



Shaping the future
of defence.

Transparency Act Statement

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Introduction

This report has been published in line with the requirements of the Transparency Act. The statement applies to company Fjord Defence Group ASA. It applies to the 2025 financial year. The statement applies directly to Fjord Defence Group ASA and its applicable operational subsidiaries. This account details our due diligence processes, risk assessments, and targeted mitigation measures conducted during the 2025 financial year to safeguard fundamental human rights and decent working conditions across our operations and supply chains.

About Fjord Defence Group ASA

Who are we, and what do we do?

Fjord Defence Group ASA is an industrial participant operating within the defence sector. Our operational entities specialize in the manufacturing, mechanical machining, and deployment of specialized equipment, notably providing support structures for weapons systems in the defence industry. The enterprise operates under highly strict export regulations and national security oversight.

Our values and ambitions

Fjord Defence Group ASA is committed to driving responsible business conduct throughout its corporate ecosystem. Following our transition out of the historical Aquila structure, our ambition is to fully build out and operationalize a mature, dedicated ESG framework tailored specifically to the unique risk landscape of the defence sector. We aim to ensure that our operations, technical advancements, and business partnerships actively uphold human dignity, safety, and labour standards.

How are we structured?

Fjord Defence Group ASA acts as the publicly listed parent company of the group. It is a non-operational industrial holding entity without production lines or direct manufacturing facilities.

The primary operational arm of the group is the subsidiary Fjord Defence AS. This subsidiary house the physical production, supplier logistics, and engineering activities. The other legal subsidiaries within the corporate group are non-operational, structural corporate units without standalone activities, personnel, or external supply chain configurations (Axxis Multi-client AS, Axxis Production AS, Axxis Geo Slutions Egypt LLC). This report consolidates data and represents due diligence for the entirety of the corporate group. After closing the fiscal year 2025, additional operational companies have been added to the group and will be part of future Transparency Act reporting.

Roles and responsibilities

Accountability for compliance with the Transparency Act in our business is formally anchored at the highest level of leadership:

- **The Board of Directors:** Holds full and final legislative responsibility for reviewing, approving, and publishing the annual statement, alongside integrating compliance and due diligence as a recurring board agenda item.
- **Group Management:** Responsible for executing the strategy, allocating resources, and formalizing dedicated policies across subsidiaries.
- **Procurement and Compliance Officers:** For Fjord Defence AS, the responsibility is shared between the Quality officer and the Procurement officer. Together, they are tasked with conducting

hands-on supplier background checks, evaluating questionnaires, and carrying out on-site inspection visits.

Our Policies & Procedures

1. Fjord Defence Group ASA

The parent company possesses foundational corporate policies spanning Ethics, Social Responsibility, and Health and Safety. Because these policies were historically inherited from the parent Aquila structure, they are currently undergoing a comprehensive revision process to reflect the independent group profile, the defence market context. The corporate policies are established by the Board of Directors, and the executive management is responsible for implementation and adherence throughout the organization. The policies are based on clear human rights commitments aligned with OECD guidelines and decent working conditions in accordance with the ILO core conventions.

2. Fjord Defence AS

The operational subsidiary maintains targeted standalone policies, including a Code of Conduct and Ethics, a Labor and Human Rights Policy, and an HSE Policy. Historically, the subsidiary's operational tracking focused heavily on technical quality and strict defence specifications. These frameworks are being updated to place equal, explicit weight on tracing human rights metrics and checking for decent working conditions.

