

Annual report for Seaway7 Group (“Seaway7”) and its work on fundamental human rights and decent working conditions.

This report is prepared on behalf of Seaway 7 AS and its subsidiaries in line with the requirements of Section 5 of the Norwegian Transparency Act relating to enterprises' transparency and work on fundamental human rights and decent working conditions. This report was approved by Seaway7's management and the Board of Directors of each qualifying entity, and covers the financial year ending 31 December 2022.

➤ INFORMATION ABOUT THE ORGANISATION

Seaway7 is subject to the Norwegian Transparency Act and is committed to fulfilling its responsibilities to respect and uphold human rights.

Seaway 7 AS and its subsidiaries are wholly-owned members of the Subsea 7 S.A. group of companies (hereinafter collectively referred to as “Subsea7”) and all operate under the same policies and procedures as its primary shareholder. Seaway7 supports developers to bring sustainable, renewable energy to the world through the construction of offshore wind farms.

Our service offering is built around a unique combination advanced technical capabilities and assets, and the ability to offer a range of attractive contracting models:

- T&I stand-alone: Transport & Installation of foundations, or cables, or wind turbines.
- Integrated Projects: comprising T&I of more than one of foundations, or cables, or wind turbines.
- EPCI Solutions: project where we manage the design, procurement and fabrication to deliver a full project solution.

Seaway7 provides project management and construction services for offshore wind farm developments. More details about our business can be found at: [About Us - Seaway 7](#)

- **Our principles**

Seaway7 has a clear set of values that underpin everything we do. These shared values describe what is most important to us as we conduct our business. The way we behave – with each other, our people, clients and suppliers – must reflect these values:

| SAFETY | PERFORMANCE | INTEGRITY | COLLABORATION | SUSTAINABILITY | INNOVATION |
|---|--|---|---|---|--|
| Our goal is an incident-free workplace. We work every day, everywhere to make sure all our people are safe. | We are driven to achieve the outcomes our clients want. We are trusted to achieve superior performance from every project. | We apply the highest ethical standards in everything we do. We treat clients, our people, partners and suppliers fairly and with respect. | We work closely and openly together with clients, partners and suppliers at a local and global level to deliver safer and stronger results for all. | We take a proactive approach towards our social responsibilities, mitigate the impact of our activities on our planet's environment and respond to the effects of climate change. | We create smarter and simpler solutions to meet the industry's needs. We combine technology, expertise, assets and partnerships to deliver projects in new ways. |
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- **Our suppliers**

We use the Maplecroft Responsible Human Rights Sourcing database to tier and understand country risks. The vast majority of suppliers used by Seaway7 in 2022 are considered to be low risk when considering the location of the supplier, whilst there remains a smaller proportion of medium and medium-high risk suppliers. Data relating to each qualifying entity can be found in Appendix 2.

- **UN GLOBAL COMPACT**

Being part of Subsea7, a signatory to the UN Global Compact, Seaway7 supports the commitment to respect and protect human rights (Principles 1 and 2) and to fair and lawful employment practices across our organisation and throughout our supply chain (Principles 3, 4, 5 and 6). We also support the International Labour Organization's standards regarding child labour and the minimum working age.

- **POLICIES AND PROCEDURES IN RELATION TO HUMAN RIGHTS**

Seaway7 has various policies and procedures that address Human Rights. We aim to provide working conditions aligned with international best practice with respect to human rights and labour practices, and to respect the human rights of people who work for us and in our supply chain or are otherwise impacted by our operations.

- **Human Rights Policy Statement and Slavery and Human Trafficking Statement**

Our Human Rights Policy Statement recognises our responsibility and commitment to act in a socially responsible manner, comply with applicable laws, respect human rights and avoid complicity in human rights abuses, as stated in the UN Guiding Principles on Business and Human Rights.

Seaway7 understands and accepts its responsibility to manage the human rights impacts of its business and operations, including its supply chain. It takes ongoing and continually improving

measures to ensure that it works with suppliers who can demonstrate their commitment to upholding standards that are consistent with its own.

Our Human Rights Policy Statement and Ethics Policy Statement can be found at: [Business Ethics - Seaway 7](#)

o **Our Human Rights Programme**

Seaway7 has a human rights programme designed to:

- embed our Human Rights Policy Statement and the relevant aspects of our Code of Conduct; and
- identify and manage human rights risks across our own operations and within our supply chain, with a particular emphasis on the risks of the most egregious impacts, namely child labour, slavery and trafficking, and other forms of forced or involuntary labour; and thereby
- give effect to our commitments under the UN Global Compact and the ILO Standards in relation to child labour; and
- address existing and emerging stakeholder and regulatory expectations and requirements, such as the UK Modern Slavery Act, the Norwegian Transparency Act and applicable EU diligence laws.

