

Scana ASA – Transparency Act Report 2024

This report has been prepared, according to the requirements in the Norwegian Transparency Act (the “Transparency Act”) section 5 and summarizes the policies and procedures in Scana ASA with respect to safeguarding of human rights and decent working conditions and provides information on the implementation and results of Scana’s due diligence. The report covers the accounting period Y2023.

1. About Scana ASA

Scana is a listed industrial owner company in the ocean industries creating value through active ownership in market-leading portfolio companies. Our vision is to accelerate decarbonization of the maritime and offshore sector by being a driving force in electrification and emission reduction solutions. Scana’s portfolio companies have a solid innovation and commercialization history based on core competence in selected niches. Scana is headquartered in Bergen and the companies within the group have in total around 500 employees.

1.1. Business areas

Scana’s subsidiaries are sorted into two divisions:

Offshore

Our portfolio companies in the offshore segment provide technology and services to the traditional oil and gas industry, shipping, renewable energy, and aquaculture. Their offering includes rig services, IMR lifecycle services, ISS services, BOP and well control, riser applications, wear solutions, mooring solutions, and valve control systems.

PSW Technology – PSW Solutions – West Asset Management - Subseatec - Seasystems - Skarpenord

Energy

In the energy segment, our portfolio is spearheading the transition to renewable energy sources with technology solutions and services for energy storage, shore power, energy infrastructure, energy modules and solar power.

PSW Power & Automation

See the business areas in Scana ASA and the portfolio companies below in more detail in *attachment A*.

2. Our human rights due diligence process

Scana has assessed the efforts that were implemented and planned for safeguarding human rights and decent working conditions in the parent company as well as by our subsidiaries. Ethical guidelines are in place and communicated in all subsidiaries, as well as to the subsidiaries' relevant suppliers.

The commitment to the Transparency Act is anchored within Scana ASA management and Board of Directors, as well as management and boards of directors in the subsidiaries.

Scana ASA and the subsidiaries have performed their human rights risk analysis in Q4-2022, with an update and assessment for relevant changes for 2023 in Q1-2024.

2.1. Governing documents

Our [Ethical Guidelines](#) ensure that our ethical values are communicated and integrated in all companies in the group. Scana and subsidiaries have the same expectations of ethical conduct towards our suppliers and their subcontractors. In 2023 it was decided that the group's ethical guidelines also will apply to all companies that supply products and/or services to Scana and/or our subsidiaries.

In 2023, Scana introduced a group policy for human rights to ensure that human rights and labor law requirements are followed in the supply chain. It is expected that the risks that have been uncovered through due diligence assessments will set new requirements for the subsidiaries' supplier assessment activities. This will be considered as part of the ongoing work on continuous improvement.

We continuously work to anchor the requirements in our Ethical Guidelines and policies in our business, among other things through e-learning, and by including human rights and decent working conditions in our internal routines and guidelines.

In brief:

- We have drawn up a human rights policy at Scana ASA level, which is implemented in all subsidiaries. The ultimate responsibility for implementation and follow-up rests with the companies' management and board. Accountabilities related to this policy are anchored in the companies' management systems and routines.
- We communicate our policies to our own employees and other relevant workers, e.g. during staff orientation, training and e-learning periodically, as needed to maintain awareness.
- We have established routines for carrying out due diligence assessments in our supply chain and towards business partners.
- We follow up on information about consequences, negative impacts, and significant risks caused by our operations.

Read more about the implementation activities in Scana ASA and the portfolio companies in

attachment B.

2.2. Responsibility and accountability

The Board of Directors in Scana ASA has the overall responsibility for the management of the company, including oversight of risks related to adverse impact on human rights and decent working conditions. The Board strives to ensure that respect for human rights and decent working conditions are systematically integrated into our policies, investment decisions, and in the active monitoring of the subsidiaries.

Our Audit Committee supports the Board in executing oversight over the management of the company and has been given a review role related to ESG topics, including risk of adverse impacts on human rights and decent working conditions. ESG topics are included in the annual report.

The responsibilities and the implementation processes of the Transparency Act are anchored with, and approved by, the Board in Scana ASA and the boards in the subsidiaries. Status is regularly reported to enable monitoring of progress.

