Sustainability statement - Fred. Olsen Windcarrier 2023

Fred. Olsen Windcarrier

Table of Contents

Sustainability statement 2023

1 (ESRS 1) General information

1.1 Basis for preparation

BP-1 - General basis for preparation of sustainability statements

This statement is prepared for Fred. Olsen Windcarrier ASA (FOWIC). FOWIC is a wholly owned subsidiary of Fred. Olsen Ocean Ltd. (FOO), which in turn is a wholly owned subsidiary of Bonheur ASA (Bonheur). This statement is written to as appropriate comprise the group of FOWIC subsidiaries. The term FOWIC may therefore where the context, so dictates refer to operating subsidiaries rather than or in addition to FOWIC itself. The scope of consolidation is the same as for the financial statement.

The sustainability statement is inspired by the disclosure and application requirements in the European Sustainability Reporting Standards (ESRS) and guidance from the European Financial Reporting Advisory Group (EFRAG). The structure of the report and the data gathering follow the recommendations from these.

FOWIC has used the option to omit the FOWIC's strategy from the sustainability statement due to classified and sensitive information. This is reflected in the following sections:

- '1.2 Governance'
- '1.3 Strategy'
- '2.2.1 E1 General Disclosure'

Where the option is used, this is clearly stated.

BP-2 - Disclosures in relation to specific circumstances

Any specific circumstances, and the effect of these circumstances, are described alongside the disclosure to which they refer.

1.2 Governance

GOV-1 - The role of the administrative, management and supervisory bodies

The Board of Directors

The Articles of Association provide that the Board of Directors shall comprise between three and six Board Members, as elected by the company's shareholders. The current Board of Directors consists of four Board Members as listed below.

Pursuant to the Norwegian Code of Practice for Corporate Governance, last revised on 14 October 2021 (the "Corporate Governance Code"), the composition of the Board of Directors of a Norwegian public limited liability company with shares listed on a regulated market should comply with the following criteria:

(i) the majority of the shareholder-elected board members should be independent of the company's executive management and material business contacts,

(ii) at least two of the shareholder-elected board members should be independent of the

company's main shareholders (being shareholders holding 10% or more of the shares in the company), and

(iii) no member of the company's management should be a member of the board of directors.

The Board of Directors comprises four shareholder-elected members, of which all are independent of the Management and material business contacts, and of which two members (50%) are independent of the company's sole shareholder. None of the Board Directors are members of the Management. The company has established adequate procedures which safeguard that all business contracts are entered into in the company's best interests.

Composition and diversity of the Board of Directors:

- Number of executive and non-executive members: No executives, four non-executives
- Representation of employees and other workers: None
- Experience relevant to the sectors, products, and geographic locations of the undertaking: Reference is made to short biography of each Board Director
- Percentage by gender and other aspects of diversity: Females 50%, males 50%
- Independent board members: 50%

Name	Position	Served since
Annette S. Olsen	Chair	2022
Richard Olav Aa	Board Member	2022
Ingerlise Arntsen	Board Member	2022
Håkon Borgen	Board Member	2022

Anette S. Olsen, Board Director (chair)

Anette S. Olsen is the owner of Fred. Olsen & Co. AS which is responsible for the management of Bonheur. As part of these services Anette S. Olsen holds the position as Managing Director of Bonheur. Ms. Olsen is chair of the boards of various subsidiaries of Bonheur operating within distinct business segments, hereunder Fred. Olsen Renewables AS, FOO and NHST Media Group AS. She also holds Board positions in inter alia Fred. Olsen Cruise Lines Ltd. and Global Wind Service A/S. Anette S. Olsen holds a bachelor's degree in business organization and a Master's Degree in business administration (MBA) and is a Norwegian citizen residing in Norway.

Richard Olav Aa, Board Director

Richard Olav Aa has been related to the Bonheur group of companies for several years, and currently serves as CFO in Fred. Olsen & Co. AS, the management company for Bonheur. Within the Bonheur group of companies, he has further extensive experience in serving as board member through a number of board positions. Richard Olav Aa also has previously worked in Telenor ASA, Arendals Fossekompani ASA, Norsk Vekst ASA and Elkem ASA. He holds a Master of Science from Norges Handelshøyskole and is a Norwegian citizen residing in Norway.

Ingelise Arntsen, Board Director

Ingelise Arntsen serves as board director in several major companies that operate within the energy segment such as Statkraft AS and SBM Offshore N.V. Her more than 20 years of experience within the energy segment includes having been the EVP of inter alia Statkraft AS, Aibel AS and Renewable Energy Corporation (REC) ASA, as well as CEO of Sway Turbine AS. Ingelise Arntsen furthermore serves as chair of the nomination committee of Innovasjon Norway. She holds a B.SC in Economics (Econ.) from Handelshøjskole Syd in Danmark and is a Danish citizen residing in Norway.

Håkon Borgen, Board Director

Håkon Borgen is experienced in the energy sector and has worked with Statnett SF for more than 25 years, currently serving as the EVP Offshore Development. He has previously been involved in the North Sea Link and Nordlink and has former experience from serving as chair and board member in several companies, such as Statnett Transport. Håkon holds a MSc in Electrical Engineering from NTNU and is a Norwegian citizen residing in Norway.

Management

FOWIC's management in the reporting year consisted of five individuals. The names of the members of Management in the reporting year and their respective positions are presented in the table below.

Composition and diversity of the Management:

- Number of executive and non-executive members: Five executives, no non-executives
- Experience relevant to the sectors, products, and geographic locations of the undertaking: Reference is made to short biography of each member of the Management
- Percentage by gender and other aspects of diversity: Females 40%, males 60%

Name	Position	Position held since
Alexandra Koefoed	Chief Executive Officer	2018 *(position held until Q1 2024)*
Hjalmar Krogseth Moe	Chief Financial Officer	2022
Tanja Hedager	Chief Commercial Officer	2023
Jan Sand Schanke-Jørgensen	Chief Operating Officer	2016
Henrik Mork	Chief Project Officer	2018

This sustainability statement is written for the reporting year 2023 and the statement reflects the organisation with the Management Group as described above. However, it should be noted that in Q1 2024 FOWIC have changed Chief Executive Officer (CEO). For context and transparency both the previous CEO applicable for the reporting year and the current CEO are presented in this sustainability statement. For the metrics and datapoints in this sustainability statement the previous CEO (Alexandra Koefoed) is included. This is applicable for S1-6, S1-9 and S1-16.

Alexandra Stokkeland Koefoed, CEO *(2018 – Q1 2024)*

Alexandra Koefoed has 20 years of experience within project execution, business development and management within various fields of offshore construction. Koefoed holds an MSc in Marine Technology. Koefoed is a Norwegian citizen residing in Norway.

Haakon Magne Ore, CEO *(current)*

Haakon Magne Ore has close to 20 years of experience from capital markets, project management and working with different companies across the renewable value chain contributing to their business strategies, new investments and partnerships. Ore holds a Master in Business and finance from Norwegian School of Economics (NHH)

Hjalmar Krogseth Moe, Chief Financial Officer

Hjalmar Krogseth Moe has 25 years of experience within finance and business, mainly in the oil and gas industry. Moe holds a Master of Business and Economics from BI Norwegian School of Management. Moe is employed by Fred. Olsen Ocean and seconded to FOWIC. He is a Norwegian citizen and residing in Norway.

Tanja Hedager, Chief Commercial Officer

Tanja Hedager has 20 years of experience within international sales, management, strategy and marketing. Hedager is a Danish citizen residing in Denmark. Tanja holds a Master´s in Political Science from University of Copenhagen from 2003.

Jan Sand Schanke-Jørgensen, Chief Operating Officer

Jan Sand Schanke-Jørgensen has 25 years of experience within vessel and asset management, including chartering and operation of offshore and construction vessels, planning and execution of marine operations, as well as project and contract management. Schanke-Jørgensen is a Master Mariner. He is a Danish and Norwegian citizen residing in Norway.

Henrik Mork, Chief Project Officer

Henrik Mork has more than 30 years of experience within project management, construction management, procurement and supply chain, project controls and engineering management. Mork has a BSc in Naval architecture and marine engineering and a MSc in Marine Technology. He is a Norwegian citizen residing in Norway.

Roles and responsibilities of the administrative, management and supervisory body:

- The Board is overall responsible for FOWIC's activities and that FOWIC's work is conducted in subject to applicable Norwegian laws and other regulations. FOWIC's sustainability statement is reviewed and approved by the Board.
- Management of sustainability impacts, risks and opportunities are covered by FOWIC's policies (in particular, Sustainability policy, HSEQ policy and Code of Conduct), all signed by the Chief Executive Officer.
  The Audit committee is charged with maintaining oversight of the following as per the 'Audit Committee Fred. Olsen Windcarrier ASA charter (Terms of Reference)':
  - Financial reporting
  - Internal control
  - Management of financial risks
  - The auditing process, and
  - The company's process for monitoring compliance with laws and regulations

  In its review the Committee shall pay particular attention to and consider:
  - Changes in accounting policies and practices
  - Ensure appropriate reporting of ESG-reporting responsibilities
  - Significant estimates and material judgmental items that impact the financial reporting
  - Adjustments implemented following requests from the Company's Auditor
  - Accounting issues in which there would be differing opinions of substance between the Company's Auditor and Fred. Olsen & Co. AS
  - Accounting treatment and disclosure for significant and unusual transactions

  The review of financial reporting also includes review of the Board of Directors' annual report, corporate governance report, corporate social responsibility report and interim financial reporting.
- The Board shall review and approve the company's corporate social responsibility (cf. the Norwegian Accounting Act section 3-3c), including information about the work environment and an overview of work environment initiatives implemented by the company and information about aspects of the company which may have a non-insignificant impact on the environment, in accordance with the 'Rules of procedures for the Board'.

- The terms of reference, board mandates and policies as referenced above is all implemented parts of FOWIC's management system.
- The process of assessing and managing impacts, risks and opportunities are conducted by the Management team in the form of working meetings, facilitated by the Sustainability Manager.
- Targets are set in workshops within the Management Group and reviewed and approved by the Board as appropriate.

Availability of the appropriate skills and expertise to oversee sustainability matters:

- Reference is made to the above short biography on the individuals in the Board of Directors and the Management. The Management have implemented a dedicated position, Sustainability Manager, reporting directly to the CEO. The Sustainability Manager, Mari Kvinnesland, has a Bachelor's Degree in Health, Safety, Environment and Quality (HSEQ) engineering, including sustainability as subjects under the education. She has worked in the energy sector for 11 years, primarily as HSEQ Advisor and with sustainability specifically since 2022.

GOV-2 - Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

- The material impacts, risks, and opportunities are assessed during quarterly meetings with the management as a minimum. Further, the impacts, risks, and opportunities and the results and effectiveness of policies, actions, metrics, and targets adopted to address them are presented to the Board of Directors at quarterly board meetings and are subject to its review and final approval of the sustainability statement.

A list of the material impacts, risks and opportunities addressed by the Management and the Board of Directors during the reporting period is listed in '1.3 Strategy' under the section for 'SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model'.

GOV-3 – Integration of sustainability-related performance in incentive schemes

Incentive schemes for the Management Group are not specifically linked to sustainability matters. Such incentive schemes are however categorised as confidential personnel matter and detailed information on their content is omitted (reference to ESRS 2 BP-1 and ESRS-1 section 7.7).

GOV-4 – Statement on due diligence

FOWIC have implemented a Due diligence process in FOWIC's management system. The table below shows the mapping of the information provided in the sustainability statement about the due diligence process.

