



TRANSPARENCY REPORT 2023



Hiking in Norway

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1 INTRODUCTION



Presentation in Molde office

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1.1 About this report

At Axess, our motivation for reporting on fundamental human rights and decent working conditions in our supply chain is to promote transparency, demonstrating our commitment to making responsible business decisions and contributing towards improvements in the most critical industries in which we operate. To summarise our work so far, this report includes information about our process as well as the results from our annual due diligence assessments for Axess Group globally, Axess in Norway and Axess Technologies. We also share the actions and initiatives taken in 2023, as well as the initiatives and ambitions going forward.

At Axess, we have suppliers in many countries around the world, but we also know and understand the position of the suppliers through the services and solutions that we deliver to our clients. Hence, we are aware of the impact we have on our value chain, but also that long-term results are only achieved through good collaboration. Therefore, we are committed to open communication with our suppliers about the risks and challenges in their supply chains, so that we can discuss what collaborative efforts we can make to improve the situation over time. We provide further details on this strategy and our ongoing initiatives in chapters 2 and 7 of the report.

We did our first due diligence assessment of the supply chain for our Norwegian companies in 2022. Since then, we have broadened our work to include Axess Group globally. In this year's report, several due diligence assessments are presented. Firstly, we provide the result of the due diligence assessment of all our global companies. Secondly, we present the results of the due diligence assessment of Axess AS Norway, which is the same group of companies that were covered in last year's report. This is therefore the section that can be used for comparison to previous reports. Additionally, as the parent company for Axess Technologies AS, the results from their due diligence assessment are also included in the report, since we are required to report individually on their process this year. All these assessments are summarised in chapters 3, 4 and 5 respectively.

When evaluating risks in the supply chain at Axess Group (e.g. Axess AS with all its subsidiaries as listed in Table 1), we are also responsible for assessing the activities within our own companies. This is particularly important in Axess Group, as many of the companies within the Group are suppliers to each other. We continuously monitor indicators of a healthy working environment and promote transparency to ensure good working conditions for our employees. Additionally, all subsidiaries of Axess AS commit to the same governing documents which shall be followed at any given time. This is ensured through continuous collaboration, good communication and internal audit processes. We also follow the due diligence process described in this report when evaluating new projects or expanding our operations to new countries. Because these processes are controlled internally, this report focuses primarily on the responsible business conduct in our supply chain.

1.2 About Axess Group

Axess Group is fully owned by Axess AS, a Norwegian company with headquarters in Molde. In this report, we will report on all companies owned by Axess AS, where the parent company or any of the subsidiaries are majority owners (exceeding 50% of the shares). Details about the companies included in the report are provided in the table below and the company structure is shown in Figure 1 and Table 1.

In this report, we will refer to Axess AS including all its global subsidiaries as 'Axess Group', while all companies operating in Norway will be referred to as 'Axess AS Norway'. Additionally, results for Axess Technologies AS are presented individually according to the requirements of the Transparency Act.

Companies included in the report:	Axess Group: Axess AS including all global subsidiaries
Names of businesses required to report:	Axess AS (parent company) Axess Technologies AS (fully owned by Axess AS)
Address for Axess AS main office:	Grandfjæra 22C, 6415 Molde, Norway
Main services, products, and solutions:	Engineering and Integrity solutions
Main market sectors:	Oil and gas, wind energy, marine and infrastructure industries
Own employees as of 31.12.2023:	Axess Group: 631 Axess AS Norway: 324 Axess Technologies AS: 95
Annual revenue in 2023:	Axess Group: 1574 MNOK Axess AS Norway: 438 MNOK Axess Technologies AS: 287 MNOK

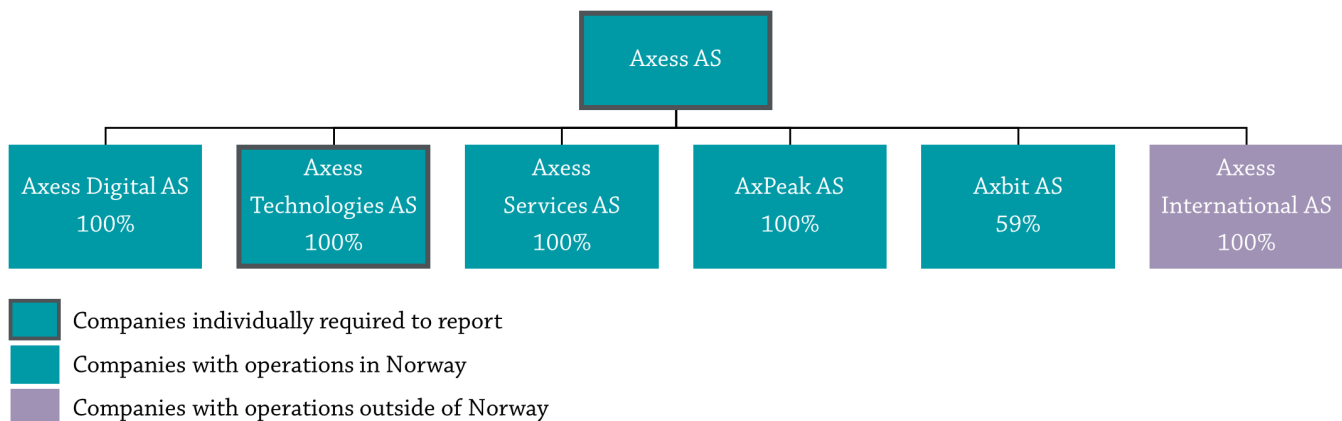


Figure 1: Axess Group's structure with first level of subsidiaries of Axess AS

Companies	Ownership (%)	Country of operations
Axess AS	Parent company	Norway
Axess International AS	100%	Norway
Axess Technologies AS	100%	Norway
Axess Digital AS	100%	Norway
Axess Services AS	100%	Norway
Axpeak AS	100%	Norway
Axbit AS	59%	Norway
Axess Industries AS	100%*	Norway
Axess do Brasil Ltda	92%*	Brazil
Axess North America Inc	100%*	USA
Axess Offshore Pte Ltd	100%*	-
Axess North Sea Ltd	100%*	UK
Axess Offshore Inspection Ghana Ltd	100%*	Ghana
Axess Offshore Africa Pty Ltd	100%*	South Africa
Axess North Sea Holding Ltd	100%*	-
Axess Offshore Norway AS	100%*	-
Axess Offshore France SAS	100%*	Congo
Altum Sp Z.o.o	100%*	Poland
Axess Africa International LLC FZ	100%*	UAE
Axess Baffin Inc	100%*	Canada
Axess Offshore Wind Inc	100%*	USA
Axess Offshore Services Pte Ltd	100%*	Singapore
Axess Offshore Pte Ltd Korea Branch	100%*	Korea
Axess Offshore Services India Branch	100%*	India
Axess Offshore Australia Pty Ltd	100%*	Australia
Axess Offshore Middle East DMCC	100%*	UAE
Axess AIM India Private Ltd	100%*	India
Praxis Consolidated Services(I) Pvt Ltd	100%*	India
Axess Offshore Pte Ltd Taiwan Branch	100%*	Taiwan
Axess for Oil Services	100%*	Saudi Arabia
Axess de Operations de Mexico	100%*	Mexico
Axess Guyana Inc	100%*	Guyana
Axess Digital D.O.O	100%*	Bosnia and Herzegovina
Axess Petrorig Ghana Limited	60%*	Ghana
Axbit Poland	100%*	Poland

* Ownership is through Axess International AS or other fully owned Axess' subsidiary in this list

Table 1: Overview of all companies owned by Axess AS and covered by this report

2 RESPONSIBLE BUSINESS



Engineers in the Molde workshop

At Axess, sustainability is about our commitment to making responsible business decisions that create value by protecting the health and safety of our people, taking ownership to combat climate change, and contributing to the good of society. For us, sustainable growth is therefore rooted in our continuous development as a responsible business. A central pillar in this work is having a responsible supply chain. Axess' success depends on excellent and strategic collaboration with our suppliers and business partners, where we work systematically together to take responsibility for the working conditions in our supply chain.

