

Norwegian Transparency Act Statement

1. Introduction and basis for the Statement

The Norwegian Transparency Act¹ is based on UN's Guiding Principles on Business and Human Rights (UNGPR) and OECD's Guidelines for Multinational Enterprises.

Fearnley Securities AS' Transparency Act Statement for the financial year 2023 describes how Fearnley Securities is organized, our guidelines for handling actual and potentially negative consequences for fundamental human rights and decent working conditions, as well as our due diligence assessments on fundamental human rights and decent working conditions.

Our Transparency Act Statement has been created to provide a public statement in line with the requirements that follow from the Norwegian Transparency Act. The statement may be updated periodically, and the most recent version of the Statement will be available on Fearnley Securities' website.

2. About Fearnley Securities

Fearnley Securities ("Fearnley Securities" or the "Company") is part of the Astrup Fearnley group (the "Group"). The parent company of Fearnley Securities is SHRA Art AS, which in turn is owned by Stiftelsen Hans Rasmus Astrup.

Fearnley Securities is a Norwegian full-service securities firm, regulated by the Financial Supervisory Authority of Norway, with membership on the Oslo Stock Exchange. We currently have offices in Oslo, New York, London and Singapore. The Company was founded in 1987 on the premise to capitalize on the long maritime traditions, strengths, and resources within the broader Group. Hence the Company's focus has traditionally been on asset heavy energy and maritime-related industries such as shipping, offshore, oil and gas, which in recent years has been successfully expanded to include renewable energy, aquaculture and real estate.

Fearnley Securities offers services within brokerage and research of equities and fixed income securities, investment banking services as well as project finance products geared towards real estate, shipping, and business management of syndicated projects.

3. Principles and Policies

Fearnley Securities has a strong focus on corporate governance, integrity and high ethical standards. The Company does not accept any form of harassment, discrimination or bullying within the Company or its supply chain.

¹ Lov om virksomheters åpenhet og arbeid med grunnleggende menneskerettigheter og anstendige arbeidsforhold (åpenhetsloven)



Fearnley Securities is highly committed to strengthening our existing policies to conduct business in accordance with the Norwegian Transparency Act, as well as respecting fundamental human rights and decent working conditions as set out in the International Bill of Human Rights.

Fearnley Securities is obliged to comply with the code of business conduct determined for the individual markets, including ethical standards stipulated by the Norwegian Securities Dealers Association. This is also incorporated in our General Business Terms.

Relevant policies from our website

[Sustainability Policy](#)

[SFDR Compliance Disclosure Statement](#)

[Code of Conduct](#)

4. Risk Assessment of Fearnley Securities

4.1. Introduction

Fearnley Securities is obliged to conduct a company-wide assessment on the promotion of fundamental human rights and decent working conditions to identify, assess and understand the risks that our operation may have resulted in, or has resulted in, negative consequences for such rights and working conditions. The obligation follows from the Norwegian Transparency Act, and the assessment must be updated minimum annually, or more frequently if deemed necessary.

The Norwegian Securities Dealer's Association (VPPF) has, together with a reputable Norwegian law firm, developed an assessment and a draft routine in order to assist member entities that are classified as investment firms and banks in their work to comply with the Norwegian Transparency Act's obligations. Fearnley Securities' assessment is based on this material prepared by VPPF.

The Company Assessment seeks to provide an analysis of our existing and potential negative consequences on fundamental human rights and decent working conditions that arise, or may arise, from our business activities. This includes an assessment of our supply chain and business partners. The aim of the assessment is to propose mitigating measures to reduce Fearnley Securities' negative impact.

4.2. Organisation – Employees and Location of Offices

Across Fearnley Securities' four office locations in Oslo, New York, London and Singapore, we currently have more than 100 employees. Of these, two are employed part time whereas the rest are full time employees. Approximately 95 % of our employees work in Fearnley Securities' headquarters in Oslo. All full-time employees across our office locations are covered by a health insurance program.



The countries where our offices are located are characterized by well-developed regulatory frameworks. There is a low presence of conflict with fundamental human rights in these countries, which also implies a general low risk of actual or potential adverse impacts on fundamental human rights and decent working conditions.

Fearnley Securities has integrated fundamental human rights considerations in our [Code of Conduct](#), as well as other relevant policies as mentioned in section 3 of this Statement.

Fearnley Securities has implemented an internal reporting channel for our employees who want to raise concerns regarding questionable conditions or practices within the Company and the Group. This includes a whistleblowing reporting channel.