Core elements of due diligence	Paragraphs in the sustainability statement
Embedding due diligence in policies	1.4Impact, risk and opportunity management
Engaging with effected stakeholders in all key steps of the due diligence	1.3Strategy
Identifying and assessing adverse impacts	1.4Impact, risk and opportunity management
Taking actions to address those adverse impacts	1.4Impact, risk and opportunity management
Tracking the effectiveness of those efforts and communicating	1.5Metrics and targets

GOV-5 - Risk management and internal controls over sustainability reporting

A risk management system has been established and implemented, covering all levels of activities:

- Corporate risk management database for the enterprise risks
- Climate risk assessment (TCFD and EU Taxonomy based)
- Human right due diligence
- Risk registers for projects
- Operational risk assessments for hazardous work
- Task Risk Assessment (TRA) for task specific risks
- 'Take2' last minute point-of-work risk assessments

The risk management is based on, and follows, the principles defined in 'ISO 31000 Risk Management'. The main sustainability related risks identified are specified in '1.3 Strategy' under the section for 'SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model'. Detailed procedures for risk management and risk templates are published in FOWIC's Management System and relevant training for different user groups is provided. Risk management is an integrated part of all work processes. At enterprise level, risks are assessed and discussed at monthly meetings in the Management Group and outcome reported to the Board of Directors.

1.3 Strategy

SBM-1 – Strategy, business model and value chain

FOWIC's vision for the future is that there is a future where every coastal nation harnesses offshore wind, the sustainability movement leads the way, and we are one of the visionaries supporting the quest to establish tomorrow's offshore wind gigaparks. It is more than wind and sea. It is power for people, and we can pass it on to the next generation. That future is our opportunity.

Our mission to support our vision is to deliver precise marine operations while preparing and building teams and assets to support key, global partners with installation and maintenance of offshore wind gigaparks – heavier, higher and faster.

FOWIC provide Transportation & Installation (T&I) and Operations & Maintenance (O&M) services to the offshore wind industry for production of renewable energy. FOWIC's main customers are offshore wind park owners and Original Equipment Manufacturers (OIMs) of wind turbine components. FOWIC employ eighty-two (82) persons. The main characteristics of the employees can be read in more detailed in '3.1.3 S1 Metrics and targets' under the paragraph for 'S1-6 - Characteristics of the undertaking's employees.

99% of FOWIC's revenue are from the service "Transport and installation of wind turbine generators". This can be connected to the NACE code F42.22 Construction of utility projects for electricity and telecommunications, which falls under the ESRS sector Construction and Engineering sector and the ESRS sector group Construction.

FOWIC does not have any activities in:

i) Fossil fuel sector
ii) Chemical production
iii) Controversial weapon such as anti-personnel mines, cluster munitions, chemical weapons, and biological weapons

iv) Cultivation and production of tobacco

FOWIC provides efficient and cost-effective transport, installation, and service solutions to support its clients across all phases of a wind farm lifecycle. FOWIC is equally committed to the future of offshore wind energy, supplying industry-leading expertise, solutions, and hardware to help clients establishing tomorrow's offshore wind gigaparks.

FOWIC was established in 2008 to meet the increasing demand for offshore wind installation vessels with the capability to transport and install next generation wind turbines, as well as to provide superior facilities for crews and teams. FOWIC's main assets include three jack-up Tern vessels owned and operated through subsidiaries and offices in Oslo (Norway) and Fredericia (Denmark).

The option to seek exemption form 'Article 18, paragraph 1, sub-point (a) of Directive 2013/34/EU' has not been used.

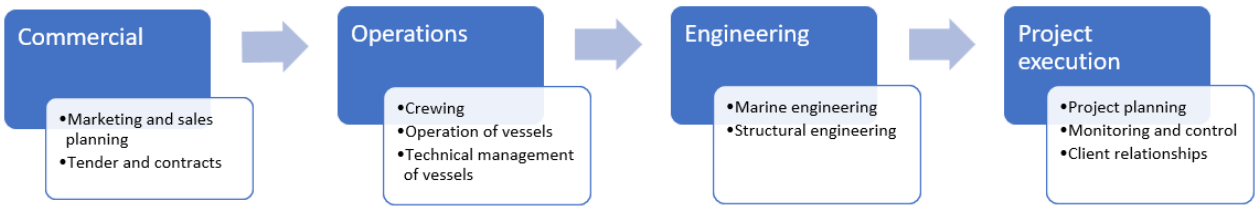
Business profile:

Industry/Sector	• Offshore wind industry • Shipping/offshore vessel
Geographical presence	• Europe • Asia • USA
Own business activities	• Transport, installation, and maintenance of offshore wind turbines ○ Crew Management ○ Engineering ○ Project Management ○ Operation of vessels ○ Technical Management ○ Chartering of 3rd party vessels ○ Contract Management for 3rd party vessels ○ Commercial Management

Dependencies:

Capitals	The resources FOWIC are dependent on
Human	• Own workforce health and wellbeing
Social	• Investors relationships • Owners' relationships • Customer relationships • Supplier relationships
Nature	• Fuel oil

Main processes:



FOWIC have the following defined support processes:

- Management
- Procurement
- Health, Safety and Environment (HSE)
- Quality
- Risk

Goods and services to maintain and operate FOWIC's vessels and to mobilise for commercial projects is a key upstream value chain. The suppliers are spread globally to serve the geographical presence of the vessels. Crewing agencies, and outsourced engineering activities are two other significant parts of FOWIC's upstream value chain. The end product is the service of installed wind turbines offshore for clients who are either Original Equipment Manufacturers (OEM) of the wind turbine components or wind park owners (downstream value chain).

SBM-2 – Interest and views of stakeholders

FOWIC is focused on creating value for its stakeholders by addressing relevant economic, environmental, and social impacts of our businesses. FOWIC has identified its key stakeholder groups based on their interest and influence on FOWIC's operations, as well as their potential to benefit from or be affected by FOWIC's activities. These groups include employees, investors, suppliers, partners, clients, regulators, and the general public. FOWIC engages with its stakeholders through various channels and methods. FOWIC listens to the views and expectations of stakeholders and respond to concerns and suggestions.

Internal stakeholders	Interest/requirements	Means of engagement
FOWIC's own workforce (incl. marine crew and hired consultants)	Job content/challenges, social, psychological, physical, safety, information security, health at the workplace, job security	Employee satisfaction surveys Work environment committee (onshore/offshore) Daily, weekly, monthly, and quarterly meetings Appraisal conversations Digital communication Whistleblower procedure/ Complaint procedure Etc.
Employees' Next of kin	Safety, security, work-life balance	Direct communication as appropriate
FOWIC's Board of Directors	Financial, reputation, operational, safety, security, environment, governance	Quarterly reporting/meetings Meeting and reporting inter alia key commercial issues and HSE related matters on ad hoc basis when needed
Brave Tern AS, Bold Tern AS, and Blue Tern AS Board of Directors	Financial, commercial, reputation, operational, safety, security	Annual reporting/AGM

External stakeholders	Interest/requirements	Means of engagement
Clients (project dependent)	Performance, commercial, interfaces, safety, protection of company sensitive information, sustainability	Strategic supplier meetings Tender process Project operational meetings Project reporting Audits Website Customer satisfaction surveys Microsites
Investors	Financial, reputation, operational, safety, security, ESG	Quarterly reporting and presentation Website
Subcontractors	Commercial, interfaces, project performance, safety, information security	Strategic supplier meetings Tender process Project operational meetings Project reporting Audits Customer satisfaction surveys
Vendors	Payment practices	PO process Audits
Potential business partners	FOWIC's performance, reputation, concept development	Strategic meetings
National authorities	Tax, compliance with laws, rules and regulations, social and environmental accountability	Audits Via agents
Maritime authorities	Compliance with regulations, environmental, and safety	Audits Meetings Digital platforms
Environmental organisations (NGOs)	Compliance with regulations, environmental	As applicable Industry forums
The public	Human and labour rights, environmental and safety, dependent on situation	Website and social media

FOWIC's clients are key stakeholders. FOWIC remains in communication with clients through various means of engagement, this is listed in FOWIC's Stakeholder document. Installation of renewable energy and climate mitigation measures is the core of FOWIC's (through FOWIC subsidiary companies) key stakeholders' business as well as core of FOWIC's business. Efforts on climate change mitigation therefore have heightened focus in the materiality assessment.

FOWIC's own workforce is another key stakeholder. The operation of ships has inherent risk of personnel injuries. Health and safety are therefore a second area that received heightened focus in the materiality assessment.

The Management's review and update of the stakeholder assessment is conducted as a minimum annually and as applicable. The Board of Directors are informed through board meetings of the outcome as appropriate.

SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

Topic	Subtopic:	Sub-subtopic:	Description:	Expected time horizons
E1 Climate change	Climate change mitigation		Positive impact: FOWIC contributes to the installation of renewable energy, indirectly contributing increasing the share of renewable energy in the global energy mix	Short term
E1 Climate change	Energy		Potential negative impact: FOWIC's fleet relies on fossil fuel for energy to operate that directly contributing to the greenhouse effects.	Long term
E2 Pollution	Pollution of air		Potential negative impact: FOWIC emits NOx, SOx and PM to the air from the engines on our vessels. This may potentially affect people's health on a regional/local level, and polluted air may also travel widespread and potentially negatively affect the ecosystems and vegetation.	Short term
E2 Pollution	Pollution of water		Potential negative impact: Design related issues errors in routines may result in discharges from the vessels potentially resulting in oxygen depletion and or species impoverishment.	N/A
S1 Own workforce	Working conditions	Working time	Potential negative impact: Risk of fatigue due to use of overtime - in the office and onboard the vessel.	N/A
S1 Own workforce	Working conditions	Health and safety	Potential negative impact: Personnel incidents occurring onboard FOWIC's vessels resulting in injured persons. (Health and safety risks are present due to inherent dangers of seafaring). Periods of time spent offshore and away from normal support systems may potentially affect mental wellbeing of seafarers	Short term
S1 Own workforce	Equal treatment and opportunities for all	Measures against violence and harassment in the workplace	Potential negative impact: Risk of own workforce being subjected to bullying and/or harassment at work. Male dominated companies in the value chain may increase risk of sexual harassment and gender-based violence. Bullying and harassment can generally be a particular concern for seafarers who may have limited ways to avoid such situations while spending extended periods of time offshore	N/A
S2 Workers in the value chain	Working conditions	Health and safety	Potential negative impact: Personnel incidents may occur onboard FOWIC's vessels resulting in injured persons. (Health and safety risks are present due to inherent dangers of seafaring).	Short term
S2 Workers in the value chain	Other work-related rights		Potential negative impact: Use of suppliers in high-risk industry may result in FOWIC being linked to breach of human rights in the value chain (e.g. shipbuilders).	N/A

			Risk of partner not adhering to fundamental human rights may result in FOWIC being linked to breaches of human rights.	

List of material risks and opportunities:

Topic	Subtopic:	Sub-subtopic:	Description:	Expected time horizons
E1 Climate change	Climate change mitigation		Risk: Unsuccessful investment in new technology could lead to falling behind competitors, potentially resulting in loss of project. Increased pricing of GHG emission could lead to increased operational/project cost and new competitive drivers towards customers.	Medium term
E1 Climate change	Climate change mitigation		Opportunity: Access to increased market may result in increased revenues. Double digit growth forecasted for offshore wind worldwide. Floating wind providing new market opportunity for the company. Use of lower-emission sources of energy and new technology may lead to reduced exposure to future fossil fuel price increases, reduced exposure to GHG emissions and therefore less sensitive to changes in cost of carbon, returns on investment in low-emission technology, increased capital availability (investors favour lower-emissions producers) and reputational benefits resulting in increased demand for services. Improved energy efficiency in own operation may result in reduced operational costs and market advantages and securing contracts.	Medium term
S1 Own workforce	Working conditions		Risk: Substandard working conditions may lead to high turnover.	Short term
S1 Own workforce	Working conditions		Opportunity: Good working condition may attract new skilled employees	Medium term
S1 Own workforce	Working conditions	Secure employment	Risk: Local content requirement for area of operation may lead to changes in operation model and increased cost to maintain same level of service	Short term
S1 Own workforce	Equal treatment and opportunities for all	Gender equality and equal pay for work of equal value	Opportunity: FOWIC have the opportunity to contribute to increased female share in maritime crew.	Medium term
S1 Own workforce	Equal treatment and opportunities for all	Diversity	Opportunity: A diverse workplace may attract new skilled employees	Medium term
S2 Workers in the value chain	Other work-related rights		Risk: Failure to comply with national human rights legislation may lead to financial penalties.	Short term

G1 Business conduct	Corruption and bribery	Incidents	Risk: Corruption and bribery cases may lead to legal conflicts, loss of reputation, and financial losses	Short term

On material impacts, risks and opportunities and how they interact with FOWIC's strategy and business model:

The actual positive impact is directly linked to FOWIC's strategy and the core of FOWIC's business is to contribute to install renewable energy to provide clean energy. FOWIC's business model includes the use of and operation of jack-up vessels. Operating vessels like these comes with inherent consequences such as emitting GHG into the atmosphere and corresponding exposures in relation to potential pollution to air and sea and potential health and safety risks working on a vessel.