At Axess, our 'We Values' form the basis for our ethical standards and compliance in our own operations as well as with our business partners. Further, responsible business practices are governed through our Code of Conduct, where our ethical commitments and requirements are clearly communicated, including the expectations for personal conduct as well as appropriate business practices.

Responsible business is monitored through specific Environmental, Social and Governance (ESG) performance data as presented in Axess' annual sustainability report. As part of this performance data, we have also defined specific actions and targets related to a responsible supply chain.

Axess' commitment to a responsible supply chain:

At Axess, a responsible supply chain means that all parties in the value chain contribute to promoting human rights, maintaining decent working conditions, addressing environmental issues, and upholding anti-corruption policies. This ultimately leads to sustainable development.

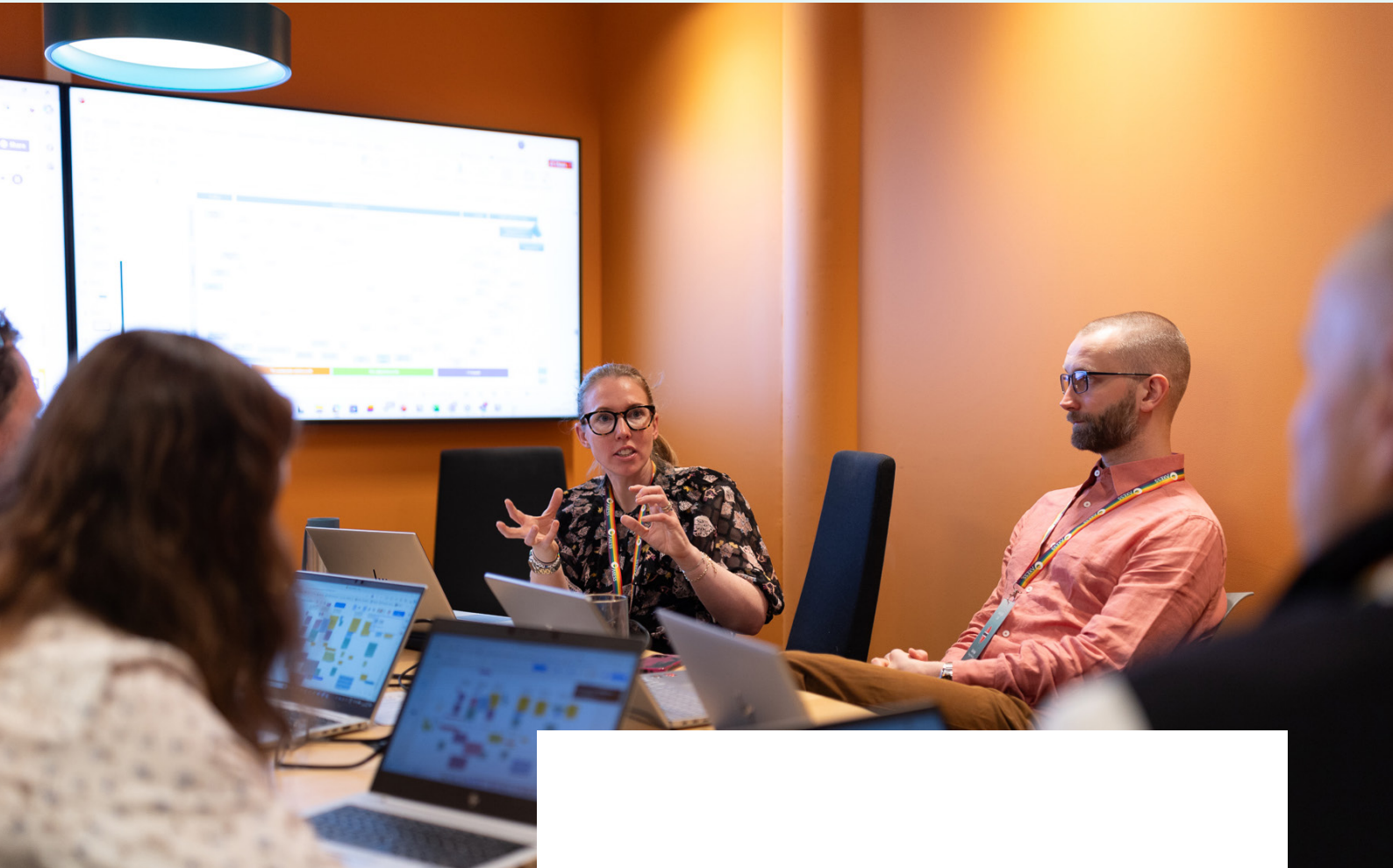
As a provider of services and products, and to continue making responsible business decisions, it is important for us to be open and collaborative with our clients on sustainability issues. For us, this means putting extra effort into reducing our greenhouse gas (GHG) emissions, helping our clients reduce their GHG emissions and having a clear action plan for our work towards a responsible supply chain.

Suppliers' commitment to a responsible supply chain:

Axess' suppliers are expected to work on the reduction of GHG emissions as well as to report on Axess' portion of their emissions. Axess also expects its suppliers to partake in open dialogue about human rights issues and decent working conditions in their operations and value chain. In case of breaches, Axess expects full collaboration to improve these conditions. This process is important in Axess' work for a responsible supply chain, as audits and checklists will not contribute to significant improvements alone.

All suppliers of criticality 1 shall sign Axess' supplier commitment at first-time of approval, covering Axess code of conduct, HSSEQC policy, Human rights policy, and Modern slavery statement. Additionally, our top 20 suppliers and all high-risk suppliers will also be expected to sign the supplier commitment going forward.

3 THE DUE DILIGENCE PROCESS AT AXESS



Meeting in Molde office

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- 11 Cease, prevent or mitigate adverse impacts
- 12 Tracking implementation and results
- 12 Remediation of adverse impacts

At Axess, our due diligence process is based on OECD's guidance for due diligence assessments [1], and includes a broad focus on responsible business conduct. Our due diligence process covers human rights issues, decent working conditions, workplace health and safety, environmental issues* as well as risks for bribery and corruption. In the following subsections, we will explain our entire process, while the latest due diligence assessments for 2023 are provided in chapters 4 - 6 of the report.

* Collaboration with our supply chain on environmental issues is covered in our annual GHG emissions report [2].

3.1 Responsible business conduct in governance

The strategy and working process for responsible business conduct at Axess is anchored in management. The board of directors monitors and evaluates the work, and the Director of Responsible Business regularly reports the status to the Board on behalf of Axess' management.

Axess' obligations are founded and described in Axess' governing documents:

- 003-G-E Code of Conduct
- 456-G-E HSSEQC policy
- 457-G-E Human Rights policy
- 458-G-E Modern Slavery statement

These governing documents are clearly communicated internally, and all employees receive mandatory training on the content of these documents. Through these measures, we ensure that the principles of responsible business conduct become an integrated part of our business practices. The listed documents are also publicly available on our website.

