

REPORT UNDER THE TRANSPARENCY ACT 2022

1. ABOUT BLYSTAD GROUP AS

Blystad Group AS (“Blystad Group” or “Company”) is a family-owned company with operations in three core segments: Shipping, Real Estate and Investments. Our shipping segment has various investments in the shipping industry such as in tankers, containerships, and offshore supply. All vessels owned by the Blystad Group (save for the offshore supply vessels) are technically managed by Songa Shipmanagement Ltd., a company located in Glasgow, Scotland. Our real estate segment consists of a diversified portfolio within commercial and residential properties, located mainly in the Nordics. Blystad Group currently holds real estate investments within the following segments: office, residential, logistics/warehouse, hotel, tourism/leisure and industrial. Our investments segment consists of investments into listed and non-listed equities, startups, funds, private equity funds and credit funds.

The Blystad Group employs about 30 professionals located at the Company’s headquarters in Oslo, 45 onshore staff in Glasgow and about 1,350 seafarers servicing our fleet of vessels.

2. ABOUT THE TRANSPARENCY ACT

On July 1, 2022, Norway implemented the Transparency Act, also known as the act relating to enterprises' transparency and work on fundamental human rights and decent working conditions, in connection with the production of goods and the provision of services. In addition, the law ensures the general public access to information regarding how enterprises address adverse impacts on fundamental human rights and decent working conditions. The Act applies to larger enterprises that are based in Norway and offer goods and services domestically and internationally. Larger enterprises are defined as enterprises that exceed the threshold for two of the following three conditions:

1. sales revenues: NOK 70 million
2. balance sheet total: NOK 35 million
3. average number of employees in the financial year: 50 full-time equivalents.

Consequently, the Blystad Group is classified as a "larger enterprise" in accordance with the Transparency Act. This means the Blystad Groups must carry out a due diligence in accordance with the OECD Guidelines for Multinational Enterprises on a yearly basis. Blystad Group has the following duties under the Transparency Act:

1. Carry out due diligence in accordance with the OECD Guidelines for Multinational Enterprises on a yearly basis.
2. Account for the due diligence by publishing an updated report on the company’s website.
3. Give information about how Blystad Group addresses actual and potential adverse impacts upon written request from any internal or external stakeholder

3. HUMAN RIGHTS DUE DILIGENCE

There are risks to human rights and decent work conditions in the sectors where we operate. In the following, we have done an analysis of the main risks and challenges we face, and how we try to mitigate these. The main risks identified are in our shipping and real estate segments.

3.1 Shipping

As a company operating in the maritime industry, we are committed to respecting and promoting human rights both within our organization and throughout our supply chain. Therefore, the key areas of focus within this segment are employees (crewing), third-party suppliers and shipyards.

3.1.1 Crewing

Through Songa Shipmanagement Ltd/ Songa Crew Management Ltd. (“Songa Shipmanagement” or the “Managers”), as technical and crewing manager of the vessels, the Company employs about 1,000 seafarers. Recognizing the significant importance of the seafarers, the Blystad Group places utmost focus on the welfare and wellbeing of our seafarers and this remains a primary focus area for the Blystad Group. Songa Shipmanagement is dedicated at upholding the principles of fairness and equality in the workplace and their priority lies in maintaining a work environment that is both safe and inclusive. Through Songa Shipmanagement, we prioritize the well-being and professional development of our employees, encouraging a culture of respect and equal opportunity, ensuring adherence to labor laws.

With a pool of seafarers across 20 countries, our workforce include different genders, ethnicities and religious beliefs. Songa Shipmanagement has therefore established a framework of considerations and policies to ensure that their rights are adequately protected in accordance with the Transparency Act. We adhere to the International Transport Workers' Federation (ITF) requirements and the Maritime Labour Convention (MLC), which set out guidelines for working conditions and treatment of seafarers. We take steps to guarantee that our crew members are compensated fairly, with wages that exceed the minimum requirements, and we strive to maintain a work environment that is supportive and respectful. *The Managers will not practice any discrimination among its crew members or applicants based on sex, age, race, religion, political or trade union affiliations, nationality, or disability.* The Company has implemented feedback surveys and a continuous evaluation tool to monitor and review the overall satisfaction of our crew members.