Our employees have an independent responsibility to be compliant and are expected to report if they experience questionable acts that break laws, regulations, internal and external policies, including breaches of the Norwegian Transparency Act.

Based on these mentioned measures which have been implemented and highlighted throughout the organization, we consider the risk of our activities leading to actual or potential negative consequences or impacts on fundamental human rights and decent working conditions to be low.

4.3. The Securities Business

Fearnley Securities' business model in Securities is to assist clients with capital raising and secondary trading in securities.

Among the risks that Fearnley Securities continuously assesses throughout our business, is industry and sector risks, geographical risks and other relevant aspects, such as corruption, that may have a negative impact on fundamental human rights and decent working conditions.

When assessing sector risks, Fearnley Securities assess whether a client or issuer operate within a sector which has known weaknesses when it comes to upholding fundamental human rights and decent working conditions.

Geographical risk is also a risk factor that must be taken into account if a client or an issuer we are intending to do business with is located in a jurisdiction which is known for weaknesses relating to governance, rule of law and/or known issues relating to upholding and protecting human rights.

Other risk factors that may have an impact on fundamental human rights and decent working conditions, such as corruption or other forms of non-compliance, negative media coverage etc, are also evaluated.

For our brokerage, research and project finance investment services within securities, our overall due diligence assessment is that the risk for our business to negatively affect the promotion of fundamental human rights and decent working conditions is low.

4.3.1. Risks in relation to capital raising

Fearnley Securities assist clients in capital raising, advisory services relating to mergers and acquisitions, fairness opinions and valuations. The provision of investment recommendations and other forms of research products and services are regulated investment services, and the Securities Business is subject to supervision by the relevant Financial Supervisory Authorities for each office location. Most of our business is currently in Norway, and we have an international client base with clients operating in several different industries and jurisdictions.

Within our due diligence assessment for responsible business conduct, we have identified a certain amount of risk that Fearnley Securities can negatively impact fundamental human rights and decent working conditions through potential adverse impacts.

Fearnley Securities considers the risk for a significant potential adverse negative impact on human rights and decent working conditions to be limited to capital raising in the primary market, and to circumstances where the capital raising assignment is connected to projects or limited business that may have a negative adverse impact.

An identified example is an instance where Fearnley Securities is doing a capital raise for an issuer that operates in a jurisdiction where there are known breaches of recognized rules and norms in relation to child labour.

We consider the risk of being misused in an Investment Banking assignment in a way that would pose a risk for negative adverse impacts on human rights and decent working conditions to be low.

4.3.2. Risks in relation to the offering of investment advice

Fearnley Securities offers the investment service of providing investment advice to clients. We have identified a limited amount of risk in relation to the service that may pose negative adverse impact for fundamental human rights and decent working conditions.

We consider the risk of substantial impact through the offering of investment advice to be low, and to be limited to situations where Fearnley Securities offer advice on investments in, or make investment decisions, related to newly issued products that

relate to financing of one-off projects that involve a direct risk of negative adverse impact to fundamental human rights and decent working conditions.

By providing investment advice Fearnley Securities is considered a producer/distributor of the financial instruments in accordance with Norwegian regulation². In accordance with Norwegian securities regulation³, Fearnley Securities are subject to product governance requirements. The product governance requirements impose Fearnley Securities to have internal processes to evaluate and approve products that are a part of the company's product range.

Fearnley Securities considers the measures of the handling of new products through the Product Approval Committee to be a sufficient measure to handle the potential adverse impacts that our business in relation to the offering of investment advice may cause. The Product Approval Committee will, when assessing a new product, take into account the same risk factors as mentioned in regard to capital raising when it comes to the potential adverse impacts on fundamental human rights and decent working conditions – if the necessary information to make such assessments is available to the Committee. If the Deal Committee already has assessed the relevant risk factors in their handling of the project, a new assessment by the Product Approval Committee will not be deemed necessary.

4.3.3. Receiving and conveying orders on behalf of Clients, and Order Execution on behalf of Clients

These services are of a technical nature, and will to a very limited extent be able to create possible negative adverse impacts on fundamental human rights and decent working conditions. Specified due diligence for these services therefore will be of lesser importance for the Securities part of Fearnley Securities' business.

4.3.4. Account trading on behalf of Fearnley Securities

Self-trading in general may pose risks for potential adverse impacts on fundamental human rights and decent working conditions, seeing how this direct financing method for issuers. Fearnley Securities will very rarely be doing self-trading in financial instruments in the primary markets, unless it happens as part of the placement of capital on behalf of an issuer client.