The CEO of Scana ASA is responsible for the daily operations of the company. This includes policy implementation and ensuring that ESG impacts are taken into consideration as part of the company's daily work. Policy implementation in the subsidiaries is the responsibility of the respective managing directors in each of the companies.

The implementation processes, including supporting the implementation activities in the subsidiaries, training activities, and establishment of risk-based assessment, monitoring, and control procedures are supported by Scana ASA's QHSE and Sustainability Manager.

Scana ASA's QHSE and Sustainability Manager is responsible for handling of information requests under the Transparency Act, as per the new Information Request Procedure implemented in May 2023, as part of the implementation process of the Transparency Act.

A notification ("whistle blowing") channel is in place via a dedicated e-mail address, supported by a notification process. Scana ASA's General council is appointed as responsible for following-up whistleblowing cases.

2.3. Mapping and assessment of negative impacts

Through our human rights due diligence process, we observe that risks of adverse impact on human rights and decent working conditions are highly country specific.

- With regards to the industries in which we operate, our exposure is centered around the maritime industry, oil and gas industry, and the renewable industry.
- Some subsidiaries have included country risks in their supplier risk assessment, to give an indication of the related risks specific to certain sectors and countries. Said assessment is considered for routinely implementation in all subsidiaries to better understand the inherent country and sector risks to human rights and decent working conditions.

As a part of the Supplier Due Diligence process, the following elements are included (where relevant):

- Supplier information
- Financial numbers
- Quality, HSE and Environmental systems and statistics
- Corporate Social Responsibility
- Conflict Minerals
- Country and sector risk

Suppliers will be assigned risk scores based on the assessment, as well as a risk score based on the countries in which the company, production, and subcontractors are located. This assessment is performed by the subsidiaries with respect to their own portfolio.

Scana and the subsidiaries participate in the “Tradebroker” joint procurement scheme and have access to the “Ignite” web-based portal for supplier assessment, including industry risk, geography risk and social risk.

2.4. Scana ASA – status of human rights due diligence assessment

Scana ASA’s core business is to invest in companies, as well as to own and operate the companies that at any given time are part of our portfolio. We apply our due diligence process to our relationships with our business partners and to our own suppliers where relevant. On Scana ASA level, the most prominent human rights related risk lies with our suppliers of consulting services.

- **Consulting services:** The supplier(s) might not, or only to an insufficient degree, safeguard(s) employee rights, such as the right to enough time off (working and rest time), employment contracts in accordance with laws and regulations, rights to notice and stop work, right to safe work and health-related follow-up. Said behavior could indirectly affect Scana ASA, particularly in terms of reputation. The suppliers to Scana ASA are preliminary Norwegian suppliers. Some breaches of the Norwegian labor law could occur, but we do not consider there to be any need for immediate measures against these suppliers.

As part of selection of and cooperation with our suppliers, we review the likelihood of these risks occurring. We have prepared and assessed a list of plausible scenarios that may be affected by our business, like the violation of human rights, discrimination and the violation of the Working Environment Act.

2.5. Scana Subsidiaries – status of human rights due diligence assessment

For our subsidiaries’ supply chains, the most prominent human rights-related issues are working environment-related. Providing external influence, supplier assessment and follow-up will act preventively to the occurrence of violations of human rights.

As a part of the ISO certification, the subsidiaries have established pre-qualification and follow-up systems for their suppliers. Most of the direct suppliers are from the Nordic countries and the EU, though some components are procured from outside the EU. Through our Ethical Guidelines, we

clearly communicate the expectation that our suppliers follow ethical business conduct, as can be found in e.g. UNGP, the OECD's guidelines for responsible business and the ILO's core conventions for decent working conditions. Our expectation for our suppliers is that they will act accordingly and require the same from their own supply chain.

The following Human rights related risks can be summarized for Scana ASA's subsidiaries:

- **Labor intensive, project related work:** In projects there are inherent risks of adverse impacts due to labor intensive working periods often executed with contracted workforces.
- **Raw materials / Conflict Minerals:** Mining and processing of minerals and metals are associated with high inherent risk of adverse impacts due to the nature of such operations and their locations.
- **Country risk:** Adverse impacts associated with the supply chain of renewable energy, and in particular any exposure to high-risk markets.
- **Procurement:** involvement in and delivery of products and/or services from countries with weaker human rights and worker conditions regulations, including higher inherent risk due to increased use of hire-ins and contracted workers.
- **Transport:** Adverse impacts may occur in a global supply chain, where materials, components, and finished products are transported across national borders. This is an area that is little mapped and documented, mainly because in many instances the customer is responsible for shipping and transport.

