



NORDIC FERRY INFRASTRUCTURE

TRANSPARENCY ACT

2023 STATEMENT

JUNE, 2024



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## Introduction

Nordic Ferry Infrastructure (NFI), including Torghatten and Molslinjen, shall conduct annual due diligence assessments in accordance with the Transparency Act and publish a report on the assessments.

The purpose of the Transparency Act is to promote companies' respect for fundamental human rights and decent working conditions.

This report covers the company's obligation to account for the due diligence assessments the company has carried out. The report also outlines the measures that have been evaluated and implemented to reduce the risk of negative consequences that the company's activities and business connections may have on fundamental human rights and decent working conditions.

## Contact details

Inquiries about the report can be directed to:

Nordic Ferry Infrastructure AS  
contact@NFIgroup.no

## Reporting obligation

NFI has its business address in Brønnøy municipality and is domiciled in Norway. The company has operations and offices across Norway, Denmark and Sweden.

The law applies to "larger enterprises," cf. the Transparency Act § 3 letter a. Larger enterprises are defined as enterprises covered by the Accounting Act § 1-5 or that on the balance sheet date meet two of the following three conditions: Sales revenue over 70 million, a balance sheet total of 35 million, and over 50 employees. NFI meets all these three conditions and is therefore required to report.

# 02 | Nordic Ferry Infrastructure

## Organization and operational area

Nordic Ferry Infrastructure connects people and communities through sustainable infrastructure. The Group, was formed in February 2022 through the legal combination of the two local ferry and express boat operators, Molslinjen and Torghatten. NFI is a leading pan-Nordic floating bridge operator with a well-diversified portfolio of over 65 routes operated by over 100 vessels, transporting over 25 million passengers per year.

## Internal guidelines

As a newly established company, NFI has initiated the work to create and harmonize common policies and procedures, including the requirements set out in the Transparency Act. The common policies and procedures will build on existing procedures from Torghatten and Molslinjen, which are well established in the local boards and communicated to all employees.

The procedures describe how the company conducts its due diligence assessment and evaluation of measures. The procedures also contain information about the company's reporting channels, which are intended to help uncover negative consequences for fundamental human rights and decent working conditions related to the company's activities, and how such information is followed up.

## Target and progress

NFI was established in 2022 and this is the company's first Transparency Act report. Torghatten published the report for 2022 and Molslinjen has, as an NFI subsidiary, completed a social risk assessment aligned with Torghatten's approach and the Transparency Act requirements. NFI therefore has the possibility to report on progress for 2023. NFI continuously works on implementing measures to achieve the goals set for Torghatten and Molslinjen. See sections 3 and 4 of the report for guidance on the work done in the reporting year.



### Actions

We have developed, initiated and completed concrete actions:

- |   |  |             |
|---|--|-------------|
| → | ESG revision of shipyard in Turkey   | Completed   |
| → | Develop ethical guidelines for the implementation of the Norwegian Transparency Act                                    | Completed*  |
| → | Integrate social risk assessment of ship-builders in pre-contractual process   | Completed*  |
| → | Develop the due diligence assessment based on the experiences we gain  | Continuous  |
| → | Enhance the internal competence in our company regarding sustainability and responsible purchasing practices           | Continuous  |
| → | Supplier follow-up to ensure that our suppliers sign our ethical guidelines for suppliers                              | Started     |
| → | Review and evaluate the self-assessment forms from the suppliers   | Completed   |
| → | Strengthen procurement function to conduct supplier risk assessments as a part of improving a sustainable supply chain | In planning |
| → | Review the total supplier list with the aim to reduce the amount of suppliers  | Started     |

\*Completed for Torghatten, initiated discussion for Molslinjen

# 03 | The due diligence assessment

## High level focus for the due diligence assessment - methodology

Nordic Ferry Infrastructure conducts assessments of the risk of adverse impacts on fundamental human rights and decent working conditions related to the company's activities and business relationships. The due diligence assessment is carried out in accordance with OECD guidelines. The company identifies human rights violations and violations of decent working conditions related to its activities

1

For the high-level mapping, NFI utilizes a digital platform developed by Ignite Procurement AS for Torghatten's suppliers. The platform simplifies the implementation of the Transparency Act's due diligence assessment and has helped NFI to gain a systematic overview of first-tier suppliers, business partners, and other known subcontractors. Molslinjen has conducted the high-level mapping manually, based on the same methodology as used by Ignite.

2

Based on Torghatten's supplier data, a comprehensive overview of the company's first-tier suppliers and business partners is created, and other known business partners and subcontractors have been added manually in the Ignite platform as needed. In the platform, the overview of the company's first-tier suppliers is continuously updated. Molslinjen has created the supplier overview outside the platform.