The Blystad Group has implemented the following policies to maintain our human rights commitments:

- **Human Rights Policy (Revised 14. June 2023)**: Blystad Group is committed to respecting and promoting human rights both within our organization and throughout our supply chain. Our Human Rights Policy outlines our guiding principles and commitments. This Human Rights Policy is integral to our commitment to responsible and ethical business practices. It will be communicated to all employees, suppliers, and subcontractors, and we expect their full cooperation in upholding these principles.
- **Health and Safety Policy (Revised 25 April 2022)**: Provides adequate control of the health and safety risks from work activities.
- **Ethical Business Conduct (Revised 21 February 2023)**: The Company policy is to deal fairly with its clients, competitors, suppliers and employees.

- **Security Policy (Revised 25 April 2022)**: Maintains and improves security on board all ships.
- **Green Ship Recycling Policy (Revised 25 April 2022)**: the purpose of this policy is to prevent, reduce, minimize and, to the extent practicable eliminate accidents, injuries and other adverse effects on human health and the environment caused by ship recycling.
- **Anti-Bribery and Corruption**: Any transactions in the nature of bribes are strictly forbidden.
- **Whistleblowing Policy**: The Company follows The Public Interest Disclosure Act 1998, which allows individuals to disclose certain issues to particular external parties where there is good reason to believe that internal disclosure will not be taken seriously or will cause the individual making the disclosure to be penalized in some way.

Framework of considerations for crewing:



3.1.2 Third- Party suppliers

The Company acknowledges that its responsibility extends beyond its own operations and encompasses the entire supply chain. The marine industry operates on a global scale, encompassing a wide geographical area. Consequently, suppliers are governed by different levels of international law and represents one of our main risks when using third party suppliers.

When selecting suppliers, we carefully evaluate their practices to ensure that they align with our values and standards. We seek suppliers who share our commitment to ethical conduct, fair labor practices, and environmental stewardship. The Blystad Group strives to work with partners who demonstrate a strong sense of social responsibility, treating their employees with respect, upholding welfare standards, and complying with all relevant laws and regulations. By working together with such partners, we aim to foster a supply chain that upholds the principles of integrity and sustainability.

The marine industry operates on a global scale, covering a wide geographical area. Consequently, suppliers are governed by different levels of international laws. To ensure compliance with our standards we therefore have in place an approval process in place for new suppliers, which is as follows:

- Firstly, the essential ISO criteria are being checked
- Secondly, an evaluation on their reputation within the industry and industry standard certifications are carried out, e.g. approval from a National Flag State and/or a Classification Society recognized by IACS (International Association of Classification Societies).

For core suppliers and existing partners, the company policies are being reviewed on a regular basis to ensure they remain transparent and in line with current and upcoming regulations. We also take into account suppliers' location. Many developing countries have become prominent manufacturing centers within the marine industry. In these regions, careful consideration must be given to factors such as safety, working conditions, labor age, human rights, and gender discrimination.

The Managers also holds bi-annual supplier evaluations, where also social and economic sustainability is considered. Suppliers that are not compliant with our expected criteria may be removed from our approved supplier database.

3.1.3 Shipyard selection

Songa Shipmanagement maintains partnerships with shipyards and repair facilities worldwide for scheduled vessel dry dockings and/or newbuild programs. The Shipyard that we cooperate with, hold a strong industry reputation, and provides a proven track record in performance and social responsibility. A strong safety record is of paramount importance to the Company, as this advances a favorable and thriving environment for workers and drives quality and stability. Thus, shipyard facility safety surveys are conducted as a preliminary step prior engaging in further business discussions.