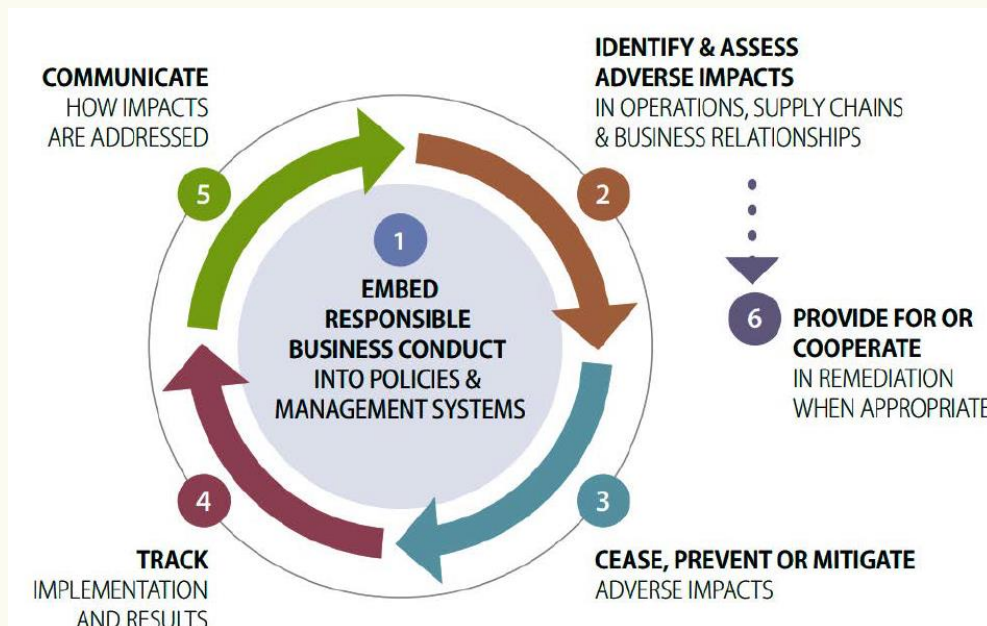
Whistleblowing/Complaint Handling

The group recognizes secure grievance mechanisms as a core component of as a core component of defending human rights and decent working conditions in practice by securing that negative impact is restored through mitigating measures. Fjord Defence AS covers basic whistleblowing rules internally under its current code of ethics. However, an external web-accessible channel capable of receiving confidential handling of notifications from external parties, sub-tier suppliers, or local communities is currently under finalization for rollout across the group website.

Due Diligence Process

Our methodology follows the internationally recognized OECD 5-Step Model for Due Diligence, ensuring a systematic, risk-based approach to identifying and addressing potential adverse impacts:

- **Step 1:** Embed responsibility in policies and management systems
- **Step 2:** Overall analysis of business relationships
- **Step 3:** Third party risk classification
- **Step 4:** Risk-based background investigations and controls
- **Step 5:** Systematize and report



Process for mapping own operations and suppliers

For the financial year 2025, a complete data mapping exercise was executed. The process initiated with a comprehensive review of the supplier ledger extracted from the financial accounting systems. Business contacts were rigorously classified under NACE industrial codes and split into two distinct definitions:

- **Suppliers:** Partners delivering direct input components or specialized processing services for Fjord Defence Group ASA's end products. For these entities, our due diligence extends deeper into sub-tier sub-contractors.
- **Business Partners:** General service providers or auxiliary counterparties where our due diligence focus is confined to the immediate corporate counterparty.

Risk assessment system

Our automated and manual risk-screening matrices evaluate business relationships using five primary risk indicators: Industry Sector, Country of Operation, Specific Product Typology, Material Risks, and Value Chain Complexity.

Our assessment references internationally validated indexes, including the DFØ risk lists (*Direktoratet for forvaltning og økonomistyring* / The Norwegian Agency for Public and Financial Management), the Transparency International Corruption Perceptions Index, the Democracy Index, Freedom Index, Global Rights Index, and the Labour Rights Index. These objective risks are weighted against Fjord Defence Group ASA's degree of commercial leverage over the supplier to ensure actionable prioritization.

Once the initial mapping and categorization of suppliers and business partners was completed, the process moved on to an assessment of the risk of human rights violations and indecent working conditions. Within our own business, Fjord Defence Group ASA has a good overview of any risk. In order to get an overview of the risk picture among the suppliers, the Group has assessed a number of risk factors. The most important risk factors that have been used in the risk assessment have been industry, country, product, risk material and complexity in the supply chain.

Risk of Negative Impact

Risk of negative impact in our own business

Because Fjord Defence Group ASA's direct personnel consist primarily of corporate oversight roles and professional functions, the risk of human rights violations inside our own walls remains low. The primary risk identified within our own operations is connected to professional services, specifically regarding spikes in overtime and maintaining a healthy work-life balance during high-intensity project delivery windows.

Risk of negative impact on supply chain and business partners

The risk mapping revealed distinct risk profiles between the parent holding company and the manufacturing subsidiary:

Fjord Defence Group ASA

The parent company's external Tier 1 ecosystem consists of approximately 15% suppliers and 85% business partners, concentrated heavily in professional advisory services. The supply chain therefore consists primarily of professional service providers (legal advisers, auditors, financial advisers and management consultants). A significant share of the counterparties is therefore categorized as business partners rather than suppliers.

The primary indirect risk identified here stems from the enterprise IT stack, specifically the carbon footprint, conflict mineral trace lines, and manufacturing conditions inherent to the global hardware and computer electronics supply chains utilized by our corporate offices.