Axess expects all suppliers and subcontractors to conduct business according to the same standards and align with our understanding of business ethics. To ensure this, all suppliers and subcontractors are expected to commit to Axess' governing documents listed above. This is communicated in our contracts and followed up with the suppliers. Furthermore, these obligations are integrated into our working processes, guidelines, and procedures for supply chain management. This includes the following internal documents:

- 391-P-E Risk Management
- 251-P-E Procurement
- 253-P-E Approval and Evaluation of Suppliers
- 254 C-E Supplier Assessment Questionnaire
- 462-F-E Supplier Commitment

As described in these documents, all our suppliers shall be listed in our suppliers list and go through an approval process. All our criticality 1 suppliers shall be audited every three years, and others based on individual evaluation. Additionally, supplier commitment and collaboration are important parts of our supply chain governance, and the background for introducing our supplier commitment scheme in 2022.

[1] OECD. (2018). *OECD Due guidance for responsible business conduct*. <https://mneguidelines.oecd.org/OECD-Due-Diligence-Guidance-for-Responsible-Business-Conduct.pdf>

[2] Axess Group. (2023). *GHG Emissions Report 2023*. <https://www.axessgroup.com/wp-content/uploads/2024/03/GHG-Emissions-Report-2023-final.pdf>

Over time, we aim for all our suppliers to sign our supplier commitment but have focused on our criticality 1 and criticality 2 suppliers to our Norwegian companies thus far. Our largest global suppliers will be introduced to the scheme from 2024. As part of this process, the supplier agrees to and signs the commitment, but it is also an opportunity to openly discuss adverse impacts in the supply chain and how these can be approached and impacted. We also follow up on these topics in our supplier audits.

All suppliers have access to Axess' anonymous "Whistleblower" channel through our website for reporting any possible misconduct related to their activities with Axess.

3.2 Assessment of adverse impacts

We are exposed to risks in our supply chain through our suppliers' activities as well as all activities that fall within our suppliers' value chains. The full picture is complex, and it is crucial to set realistic boundaries to make sure the due diligence process brings concrete outcomes. The process at Axess consists of evaluating which suppliers possess the highest risks to us, including:

- Importance of the supplier, in terms of supplier size and supplier criticality
- Geographically inherent risks related to human rights, bribery and corruption, working conditions and cyber security
- Occupational safety and health risks
- Sector and product specific risks related to the supplier

Additionally, we evaluate our own actual or potential influence on the identified risks.

The due diligence assessment builds on the governance structure presented in the previous section, and internal procedures such as 391-P-E Risk Management and 253-P-E Approval and Evaluation of Suppliers are important in the risk assessment process of our suppliers. Furthermore, the Axess Guideline for Geographical Risk Screening is an important tool to evaluate in which countries we have the highest risk of adverse impact and is used in combination with our internal procedure for how to define high-risk countries.

3.3 Cease, prevent or mitigate adverse impacts

As part of the due diligence process, Axess is prepared to implement measures to cease, prevent or mitigate adverse impacts if or when such conditions are uncovered.

Examples of such measures can be the following, depending on the situation and proportionality:

- Enhanced control through frequent or thorough evaluations of suppliers with increased risk.
- Additional background checks of suppliers with increased risk.
- Closer follow-up, training, and dialogue.
- Revision of contract with supplementary contract provisions. For example, obligations for the supplier to identify risks and establish measures to prevent violations of human rights, as well as the duty to report violations to Axess.
- Phase out and/or replace suppliers that pose an unacceptable risk or impact.

In some cases, we may have no or limited control over the breaches of human rights and unsatisfactory working conditions occurring far down in the supply chain, i.e. a typical dilemma that arises when evaluating sector and product risks. For Axess, if the adverse impacts are related to topics that we have zero tolerance for, such as modern slavery, child labour and discrimination, our strategy is to still find ways in which we can contribute to improvements. This means that if we uncover that unsatisfactory conditions occur far down in our supply chain (i.e. extraction of raw materials), or that such information is brought to our attention, we will spend time to identify initiatives that we can support that are appropriate and effective for each specific case.

3.4 Tracking implementation and results

As we identify risks on a continuous basis and implement measures to cease, prevent and mitigate adverse impacts when this is necessary, we also monitor the effect of what has been implemented and document the results. This process is documented internally through audit reports, nonconformities, improvement reports and in our risk management process. It is also natural to present the implemented actions and results in our annual Transparency Report, see chapter 7 of this report.

By monitoring the effectiveness of implemented measures, we will be able to evaluate the need for any further measures or follow-up. The experience from the existing implementation will also serve as important learning for how we can improve our governance to reduce risks in the future.

3.5 Remediation of adverse impacts

If Axess, through the due diligence assessments, discovers any negative impacts or consequences with respect to human rights or decent working conditions, we will address how this can be restored or compensated for. Which restoration or compensation is appropriate, depends on the nature and extent of the specific incident. Examples of restoration or compensation could be, for example, a public statement about the adverse impact or an offer of financial compensation to affected parties.



South Africa colleagues in the Cape Town office

4 DUE DILIGENCE ASSESSMENT - AXESS GROUP



Engineer working on platform offshore

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4.1 Selection

In 2023, we report on Axess AS including all global subsidiaries referred to as Axess Group. As shown in Table 1, this includes activities from 35 entities in 22 countries globally. Because the scope of this value chain is quite extensive, we have used two different approaches for the selection of suppliers to maximise the value we get out of this process.

First selection:

We have assessed Axess Group's 50 largest overall suppliers, and we found that 25 of these were transactions between our own companies and 25 were transactions with external suppliers. We then chose to focus on the top 25 external suppliers on this list, as we already manage risks internally through our internal governance processes.

Second selection:

Additionally, we have assessed the top 3 suppliers in all legal entities of Axess Group. This was to make sure that we captured local risks in every entity, as well as gained a better overall perspective of our value chain. All entities that had considerable financial activity during 2023 have been included. This was true for 19 of our entities.

Please note that we present additional due diligence assessments of the 20 largest suppliers for Axess AS Norway and Axess Technologies AS in chapters 5 and 6 respectively.

4.2 Risk assessment

4.2.1 Importance

When evaluating risks in our supply chain, we must include the suppliers that possess the largest risks to our business. This is ensured by verifying that we have captured the suppliers with the highest importance to us. We measure this in terms of size and criticality, where size reflects our exposure and potential influence, while criticality reflects how dependent we are on the individual supplier.

Size of supplier:

We have based this assessment on the sum of all transactions between suppliers and all Axess Group's companies, and our top 25 suppliers were selected for detailed due diligence assessment.

Results:

- The 25 largest suppliers belong to four of Axess Group's entities, see Figure 2.
- The 50 largest suppliers represent 54% of all transactions in the Group.
- The 20 largest suppliers represent 43% of all transactions in the Group.
- The largest external supplier represents 11% of all transactions in the Group.