FOWIC's strategy includes operating globally, and as a result FOWIC have suppliers globally. FOWIC's impact on workers in the value chain are connected to that part of the strategy.

FOWIC are responding to the effect of climate change mitigation and CO2 emission in its strategy. However, FOWIC have used the option to omit this information from the sustainability statement. Reference is made to ESRS 2 BP-1 and ESRS-1 section 7.7.

1.4 Impact, risk and opportunity management

IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities

Materiality assessment seeks to identify which sustainability matters are considered material for FOWIC. The assessment is an important foundation for a company's resource allocation and contributes to the strategic work of the company. The purpose of this disclosure is to provide an understanding of the process FOWIC have used to determining the disclosure in its sustainability reporting.

Methodology:

Prior to identifying the list of positive and negative impacts FOWIC has assessed the relevant context and stakeholder documents. These were both reviewed and revised to ensure they are updated to reflect today's situation.

FOWIC uses a top-down approach, starting from matters as informed by existing reporting gathered into a working document and in working meetings compared the list with ESRS 1 AR 16. Further, additional matters were added as they were identified.

Process actual and potential impacts:

Actual and potential impacts were sought identified using the process as described above. This was conducted in the form of a series of working meeting with top-management and the Sustainability Manager. In the meetings the 'MGM-10 FOWIC Context' were discussed and 'MGM-07 FOWIC Stakeholder', both documents updated as a result from one of these meetings. Reference is made to the sections 'SBM – Interests and views of stakeholders' and 'SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model' for description of how specific issues have heightened risk of adverse impact and consultation with affected stakeholders. .

When considering the materiality of impacts the potential severity turns on scale, scope and views on irremediability. Three parameters are considered relative to their context and each parameter can be scored from 1 - 5. Severity is for this purpose a sum of scale, scope and views on potential irremediability (scale+scope+irremediability). To merge impact materiality into exciting framework for risks and opportunity, the severity is translated into a scale 1 – 5.

SEVERITY			Scale	Scope	Irremediability	LIKELIHOOD
Very High	**5**	≥12	Absolute	Global/total	Non-remediable	Almost certain, it is expected to occur (>50%)
High	**4**	[10,12)	High	Widespread	Very difficult to remedy or long term	Likely, there is a strong possibility that it will occur (25-50%)
Moderate	**3**	[8,10)	Medium	Medium	Difficult to remedy or mid-term	Possible, there is a history of occurrences (5-25%)
Low	**2**	[5,8)	Low	Concentrated	Remediable with effort (time & cost)	Not expected, but it may occur at some time (1-5%)
Very Low	**1**	<5	Minimal	Limited	Relatively easy to remedy short term	Unlikely, but it may occur exceptionally (0-1%)

The prioritisation of materiality is as follows:'

Materiality 10 – 25	High	Material topic. Disclose requirements (including application requirements) related to that specific sustainability matter in the corresponding topical ESRS
Materiality 5 – 9	Medium	Not material. Topic not disclosed in sustainability statement. Monitor. Internal and external reporting as required.
Materiality 1 - 4	Low	Not material. Topic not disclosed in sustainability statement.

Process risks and opportunities:

When identifying financial risks and opportunities, the list reflecting material impacts was used as a starting point, and it was assessed if any of these in addition could have a financial risk or opportunity. Further, the company's risk and opportunity register were assessed to identify if any of the exciting risks or opportunities could be linked to a sustainability topic. In the assessment the identified dependencies are used. When completed, the list of sustainability topics in ESRS 1 AR 16 was used to assess if there were any additional areas that contained a financial risk or opportunity, and if so, this was included as well.

In determining the likelihood and magnitude of effect, the established FOWIC risk matrix was used:

SEVERITY		MAGNETUDE OF EFFECT Revenue loss / potential financial gain	LIKELIHOOD
Very High	**5**	> 5 million €	Almost certain, it is expected to occur (>50%)
High	**4**	1 million € - 5 million €	Likely, there is a strong possibility that it will occur (25-50%)
Moderate	**3**	500 000 € - 1 million €	Possible, there is a history of occurrences (5-25%)
Low	**2**	100 000 € - 500 000 €	Not expected, but it may occur at some time (1-5%)
Very Low	**1**	< 100 000 €	Unlikely, but it may occur exceptionally (0-1%)

Materiality of risks and opportunities is assessed based on the combination of the likelihood of occurrence and potential magnitude of effect (magnitude of effect x likelihood).

The prioritisation of materiality is as follows:

Materiality 10 – 25	High	Material topic. Disclose requirements (including application requirements) related to that specific sustainability matter in the corresponding topical ESRS
Materiality 5 – 9	Medium	Not material. Topic not disclosed in sustainability statement. Monitor. Internal and external reporting as required.
Materiality 1 - 4	Low	Not material. Topic not disclosed in sustainability statement.

Decision making process:

The materiality assessment is conducted in form of working meeting with the Management Group. The CEO has the final decision on the output prior to the result being presented to the Board of Directors for approval.

Link with risk management process:

The process of identifying potential impact, risks and opportunities have for the reporting year 2023 been conducted to a degree outside the implemented management system. However, data from the exciting system is used and output from the materiality process has been incorporated into the system. Work is initiated to update the management system to fully integrate the materiality assessment into the existing processes and establish new processes as required.

Input parameters:

As input parameters FOWIC have used a wide range of data sources. This includes but is not limited to internal documentation such as:

- Human rights due diligence assessment, the result of the due diligence assessment is also available externally on FOWIC webpage Sustainability (windcarrier.com)
- Company risk and opportunity register
- Vessels risk assessments
- Company strategy
- Context, business profile, political, economic, social, and technological factors (PEST) assessment
- Strength, weaknesses, opportunities and threats (SWOT) analyses
- Supplier/subcontractor register
- Management Review
- Internal audits

And external information such as:

- International Trade Union Confederation (ITUC)
- European Bank of Reconstruction and Development (EBRD) index
- Intergovernmental panel on climate change (IPCC)
- Input from safety representative and work environment committee
- Clients' own sustainability reports
- Tender from clients
- Input from audits
- Strategic meetings
- Customer satisfaction surveys

- Web sites

When assessing materiality matters FOWIC is looking at its entire value chain, areas of operation and geographical presence.

Changes from previous materiality assessment:

The materiality assessment for this reporting year has significant changes compared to earlier reports. The main reason for the changes is the new requirements to double materiality introduced by CSRD and ESRS. The structure of the topics and grouping has been done in accordance with ESRS 1 AR 16, and hence terms and grouping levels have been changed accordingly. Further the new structure for thresholds have resulted in new topics being included and some of the previous material topics have been removed.

IRO-2 – Disclosure requirements in ESRS covered by the undertaking's sustainability statement

The following disclosure requirements are covered by FOWIC's Sustainability Statement:

Disclosure requirements	Ref.
BP-1 - General basis for preparation of sustainability statements	Basis for preparation
BP-2 - Disclosures in relation to specific circumstances	Basis for preparation
GOV-1 - The role of the administrative, management and supervisory bodies	Governance
GOV-2 - Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	Governance
GOV-3 – Integration of sustainability-related performance in incentive schemes	Governance
GOV-4 – Statement on due diligence	Governance
GOV-5 - Risk management and internal controls over sustainability reporting	Governance
SBM-1 – Strategy, business model and value chain	Strategy
SBM-2 – Interest and views of stakeholders	Strategy
SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	Strategy
IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities	Impact, risk and opportunity management
IRO-2 – Disclosure requirements in ESRS covered by the undertaking's sustainability statement	Impact, risk and opportunity management
MDR-P – Policies adopted to manage material sustainability matters	Impact, risk and opportunity management
MDR-A – Actions and resources in relation to material sustainability matters	Impact, risk and opportunity management
MDR-M – Metrics in relation to material sustainability matters	Metrics and targets
MDR-T - Tracking effectiveness of policies and actions through targets	Metrics and targets
E1-1 – Transition plan for climate change mitigation	E1 General disclosure
E1-2 – Policies related to climate change mitigation and adaptation	E1 Impact, risk and opportunity management
E1-3 – Actions and resources in relation to climate change policies	E1 Impact, risk and opportunity management

Disclosure requirements	Ref.
E1-4 – Targets related to climate change mitigation and adaptation	E1 Metrics and targets
E1-5 – Energy consumption and mix	E1 Metrics and targets
E1-6 – Gross Scopes 1, 2, 3 and Total GHG emissions	E1 Metrics and targets
E1-9 – Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	E1 Metrics and targets
E2-1 – Policies related to pollution	E2 Impact, risk and opportunity management
E2-2 – Actions and resources related to pollution	E2 Impact, risk and opportunity management
E2-3 – Targets related to pollution	E2 Metrics and targets
E2-4 – Pollution of air, water and soil	E2 Metrics and targets
E2-6 – Anticipated financial effects from pollution-related impacts, risks and opportunities	E2 Metrics and targets
S1-1 – Policies related to own workforce	S1 Impact, risk and opportunity management
S1-2 – Processes for engaging with own workers and workers' representatives about impacts	S1 Impact, risk and opportunity management
S1-3 – Processes to remediate negative impacts and channels for own workforce to raise concerns	S1 Impact, risk and opportunity management
S1-4 – Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	S1 Impact, risk and opportunity management
S1-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	S1 Metrics and targets
S1-6 - Characteristics of the undertaking's employees	S1 Metrics and targets
S1-7 – Characteristics of non-employee workers in the undertaking's own workforce	S1 Metrics and targets
S1-9 – Diversity metrics	S1 Metrics and targets
S1-10 – Adequate wages	S1 Metrics and targets
S1-13 – Training and skills development metrics	S1 Metrics and targets
S1-14 – Health and safety metrics	S1 Metrics and targets
S1-16 - Compensation metrics (pay gap and total compensation)	S1 Metrics and targets
S1-17 – Incidents, complaints and severe human rights impacts	S1 Metrics and targets
S2-1 – Policies related to value chain workers	S2 Impact, risk and opportunity management
S2-2 – Processes for engaging with value chain workers about impacts	S2 Impact, risk and opportunity management
S2-3 – Processes to remediate negative impacts and channels for own workforce to raise concerns	S2 Impact, risk and opportunity management
S2-4 – Taking action on material impacts on value chain workers, and approaches to mitigate material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	S2 Impact, risk and opportunity management

Disclosure requirements	Ref.
S2-5 - Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	S2 Metrics and targets
G1-1 – Corporate culture and business conduct policies	G1 Impact, risk and opportunity management
G1-3 – Prevention and detection of corruption or bribery	G1 Impact, risk and opportunity management
G1-4 – Confirmed incidents of corruption or bribery	G1 Metrics and targets

MDR-P – Policies adopted to manage material sustainability matters

When reporting on policies for the material topics FOWIC follow the requirements as described in ESRS 2 'MDR-P – Policies adopted to manage material matters. FOWIC has adopted a sustainability policy with the objective to manage material impacts, risks and opportunities identified in the materiality assessment. Further, the material topics are also covered in other policies as well. Full list of FOWIC's policies:

- GOV-11 FOWIC HSEQ Policy
- GOC-12 FOWIC Sustainability Policy
- GOV-22 FOWIC Anti-bribery policy
- GOV-24 FOWIC Code of Conduct

The Sustainability policy content covers the material topics climate change mitigation, pollution, own workforce, workers in the value chain and governance. With regards to governance, the Code of Conduct and anti-bribery policies are the main policies, although they are included in the sustainability policy as well. The scope of the policies is further detailed under each material topic. FOWIC's CEO represents the most senior level responsible for the implementation of the policies. Through the implementation of the policies FOWIC relates to the third-party initiatives UN's Universal Declaration of Human Rights, ILO Declaration on Fundamental Principles, Norwegian Transparency Act and the OECD Guideline for Multinational Enterprises and anti-bribery laws. FOWIC's policies are provided to all workers within its own workforce and are shared with relevant suppliers and clients. FOWIC's policies are publicly available in latest version on the web page Windcarrier.com/about-us/sustainability/ for all.