Our due diligence mapping and direct assessments are focused on identified Tier 1 suppliers and direct business partners. Concurrently, a broader analysis has been conducted to evaluate the inherent human rights and working condition risks existing deeper within the multi-tiered supply chain.

Fjord Defence AS

The operational subsidiary presents a production-oriented supply chain comprising roughly 45% suppliers and 55% business partners across approximately 50 core mapped entities. Two risk zones were explicitly flagged:

- **Scandinavian Processing Suppliers:** Companies executing mechanical machining, surface treatments, and composite manufacturing. The primary risks are localized Health, Safety, and Environment exposures, including chemical handling, fibre or dust inhalation during composite shaping, noise levels, and heavy machinery accident risks.
- **Sub-Tier International Raw Material Providers:** Global tier lines providing key defence metals originating outside Scandinavia. These global mining and metal refining sectors carry well-documented, systemic international risks regarding forced labour and child labour exploitation.

Fjord Defence AS has implemented strict measures and have policies in place to control and avoid procurement of risk materials from sanctioned countries. The company adhere to all industry declarations and defence client standards to mitigate risk in the supply chain.

Fjord Defence AS has a limited number of business partners, primarily within professional services, IT and administrative support functions. The risk assessment identified several risk areas for Fjord Defence AS within the supplier portfolio. The categories that were highlighted as particularly relevant were mechanical

processing and surface treatment in Scandinavia and raw materials and metal components in the sub-tier value chain.

According to the outputs from the mapping process (based on industry standards and risk ratings as explained above) and information provided by Fjord Defence AS in the workshop, risks are related to labour-intensive production, mainly well-known HSE risks such as chemical exposure (surface treatment: acids, chromates, isocyanates in paint), dust and fibre exposure in composite work, noise and machine-related accidents in machining. Further, raw materials (particularly metals such as aluminium, steel, titanium) carry documented risks of forced labour and child labour.

Downstream Human Rights Risks and Mitigation

While the Norwegian Transparency Act primarily focuses on the upstream supply chain, we recognize that our most critical human rights risk lies downstream in the sale and end-use of defense products. The primary risk in a defense-related value chain is the potential for end-users to utilize our products in ways that cause negative impacts on human rights and international law.

- Mitigation Measure: To address this, we intend to introduce procedures to conduct human rights due diligence on all customers, where applicable at the corresponding subsidiary level. This will be integrated into our export control and Know Your Customer (KYC) screening processes, which mandate end-user certificates to ensure our products do not contribute to human rights violations.

Actual negative impact

For the review of 2025, no actual negative impact on human rights or working conditions has been discovered or notified in the Fjord Defence Group ASA's business, or in their supply chain. Fjord Defence Group ASA acknowledges that this does not necessarily mean that no negative impact exists, but rather that it has not been discovered. We are therefore continuously working to improve our routines so that we can detect and implement measures against any violations of fundamental human rights and decent working conditions.

Our Responsibility and Measures

Prioritisation of measures

When assessing what measures to prioritize, several possible approaches were considered by during the workshop process. These include suppliers who supply goods that are part of the Group's core products; countries, risks, needs, materials, what kind of human rights violations there are, supplier/business partner, whether they are covered by the Transparency Act, etc.

For Fjord Defence AS, the Scandinavian processing suppliers and the sub-tier value chain behind US/UK/EU components have been given the highest priority in the short run. This is because these categories combine elevated inherent risk (HSE exposure in processing activities and forced labour/child labour further down the value chain) with a direct connection to the group's core operations, and because Fjord Defence AS already have established control structures (driven by export control and sanctions requirements) that can be extended to also cover human rights and working conditions in a credible manner. In the long run stronger measures for UK/US based suppliers will be considered.

Based on the above prioritization, Fjord Defence Group ASA have chosen an approach that involves both internal and external measures to follow up the risk of violations of human rights and decent working conditions. The main objective of the external measures is to obtain more information about the risk picture

and, if necessary, to uncover actual breaches and/or measures that exist in the supply chain. If any actual violations of human rights or decent working conditions are discovered, the company will handle this in accordance with the requirements of the Transparency Act and the OECD.

Fjord Defence Group ASA considers effective internal measures to be crucial to ensure a sustainable and proportionate approach to the Transparency Act in the long term. Over the next year, the company will therefore focus on improving its own supplier follow-up and developing and implementing routines for compliance with the Transparency Act throughout the Group.