Further, the selection process for these facilities involves a comprehensive evaluation that considers numerous factors. To ensure thorough assessments, the Managers conducts surveys of all shipyards under consideration.

The surveys encompass various aspects, including:

1. Facility condition: Reviewing the overall state of the facility
2. Safety records: Assessing the facility's track record in terms of safety
3. Reputation for quality: Evaluating the facility's standing in terms of delivering high-quality work
4. Workers' rights: Considering the rights and protections afforded to workers at the facility
5. Workers' conditions: Examining the working conditions provided to the employees
6. Workers' social benefits: Assessing the social benefits and welfare programs offered to workers by the facility

By conducting these surveys, we strive to seek shipyards that meet the standards that align with the Company's commitment to quality, safety, workers' rights, and overall operational excellence. However, due to the complexity of dry docking, repairs, and new building projects, a complete overview of the entire value chain can be challenging. Along the entire value chain, there is a risk of labor law breaches and below acceptable safety, wage levels, and working conditions.

Every time the Group has a vessel at a shipyard, being a newbuilding or a vessel in operation entering for repairs or maintenance, she is accompanied by a site team on the ground consisting of our own people. The site team is overlooking the construction and/or repair to ensure the quality of the work carried out, but at the same time they act as neutral observers of the operations carried out at the yard and monitor that rules and regulations are followed.

3.2 Real estate

Our real estate team handles the entire value chain covering the investment process, financing, project development, execution, and asset management. Business management is handled internally by our management company. Our team focuses on achieving top satisfied tenants and customers. The team is committed to comply with the requirements of the Transparency Act and collaborate with our partners to reduce potential negative impacts on human rights and decent working conditions throughout our value chain. All agreements entered into by the Company shall include wording to this effect. In 2023, we have included more specific provisions in our lease agreements regarding human rights, laundering and corruption.

Our assessment is that our greatest risk of violations and negative consequences for basic human rights and decent working conditions lies within our contractors, their subcontractors, and suppliers. Therefore, we have based our actions on this. In our contracts with the contractors, we have included a clarification of our and the contractors' obligations regarding the Transparency Act. The Blystad Group has a duty to cooperate with its suppliers to reduce the potential negative impacts our supply chain may have on human rights and decent working conditions. To ensure compliance the contractors commit to disclosing information about their subcontractors, as well as their procedures for fulfilling the obligations of the law. Furthermore, the contractor commits to enforcing the relevant provisions of integrity with their subcontractors (including staffing agencies and temporary hires).

In case of a breach, the issue should be raised with the relevant supplier, and measures to eliminate the breach should be agreed upon. Collaboration with the supplier in question will be terminated as soon as it is practically possible if the supplier fails to rectify the situation.

3.3 Investments

The Transparency Act has been developed to assess human rights and working conditions in connection with the production of goods and the provision of services. In such the purpose of the act is as far as we understand not intended to monitor the daily trade of marketable securities. However, in the Blystad Group every investment decision is carefully made by addressing all risk factors, hereunder also the impact on the environment, sustainability, and human rights.

The Group typically invest in companies listed on the reputable major stock exchanges in Europa and USA, predominantly shares listed on Euronext Oslo. The companies listed on these stock exchanges are required to follow the rules and policies as set out by the regulators. In addition, as the level of transparency is high and with frequent reporting the companies are under a constant review not only from the regulators, but also shareholders, third party observers and the media. By focusing on investments in companies listed on these stock exchanges thus ensures a certain level of comfort that these are in compliance with the regulators requirements and conduct their business in a good manner.

4. CONCLUSION AND GOING FORWARD

To further strengthen Blystad Group's efforts to safeguard human rights and decent working conditions we plan the following activities for 2024:

- Implement a Code of Conduct on group level
- Due diligence accounts to be published on a yearly base in accordance to Section 4 in the Transparency Act

Do you have any questions about how we work with the Transparency Act or other related ESG topics?

Get in touch!



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