2.6. Mitigation of risk and our way forward

QHSE functions in the subsidiaries carry out human rights due diligence processes, supplier risk assessments, random sampling from suppliers' management systems, and supplier audits according to local routines. The group's QHSE & Sustainability Manager has consolidated due diligence assessments of the subsidiaries together with the parent company with the intention of getting an overall overview of the human rights issues in the supply chains. The subsidiaries have entered into a procurement initiative called "Tradebroker" that includes supplier follow-up and assessment.

2.7. Whistle blowing and notification

We have processes in place to enable the reporting of violation (and the potential violation) of human rights and decent working conditions. The whistle-blowing policy provides guidelines for anonymous notification, and we strive to resolve issues at the lowest possible level. In 2023, a group-wide whistleblowing and notification e-mail was established, published on our corporate homepage: <https://scana.no/sustainability/transparency-act/>

If violations of human rights or decent work are discovered or suspected by a supplier or subcontractor, we require to be informed of this immediately. We intend to include this as a requirement in new contracts with suppliers.

If potential or actual breaches in the supply chain are discovered either by us or by the supplier, we follow up through dialogue with the supplier in question and possibly affected stakeholders. If the breach is not addressed within a reasonable time, this should lead to contractual consequences.



Scana ASA and the subsidiaries work closely with our suppliers and will take an active role in dialogue and the implementation of measures required to fulfill the needs for basic human rights and decent working conditions.

2.8. Cooperation

We support the work for increased transparency and combating human rights violations in local and global supply chains, and we will cooperate with industry organizations, authorities, and civil society where this is relevant.

Annually, we will re-visit our due diligence assessments, and compare these with actual events and new knowledge regarding violations of human rights and decent working conditions.

We follow up on the implementation and results of measures and target achievement in due diligence assessments and assess the effects of the measures. We collect and analyze feedback and experiences made in the work with due diligence assessments, to improve the process and results in the future. We aim to establish collaborative projects with business partners and the unions' representatives where relevant to mitigate adverse impacts in challenging areas.

2.9. Communication of adverse impacts on Human Rights

We will communicate relevant information about our work with human rights due diligence assessments internally and externally, including on our websites.

We will summarize the results in an annual report (this document), including information on implementation status of policy and systems, prioritized risk areas, and explain the reason for prioritization. We will also mention measures to manage risk and rectify damage, how it is followed up, and the results of the work that has been done.

2.10. Process for remediation of adverse impacts on Human Rights

If Scana ASA or one of the subsidiaries should find that the company has caused or contributed to actual adverse impacts, the damage must be dealt with by ensuring restoration and compensation of this damage, cooperating with third parties where relevant.

Concrete examples of this can be through support and help, a public apology, or that damage is rectified in some other way. In cases where there is an impact on human rights that we have caused or contributed to, we undertake to include the affected stakeholders in the dissemination of the information that concerns them.

Scana ASA and the subsidiaries have established grieving mechanisms for internal and external parties, for example internal complaint mechanisms for employees (Non-conformance reporting systems, whistle blowing system) or complaint mechanisms via a third party (e.g. company health service) and handling of complaints from customers or other interested parties. Employee representatives and trade unions are typical stakeholders who take part in cooperation on



recovery, compensation, and grievance arrangements.