MDR-A – Actions and resources in relation to material sustainability matters

When reporting on actions for the material topics FOWIC follow the requirements as described in ESRS 2 'MDR-A – Actions and resources in relation to material sustainability matters. Under each material topic a list of key actions in the reporting year is included. Planned actions for the future and their expected outcomes are included where implemented. Where this is still in the process of being established it is reported accordingly.

1.5 Metrics and targets

MDR-M – Metrics in relation to material sustainability matters

When reporting on metrics for the material topics FOWIC follow the requirements as described in ESRS 2 'MDR-M – Metrics in relation to material sustainability matters. FOWIC have disclosed metrics required from the topical ESRS were considered material, and if material added company specific metrics. The disclosures include methodologies and significant assumptions behind the metrics, unit

of measure and are labelled with a precise name and description. None of the metrics provided in the reporting year have been verified by an external body. For the relevant metrics these will be specified in future reporting when and if verified.

MDR-T - Tracking effectiveness of policies and actions through targets

When reporting on targets for topics considered material FOWIC follow the requirements as described in ESRS 2 ‘MDR-T - Tracking effectiveness of policies and actions through targets. The targets are linked to the policies’ objective. In some of the areas FOWIC does not have a baseline. This is described where relevant. In the description of targets, it is described whether and how stakeholders are involved. The targets described in this report are new and progress is therefore not available for the reporting year.

2 Environmental information

2.1 EU Taxonomy

Background

EU Taxonomy is a system of classification that establishes clear and consistent criteria for determining if economic activities are sustainable. It utilises science-based technical screening criteria that must be met for an activity to be considered 'green'.

Assessment of activity

The taxonomy activity '7.6 Installation, maintenance and repair of renewable energy technologies' only includes activities related to installation, maintenance, and repair of renewable energy technologies when such technologies are installed as technical systems that is in connection with buildings. FOWIC have therefore assessed the activity '4.3 Electricity generation from wind power' to be the most relevant for the company's activities. The description for this activity is: 'Construction or operation of electricity generation facilities that produce electricity from wind power'.

Since FOWIC's installation services are integral parts of the construction of the wind farm, activities are assessed to be eligible under this activity. It should be noted that since the taxonomy is still in an early phase, best practice on how to interpret the activities for companies installing renewable energy technologies not connected directly to buildings is yet to be established. FOWIC is monitoring the development of industry best practices and is ready to update the choice of taxonomy activity following any further clarifications from the Commission's side. Turnover from FOWIC's employees seconded to other companies are not considered to be eligible and constitute the 1% non-eligible.

DNSH and minimum social safeguard

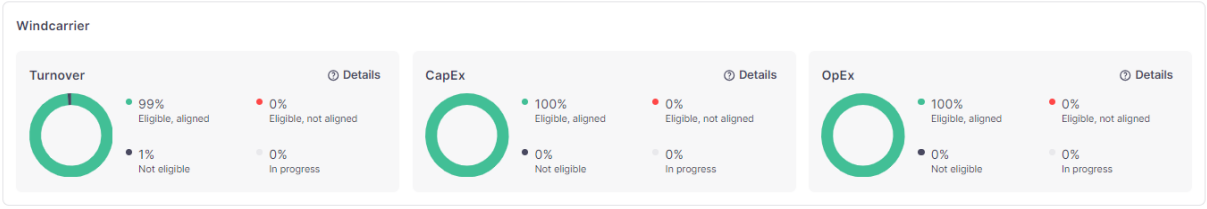
FOWIC's activities have been assessed against the technical screening criteria for the respective activities defined in the Climate Delegated Act. As the taxonomy regulation is still under development, the focus has been on transparency, best intention, and providing explanation for choices made when interpreting the criteria. The interpretation of the criteria is based on both the explicit information available and the understanding of the purpose of the requirement.

EU Taxonomy score

To assess FOWIC's activities' eligibility and alignment, FOWIC have used a taxonomy software solution. 'Eligible' means that the company substantially contributes to one of the six environmental objectives of the taxonomy. To be 'Aligned', the company must meet two additional criteria:

- Do-No-Significant-Harm (DNSH) in relation to the other environmental objectives
- Comply with Minimum Social Safeguards as described in the taxonomy regulations

The EU Taxonomy score for 2023 was "99% Eligible, aligned".



2.2 (ESRS E1) Climate change

2.2.1 E1 General disclosure

Details on incentive schemes are confidential and are omitted in this sustainability statement, reference is made to ESRS-2 BP-1 and ESRS-1 section 7.7.

FOWIC have conducted Climate Risk assessment in accordance with both Task Force on Climate-related Financial Disclosure (TCFD) and EU Taxonomy. The climate risk assessment considers the likelihood and consequences for five different scenarios, known as Shared Socio-economic Pathways (SSP's). Overview of the SSPs used in this climate risk assessment, source Intergovernmental Panel on Climate Change (IPCC) Summary for Policymakers 2021:

	Near term, 2021 - 2040		Mid-term, 2041-2060		Long term, 2081-2100	
Scenario	Best estimate (°C)	Very likely range (°C)	Best estimate (°C)	Very likely range (°C)	Best estimate (°C)	Very likely range (°C)
SSP1-1.9	1,5	1,2 to 1,7	1,6	1,2 to 2,0	1,4	1,0 to 1,8
SSP1-2.6	1,5	1,2 to 1,8	1,7	1,3 to 2,2	1,8	1,3 to 2,4
SSP2-4.5	1,5	1,2 to 1,8	2,0	1,6 to 2,5	2,7	2,1 to 3,5
SSP3-7.0	1,5	1,2 to 1,8	2,1	1,7 to 2,6	3,6	2,8 to 4,6
SSP5-8.5	1,6	1,3 to 1,9	2,4	1,9 to 3,0	4,4	3,3 to 5,7

When considering how the different SSPs influence the risk picture, it is necessary to take the characteristics of relevant assets into account. Changes in the climate will influence the operations of the Jack-up installation vessels to some degree. However, climate change will have limited direct consequences on FOWIC's assets:

- FOWIC's assets (fleet of Jack-up installation vessels) have an expected lifespan of 20 – 25 years and were built around 2012. FOWIC therefore focus on near-term estimates of the scenarios (2021 – 2040)
- Global surface temperature is expected to increase until at least mid-century under all emissions scenarios considered. Global warming of 1.5°C relative to 1850–1900 would be exceeded during the 21st century under the intermediate, high and very high GHG emissions scenarios considered in this report (SSP2-4.5, SSP3-7.0 and SSP5-8.5, respectively). Under the five illustrative scenarios, in the near term (2021–2040), and for the purpose of this reporting the 1.5°C global warming level is considered very likely to be exceeded under the very high GHG emissions scenario (SSP5-8.5), likely to be exceeded under the intermediate and high GHG emissions scenarios (SSP2-4.5 and SSP3-7.0), more likely than not to be exceeded under the low GHG emissions scenario (SSP1-2.6) and more likely than not to be reached under the very low GHG emissions scenario (SSP1-1.9). (IPPC SPM Working Group I)
- FOWIC will not be directly influenced by sea level increase. FOWIC's vessels are self-propelled, dynamically positioned jack-up crane units designed for installation and maintenance of wind turbines in water depths of up to 55 meters. It is expected that global mean sea level will continue to rise over the 21st century. Relative to 1995–2014, the likely global mean sea level rise by 2100 is expected to be around 0.28–0.55 m under the very low GHG emissions scenario (SSP1-1.9), 0.32–0.62 m under the low GHG emissions scenario (SSP1-2.6), 0.44–0.76 m under the intermediate GHG emissions scenario (SSP2-4.5) and 0.63–1.01 m under the very high GHG emissions scenario (SSP5-8.5). Sea level rise in near term (2021 – 2040) suggests very little difference between the different scenarios.
- FOWIC's vessels are not geographically stationed but working globally.

In the above assessment the time horizons used are linked to the IPCC definition of the time horizons. This deviates from the ESRS 1 section 6.4 Definition of short-, medium- and long-term for reporting purposes.

FOWIC's activity is screened to identify physical climate risks from the list in Section II of Appendix A: Generic criteria for DNSH to climate change adaption to commission delegated regulation (EU) 2021/2139 may affect the performance of FOWIC's economic activity during its expected lifetime. When screening the physical climate aspects FOWIC have based it on the current state and lifetime expectations of the current fleet. It is worth highlighting that FOWIC's operations are only linked to geographic specific areas for a short time (0 – 5 years). FOWIC is looking into opportunities globally and as such is not locked to possible climate changes in specific regions. In general, global warming introduces risk to the vessel in the form of storms, cyclones, earthquake and tropical revolving storms. Rising sea level mainly introduces opportunities (new areas may become available, ports that was not available for larger vessel may become available). Climate-driven changes to marine life may eventually impact routing options, as some areas may be "off limits" as local authorities attempt to maintain a fragile ecosystem. FOWIC have not considered any physical risks material.

FOWIC's risks related to climate change are transitional risks:

#	Risk area:	Description (What can happen?)	Time horizon	Financial impact
1	Cost of GHG emission and reporting obligations Policy and legal (transition risk)	• Increased pricing of GHG emission could lead to increased operational/project cost	Medium	Medium
2	Lower emission technology Technology (transition risk)	• Unsuccessful investment in new technology could lead to falling behind competitors, resulting in loss of project opportunities • Cost to transition to lower emission technology may lead to increased operational/project cost	Medium	High

Resilience analysis towards FOWIC's strategy has not yet been performed.

In addition to climate-related material risks, FOWIC have identified climate-related opportunities and impacts. The potentially negative impacts are related to the energy consumption and use of fossil fuel on the current fleet, the positive impact is related to FOWIC's business of installing renewable energy. Related to the positive impact there is also a financial opportunity. The climate related impacts, risks and opportunities are described as follow:

Topic	Subtopic:	Sub-subtopic:	Description:	Expected time horizons
E1 Climate change	Climate change mitigation		Positive impact: FOWIC contributes to the installation of renewable energy, indirectly contributing increasing the share of renewable energy in the global energy mix	Short term
E1 Climate change	Energy		Potential negative impact: FOWIC's fleet relies on fossil fuel for energy to operate which relates to greenhouse effect considerations.	Long term
E1 Climate change	Climate change mitigation		Risk: Unsuccessful investment in new technology could lead to falling behind competitors, potentially resulting in loss of project. Increased pricing of GHG emission could lead to increased operational/project	Medium term

			cost and new competitive drivers towards customers.	
E1 Climate change	Climate change mitigation		Opportunity: Access to increased market may result in increased revenues. Double digit growth forecasted for offshore wind worldwide. Floating wind providing new market opportunity for the company. Use of lower-emission sources of energy and new technology may lead to reduced exposure to future fossil fuel price increases, reduced exposure to GHG emissions and therefore less sensitive to changes in cost of carbon, returns on investment in low-emission technology, increased capital availability (investors favour lower-emissions producers) and reputational benefits resulting in increased demand for services. Improved energy efficiency in own operation may result in reduced operational costs and market advantages and securing contracts.	Medium term

Reference is made to paragraph '1.4 Impact, risk and opportunity management' for overall description of the process to identify impacts, risks, and opportunity.