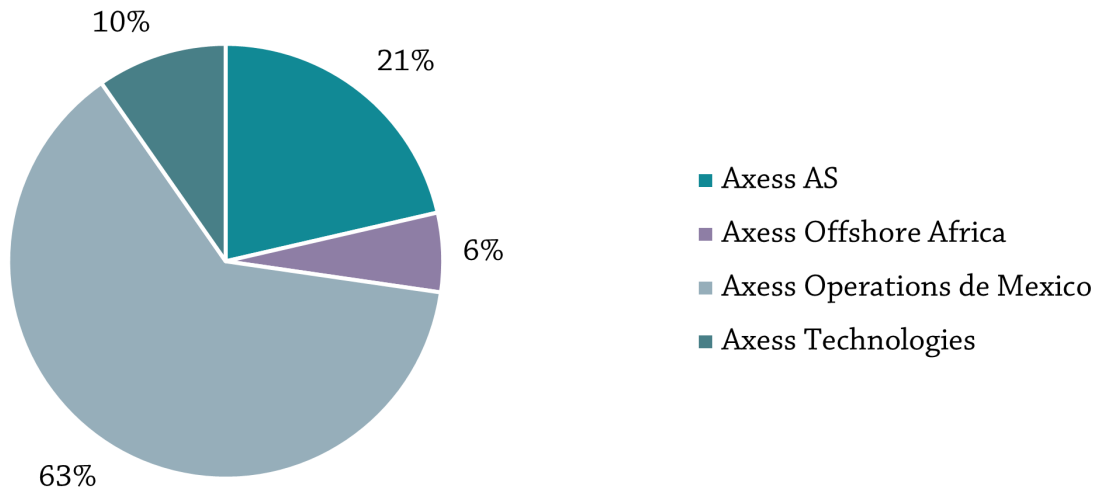


Figure 2: Overview of companies with the 25 largest suppliers in the Group

Criticality of supplier:

We assess the criticality of our suppliers as part of supply chain management according to Axess' procedure 253-P-E Approval and Evaluation of Suppliers. Our suppliers are given a criticality 1, 2 or 3, defining them as critical, medium, or non-critical suppliers respectively.

Results:

- Criticality 1: 12 out of 25 largest suppliers
- Criticality 2: 11 out of 25 largest suppliers
- Criticality 3: 2 out of 25 largest suppliers

4.2.2 Inherent geographical risk

The inherent geographical risk is assessed based on the geographical origin of the supplier, based on the following guidelines and criteria:

Transparency international's corruption index	Score 0-100	High risk >41
EU and UN's sanctions list	Sanctions / No sanctions	
Human Rights Scores by Our Worlds in Data	Score 0-1	High risk <0,4
Seon-io's Global Cyber Safety Index	Score 0-10	High risk <3,52

Table 2: Criteria used to define high geographical inherent risk

Geographical origin:

An overview of the geographical origin of our suppliers can be viewed in Figure 3.

- Among Axess Group's 25 largest suppliers, we have suppliers from 6 different countries.
- Among the top 3 suppliers for each entity, we have suppliers from 20 different countries.

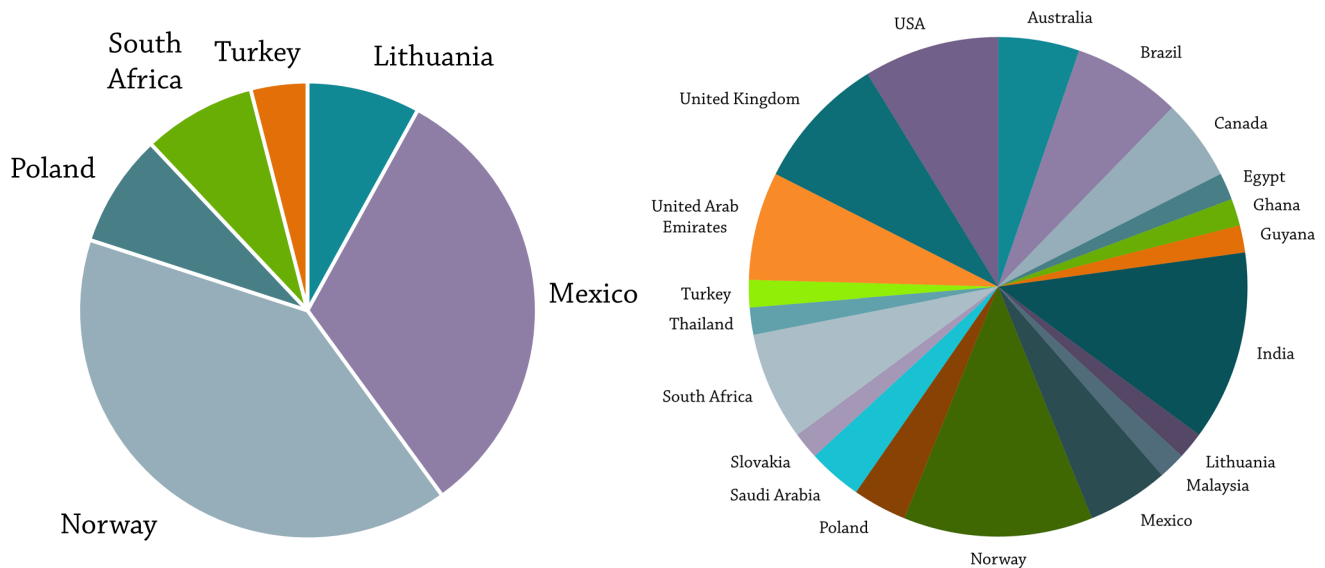


Figure 3: Distribution of suppliers by country - top 25 suppliers (left) and top 3 suppliers for all entities (right)

Geographical inherent risk:

Based on the criteria presented in Table 2, we re-assess the geographical inherent risks posed by our suppliers' geographical origin annually.

Among our 25 largest suppliers:

- We have 9 suppliers from high-risk countries, with 8 suppliers in Mexico and 1 supplier in Turkey.
- We have 2 suppliers from South Africa, which is a country with medium risk.
- The remaining top 25 suppliers are not associated with elevated geographical risk.

4.2.3 Occupational safety and health risk

The direct labour risk per country is assessed based on whether the origin country of the supplier has ratified the ILO conventions for Occupational Safety and Health; C155 Occupational Safety and Health Convention and C187 Promotional Framework for Occupational Safety and Health Convention.

Countries	Ratified C155	Ratified C187
Norway	Yes	Yes
Lithuania	No	No
Poland	No	No
Mexico	Yes	No
South Africa	Yes	No
Turkey	Yes	Yes

Table 3: Countries and ratification of ILO conventions

Four of our top 25 suppliers operate in a country which has not ratified C155 nor C187 and 14 out of 25 suppliers operate in countries which have not ratified C187.

4.2.4 Sector and product risk

To assess the risk based on sector and product, The Norwegian Agency for Public and Financial Management (DFØ)'s High Risk List is used. This list classifies a range of sectors with high risk of human rights or decent working conditions. To produce this list, DFØ has assessed the entire value chain of these sectors and products, all the way back to raw material of the product supplied. This is valuable input to Axess when identifying any specific sectors to pay extra attention to.

Among Axess' 25 largest suppliers globally, 8 out of 25 suppliers deliver services and products that are on DFØ's high risk list.

- 5 suppliers deliver services related to the fabrication of steel products
- 1 supplier provide IT hardware and software
- 2 suppliers provide tools (steel) and PPE (including textile products)

In summary, Axess Group is exposed to high product / sector risk for all suppliers of IT, Metal and PPE.

4.3 Axess' potential influence

Axess has the potential to influence its supply chain through contracts, evaluation processes, audit programs, interactions, and collaborations with our suppliers.

In 2023, the following criteria affected Axess Group's potential influence on its supply chain:

- **Listed suppliers:** 16 out of the 25 largest suppliers in Axess Group are listed in our suppliers list. One of the suppliers missing is a Norwegian financial institution and the remaining eight are suppliers from Mexico.
- **Approved suppliers:** Out of our largest suppliers in the Group, all those listed in our suppliers list are also approved. The only ones not approved, are those not listed in the first place.
- **Supplier commitment:** 7 out of the 25 largest suppliers have signed our supplier commitment and all of these are suppliers to Axess Norway and Axess Technologies because it is where the supplier commitment scheme has been introduced thus far.

Axess' due diligence process and supplier collaboration has been an ongoing process in Norway for a few years already, where we have developed good practices and improved our systems and procedures as a result. In our first year of Group level due diligence, we have identified some gaps in relation to the due diligence process described in chapter 3, particularly related to the systems and procedures for supply chain management. The ambition is that all Axess Group will be at the same level as our Norwegian companies, using the same systems, processes, and best practice throughout the group. In 2024 this will be a special focus and improvement point for us going forward.