3

In the platform, supplier information is enriched through third-party collaboration with ENIN, an AI data analysis and monitoring software. Through the platform, information and financial details about the company's suppliers are obtained, such as industry codes (NACE). The same information has been gathered manually for Molslinjen.

4

The risk assessment tool in the Ignite platform has conducted an initial risk classification of the company's first-tier suppliers, business partners, and other known subcontractors based on geography and industry, categorizing them as 'high', 'medium', or 'low' risk for adverse impacts on fundamental human rights and decent working conditions, based on the ITUC Global Rights Index and the EBRD environmental and social risk categorization list – NACE social risk by industry. The same risk classification has been conducted manually for Molslinjen.

5

As part of the risk assessment, Torghatten has through the platform sent out customized questionnaires to defined business connections<sup>1</sup> to gather additional information. The company also uses the platform to request documentation and certifications from suppliers and business partners. Molslinjen has sent out a similar questionnaire to selected suppliers<sup>2</sup> and stores the documentation internally.

6

Based on the findings, the measures to be implemented to investigate potential negative consequences for fundamental human rights and decent working conditions are assessed. NFI implements measures where the severity and likelihood of harm are greatest and where the company has the greatest influence for positive development. The prioritization is linked to the company's connection to and responsibility for the risk and should be proportional to the size, nature, and context of the business.

In the analysis tool within the Ignite platform (interactive dashboard), analyses of the supply chain have been developed based on supplier data, the outcome of risk classification, and information gathered from the supply chain. A similar analysis has been conducted manually for Molslinjen.

Going forward, we will account for significant risks of negative consequences for human rights and decent working conditions identified through NFI's due diligence assessments. This will include any observed breaches of human rights and decent working conditions.

<sup>1</sup> Suppliers with high and medium risk and procurement amount above 100 000 NOK; <sup>2</sup> 30 suppliers

## The company's supply chain and business partners

The company has commercial relationships with approximately 12,500 first-tier suppliers in the reporting year. The company's suppliers are primarily located in Norway, Denmark and Sweden but we also have suppliers from other European countries as well as the USA. These suppliers are primarily manufacturers of technical parts for our vessels, as well as shipyards, harbors and energy suppliers.

## Due diligence assessments of NFI's products/services and business partners

We purchase a variety of technical products and services to ensure the stable operation of our route production. The overall risk in the portfolio is low, but we closely monitor the shipbuilding industry as this type of business relies heavily on hired labor based on project demand.



## The result of the due diligence assessment

The company has not uncovered any violations of human rights or decent working conditions in the reporting year. Based on responses to the questionnaires, we have not identified any significant risks.

However, through the due diligence assessment, the company has identified a risk of negative consequences related to shipbuilding activities in Turkey, as the country is on the ITUC's list. Based on this, we have started to assess and evaluate shipyards in Turkey, as well as integrated social risk assessments in pre-contractual procedures with shipyards. For shipyard assessments Torghatten has used information provided by an external party specialized in shipyard ESG revisions in the maritime sector, as well as our own inspectors which use a form developed in accordance with ethical supplier guidelines. We will continue to implement these practices to meet our responsibilities, including monitoring of yards during the construction period, and overall to ensure compliance with the requirements of our ethical guidelines. Lastly, we have considered battery suppliers as a potential risk segment, but based on their answers to our questionnaires we have concluded for now that our current battery suppliers do not pose a significant risk that requires any specific measures.

We find that the dialogue with suppliers is an important part of the work with the transparency law. Our suppliers believe they comply with laws and regulations but lack documentation procedures. Therefore, it is crucial to request this documentation so they can improve their procedures.



# 04 | Actions to stop, prevent or limit negative consequences

NFI will account for the measures the business has implemented to prevent, mitigate, or stop the identified consequences and risks outlined above.

We have implemented the following measures based on the assessment:

IDENTIFIED RISK	ACTIONS	STATUS
Ship building in high risk countries	Ensure quality processes for selecting shipyards and compliance with our ethical supplier guidelines during the construction period	Performed an assessment of a Turkish shipyard, and integrated social risk assessment in pre-contractual process*

\*Actions in relation to shipyards will be ongoing and remain to be addressed for Molslinjen

# 05 | Recovery and compensation

The company has not identified cases requiring recovery or compensation in the reporting year.



Oslo, 02.07.2024

*Niels Smedegaard*  
Chairman

*Carl Sebastian Sjölund*  
Board member

*Dag Mejdell*  
Board member

*Liv Monica Bargem Stubholt*  
Board member

*Merete Helene Eldrup*  
Board member

*John Olov Österlund*  
Board member

*Roger Granheim*  
Board member

*Hans Anders Stenseth*  
Employee representative

*Marianne Væver*  
Employee representative

*Signed digitally in Admincontrol*



NORDIC FERRY INFRASTRUCTURE