The programme is informed and underpinned by our values and our Board’s determination to manage the human rights impacts of our business.

Seaway7’s Human Rights programme is summarised in this graphic:



- **Code of Conduct**

The Seaway7 Code of Conduct sets out our commitment to conducting business fairly and ethically, including by treating our employees, clients, contractors and suppliers fairly and with respect. It also provides guidance on how to ensure we uphold our commitments. The Code of Conduct also includes more prominent and engaging sections on human trafficking, forced labour and other human rights abuses.

In Seaway7 we also have our own Code of Conduct for Suppliers, which sets out the key principles of ethical conduct that the supplier must agree to uphold when working with Seaway7 and is incorporated into our standard terms and conditions for suppliers.

The Supplier Code of Conduct includes mutual commitments to:

- Ethical business conduct, including with regard to anti-corruption.
- Health, safety and security.
- Human rights and fair and lawful employment practices across Seaway7 and throughout our supply chain.
- As a minimum, complying with national legal requirements regarding wages and working hours.
- Support the International Labour Organisation's standards regarding child labour and minimum age.
- Prevent modern slavery and human trafficking anywhere in our business or supply chain.
- Uphold the same standards when dealing with employees, contract staff and sub-contractors.

- **Approach to human rights and labour practices**

Seaway7's human rights programme is risk-based and is designed and implemented on the basis of risk assessments carried out for each region and business unit and updated annually. A risk assessment is conducted for every country, and on entry into a new high-risk country. This risk assessment includes corruption and human rights risks.

Risk assessment and due diligence are also built into our supply chain management procedures, as well as our procedures for selecting and appointing business partners and other third parties. Suppliers are risk-tiered on the basis of the country in which they operate and the category of materials or services they provide.

Seaway7 have identified the following risks, which would have the most egregious impacts, as our priority focus areas in the short- to medium term:

- Child labour
- Slavery and trafficking
- Other forms of forced or involuntary labour

Accordingly, our risk assessments focus on which parts of our operations or supply chain might involve vulnerable migrant or underage workers. More detail is provided in the Risk Assessment section below.

Our aim is to understand and manage human rights risks farther down our supply chain sooner, i.e. by identifying where a low-risk tier 1 supplier may have higher-risk suppliers directly or

indirectly beneath it in our supply chain. For this reason, we need to go deeper rather than broader with our risk focus.

- **Supply Chain Management Procedures**

All of Seaway7's suppliers are subject to thorough evaluation from pre-qualification to delivery. Potential suppliers are assessed for human rights risks before they are approved for use. We use the Maplecroft Responsible Human Rights Sourcing database to tier and understand country risks; and we also recognise that certain categories of materials or service providers present a potentially higher risk, and are continually refining our processes to improve the manner in which we identify and risk assess those categories.

Suppliers deemed to be high-risk must complete a human rights due diligence questionnaire, whereas those considered medium-risk complete a short-form risk assessment questionnaire, designed to validate whether they need to complete the full questionnaire. All high-risk suppliers also undergo due diligence screening via a system called 'Exiger' to detect potential legal, ethical and reputational risks. These steps allow us to evaluate how determined and equipped a potential Supplier is to uphold our human rights standards. When identified, red flags are reviewed, approved and closed.

The due diligence screening is continuously refreshed, and due diligence questionnaires are refreshed every three years.

If we identify any particular concerns within our supply chain, we would seek to work with the relevant suppliers to improve conditions for their workforce. We would reserve the right to deselect suppliers, if they were to fail to make the required improvements within a reasonable timeframe. We would not work with a supplier that appears to breach any of our "red lines", unless they had already rectified the breach and made the necessary improvements. These red lines include slavery and trafficking. More information regarding our risk assessment is included under the Risk Assessment section below.

- **Speak Up Policy**

We have a clear Speak Up Policy, which offers various channels for raising concerns, including an externally administered and monitored confidential reporting line, Safecall, which is extensively promoted within Seaway7. All personnel are encouraged to utilise one of these reporting channels if they become aware of a possible breach of our Code of Conduct or have other concerns in respect of unethical conduct. We also have procedures for investigating concerns reported via these channels.

Seaway7 suppliers are encouraged to raise concerns about behaviour inconsistent with the above commitments.