5 DUE DILIGENCE ASSESSMENT - AXESS AS NORWAY



Drone inspection in Norway

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5.1 Selection

The 20 largest suppliers of Axess AS Norway in 2023 were selected for detailed due diligence assessment. These suppliers were selected based on the sum of transactions between suppliers and one or more companies of Axess AS Norway. The same approach was used in 2022 and was continued because several new suppliers entered the top 20 list for 2023. By continuing with this approach, we ensure control of the largest suppliers. The approach will be evaluated every year to ensure the best assessment.

5.2 Risk assessment

5.2.1 Importance

When evaluating risks in our supply chain, we must include the suppliers that possess the largest risks to our business. This is ensured by verifying that we have captured the suppliers with the highest importance to us. We measure this in terms of size and criticality, where size reflects our exposure and potential influence, while criticality reflects how dependent we are on the individual supplier.

Size of supplier:

We have based this assessment on the sum of all transactions between suppliers and one or more of the companies in Axess AS Norway, and our 20 largest suppliers were selected for detailed due diligence assessment.

Results:

- The 10 largest suppliers represent 38% of all transactions.
- The 20 largest suppliers represent 53% of all transactions.
- The 13 largest suppliers represent each at least 2% of all transactions, while the rest of the suppliers represent less than 2%.

Criticality of supplier:

We assess the criticality of our suppliers as part of supply chain management according to Axess' procedure 253-P-E Approval and Evaluation of Suppliers. Our suppliers are given a criticality 1, 2 or 3, defining them as critical, medium, or non-critical suppliers respectively.

Results:

- Criticality 1: 8 out of 20 largest suppliers.
- Criticality 2: 9 out of 20 largest suppliers.
- Criticality 3: 1 out of 20 largest suppliers.
- No criticality defined: 2 out of 20 largest suppliers. Both suppliers are not registered and approved in Axess AS Norway's suppliers list. One supplier is a subsidiary of Axess AS, and the other supplier is a finance institution.

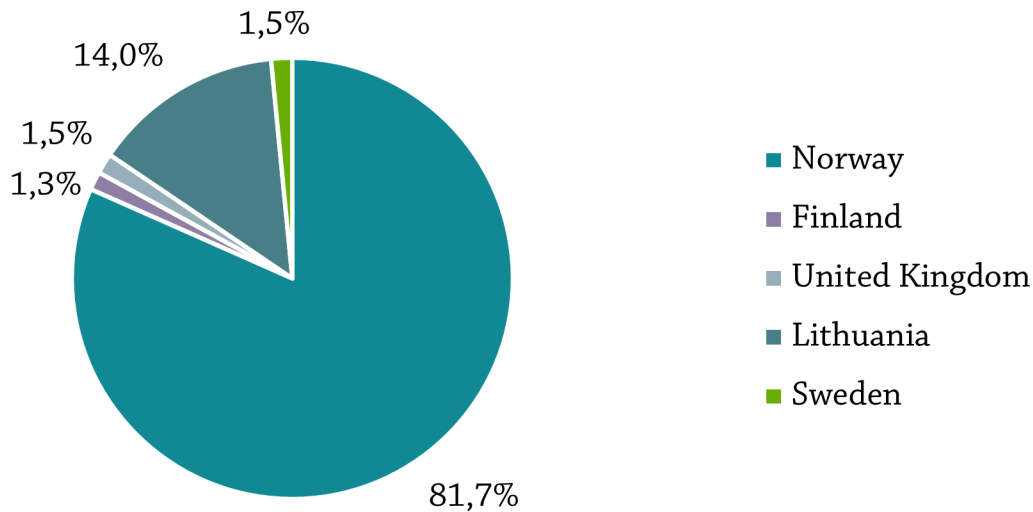


Figure 4: Distribution of the 20 largest suppliers for Axess AS Norway based on spend

5.2.2 Inherent geographical risk

The inherent geographical risk is assessed based on the geographical origin of the supplier, based on the following guidelines and criteria:

Transparency international's corruption index	Score 0-100	High risk >41
EU and UN's sanctions list	Sanctions / No sanctions	
Human Rights Scores by Our Worlds in Data	Score 0-1	High risk <0,4
Seon-io's Global Cyber Safety Index	Score 0-10	High risk <3,52

Table 4: Criteria used to define high geographical inherent risk

Geographical origin:

- Among the 20 largest suppliers, only 30% are based outside of Norway as seen in Figure 5. In total, 14 of our suppliers were registered in Norway, three in Poland, two in Lithuania, and one in the United Kingdom.

Geographical inherent risk:

- None of the countries assessed concluded with high risk based on the geographical risk factors listed above.

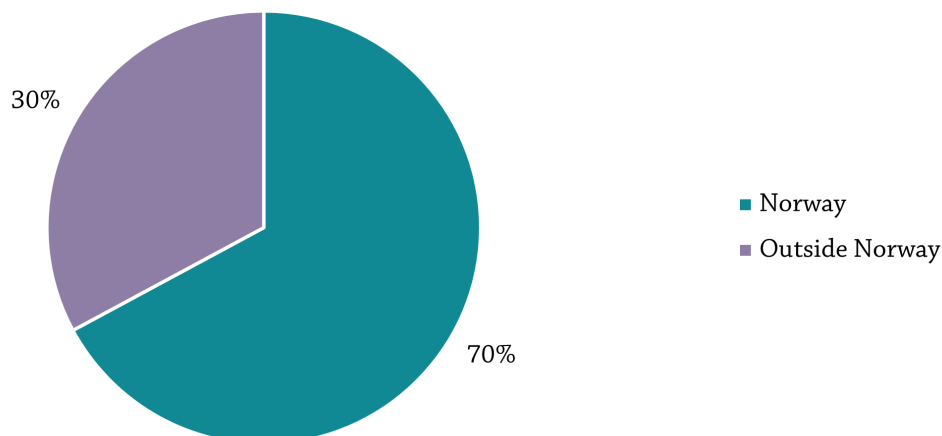


Figure 5: Distribution of the number of suppliers in the top 20 for Axess AS Norway by country of origin

5.2.3 Occupational safety and health risk

The direct labour risk per country is assessed based on whether the origin country of the supplier has ratified the ILO conventions for Occupational Safety and Health; C155 Occupational Safety and Health Convention and C187 Promotional Framework for Occupational Safety and Health Convention.

Countries	Ratified C155	Ratified C187
Norway	Yes	Yes
Lithuania	No	No
Poland	No	No
United Kingdom	No	Yes

Table 5: Countries and ratification of ILO conventions

For our 20 largest suppliers in Axess AS Norway, three of the suppliers have an origin country which have not ratified C155 and there are two suppliers in countries which have not ratified C187. This represents 19,3% of the total transactions between Axess AS Norway and our suppliers.

5.2.4 Sector and product risk

To assess the risks based on sector and product, The Norwegian Agency for Public and Financial Management (DFØ)'s High Risk List is used. This list classifies a range of sectors with high risk of human rights or decent working conditions. The entire value chain has been assessed, all the way back to the raw materials of the products supplied, the highest risks identified are given below. This is valuable input to Axess when trying to identify if there are any specific sectors that we should pay extra attention to.

Among Axess' 20 largest suppliers:

- 17 only supply services which are not classified according to this list.
- 3 suppliers supply products representing elevated risk including IT equipment, PPE, ropes and metal.





