and resource limitations until systems are fully consolidated.

To mitigate the above-listed risks, we will prioritize promoting responsibility for human rights in our business relations. We will complete the planned audits for 2023 to thoroughly consider whether further actions towards these relations are necessary. Additionally, we will continue working to ensure proper follow-up of established routines while strengthening process efficiency and access to reliable data throughout the entire group.

5 STATUS FULFILLING THE REQUIREMENTS TO MEET THE TRANSPARENCY ACT

5.1 STATUS PROMOTING OUR COMMITMENT TO THE TRANSPARENCY ACT

The Reach Subsea Board of Directors, Management, and HSEQ department are fully dedicated to upholding compliance with the Transparency Act and undertaking the necessary actions identified in risk assessments and audits to actively promote human rights. This commitment has led to a broader recognition and inclusion of human rights as a vital aspect within the Group's agenda. By prioritizing human rights, we aim to foster a comprehensive and conscientious approach throughout our operations.

We acknowledge the necessity of setting goals, establishing procedures, and implementing measures to effectively translate plans into actions. To ensure compliance with the Transparency Act, Reach Subsea has implemented an internal procedure specifically designed to safeguard adherence. This procedure aims to facilitate thorough follow-up and ensure that the required standards are met.

We acknowledge the significant role our company policies play in effectively communicating our commitments and expectations to all stakeholders. Considering this, Reach Subsea has conducted a thorough evaluation of our existing policies and subsequently revised them to place a stronger emphasis on human rights. This proactive approach demonstrates our dedication to upholding and promoting human rights throughout our operations.

We recognize that all stakeholders must actively engage to facilitate progress, and this begins with understanding expectations, risks, and opportunities. To support this, Reach Subsea has established ReachED, our internal employee educational portal. ReachED offers a range of courses covering areas such as HSE, code of conduct, anti-bribery, and operational specifics. Moreover, we have developed an educational program focused specifically on the Transparency Act and how Reach Subsea addresses relevant concerns. This program is mandatory for all employees within the Reach Subsea group.

Through establishing expectations for Transparency Act compliance, we not only promote the belief that embracing social responsibility is the sole route to business success but also actively utilize our influence supporting initiatives that uphold and advance human rights. The Reach Subsea Supplier Declaration is updated to include commitments to human rights in alignment

with the Transparency Act. All suppliers are required to sign this document when initiating or continuing a relationship with Reach Subsea.

In conclusion, we recognize the need to reinforce and expand our communication plans in line with our commitment to the Transparency Act. To fulfil this requirement, we have allocated additional resources to strengthen our communication efforts. Furthermore, we have integrated the promotion of human rights into our overarching communication plan, emphasizing our dedication to effectively communicate our values and initiatives to all stakeholders.

5.2 DILLIGENCE ASSESSMENTS

Our diligence assessment process involves several steps. We have evaluated Reach Subsea's overall compliance with human rights using the OECD's Responsibility Compass. Our evaluation determined that our procedures are well-established due to our adherence and certification in accordance with ISO standards for HSE, Environment, and Quality.

We are in the process of sending the updated Supplier Declaration to all active suppliers. Furthermore, we have conducted a comprehensive evaluation of our vendors and business relationships in terms of risks in relation to human rights. In total, Reach Subsea has 1994 vendors registered in the system, with 1606 originating from Northern Europe. These countries operate under legal systems that demonstrate maturity in terms of human rights.

Conversely, we have reviewed our international business relationships with reference to UNEP Finance Initiative - Human Rights Guidance Tool for the Financial Sector, high risk and medium risk countries in relation to human rights. We have identified five suppliers on the category A list and six suppliers on the category B list. Further, we have categorized suppliers as per existing audit routines taking HSE, Environmental and Quality factors into consideration. These are categorized due to factors such as company size, responsibilities, and services provided.

We acknowledge the importance of enhancing our emphasis on human rights throughout our auditing processes. To align with the requirements of the Transparency Act, we have updated our auditing procedures and questionnaires to encompass the necessary elements related to human rights. This proactive step ensures that our audits effectively address and evaluate human rights considerations.

Based on our risk analysis we have selected fifteen business relationships for auditing in 2023. We have requested documentation from these companies and plan to finalize the audits during the second half of 2023.

As mentioned in chapter 4, our primary focus will be on completing the ongoing audits of our business relationships and ensuring that established procedures are diligently followed up on. These actions are crucial to maintaining the integrity of our operations and mitigating any identified risks. By prioritizing these tasks, we aim to uphold our commitment to transparency, accountability, and the promotion of responsible business practices.

5.3 ANNUAL REPORTING

This report represents our initial submission for the annual reporting in compliance with the Transparency Act. The approved report will be accessible on the Reach Subsea website www.reachsubsea.com. As we continue to make progress, we will regularly update the report with new milestones and developments.

5.4 INFORMATION REQUESTS

Reach Subsea has implemented procedures to address requests for additional information. The contact information for such requests is provided on the company's website. These inquiries are directed to the HSEQ department, which consists of six employees. A process and checklist have been established to ensure that responses align with the necessary requirements. As of the current date, Reach Subsea has not received any information requests.

5.5 CONTINUED IMPROVEMENT

The Reach Subsea HSEQ team will continue the work to continuously improve our routines in relation to human rights and to ensure fulfilment of the Transparency Act.

This statement is completed in line with the Reach Subsea Group internal document approval process.

29 June 2023

Sigbjørn Aga, VP Group HSEQ

Jostein Alendal, CEO