


Title: Ardyne AS Transparency Act Report 2023	Author: Murray Fearn	Created: 29.06.2023	
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1 About Ardyne

Ardyne is headquartered in Aberdeen, UK. The company has 90+ employees and have facilities and business operations in Norway, in the UK and US.

Ardyne develops and supplies bottom hole assembly (BHA) technology to address the challenges specific to mid- to end of life wells. Our technology is designed to optimise operations, cut costs and reclaim rig time, and is backed by decades of operational insight from our team. We provide field service in the below applications, delivering Ardyne's expert knowledge and experience with a focus on responsiveness and adaptability.

- Well Abandonment – Casing Recovery, Casing Removal and Rigless solutions for Permanent Plug & Abandonment Applications.
- Slot Recovery/Re-entry – Systems for Well Preparation including Recovery and Removal of Casing, Whipstocks and Contingency Standard and Specialised Fishing Tools.
- Workover – Well Repair components including fishing & contingency tools, and Milling, Cutting & Pulling Tools.

In addition to developing our own systems and tools, Ardyne work with selected suppliers of industry best technology, to provide tried and tested solutions for P&A, Slot Recovery/Re-entry, and Workover applications. Combining this best-in-class existing equipment with Ardyne's independent service capability and knowledge transfer options, we offer reliable conventional fishing services in addition to our own niche technology, to bring our customers a full range of options to suit their operations.

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2 The Norwegian Transparency Act

The Norwegian Transparency Act came into force on July 1st, 2022. Its purpose is to promote Norwegian enterprises' respect for fundamental human rights and decent working conditions.

The act obliges Norwegian enterprises over a certain size, and foreign enterprises over a certain size offering goods and services in Norway, to conduct integrity due diligence. The goal of this due diligence is to identify potential risks of violations of fundamental human rights and decent working conditions in the enterprise's supply chain, and to mitigate these risks.

In addition to conducting this integrity due diligence, the Act obliges the enterprises to publish an annual account of the due diligence work, the first one before June 30th, 2023.

3 Ardyne's routines for conducting integrity due diligence

Ardyne seeks to promote fairness and good ethical values for all its employees. However, our critical suppliers also contribute to the success of Ardyne, and as such it is important for us to ensure that the same fairness and good ethical values also exists for staff employed by our suppliers. In Ardyne, we make our best effort to ensure that all our suppliers respect fundamental human rights and decent working conditions.

To achieve this, we have adopted a risk-based approach. We categorise all our suppliers based on known risk factors such as region of operation, region where they source their materials from and what type of industry they are involved.

Ardyne's due diligence work is also based on the principle of proportionality. We place our larger suppliers under more scrutiny than our smaller suppliers. In this way, we can efficiently maximise our impact on human rights and decent working conditions.


We use a diversified toolset in our integrity due diligence work. First, we expect all our suppliers to adhere to rules and regulations regarding fundamental human rights and decent working conditions. To ensure this, we have clauses in our terms and conditions that obliges our suppliers to comply to all relevant rules and regulations, and to notify Ardyne upon any suspicion of breach.

Furthermore, we will require our suppliers to reply to questionnaires regarding fundamental human rights and decent working conditions as per the Norwegian Transparency Act.

4 Risk Evaluation of Ardyne's Suppliers

Ardyne strives to use local suppliers wherever possible and is proud of the fact that 90% of our suppliers are in the same region as our Stavanger operations facility.

The risk of breaches of fundamental human rights and decent working conditions is generally very low in Norway. Some of the bigger companies in our suppliers list are also themselves obliged to adhere to the Transparency Act and conduct their own integrity due diligence.

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Suppliers are evaluated, qualified and selected based on their ability to deliver a good quality product/service in a professional, safe, healthy and environmentally acceptable manner.

We have evaluated our suppliers to identify whether we see a negative impact to basic human rights and working conditions taking into consideration the factors described in *Section 4, Ardyne routines for conducting integrity due diligence.*

We have identified suppliers providing manufacturing/machine shop services, and the supply of elastomers/seals may be exposed to higher risk due to where raw materials could be sourced from down their respective supply chains.



Identification of any adverse impacts on human rights pertaining to our supply chains will be evaluated, addressed and monitored through the actions outlined in our Forward Plan.

5 Forward Plan

We have created the below Action Plan to manage and mitigate this identified risk:

1. Issue a compliance questionnaire to suppliers in relation to the Norwegian Transparency Act.
2. Evaluate supplier response along with any other collected documentation to determine if any further action needs to be taken.
3. Revise all Supplier Evaluation Questionnaires and associated documentation within our Business Management System to incorporate the questions referred to in point 1.
4. Include the results of this Action Plan in the 2023 Management Review and communicate any findings with all employees.

6 Report Approval

Name	Position	Signature	Date
Alan Fairweather	Chief Executive Officer and Chairman		29 th June 2023
Tage Heng	Norway General Manager and Director		29 th June 2023