Tank inspection in Norway

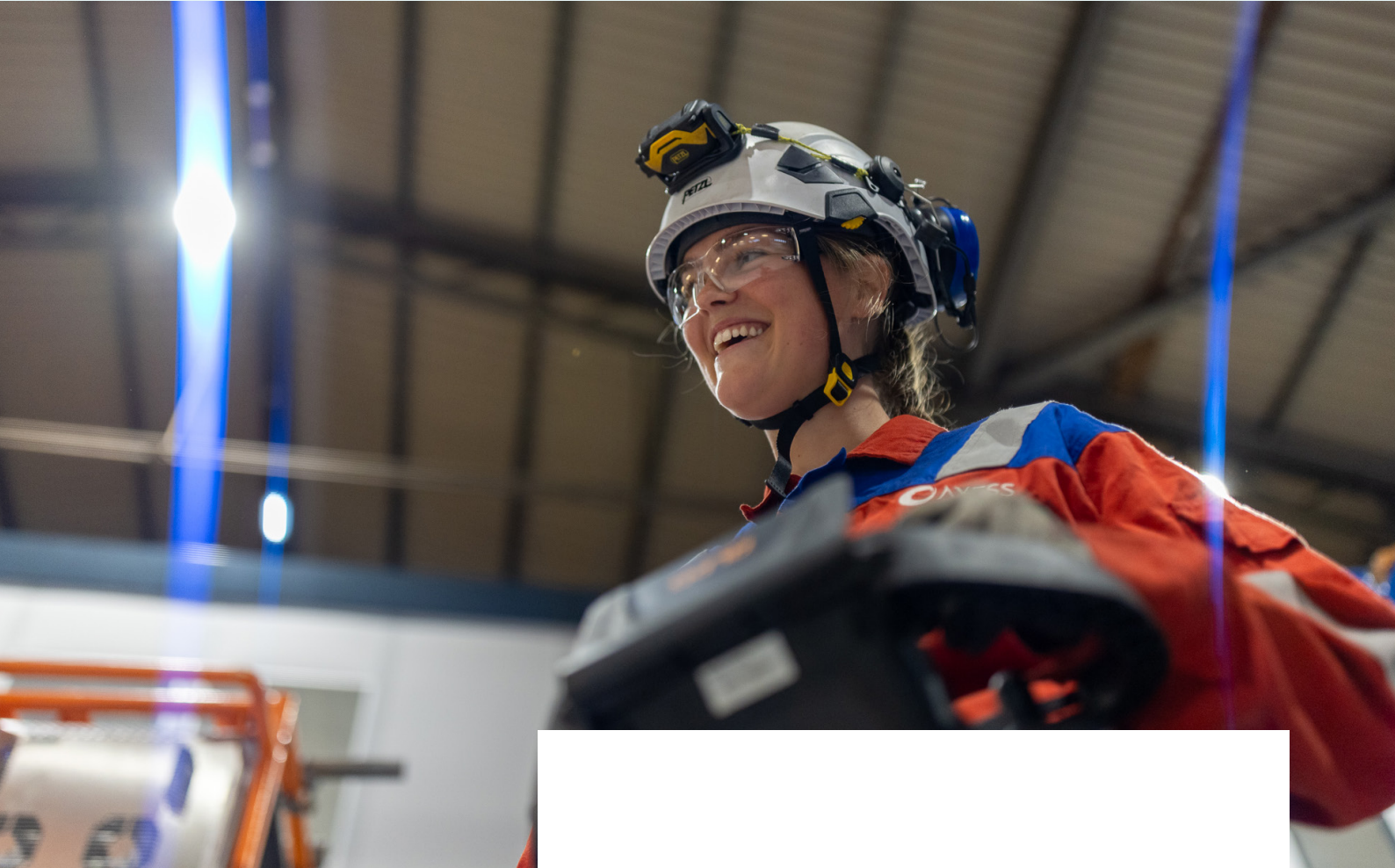
5.3 Axess' potential influence

Axess has the potential to influence its supply chain through contracts, evaluation processes, audit programs, interactions and collaborations with our suppliers.

In 2023, the following criteria affected Axess AS Norway's potential influence on its supply chain:

- **Listed suppliers:** 18 out of Axess Norway's 20 largest suppliers were listed in Axess' suppliers' list. Out of the two not listed, one was a subsidiary of an Axess' owned company, and the other one was not listed due to the type of service provided (finance institution - pension).
- **Approved suppliers:** The same 18 out of 20 suppliers that were listed, were also approved suppliers to Axess. The final two were considered approved because of the connection to Axess and the type of service provided.
- **Contracts:** All critical suppliers had valid contracts with Axess.
- **Audits:** Since January 2023, six supplier audits have been performed. Deviations or findings were identified and recorded in Axess QA system. All six audits have been closed out.
- **Supplier commitment:** 5 out of 8 Criticality 1 suppliers had signed our supplier commitment, as well as 10 of the 20 largest suppliers. Among the uncommitted Criticality 1 suppliers two were bank / finance institutions, which were not prioritised yet in 2023. The work is ongoing to follow up assessments and commitments among all critical suppliers for 2024.
- **Supplier assessment:** has been conducted on 8 out of our 20 largest suppliers. We will continue to follow up assessments of the remaining suppliers going forward. Axess will also prioritise and include assessment of suppliers with high sector and product risk, like fabrication of steel, IT equipment, tools, PPE and other textile products. Axess believes that we can make an impact on these supply chains through collaboration and dialogue with our suppliers.

6 DUE DILIGENCE ASSESSMENT - AXESS TECHNOLOGIES AS



Engineer in the Molde workshop

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6.1 Selection

The 20 largest suppliers of Axess Technologies AS in 2023 were selected for detailed due diligence assessment. These suppliers were selected based on the sum of transactions between suppliers and one or more companies of Axess Technologies. This due diligence assessment also covers Axess Industries AS, which is a subsidiary of Axess Technologies. This is the first year that we report on Axess Technologies AS separately and 12 out of the 20 largest suppliers for Technologies are concurrent with Axess AS Norway's 20 largest suppliers.

6.2 Risk assessment

6.2.1 Importance

When evaluating risks in our supply chain, we must include the suppliers that possess the largest risks to our business. This is ensured by verifying that we have captured the suppliers with the highest importance to us. We measure this in terms of size and criticality, where size reflects our exposure and potential influence, while criticality reflects how dependent we are on the individual supplier.

Size of supplier:

Sum of transactions between supplier and Axess Technologies AS

Results:

- Axess Technologies' 20 largest suppliers are selected for detailed due diligence assessment.
- The 10 largest suppliers represent 41,8% of all transactions.
- The 20 largest suppliers represent 54,3% of all transactions.
- The 8 largest suppliers represent each at least 2% of all transactions, while the rest of the suppliers represent less than 2%.

Criticality of supplier:

All suppliers, independent of size and importance, shall be assessed in terms of criticality according to Axess' procedure 253-P-E Approval and Evaluation of Suppliers.

A criticality assessment is done to establish category 3 (non-critical), 2 (medium) or 1 (critical). 253-P-E describes the steps to establish supplier category.

Results:

- Criticality 1: 5 out of 20 largest suppliers.
- Criticality 2: 13 out of 20 largest suppliers.
- Criticality 3: 1 out of 20 largest suppliers.
- No criticality defined: 1 out of 20 largest suppliers. The supplier is not registered and approved in Axess Technologies' suppliers list. The supplier is a finance institution. Due to the supplier's nature and service provided, this is not considered critical.