E1-1 – Transition plan for climate change mitigation

FOWIC have not yet implemented a transition plan in accordance with disclosure requirement E1-1. This will be included in future sustainability statements.

2.2.2 E1 Impact, risk and opportunity management

E1-2 – Policies related to climate change mitigation and adaptation

Policies to manage material impacts, risks and opportunities related to climate mitigation are described in the FOWIC Sustainability Policy. The relevant part of the policy is extracted below:

- *FOWIC's strategy is to contribute to the shift towards a sustainable and decarbonised society by contributing to renewable energy from offshore wind through developing its businesses further within existing and into new markets.*
- *FOWIC will work continuously to improve energy efficiency in operations and to reduce greenhouse gas emission within the value chain.*

The objective of the policy is to pursue material opportunities related to capitalisation on the need for renewable energy and mitigate the material potential impact related to GHG emission in both own operation and in the value chain.

FOWIC's CEO is responsible for implementing the policy.

E1-3 – Actions and resources in relation to climate change policies

A detailed description of actions has not been provided in this 'FOWIC Sustainability Statement 2023'. Such action plans will be developed and implemented in the 2024 version. Expected CO2 avoided has yet not been calculated.

Key actions taken to achieve climate related policies and targets:

- FOWIC installed 171 wind turbine generators (WTGs) in 2023 with the aggregate capacity of 1438 MW
- Integrated Automation System (IAS) installed. Electrical values for energy consumption and most values for automatic detection of Operational Mode are now available in IAS. This action alone does not achieve GHG emission reductions, but it is a key action to enable the organisation to make qualified decision for actions in the future. The action is not fully completed as commissioning of data extraction and the set-up to use the data is still ongoing.
- Shore power connections installed on two out of three vessels. This action can reduce GHG emissions when used in port with shore power available, subject to availability of low carbon power provided.
- Variable Frequency Drivers (VFD) installed on the vessels.
- Running on energy efficient speed in operations controlled by FOWIC.
- Clients are provided with fuel consumptions curves reflecting CO2 emissions related to vessel speed.

2.2.3 E1 Metrics and targets

E1-4 – Targets related to climate change mitigation and adaptation

FOWIC's targets related to climate change:

Short term (2024)	Medium term (2-5 years)	Long Term (>5 years)
Maintain or increase EU Taxonomy score (Target:>98%)	TBD	Maintain or grow market position within T&I
GHG emission baseline and target established	Reduce scope 3 emission relative to baseline	CO2 neutral by 2050

To track the effectiveness of actions to pursue our opportunities, FOWIC have a target against the eligible and aligned EU Taxonomy score that will measure how many percentages of turnover, CapEx and OpEx are related to an activity that are considered to have a substantial contribution to climate change mitigation.

GHG emission is relative to the operation e.g., utilisation of vessels, size of the fleet, number of turbines installed, operational modes of the vessels, etc. In order to reach a sustainable target, it is therefore important that the baseline is relative to the operation. FOWIC have historic values for absolute values, but none relative. FOWIC have decided to use 2024 as a year to set the baseline for the target. Target covers both Scope 1 emission (own operation – direct emissions) and Scope 3 emission (emission in the value chain).

E1-5 – Energy consumption and mix

Majority of FOWIC's energy consumption is used onboard the vessels and the fleet is operated on fossil fuel. Although shore power connections are installed onboard the vessel FOWIC have not been operating in ports where this option could be used.

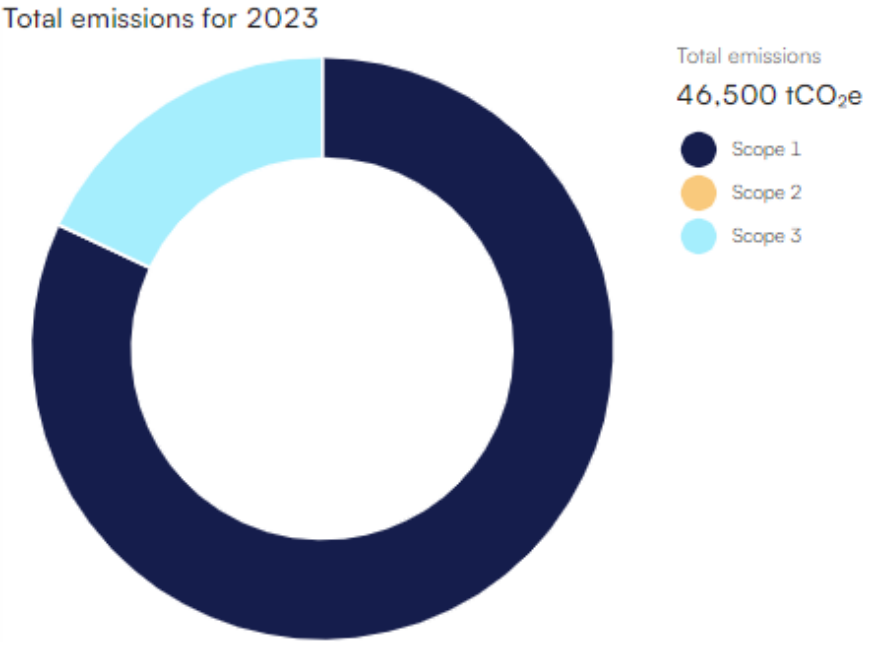
Energy consumption and mix	2023 (MWh)	Share of total (%)
Fuel consumption from coal and coal products	0	0
Fuel consumption from crude oil and petroleum	138682.90	99.48
Fuel consumption from natural gas	0	0
Fuel consumption from other fossil sources	0	0
Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources	5.26	0
Total fossil energy consumption	**138676.58**	**99.48**
Consumption from nuclear sources	0	0
Fuel consumption for renewable sources, including biomass	0	0
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	718.18	0.52
Consumption of self-generated non-fuel renewable energy	0	0
Total renewable and low carbon energy consumption	**718.18**	**0.52**
Total energy consumption	**139406.33**	**100**

For the section 'Fuel consumption from crude oil and petroleum' this is FOWIC's use of Marine Diesel Oil (MDO) which is converted from tonnes of fuel to joule and then to megawatt hours (MWh). The purchased electricity and heat reflect the energy consumption in FOWIC's offices, and the percentage of fossil sources and renewable energy have been calculated using the energy mix as provided by international energy agency (IEA) on energy mixes.

Energy intensity per net revenue	1463.55 EUR/MWh

E1-6 – Gross Scopes 1, 2, 3 and Total GHG emissions

When the vessels were built in respectively 2012 and 2013, they were designed to carry and lift the 3.6MW turbines in use at the time. Today, turbines have grown to be far larger and heavier, and plans for the installation of turbines up to 15MW are already in place. While this means greater efficiency for electricity generation, their size and weight present challenges in terms of transportation, installation, and maintenance. As a result, the decision was made to install new 1600t LEC 65500 leg encircling cranes on board Bold Tern and Brave Tern. The major upgrade on Bold Tern, including replacement of a Main Crane was started in late 2021 and completed in 2022. The new crane was the highest in the market upon arrival, making the vessel one of the few in the world capable of installing the latest generation wind turbines. With a larger crane and bigger turbines on deck, Bold Tern became heavier with a different centre of gravity, which will affect its floating stability and deck load capacity. To improve stability, the width of the vessel was increased by sponsons, which will also enable it to carry larger turbines. The upgraded Bold Tern requires more power to operate, and as a result GHG emission increased. In addition, in 2023 one vessel sailed from Asia to Europe. Such a transit has a high fuel consumption, resulting in an increased GHG emission.



	2023 (tCO2e)	2022 (tCO2e)	Calculation method	Emission factor	Emission factor source
Scope 1 GHG emissions					
Gross Scope 1 GHG emissions	38124.03	31229.00	Activity data	3.26089	EU 2023/1805
Percentage from regulated ETS (%)	N/A				
Scope 2 GHG emissions					
Gross location-based Scope 2 GHG emissions	10.4	7.84	Activity data	4 19 140 16	Celio.no nve.no ens.dk ens.dk
Gross market-based Scope 2 GHG emissions	5.42	-	Activity data	4 140 16	Celio.no ens.dk ens.dk
Scope 3 GHG emissions					
Total Gross indirect (Scope 3) GHG emissions	8365.91	7353.35	-	-	-
Purchased goods and services	558.54	667.95	Activity data	1.55895	BEIS/DEFRA
Capital goods	Data not available				
Fuel and energy-related activities	7188.75	5989.00	Activity data	14.4	EU 2023/1805
Upstream transportation and distribution	Data not available				
Waste generated in operations	3.27	2.50	Activity data	0.02128	BEIS/DEFRA
Business travel	615.36	695.90	Supplier data	-	Supplier
Employee commuting	Data not available				
Upstream leased assets	Data not available				
Transportation and distribution of sold assets	N/A				
Processing of sold products	N/A				
Use of sold products	N/A				
End of life treatment of sold products	N/A				
Downstream leased assets	N/A				
Franchises	N/A				
Investments	N/A				
Total GHG emissions					
Total GHG emissions (location-based)	46500.36	38592.19	-	-	-
Total GHG emissions (market-based)	46495.38	38592.19	-	-	-

Calculation method:

Scope 1

Scope 1 emissions are calculated from the fuel consumption onboard the vessels "Tank-to-Wake" (TtW). Fuel tanks are monitored daily, and consumption reported. The emission factor used is collected from the EU regulation 2023/1805 FuelEU Maritime Annex II Default emission factors:

			WtT	TtW		
Fuel Class	Pathway name	LCV $\frac{MJ}{g}$	$\frac{CO_{2eq}WtT}{gCO2eq}{MJ}$	$\frac{C_fCO_2}{gCO2eq}{gFuel}$	$\frac{C_fCH_4}{gCH4}{gFuel}$	$\frac{C_fN_2O}{gN2O}{gFuel}$
Fossil	MDO, MGO ISO 8217 Grades DMX to DMB	0.0427	14.4	3.206	0.00005	0.00018

Global Warming Potential (GWP) over 100 years, which are defined in Directive (EU) 2018/2001, paragraph 4 of Part C of Annex Vas follows:

Green house gas	GWP
CO_2	1
N_2O	298
CH_4	25

Equation used:

TtW CO2 equivalent emissions of combusted fuel:

gCO2eq/gFuel $= C_fCO_2\ x\ GWPCO_2 + C_fCH_4\ x\ GWPCH_4 + C_fN_2O\ x\ GWPN_2O$

gCO2eq/gFuel = CO2eq TtW = $3.206x1 + 0.00005x25 + 0.00018x298 = 3.26089$

Scope 2

Scope 2 emissions are calculated based on consumed kWh in the offices using default emission values as referred to in the table. In the Oslo office the total electricity and heating are divided by all persons occupying the office spaces and multiplied by the numbers of employees in the office. In the Danish office the total consumption is split based on renting contract. In the Oslo office there is a "Guarantee of origin" contract in place for the purchased electricity resulting in a reduced marked based value.

Scope 3

Regarding Scope 3, FOWIC is still in the early stages of reporting Scope 3. It is expected that the reported Scope 3 will increase the next year as more data becomes available. FOWIC currently report on data where activity data is available:

- Purchased goods and materials: In the reporting year, this is limited to purchased fabricated metal for installation of grillage and seafastening onboard. FOWIC have the mass available in tonnes and uses DEFRA/BEIS' emission factors to calculate the emission. It shall be noted that the reported figure in this section does not cover all purchased goods and materials in FOWIC.
- Fuel and energy related activities not covered by scope 1 or 2: FOWIC have the activity data mass in tonnes for purchased fuels and use the FuelEU Maritime default values to calculate the "Well-to-Tank" (WtT) emissions.

- Waste generated in operations: FOWIC have good control over the mass (kg) waste that is sorted and offloaded from the vessel. FOWIC have the mass available in kg/tonnes and uses DEFRA/BEIS' emission factors to calculate the emission. It shall be noted that there are some uncertainties in these numbers as the emission factor is based on industry average and not supplier specific.
- Business travel: FOWIC get the CO2 emission report directly from the Supplier of business travels FOCO Travel. This is considered high level data. However, the data available in the reporting year is only for flights.