4.3.5. Ancillary services

Fearnley Securities offer ancillary services as defined in vphl. §2-6, in addition to other investment services as mentioned above. The common denominator for our ancillary services is that it mainly involves services that do not require a license from the National Financial Authorities, but that are connected to the investment services we provide.

² Verdipapirforskriften kap. 9

³ Verdipapirhandelloven §9-19 og verdipapirforskriften kap. VII

Examples of such ancillary services include capital market transactions and financing of other activities, such as advisory services for strategic purposes (e.g. advisory services in relation to mergers and acquisitions that do not involve placement services), research, storage of financial instruments etc. Due diligence for these services are mostly handled in the same manner as for the other investment services Fearnley Securities provides.

4.4. Business Management

Fearnley Business Management AS (FBM) is a subsidiary of Fearnley Securities that mainly provides accounting services as well as business management services for clients of Fearnley Securities. The services are regulated by the Norwegian Financial Supervisory Authority. Suppliers and business partners of FBM mainly coincide with Fearnley Securities', and FBM is expected to follow the same methodology as laid out in Fearnley Securities' guidelines for the Norwegian Transparency Act.

5. Risk Assessment of Supply Chains and Business Partners

Fearnley Securities conduct assessments of supply chains and business partners, to identify actual or potential negative impact on fundamental human rights and decent working conditions. The mapping and assessments of supply chains and business partners follow a risk-based approach based on the nature, size and complexity of the suppliers and business partners. The assessments are normally based on the following factors:

- the nature and scope of the supplier's/business relationship's deliveries
- the size of the supplier/business partner
- the location of the supplier/business partner (head office and where services are delivered from)
- the supplier's/business partner's sector/industry affiliation
- the degree of influence Fearnley Securities has on the supplier/business partner
- any other conditions of particular importance for human rights or working conditions, including known cases of corruption or other breaches, negative reports in the media etc.

The assessments of the supply chains and business partners will be conducted in conjunction with onboarding of new suppliers and business partners and in a yearly risk-based assessment. If there are any concerns related to a supplier's or business partner's business practice, human rights and working conditions identified, a more comprehensive review will be conducted to clarify if the supplier or business partner meets our requirements before any agreements are signed.

The main suppliers and business partners are other financial companies, law firms, IT-suppliers and companies within the Astrup Fearnley group. Fearnley Securities' suppliers and business partners are mainly located in the Nordic countries or in other European countries – countries that are known for high degree of regulation due to human rights



and decent working conditions. Many of the suppliers and business partners are regulated by financial authorities and are themselves subject to the Transparency Act.

In general, the risk of Fearnley Securities' activities having a negative impact on fundamental rights and decent working conditions through the supply chain and business partners within the meaning of the Transparency Act is considered low.

6. Summary of Mitigating Measures

As we have described throughout this statement, our overall assessment is that our business activities and the way Fearnley Securities is organised poses a low risk for a negative impact on fundamental human rights and decent working conditions. It has not been revealed that Fearnley Securities has contributed to breaches of fundamental rights or decent working conditions in our operations, our supply chain or with our business partners.

The key mitigating measures for Fearnley Securities as an organisation, has been to implement written instructions and policies which apply to all our employees. In terms of written instructions and policies, all new employees must make a written confirmation that they have read and understood the contents of Fearnley Securities' routines and policies.

Compliance also notifies all employees when there has been made changes to internal routines and policies, to make sure that all employees are aware of the current guidelines, routines and policies.

Compliance holds regular trainings for Fearnley Securities' employees, in order to ensure that all employees are up to date on all relevant policies and procedures, as well as laws and regulations that they must abide by in their business practices.

7. Right to Information

Upon written request, any individual has the right to information from Fearnley Securities regarding how we address actual or potential adverse impacts on fundamental human rights and decent working conditions.

Such written request can be sent to:

compliance@fearnleys.com, or;

Fearnley Securities AS

P.O. Box 1158 Sentrum

N-0107 Oslo

Norway

Fearnley Securities' Transparency Act Statement shall be updated and published at www.fearnleysecurities.com/compliance no later than 30 June of each year, and otherwise in case of significant changes to the Company Assessment.



Oslo, 13 August 2024

Signed by:
Marius Hermansen
010DDE1998C542F...
Marius Hermansen
Chairman

DocuSigned by:
Ole Christian Borge
51AA4CDEF0E341C...
Ole Christian Borge
Board member

DocuSigned by:
Andreas Nicolas Duran Ospina
E940B7BE41E64EA...
Andreas Nicolas Duran Ospina
Board member

DocuSigned by:
Peter Wessel
8520CFAB5956461...
Peter Wessel
Chief Executive Officer