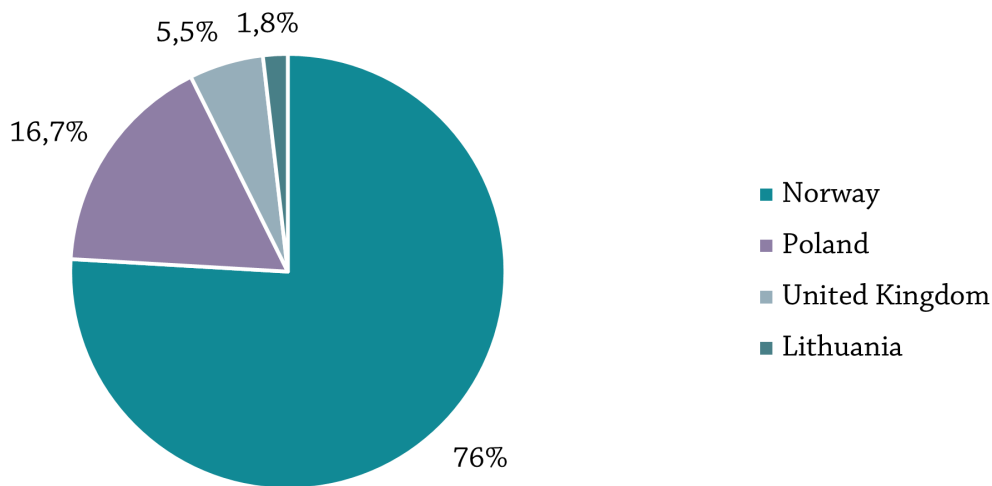


Figure 6: Distribution of the 20 largest suppliers for Axess Technologies based on spend

6.2.2 Inherent geographical risk

The inherent geographical risk is assessed based on the geographical origin of the supplier, based on the following guidelines and criteria:

Transparency international's corruption index	Score 0-100	High risk >41
EU and UN's sanctions list	Sanctions / No sanctions	
Human Rights Scores by Our Worlds in Data	Score 0-1	High risk <0,4
Seon-io's Global Cyber Safety Index	Score 0-10	High risk <3,52

Table 6: Criteria used to define high geographical inherent risk

Geographical origin:

- Among the 20 largest suppliers, 15 suppliers are registered in Norway, three in Poland, one in Lithuania, and one in the United Kingdom.

Geographical inherent risk:

- None of the countries assessed concluded with high risk based on the geographical risk factors listed above.

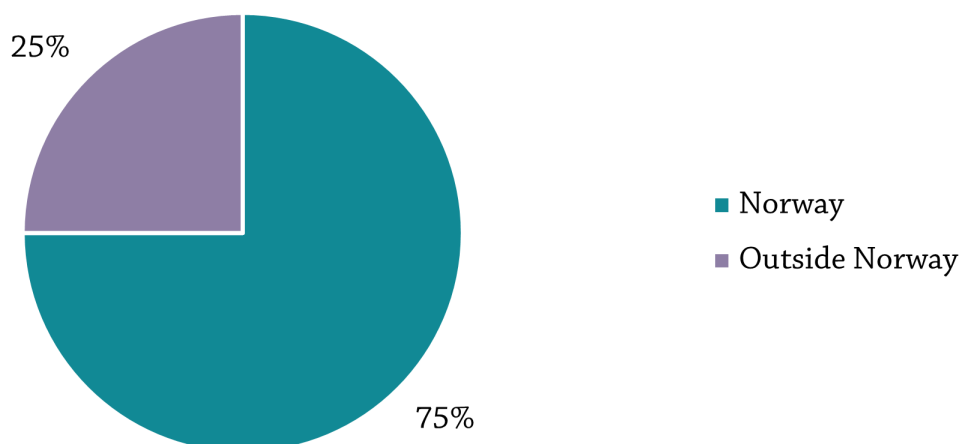


Figure 7: Distribution of the number of suppliers in the top 20 for Axess Technologies by country of origin

6.2.3 Occupational safety and health risk

The direct labour risk per country is assessed based on whether the origin country of the supplier has ratified the ILO conventions for Occupational Safety and Health; C155 Occupational Safety and Health Convention and C187 Promotional Framework for Occupational Safety and Health Convention.

Countries	Ratified C155	Ratified C187
Norway	Yes	Yes
Lithuania	No	No
Poland	No	No
United Kingdom	No	Yes

Table 7: Countries and ratification of ILO conventions

From Axess Technologies' 20 largest suppliers, three have origin countries which have not ratified C155 and two which has not ratified C187. This represents 24,1% of the total transactions between Axess Technologies AS and suppliers.

6.2.4 Sector and product risk

To assess the risk based on sector and product, The Norwegian Agency for Public and Financial Management (DFØ)'s High Risk List is used. This list classifies a range of sectors with high risk of human rights or decent working conditions. The entire value chain has been assessed, all the way back to the raw materials of the products supplied, the highest risks identified are given below. This is valuable input to Axess when trying to identify if there are any specific sectors that we should pay extra attention to.

Results:

- From Axess Technologies' list of 20 largest suppliers, 16 of these only supply services which are not classified according to this list.
- 4 suppliers supply products of metal/steel, representing possible high risk in their supply chain.