E1-9 – Anticipated financial effects from material physical and transition risks and potential climate-related opportunities

The financial effects have not yet been calculated. Response to the disclosure requirements will be included in the sustainability statement for 2024.

2.3 (ESRS E2) Pollution

2.3.1 E2 General disclosure

FOWIC have identified pollution to water and pollution to air as potential negative impacts. There are financial risks related to this topic as well, however these are not assessed to be material. All material impacts, risks and opportunity are listed in '1.3 Strategy' – (SBM-3) and '1.4 Impacts, risks and opportunities' further details the process of identifying and assessing the material topics. The potential negative impact – Pollution to air, is linked to the operation of the existing fleet with the current technical design that includes CO2 emissions to air. This may contribute negatively to affect humans globally and potentially locally, may potentially also negatively affect the "silent" stakeholder – the environment. The potential negative impact – pollution to water is linked to the risk of hazardous accidental spills from the vessels. Due to the technical design of the fleet and strict regulation of discharges to sea, pollution to sea is not considered an actual impact, but rather a potential. Hazardous pollution to sea may negatively affect the silent stakeholder – the environment. Risks and opportunities related to pollution are not considered material for FOWIC.

2.3.2 E2 Impact, risk and opportunity management

E2-1 – Policies related to pollution

Policies to manage impacts related to pollution prevention and control is described in the FOWIC Sustainability Policy. The relevant part of the policy is extracted below:

- *FOWIC works systematically and continuously to reduce the potential impacts on the environment from air emissions under FOWIC's control*
- *FOWIC implements technical solutions and operational controls to prevent avoidable pollution to sea*

The scope of the policy related to preventing pollution is focused on FOWIC's own operation due to the nature of the identified material potential impact. The objective of the policy is to mitigate and prevent negative impacts. FOWIC's CEO is responsible for the implementation of the policy.

E2-2 – Actions and resources related to pollution

Pollution to air:

The Tern vessels comply with all relevant sections of MARPOL Annex 1 and MARPOL Annex VI and have been issued with an International Oil Pollution Prevention Certificate (IOPP) and an International Air Pollution Prevention Certificate (IAPP). Additionally, the vessels have separate Engine International Air Pollution Prevention Certificates (EIAPP Certificate) recording NOx emissions for each diesel engine.

Pollution to water:

FOWIC has requirements and barriers against lost items to sea and environmental spills to sea. Vessel-specific Shipboard Oil Pollution Contingency Plan (SOPEP) manuals are in place to prevent environmental spills and then vessel owning subsidiaries have prepared mitigating actions in case of an incident. Environmental drills are carried out on a regular basis in accordance with a drill plan.

A detailed description of such actions has not been provided in this 'FOWIC Sustainability Statement 2023' but will be referenced in the version covering 2024.

2.3.3 E2 Metrics and targets

E2-3 – Targets related to pollution

FOWIC's targets related to pollution:

Short term (2024)	Medium term (2-5 years)	Long Term (>5 years)
Emission baseline and target established	TBD	TBD
Zero hazardous emission to sea	Zero hazardous emission to sea	Zero hazardous emission to sea

Emission to air is relative to the operation e.g., utilisation of vessels, size of the fleet, number of turbines installed, operational modes of the vessels, etc. In order to reach a sustainable target it is therefore important that the baseline is relative to the operation. FOWIC have historic values for absolute values, but none relative. FOWIC have decided to use 2024 as a year to set the baseline for the target. Target for emission to air shall be measurable and linked to the policies' objective to mitigate potential air pollution by the reduction of air emission relative to the operation.

On the issue of potential pollution to sea, FOWIC have the absolute target of "zero hazardous emission to sea". FOWIC have the same target for short, medium, and long term. The target is to measure the policies' objective to prevent pollution to the sea. For this target 2023 is the base year. Baseline is there for zero, as there was no spill to sea in 2023 in FOWIC's own operation.

Both targets' scope are limited to FOWIC's own operation.

E2-4 – Pollution of air, water, and soil

FOWIC's air emission is linked to the operation of the jack-up vessels. The consolidated amount of each applicable type of emission referred to as "pollution" listed in Annex II of the European Pollutant Release and Transfer Register (E-PRTR) Regulation is as follow:

No	CAS number	Pollutant	Threshold value to air (kg/year)	FOWIC emission 2023 (kg)
1	74-82-8	Methane (CH4)	100 000	Below threshold value
3	124-38-9	Carbone dioxide (CO2)	100 million	Below threshold value
8		Nitrogen oxides (NOx/NO2)	100 000	638 120
10		Sulphur oxides (Sox/SO2)	150 000	Below threshold value
86		Particulate matter (PM10)	50 000	Below threshold value

In accordance with the disclosure requirement FOWIC only includes the asset emissions which reach the thresholds for release indicated in Annex II of the E-PRTR Regulation. It should be noted that FOWIC's activity does not fall under any of the categories listed in Annex I of the E-PRTR.

Company specific metric:

Environmental incidents

Severity level	2023	Remarks
> 50 litres	0	N/A
< 50 litres	1	Oil emission on quay side related to ordinary bunker operation.

E2-6 – Anticipated financial effects from pollution-related impacts, risks and opportunities

The financial effects have not yet been calculated. Response to the disclosure requirements will be included in the sustainability statement for 2024.

3 Social information

3.1 (ESRS S1) Own workforce

3.1.1 S1 General disclosure

FOWIC have identified potential negative impact related to own workforce working conditions and equal treatment and opportunities for all (measures against violence and harassment in the workplace) as material sustainability matters. Impacts related to working conditions is due to the nature of the work onboard a vessel includes hazardous work, and the vessels are operated around the clock. Impacts related to equal treatment and opportunities for all are linked to male dominated companies in the value chain which may imply increased risk of sexual harassment and gender-based occurrences. Bullying and harassment may potentially be a concern onboard a vessel where the workers live, sleep and work in a confined area while spending extended periods of time offshore.

Skilled personnel are human resources FOWIC dependent on. There are financial risks and opportunities related to working conditions and equal treatment and opportunities for all. All material impacts, risks and opportunity are listed in '1.3 Strategy' – (SBM-3) and '1.4 Impacts, risks and opportunities', further details the process of identifying and assessing the material topics.

Own workforce in this context includes both employees and non-employees working under the instructions of FOWIC (and its subsidiaries) as this includes office personnel as well as seafarers onboard FOWIC's assets.

3.1.2 S1 Impact, risk and opportunity management

S1-1 – Policies related to own workforce

Policies to manage impacts related to FOWIC's own workforce as well as associated material risks and opportunities are described in the FOWIC Sustainability Policy. The relevant part of the policy is extracted below:

- *FOWIC (and its subsidiaries) are responsible employers committed to providing a workplace where people can thrive*
- *FOWIC (and its subsidiaries) have a zero injuries philosophy and are committed to the protection of health and safety of employees and subcontractor personnel on r assets and sites*
- *FOWIC (and its subsidiaries) are committed to equal opportunities for all. We do not accept any form of discrimination on the basis of gender, age, ethnic origin, nationality, disability, sexual orientation, religion, political opinion*
- *FOWIC (and its subsidiaries) do not accept any form of violence, bullying or sexual harassment*
- *FOWIC (and its subsidiaries) are focused on having a robust employment model compatible with the areas of operation*
- *FOWIC (and its subsidiaries) support an increase of the women share offshore*

The scope of the policy related to own workforce covers all of FOWIC's workforce equally, both employees and other non-employees in the workforce.

FOWIC's commitment to human rights policy is further specified in the company Code of Conduct. Relevant sections extracted below:

- *FOWIC (and its subsidiaries) respect the rights defined in UN's Universal Declaration of Human Rights and have zero tolerance for human rights violation. We assess actual and potential adverse impacts and implement measures to cease, prevent or mitigate them*
- *FOWIC (and its subsidiaries) further respect the rights defined in the ILO Declaration on Fundamental Principles and Rights at Work*
- *FOWIC (and its subsidiaries) are committed to equal opportunities for all. FOWIC (and its subsidiaries) do not accept any form of discrimination on the basis of gender, age, ethnic origin, nationality, disability, sexual orientation, religion, political opinion, or otherwise*
- *FOWIC (and its subsidiaries) do not accept the use of child labour or modern slavery*
- *FOWIC (and its subsidiaries) will not prevent employees from associating freely with any lawful workers' association or collective bargaining association of their choice*
- *FOWIC (and its subsidiaries) support the elimination of all forms of forced or compulsory labour*

FOWIC's CEO is responsible for the implementation of this policy within FOWIC and FOWIC will pursue corresponding implementation within subsidiaries.

S1-2 – Processes for engaging with own workers and workers' representatives about impacts

When identifying impacts, risks and opportunities related to own workforce, input is taken from engagement with FOWIC's own workforce. FOWIC (and its subsidiaries) have various means of engagement with its own workforce. Some key means of engagement are:

Work Environment Committee (WEC) (office): WEC - for FOWIC is organised in accordance with the Norwegian Regulation concerning Organisation, Management and Employee Participation. The purpose of WEC is to secure a working environment that provides a basis for a healthy and meaningful working situation. WEC shall make efforts to establish a fully satisfactory working environment. The committee shall participate in planning safety and environmental work and shall follow up developments closely in questions relating to the safety, health, and welfare of the employees. Duties of the working environment committee is described in detail in 'Working Environment Act' Section 7.2. Posters of current WEC members shall be posted in key areas of the office. Frequency of engagement via WEC is normally four times per year.

Safety Committee Meeting onboard: The purpose of the Safety Committee is to address safety and environmental protection issues and concerns of the crew. The committee consists ideally of equal number of representatives from crew and management onboard. Frequency of engagement via safety committee meeting is monthly.

Performance and development review: A performance and development review is a confidential, planned, and prepared conversation between each employee and their manager. The focus of the conversation should be on how the individual employee and the manager, in collaboration, can contribute to achieving the company's goals, as well as shaping a work situation that provides engagement, development, and well-being for the individual. These reviews take place at least once a year.

Evaluation and career planning: Evaluation of crew is to safeguard follow- up on the performance of the individual crew- member personal development, clarify expectation level and give feedback on performance. Evaluation shall also establish further need(s) for improvements also involving the need for additional training to safeguard continuous improvement. Evaluation shall be carried out after first period on board and annually thereafter.

Work environment survey: FOWIC conducts work environment survey at regular intervals to get the pulse on FOWIC's workforce. The survey is conducted anonymously, this makes it a one-way communication. However, the result gives the Management valuable input.

S1-3 – Processes to remediate negative impacts and channels for own workforce to raise concerns

If any actual negative impact is identified this shall be properly handled. FOWIC's workforce can raise concerns via one of the following systems, dependent on the situation:

Whistleblowing procedure: The purpose of the whistleblowing procedure is to promote a good working environment through transparency and a good climate for expression. Before the employer examines the notice, the employer must assess who will be involved in processing the notice. The person or persons who are to examine the notice must be competent. Notification must always be handled confidentially. This means that the identity of the whistleblower and information in the case must not be known to more people than is strictly necessary. The employer then sets about dealing with the notice by investigating and handling the objectionable relationship. This must be done within a "reasonable time". Retaliation against employees who give notice in accordance with Norwegian work environment act. section 2-4 is prohibited.

Onboard complaints procedure: The procedure ensures fair and effective handling of complaints made by the seafarer related to the requirements in Marine Labour Convention (MLC) 2006, and no kind of victimisation of or penalizing of the complaining seafarer is allowed. One shall always seek to resolve complaints at the lowest level possible. However, if timely and satisfactory solutions are not achieved, the seafarers have the right to lodge the complaint directly to the Master or relevant appropriate authorities. If the seafarer so wishes, he may seek advice and support from the HSE Representative on board.