Overview of measures

Our targeted operational focus areas and concrete performance metrics for the current cycle are detailed below:

Table 1: Group-Level Measures

Targeted Risk Area	Specific Corrective Measure	Concrete Target Metric / KPI
Whistleblower Security	Finalize and upload our external grievance procedure onto the public company website.	Whistleblower system fully live and accessible to third parties.
Professional Services	Obtain the suppliers' own Transparency Act statements (all Norwegian advisers are subject to the same Act). Assess whether the documentation is sufficient or supplementary questions must be asked	100% of top 10 advisory suppliers fully assessed.
Sub-contractor Risk	Introduce binding clauses regarding sub-tier sourcing in low-cost countries during negotiation phases.	Integrated into 100% of new or renegotiated supplier contracts.
Corporate IT Infrastructure	Mandate collection of Modern Slavery Statements and Conflict Mineral policies from core tech providers.	Successfully archived for all primary IT infrastructure providers.

Table 2: Subsidiary-Level Measures

Targeted Risk Area	Specific Corrective Measure	Concrete Target Metric / KPI
Scandinavian Processing	Expand supplier questionnaires for new and existing suppliers to explicitly verify chemical safety, agency worker terms, and fair pay.	Achieve a survey response rate of ≥ 90%.
On-Site Operational Safety	Build and implement an integrated human rights and HSE checklist for use during physical facility walkthroughs for both new and existing vendors.	Deployed across 100% of scheduled on-site factory visits.
High-Risk Manufacturing	Execute targeted physical on-site audits at selected surface treatment or composite manufacturing facilities.	Complete 1–2 high-profile site audits with formal remediation logs by Q4.

Global Component Lines	Enforce formal submission of Tier 1 due diligence statements or conflict mineral tracking files.	100% of specialized Tier 1 component vendors documented.
Downstream Risks	Establish internal policy statements addressing downstream risk management and corresponding.	Established by the end of Q2 2027.
	Evaluate expanding our screening frameworks beyond incoming supply lines to address downstream defence customer positioning.	Evaluation finalized by the end of Q4 2027.
Corporate Governance	Formally institutionalize human rights compliance updates as an annual board topic; in conjunction with reporting on Transparency Act.	Established during the ongoing corporate governance update process. Estimated to be completed during 2026.
Corporate Structure	Draft and file clear written documentation confirming the inactive status of non-operational group holding entities.	Explicitly integrated and disclosed as part of annual reports.

Impact of Measures and Future Governance Framework

The planned due diligence measures are expected to reduce risk by providing visibility, enabling proactive grievance handling, and establishing clearer accountability across our operations. To further strengthen this structure, the Group will develop and implement updated corporate governance and policy documents during the current year. Our approach to onboard suppliers with a questionnaire, and subsequent follow-up with on-site visits will provide an overview of risk and actual negative impact on operational daily work conditions. Measures to reduce risk and restore negative impact will be implemented according to findings.

The upcoming policy framework will formalize our long-term commitment to responsible business conduct, and the results of this work will be fully reflected in future annual reports.

The Way Forward

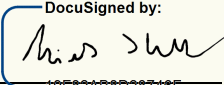
- Our roadmap extends through June 2027, transforming these compliance goals into permanent corporate practices:
- **Short-Term Horizon:** Formal board sign-off, final validation of the fiscal year statement, and launch of the external whistleblower portal.
 - **Medium-Term Horizon:** Launch of our updated human rights policies, execution of specialized training for procurement and buying staff, and include ESG due diligence audits for potential corporate M&A transactions.
 - **Long-Term Horizon:** Full integration of human rights criteria into our standard procurement systems, ensuring our supply chain oversight scales alongside the long-term growth of the group.

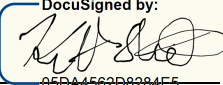
Board Signatures & Approval

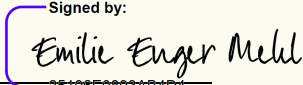
Concluded and signed by the Board of Directors of Fjord Defence Group ASA.

Oslo, 30 June 2026

The Board of Directors of Fjord Defence Group ASA

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Niels Ihloff
Chair

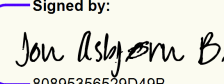
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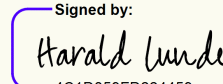
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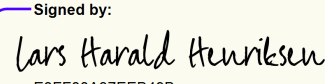
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Oslo, 30 June 2026

The Board of Directors of Fjord Defence AS

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