2.11. Inquiries

Inquiries and questions related to Scana's work with human rights and decent working conditions may be addressed to the company via a dedicated e-mail address on our internet homepage. We strive to reply no later than three weeks after the inquiry is received, according to our applicable procedure: <https://scana.no/sustainability/transparency-act/>

Bergen, (date)

CEO Scana ASA

Chairman of the board

3. Attachments

3.1. Attachment A: Scana ASA activities and subsidiaries' activities

Business area	Description of activities	Responsible
Finance	Capital management, fund management, risk management, investment management.	CFO
Purchasing	Purchasing and hiring on behalf of Scana ASA. Establish framework contracts for the companies and contracts for own purchasing at Scana ASA level.	COO
IT Systems	Purchase of IT equipment and IT services (cloud-based services) for Scana ASA	IT Manager
HR	Employment and follow-up of permanent and temporary employees in Scana ASA.	CEO
Legal	Advisory capacity with regards to legal issues	General Counsel
Subseatec	Risers – SCR & TTR Pipe & flow lines, Bodies, Subsea engineering	Managing director Subseatec
Seasystems	Mooring systems for floating wind, oil & gas and fish farming.	Managing director Seasystems
Skarpenord	Actuators, Solenoid valve cabinets, Hydraulic power units Computerized valve control	Managing director Skarpenord
PSW Solutions	Sandblasting and surface treatment, Metallization Repair of buoyancy equipment Complete NDT (non-destructive testing) services Inspection of lifting equipment both onshore and offshore	Managing director PSW Solutions
PSW P&A	Topside products and power systems Electrical infrastructure and energy solutions Specialists within the offshore, yard, marine and land-based industry, Onshore power systems and energy storage systems	Managing director PSW P&A
PSW Technology	Rig services, Capping services Equipment support, Make and break services Welding, Machining, Mechanical work Asset integrity, maintenance and modification services Electrical services on- and offshore	Managing director PSW Technology
West Asset Management (WAM)	Asset management, operation and maintenance for office- and industrial properties.	Managing Director WAM

3.2. Attachment B: Implementation activities in Scana ASA and the Subsidiaries

Business area	Description of activities	Responsible
Scana ASA Corporate governance and strategy	<p>Scana ASA follows the UN's guiding principles on businesses and human rights, and the OECD's guidelines for responsible business conduct.</p> <p>In our human rights policy, we have clearly stated that we shall not contribute to violations of human rights, we shall safeguard workers' rights and comply with relevant national- and international legislation. In addition, policies have been drawn up for ethical behavior (ethical guidelines), anti-corruption and sustainability.</p> <p>In order to prevent negative impact or breaches of policies and guidelines, we have routines for handling reports of concern (Whistle Blowing), as well as routines for notification of unwanted events.</p>	CEO, Sustainability Manager
Finance	To consider our impact on business relationships and the potential violation of human rights of business relationships.	CFO
Scana ASA Purchasing	The Scana companies are a part of the "Tradebroker" procurement solution, including the "ignite" supplier assessment solution.	COO, Sustainability Manager
Scana ASA IT Systems	The supplier of IT services and equipment is selected based on its commitment to sustainable procurement and supplier follow-up.	IT Manager
Scana ASA HR	We comply with regulatory requirements in all stages of the HR process, from employment, employee follow-up, mobility, to end of employment. We have routines in place for notification ("whistle blowing policy").	CEO
Scana ASA Sustainability	We have prioritized four of the UN's sustainable development goals, including the goals 5 – gender equality, 8 – decent work and economic growth, 12 – responsible consumption and production and 13 – climate action. Sustainability policy is developed and communicated, and sustainability is a part of our annual report. Several KPI's are in place to work towards the goals.	Sustainability Manager

Subseatec	Scana ASA policies are implemented, and the companies have identified sustainability goals as an integral part of the companies' strategies.	Managing director Director of Subseatec
Seasystems	The companies have prepared an assessment of their stakeholders as part of their ISO certification (ISO 9001:2015)	Managing director of Seasystems
Skarpenord		Managing director in Skarpenord
PSW Solutions	Scana ASA policies have been implemented and ethical guidelines and anti-corruption training is in place, communicating expectations of ethical behavior to the company's employees.	Managing director in PSW Solutions
PSW P&A	Sustainability is an integral part of the company's strategy. The companies have Safety Delegates, Shop Stewards, and established Working Environment Committees (AMU) to ensure dialogue between employees and management.	Managing director in PSW P&A
PSW Technology	The companies are certified according to the ISO standards 9001 (quality), 14001 (external environment) and 45001 (working environment).	Managing director in PSW Technology
West Asset Management	Scana ASA policies have been implemented and ethical guidelines and anti-corruption training is in place, communicating expectations of ethical behavior to the company's employees. Sustainability is an integral part of the company's strategy.	Managing director in West Asset Management