Safety representative (office): Safety rep. for FOWIC is organised in accordance with the Norwegian Regulation concerning Organisation, Management and Employee Participation. The safety representative shall safeguard the interests of employees in matters related to the working environment. Responsibility and duties of safety representatives are described in detailed in 'Working Environment Act', section 6.2. Posters of current Safety Delegates shall be posted in key areas of the office.

HSE representatives (onboard): HSE representatives are organised onboard having representatives from all departments. HSE Representative is elected on board and posted.

Designated Person Ashore (DPA): The DPA is an established communication channel between the seafarers and the onshore management on matters related to safety and the environment.

HSEQ reporting system: The HSEQ reporting system is a system where health, safety, environmental, and quality incidents and/deviation shall be reported. The person reporting the incident shall recommend mitigating and preventing actions. These shall be assessed by the office and the office establish the final action in the reporting system and assign responsible person. The reporting system is an open system for all employees who can view and track status on the actions.

Observation card system: The objective of observation cards is to improve the HSEQ System and safety as well as increasing operational efficiency by encouraging all personnel to report safety observations.

FOWIC assesses in internal audits, Masters Review, and Management Reviews that people in our own workforce are aware of, and trust, these reporting channels.

S1-4 – Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

Some key actions that were conducted in the reporting year:

- Hand safety campaign
- Hand safety training module implemented and conducted
- Implementing training related to the substance “Diisocyanetes” found in chemicals onboard
- Fatigue Management campaign
- Bullying and harassment workshops
- Implementing a dedicated resource to People and Culture

In 2023 FOWIC had one lost time injury, related to work on scaffolding. The following actions have been completed as an outcome:

- Relocation of workstation for that specific task to remove the need for mobile scaffolding
- Manufacturer’s instructions for mobile scaffoldings posted locally to ensure easily accessible
- Incident discussed in monthly safety meeting (awareness)
- Conduct scaffolding course on all three vessels
- Two mobile ladder platforms purchased to accommodate for safer execution aloft
- Revision of working at height procedure (ongoing)

The above listed actions come in addition to all actions integrated as part of the vessels certified safety management system (SMS) and the companies integrated management system. FOWIC have a Health, Safety, Environment and Quality (HSEQ) Department that is allocated to continuously manage our material impact related to health and safety. This department consists of HSEQ Manager, HSEQ Advisors and Offshore Safety Advisors. FOWIC have a dedicated resource in Head of People in culture to manage the material impact, risks and opportunities related to working conditions, equal treatment and opportunities for all.

3.1.3 S1 Metrics and targets

S1-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

FOWIC’s targets related to own workforce:

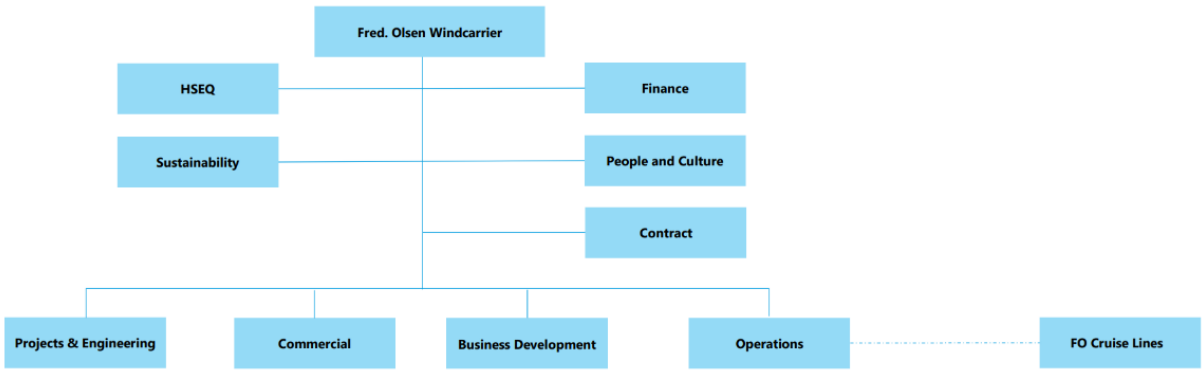
Short term (2024)	Medium term (2-5 years)	Long Term (>5 years)
Total recordable frequency rate (TRIF) < 2 Work related sick leave < 0,01% Short term sick leave (office) <1%	Total recordable frequency rate (TRIF) < 2 Work related sick leave < 0,01% Short term sick leave (office) <1%	Total recordable frequency rate (TRIF) < 2 Work related sick leave < 0,01% Short term sick leave (office) <1%
Zero operation down time in projects Zero fees due to non-compliance	Zero operation down time in projects Zero fees due to non-compliance (both related to local content requirements)	Zero operation down time in projects Zero fees due to non-compliance (both related to local content requirements)
Retention rate >95% Marine crew Retention rate >95% office employees	TBD	TBD

Short term (2024)	Medium term (2-5 years)	Long Term (>5 years)
Zero reported bullying and harassment incidents All whistleblowing cases handled in accordance with procedure	Zero bullying and harassment incidents All whistleblowing cases handled in accordance with procedure	Zero bullying and harassment incidents All whistleblowing cases handled in accordance with procedure
N/A	Minimum two females officers on all vessels at all times	TBD
80% completed diversity and inclusion training Maintain or increase female share (FOWIC employees) compared to baseline	40% women in leading positions by 2030 (“40 by 30”) TBD	40% women in leading positions by 2030 (“40 by 30”) TBD
Zero human rights violations	Zero human rights violations	Zero human rights violations

Targets has been established in the form of a series working meeting with the Management, Safety Delegate and DPA. There are targets to track mitigation of negative impact related to own workforce health and wellbeing and target to maximise opportunities to increase female seafarers share and ensure a diverse workplace. Targets have also been set to verify if measures against potential harassment in the workplace have been effective and to avoid any non-compliance related to the workforce within the areas of operation. The targets are directly linked to FOWIC’s policies.

S1-6 - Characteristics of the undertaking’s employees

FOWIC’s employees consists of employees in FOWIC ASA in Norway, FOWIC AS in Denmark and Fred. Olsen Limited in the UK. Majority is employed in the head office in Oslo, Norway. A high amount of FOWIC’s employees have higher education required for the position. The organisational set-up is illustrated below:



Breakdown by gender:

Gender	Number of employees
Female	27
Male	55
Other	0
Not reported	0
Total	**82**

Breakdown by country:

Country	Number of employees
Norway	70
Other	12
Total	**82**

By contact type, broken down by gender (head count)

2023				
Female	**Male**	**Other**	**Not disclosed**	**Total**
Number of employees				
27	55	0	0	82
Number of permanent employees				
27	53	0	0	80
Number of temporary employees				
0	2	0	0	2
Number of non-guaranteed hours employees				
0	0	0	0	0
Number of full time employees				
26	54	0	0	80
Number of part time employees				
1	1	0	0	2

Employee turnover rate	14,8

The number above is provided using headcount, as of end of reporting period.

All employees within the FOWIC group of companies are included in the numbers. This include FOWIC ASA employees, FOWIC DK and Fred. Olsen Windcarrier Limited.

Cross reference to the information in first table (number of employees broken down by gender) to the most representative number in the financial statement: Note 4 in the annual financial report.

S1-7 – Characteristics of non-employee workers in the undertaking's own workforce

Type of contract	Number	Offshore/onshore
Fred. Olsen Ocean	4	Onshore
Consultants	7	Onshore
Seconded from another Fred. Olsen-related companies	3	Onshore
Seafarers	184	Offshore
Total	198	

The number above is provided using headcount, as of end of reporting period. FOWIC's seafarers constitutes majority of non-employees in FOWIC's workforce. Approximately half of the seafarers are employed in another Fred. Olsen related company, Fred. Olsen Crewing and Consultancy services (FOCCS) or Fred. Olsen Marine services (FOMS), while the other half are hired from third party agency .

S1-9 – Diversity metrics

When preparing the disclosure on gender at top management, FOWIC used the same definition for Senior Management as described in GOV-1 in the section for Composition of the Management. The Chief Financial Officer (CFO) is employed in another Fred. Olsen-related company and seconded to FOWIC. For the sake of the gender diversity at Senior Management the CFO (male) is included.

Middle management includes FOWIC employees that are working for FOWIC. This excludes three persons (male) that are seconded to another Fred. Olsen- related company.

Gender diversity at top management

	Female		Male	
	Percent (%)	Number	Percent (%)	Number
Senior Management	40	2	60	3
Middel management	32	24	68	51

The Senior Management is a small group and small changes could potentially have significant effect on the diversity metrics. A forty (40) percent female share at Senior Management is considered good. The female share in middle manage have diminished during the reporting year. There has been some turnover in the reporting year and FOWIC did not have a hiring strategy in the reporting year to maintain/increase the female share.

When preparing the disclosure related to age distribution, FOWIC included all employees at all levels.

Employees break down by age group:

Age group	Number of employees (head count)	Percent (%)
<30	10	12
30 – 50	48	59
>50	24	29

FOWIC is a relatively young company which is reflected in the age distribution. The company was founded in 2008 with the first vessel delivered in 2012. FOWIC is a company where the majority of positions requires higher education, which automatically excludes some age groups and may explain why the age group under thirty (30) is smaller than the group above thirty (30).

S1-10 – Adequate wages

All FOWIC employees have adequate wages. FOWIC uses reference numbers from unions for the different occupational areas as benchmarks for our wages, this includes but are not limited to Tekna (Master's degree professional association in Norway) and Econa (Norwegian association for professionals and graduates in business and economics) In addition input is gathered from HR-Norway and the Frontier trade model.

S1-13 – Training and skills development metrics

In FOWIC, appraisement interviews are carried out with the employees. Managers encouraged to carry out individually prepared development interviews with employees at least once a year. It is recommended to carry out shorter follow-up interviews quarterly to contribute to a continuous focus on support and development. The development interview must focus on how the individual employee and manager can contribute in cooperation to achieving the company's goals, as well as designing a working situation that provides job satisfaction, development and well-being for individuals. Conversation template is available, and the administrative aspects of the implementation process are taken care of in the human resource portal.

FOWIC have not gathered data as required under disclosure requirement S1-13 (83 (a) and (b) in the reporting year. This will be included in the next statement.

S1-14 – Health and safety metrics

The Tern vessels safety management system (SMS) and the integrated company's management system (quality, health, safety and environment management system) (QMS) covers 100% of FOWIC's own workforce. This includes employees in the FOWIC group as well as agency hired seafarers and hired consultants. The FOWIC Management Systems, SMS and QMS, are certified in accordance with the IMO's International Safety Management (ISM) Code as well as ISO 9001, ISO 14001 and ISO 45001.

Metric	Reporting period (2023)	2022
Fatalities	0	0
Total recordable incidents (TRI)	4	5
Total recordable incident frequency rate (TRIF)	2	2.8
Number of work related illness (employees)	0	0
Lost days to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health (employees)	0	0

S1-16 - Compensation metrics (pay gap and total compensation)

When compiling the information required under paragraph 97 (a) for the gap in pay between female and male employees, FOWIC used the methodology described in 'ESRS S1 Own Workforce', AR 100:

$$\frac{(Average\ gross\ hourly\ pay\ of\ male\ employees - average\ gross\ hourly\ pay\ level\ of\ female\ emplyees)}{Average\ gross\ hourly\ pay\ level\ of\ male\ emplyees}$$

This calculation is unadjusted. FOWIC have included all FOWIC employees, both employed in Norway and outside. About fourteen (14) percent of FOWIC's employees are employed in Denmark. The calculation does not take into account positions, education or years of experience.

When compiling the information required under paragraph 97 (b) for the annual total remuneration ratio of the highest paid individual to the median annual total remuneration for all employees (excluding the highest-paid individual, FOWIC used the methodology described in 'ESRS S1 Own Workforce', AR 103:

$$\frac{Annual\ total\ remuneration\ for\ the\ undertaking's highest\ paid\ individual}{Median\ employee\ annual\ total\ remuneration\ (excluding\ the\ highest-paid\ individual)}$$

Gender pay gap	87.54 %
Total remuneration Ratio	3.7

S1-17 – Incidents, complaints and severe human rights impacts

FOWIC considers that the mechanisms dealing potential grievance could be improved, and cannot rule out that there have been instances which have not been reported in the reporting year.