- **Investigations, Remediation and Enforcement**

All allegations received via Safecall or internal channels are reported to the Subsea7 Group Chief Ethics and Compliance Officer, who logs them on a case management system and oversees their investigation by appropriately independent managers, in accordance with the Subsea7 Group Compliance and Ethics Investigations Principles and Procedures.

We use our case management system to track Speak Up and other human rights cases and investigation metrics, such as number of reports received, the types of misconduct alleged or suspected, and remedial measures taken. We use such metrics to assess areas for improvement in our programme, and we report on them to the Subsea7 Group Ethics Committee and the Corporate Governance and Nominations Committee of the Board of Subsea 7 S.A.

Grievances are handled in accordance with the applicable local grievance procedure.

➤ RISK ASSESSMENT

During 2022 Seaway7 implemented a new process for assessing human rights risks at our offices and sites and on our vessels across all regions, in relation to both our own staff and on-site suppliers' staff. Our goal was to identify the highest risks, with a particular, risk-based focus on child labour, slavery, trafficking and other forms of forced or involuntary labour. The resulting mapping was used to define policy and procedure enhancements and action plans to implement them.

As part of its approach to human rights and labour practice, and as mentioned earlier, Seaway7 also introduced an enhanced, supplier human rights risk-tiering matrix, which takes into account the country risk (based on proprietary country risk data to which we subscribe) and whether the type of material or services supplied falls into a category which we deem potentially higher risk. Whilst our existing process already screened suppliers for human rights risks, we also developed an enhanced human rights assessment and due diligence questionnaire for high-risk suppliers.

Seaway7's assessment of our global supplier risk is primarily based on the increased likelihood of (i) underage workers, or (ii) low-skilled, migrant workers from a medium- or high-risk country, working in another country or onboard a vessel, as these are the biggest risk factors for the risk areas we are prioritising.

The risks within our own workforce are generally perceived to be low, but the risks cannot be ignored, and we need to do more work to be sure that we have assessed the risks correctly and have taken the right steps to mitigate or guard against them.

In particular:

- Staff sourced from external agencies to work in our offshore operations may represent a risk, especially where those agencies are based, or source people from high-risk countries and/or when migrant workers are performing relatively low-skilled / low-paid work.
- Norway is one of the lowest-risk countries in which Seaway7 operates. However, our programme takes into account the fact that suppliers that manage staff working on Seaway7 sites to provide certain services, such as catering, security, cleaning etc. may be relatively high risk, even in countries considered low risk.
- Suppliers of certain materials tend to be higher risk than many of our suppliers of services, as they may have long, opaque supply chains, which are much harder to assess and gain assurance about.
- Vessel fabrication services is a category that warrants further careful assessment and scrutiny, as such services can involve tough working conditions, subcontracting of work and a complex supply chain, and they represent a very significant amount of expenditure by Seaway7.
- On a global level, some of the countries in which Seaway7 suppliers are based are considered medium-high from a human rights perspective.

Seaway7 is committed to fulfilling its responsibility to respect and uphold human rights. We strive to protect the dignity of all individuals working in or impacted by our operations, including people who work for our suppliers or who live in the communities where we work. Seaway7 will comply with all applicable laws of the jurisdictions in which we operate.

➤ **2022 OVERVIEW**

Cases:

Two cases were brought forward in 2022 in the Seaway7 group of companies. Both cases related to business ethics and not to human rights or working conditions.

After investigations, one case was considered substantiated and appropriate corrective action was implemented.

Country specific spend and risks:

Considering a significant 2022 in-country spend (i.e., of over USD 1 MM in total) and the human rights country risk according to Maplecroft Responsible Human Rights Sourcing database, the Seaway7 group has engaged with no "High" risk countries and three "Medium-High" risk countries in 2022.

The "Medium-High" risk classed countries are the United Arab Emirates, China and Indonesia with a spend of approx. USD 5 MM, 2 MM and 2 MM respectively out of an overall 2022 group spend of close to USD 600 MM.

Ship building activities in China:

In 2022 Seaway7 had ongoing construction activities in China of two new build transport and installation vessels for offshore windfarm construction, i.e., the Alfa Lift and Seaway Ventus. Both vessels are being built at China Merchant Heavy Industries (CMHI). Delivery of both vessels is planned for 2023. Contracts for construction were placed in 2018 and 2020 respectively. China has a "Medium-High" human rights country risk (Maplecroft Responsible Human Rights Sourcing database).

Please note that, when considering the 2022 spend, that limited construction progress milestone payments were made to the yard in 2022.