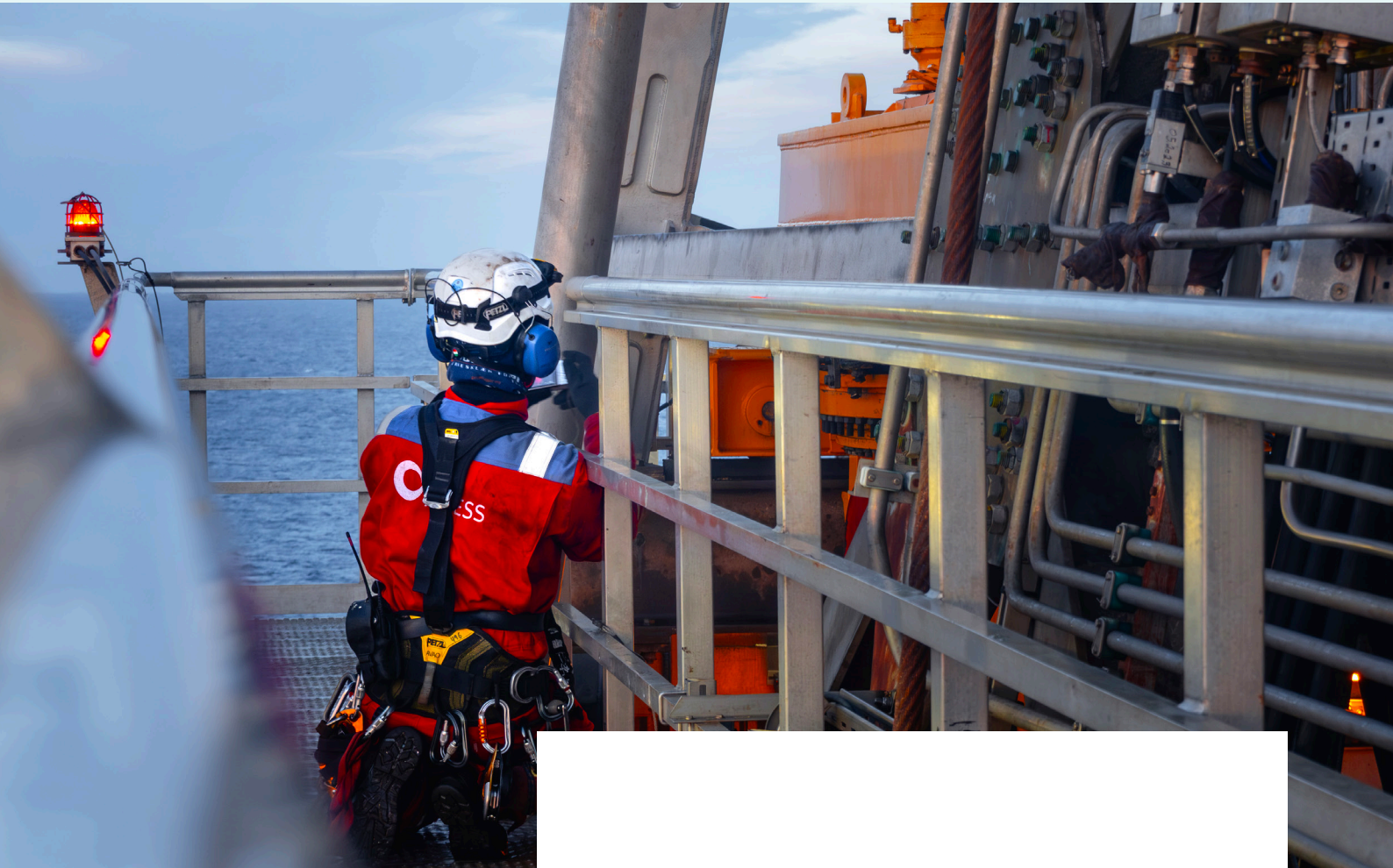
6.3 Axess' potential influence

Axess has the potential to influence its supply chain through contracts, evaluation processes, audit programs, interactions, and collaborations with our suppliers.

In 2023, the following criteria affected Axess Technologies' potential influence on its supply chain:

- **Listed suppliers:** 19 out of Axess Technologies 20 largest suppliers were listed in Axess' suppliers' list. One supplier was not listed due to the type of service provided (finance institution - pension).
- **Approved suppliers:** The same 19 out of 20 suppliers that were listed, were also approved suppliers to Axess Technologies. The final one was considered approved because of the type of service provided.
- **Contracts:** All critical suppliers had valid contracts with Axess Technologies AS.
- **Audits:** Since January 2023, three supplier audits have been performed. 2 out of 3 were of our suppliers in Poland, due to inherent occupational safety and health risk. Deviations or findings were identified and recorded in Axess Technologies' QA system. All three audits have been closed out.
- **Supplier commitment:** Supplier commitment has been signed by 3 out of 5 of our most critical suppliers and signed by 8 out of our 20 largest suppliers. Among critical suppliers we find bank-institutions, and they are not prioritised yet, but will be considered going forward.
- **Supplier assessment:** Supplier assessment has been conducted on 7 out of our 20 largest suppliers. We will continue to follow up assessments of these suppliers going forward. Axess will continue to follow up assessment and commitments among all critical suppliers in 2024. The assessment priority going forward shall be on assessing suppliers with high sector and product risk, particularly fabrication of steel and other metals.

7 RISK-REDUCING MEASURES AND ACTIONS



Engineer working on platform offshore

[28](#) Summary - Identified risks

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[29](#) Actions for suppliers with sector / product risk

7.1 Summary - Identified risks

To work actively with risk reduction in our supply chain, we have initiated actions based on the identified risks from our due diligence assessments.

In summary, the main risks we have identified are:

- Limited overview and control of suppliers in our current software solution. Manual work is required to produce overview and insight, and some errors may be hard to spot (i.e. duplicated suppliers).
- Gap between our procedures for registering, approving, and following up suppliers as described in our due diligence process and how this is being carried out outside of Norway.
- Inherent geographical risks: we have identified 9 suppliers in the due diligence assessment of 2023 with geographical origin that possesses a high risk of human rights issues, corruption, sanctions and / or threats to cyber security. In total, these suppliers represented two different countries; Mexico and Turkey.
- Occupational safety and health risks: We have identified 17 suppliers in the due diligence assessment of 2023 with an origin country that has not ratified the latest ILO convention for occupational safety and health (C187). These countries are Lithuania, Poland, South Africa, and Mexico.
- Sector and product risks: Through the due diligence assessment of the largest suppliers in the Group, Axess AS Norway and Axess Technologies AS, we have identified that suppliers of IT, fabrication / steel / metal, and PPE / textile are to be considered as high-risk suppliers to Axess across the Group.

7.2 Actions for internal systems and processes

In 2023, we had several initiatives in place to improve our performance in accordance with our procedures and guidelines. All suppliers in Norway are now being registered in our suppliers list and we are following up to make sure that all new suppliers go through our approval process. We also continued our supplier commitment scheme and drastically improved the number of commitments from 2022 to 2023. In 2024, we will continue to monitor the registration and approval processes. To increase signed supplier commitments, we have targeted 10 (Axess AS) and 5 (Axess Technologies AS) new suppliers which we expect to sign by the end of 2024.

Internationally, we have a good culture for performing supplier audits in many countries and regions already, but we will use 2024 to align all our entities with the due diligence procedure described in this report. This includes registration and approval of our suppliers in our system, as well as supplier evaluations and audits that includes extra focus on the adverse impacts in our supply chain.

The Digital Transformation strategy at Axess Group for the coming years will also lead to significant improvements for supply chain management and procurement, allowing us better control of our supply chain and opportunities for better analysis and insights into our data.

7.3 Actions for suppliers in high-risk countries

After our due diligence assessment in 2022, where we identified three suppliers from two countries who had not ratified the ILO conventions, our strategy was to perform audits of these suppliers and require them to sign our supplier commitment. Two of these three were audited and signed our supplier commitment during 2023. We also started a dialogue on these topics during this process. In 2023, we have 17 suppliers from four countries to follow up on labour risk, and we aim to use the same approach. Four of these suppliers have already been audited and have signed our supplier commitment, but we will focus on improving this number in 2024, focusing on the mitigation of risks and more open communication with these suppliers.

In 2023, we have also identified suppliers exposed to inherent geographical risks. As it varies what type of risks we are exposed to in each of these countries, suggested measures will be slightly different when reducing the risk of corruption compared to breaches of human rights. Some of our suppliers in these countries are already audited on a regular basis, but we aim to add a specific focus on human rights, working conditions and anti-corruption into these audits going forward. We will also assess possibilities for wider collaboration where the relationship allows for that. Four of our criticality 1 suppliers are exposed to inherent geographical risk, and these will be prioritised and followed up first, and we aim for them to sign our supplier commitment in 2024.

Because of our global presence, we can make a larger impact by also identifying some high-risk suppliers to be followed up, evaluated, and / or audited in every entity. We have identified the three largest suppliers in each entity of the Group and will use this to encourage our local management to find opportunities to discuss human rights and decent working conditions with these suppliers in 2024 to start the process of open communication and collaboration.

7.4 Actions for suppliers with sector / product risk

We have identified sector and product risks among 3 of our 20 largest suppliers in Axess AS Norway, 5 out of 20 largest suppliers in Axess Technologies and 8 of our 25 largest suppliers on Group level. These suppliers represent the IT sector, fabrication, and PPE / textile production. In these supply chains, from raw materials to finished products, there are publicly known risks and unsatisfactory conditions.

At Axess, we have identified the following ways we can begin to make an impact:

- Openly communicate and inform about the issues in these value chains
- Approach our suppliers within these sectors specifically to discuss these topics
- Be conscious to minimise our consumption, prolong use and reuse when possible
- Look for opportunities to collaborate with other purchasers for maximum impact

So far, Axess' commitment has been focused on collaboration with our suppliers in Norway and to engage in networks / alliances where we challenge the industry. To focus on improving the value chain for IT, Axess is part of Atea's Leadership for Change, where we are in direct dialogue with the producers about these topics. For 2024, we will focus on increasing our impact and expand our focus to collaboration with our suppliers of PPE, tools and steel.

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