	Number	**Total amount of material fines, penalties, and compensation for damages as a result of the incidents and complaints (EUR)**
Total incidents of discrimination, including harassment, reported in the reporting period	3	Zero
Complaints filed through internal channels incl. grievance mechanisms	8	
Severe human rights incidents		
Number of severe human rights incidents	Zero	Zero

3.2 (ESRS S2) Workers in the value chain

3.2.1 S2 General disclosure

To maintain or upgrade their vessels, FOWIC have workers in the value chain onboard in periods. This makes workers in the value chain exposed to the hazards related to the vessel operations. Working conditions (health and safety) are considered a material impact. FOWIC operate globally and have a global network of suppliers with a range of suppliers to maintain and operate the vessels and mobilise for projects. Without conducting due diligence there is a risk of breaches of human and labour rights within the list of suppliers. Lack of planning and actions in own operation could potentially contribute to adverse impact on workers in the value chain. Human and labour rights (other work-related rights).

3.2.2 S2 Impact, risk and opportunity management

S2-1 – Policies related to value chain workers

Policies to manage impacts related to health and safety for workers in the value chain are described in the FOWIC Sustainability Policy. The relevant part of the policy is extracted below:

- *FOWIC (and its subsidiaries) have a zero injuries philosophy and are committed to the protection of health and safety for our employees and subcontractor personnel on our assets or sites*

Further FOWIC have identified potential negative impact related to other work-related rights. FOWIC's commitment to human rights and labour rights is specified in the company's Code of Conduct, which expands to cover all parts of FOWIC's value chain. Relevant sections extracted below:

- *FOWIC (and its subsidiaries) respect the rights defined in UN's Universal Declaration of Human Rights and have zero tolerance for human rights violation and correspondingly assess actual and potential adverse impacts and implement measures to cease, prevent or mitigate any such*

- *FOWIC (and its subsidiaries) respect the rights defined in the ILO Declaration on Fundamental Principles and Rights at Work*
- *FOWIC (and its subsidiaries) are committed to equal opportunities for all and do not accept any form of discrimination on the basis of gender, age, ethnic origin, nationality, disability, sexual orientation, religion, political opinion, or otherwise*
- *FOWIC (and its subsidiaries) do not accept the use of child labour or modern slavery*
- *FOWIC (and its subsidiaries) will not prevent employees from associating freely with any lawful workers' association or collective bargaining association of their choice*
- *FOWIC (and its subsidiaries) shall contribute to the elimination of all forms of forced or compulsory labour*
  FOWIC (and its subsidiaries) are transparent and open in communication with stakeholders and comply with the Transparency Act. and relate to due diligence procedures in accordance with the OECD Guidelines for Multinational Enterprises

FOWIC's CEO is responsible for the implementation of this policy within FOWIC and FOWIC will ensure corresponding implementation within subsidiaries.

S2-2 – Processes for engaging with value chain workers about impacts

FOWIC have used own experience gathered throughout the years working in the different areas/operations and external sources in the identification of potential adverse impacts. The following sources has been used in the initial assessment:

- European Bank of Reconstruction and Development (EBRD) index
- ITUC GRI - Home (globalrightsindex.org)

In connection with addressing potential adverse impact associated with an industry, FOWIC use the European Bank of Reconstruction and Development's (EBRD) index which links social risk to NACE codes. These are standardized codes in the EU in order to be able to compare economic activity across countries. The EBRD divides the risk into "Low", "Medium" and "High" and FOWIC uses this directly as Industrial risk. FOWIC uses the ITUC's index for working conditions as a basis for saying something about the risk associated with a country. ITUC divides the countries into 6 categories:

1. Occasional violations of rights
2. Repeated infringement of rights
3. Regular violations of rights
4. Systematic violations of rights
5. No guarantee of rights
6. No guarantee of rights due to breakdown in the rule of law

The industry and geographical risk combined gives the supplier a score (low, medium, or high risk). This score is used as a baseline for discussing further actions. A qualitative assessment is conducted to start with the most material companies in the high-risk areas, this can include, but is not limited to, removing companies used one time and is unlikely to use again in future. For the most material high-risk suppliers a human rights assessment is collected from the supplier. Based on the results further actions are taken, this could include on-site visits/audits. Suppliers shall be assessed in the platform on a quarterly basis and the Sustainability Manager, and the Head of Procurement are responsible for ensuring this process is followed.

S2-3 - Processes to remediate negative impacts and channels for value chain workers to raise concerns

In line with the Norwegian Transparency Act, external stakeholders may always contact FOWIC's main office for further information on work towards human rights or report any actual or suspected violations and breaches via an email available on the company's website.

S2-4 – Taking action on material impacts on value chain workers, and approaches to mitigate material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions

For the potential negative impact FOWIC have on value chain workers working onboard FOWIC's vessels the following actions have been implemented:

All work onboard FOWIC's vessels shall be conducted using FOWIC's four basic safety tools:

- Risk assessment
- Permit to work (for hazardous work)
- Toolbox talk (Review of risk assessment with all involved personnel)
- Take2 (Last minute risk assessment conducted before the work starts)

FOWIC provide training to value chain workers onboard the vessel as below:

Training:	OCM (or equivalent)	Lift Supervisor*	Installation Lead*	Client Reps*	All other SPS Crew	Subcontractor supervisor**	Subcontractor doing hot work	Offshore Safety Advisor	**Remarks:**
Vessel induction	●	●	●	●	●	●	●	●	HSE-593-P Vessel induction
Hot works induction	●						●	●	TM-01 Hot works induction
Risk Assessments	●	●	●	●	○	○		●	TM-02 Risk assessments
Permit to Work	●	●	●	●	○	●		●	TM-03 Permit to Work
HSE Manual (incl. HSE bridging doc.)	●	●	●	●	○	○		●	TM-04 HSE Manual
HSEQ Reporting	●	○						●	TM-05 HSE Reporting
Safety Management System (SMS)	●	○	○					●	TM-06 SMS
Think first (Observation techniques/Take2)	●	●	●	○	○	○		●	TM-08 Think first
Dropped objects	●	●	●	○	○	○		●	TM-09 Dropped objects
Hand safety	●	●	●	●	●	●	●	●	TM-10 Hand safety
SharePoint	●							●	TM-12 SharePoint
Noise and vibration	●	○	○	○	○	○		●	TM-16 Noise and vibration
Enclosed space								●	TM-18 Enclosed space
● = Mandatory ○ = Recommended									

* Client personnel conduct training subject to agreement in HSE bridging document.

** Subcontractor supervisor shall not fill the role as Person in Charge before 'TM-03 Permit to Work' has been conducted.

With regards to actions related to the potential negative impact on breaches of human rights in the value chain FOWIC have in the reporting year taken steps to further strengthen the due diligence process of value chain workers by implementing a platform to conduct the initial assessment and to carry out follow-up gathering information from suppliers. All suppliers and subcontractors are required to follow the principles as laid down in FOWIC's Code of Conduct.

3.2.3 S2 Metrics and targets

S2-5 - Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Short term (2024)	Medium term (2-5 years)	Long Term (>5 years)
Total recordable frequency rate (TRIF) < 2	Total recordable frequency rate (TRIF) < 2	Total recordable frequency rate (TRIF) < 2
Zero actual adverse impact on workers in the value chain that are caused or contributed to by FOWIC or directly linked to our operation.	Zero actual adverse impact on workers in the value chain that are caused or contributed to by FOWIC or directly linked to our operation.	Zero actual adverse impact on workers in the value chain that are caused or contributed to by FOWIC or directly linked to our operation.

There are targets to track mitigation of negative impact related to workers in the value chains health and wellbeing and target to Targets has also been set to avoid any actual adverse impact related to workers in the value chain. The targets are directly linked with FOWIC's policies.

4 Governance information

4.1 (ESRS G1) Business conduct

4.1.1 G1 General disclosure

FOWIC have identified material financial risk related to corruption and bribery. The risk covers FOWIC's value chain and FOWIC, being an international company with vendors globally, potentially influences that risk.

All material impacts, risks and opportunity are listed in 1.3 Strategy – (SBM-3) and 1.4 Impacts, risks and opportunities further details the process of identifying and assessing the material topics.

4.1.2 G1 Impact, risk and opportunity management

G1-1 – Corporate culture and business conduct policies

FOWIC have a Code of Conduct and an Anti-bribery policy to fosters the corporate culture. The anti-bribery policy has been established in compliance with the anti-bribery laws that at any time are applicable to FOWIC. FOWIC strive for continually improve, through achieving or where practically possible exceeding the goals by implementing applicable training programs and by conducting all aspects of the work in compliance with the anti-bribery laws that at any time are applicable to FOWIC. The valid policies in the reporting year did not contain details around training (target audience, frequency, depth of coverage or functions most at risk specifically). However, this is an integrated part of the computer-based training.

G1-3 – Prevention and detection of corruption or bribery

In the FOWIC HSE Handbook and Managers Handbook whistleblowing procedures are described.

Prevention measures are not included in the procedures. However, this is an integrated part of FOWIC's training program. Investigators/investigation teams shall be assessed on a case-by-case basis. The current procedures do not describe the criteria for selection of an investigator or an investigation committee and related issues.

FOWIC's Code of Conduct and Anti-bribery policy is provided to all employees upon joining the company together with the HSE Handbook with the whistleblowing procedure. Upon people in FOWIC's own workforce must conduct Code of Conduct and anti-corruption training. To access the Anti-corruption and anti-bribery course the student has to confirm that the policy is read and understood and answer questions to verify that the policy is read and understood.

During the 2023 financial year FOWIC provided training to all of its own workers in terms of its Policy. The training is mandatory for all employees. Details of its training during the year is as follows:

	Managers	Employees	Other own workers (non-employees)
Training coverage			
Total	5	81	198
Total receiving training	5	80	121
Frequency			
How often training is required	Bi-annually	Bi-annually	Bi-annually
Topics covered			
Definition of corruption	x	x	x
Policy	x	x	x
Procedures on suspicion/detection	x	x	x

Reporting a violation or raising concerns about possible violation of the anti-bribery or Code of Conduct shall be conducted in accordance with internal procedures as described in the HSE Handbook. Further a “Hot line” for addressing complaints specifically on anti-corruption is available through the Head of Contracts. The reporting mechanisms are created for own workforce and does not cover any external complaints.

All employees shall conduct a whistleblowing training online upon employment. Further information about whistleblowing is given to all Norwegian employees in the HSE Handbook. FOWIC prohibits any retaliation towards whistleblowers. The training is completed once and contain information on definitions, procedures and protection of whistleblowers/prohibition of retaliation.

4.1.3 G1 Metrics and targets

G1-4 – Confirmed incidents of corruption or bribery

During the financial year 2023 FOWIC had no reported cases of corruption and bribery. Violation of anti-corruption and anti-bribery laws:

Number of convictions	Zero (0)
Amount of fines (€)	Zero (0)
Actions taken to address identified breaches in procedures and standards of anti-corruption and anti-bribery (description of action - text)	N/A
Confirmed incidents total (number)	Zero (0)
Confirmed incidents total (description of nature - text)	N/A
Confirmed incidents resulting in dismissal or disciplined actions (number)	Zero (0)
Confirmed incidents relating to contracts with business partners that were terminated or not renewed due to violations related to corruption (number)	Zero (0)
Details of public legal cases regarding corruption or bribery brought against FOWIC and our own workers during the reporting period and the outcomes of such cases (Description – text)	N/A

Oslo, April 2024

Fred. Olsen Windcarrier ASA – The Board of Directors

Anette S. Olsen	Richard Olav Aa	Ingelise Arntsen	Håkon Borgen
Chairman	Board member	Board member	Board member
Sign.	Sign.	Sign.	Sign

Haakon Magne Ore
Chief Executive Officer
Sign.
