

# NORSE ATLANTIC ASA TRANSPARENCY ACT REPORT

## 1 ABOUT THIS REPORT

This report has been prepared in accordance with section 5 of the Norwegian Transparency Act and summarizes the approach taken by Norse Atlantic ASA (the "Parent") and its wholly owned subsidiaries (together referred to as "Norse") to identify and assess actual and potential adverse impacts to fundamental human rights and decent working conditions in our own operations, supply chain or business partners.

Both the Parent and the wholly owned subsidiary Norse Atlantic Airways AS individually fulfill the thresholds for being subject to the Transparency Act. This report thus covers the reporting obligations of the Parent and Norse Atlantic Airways AS, in satisfaction of their obligations to publish an account under section 5 of the Transparency Act.

Norse publishes its annual accounts in English, and this report is therefore also in English.

This report covers the period 1 July 2022 – 28 June 2023.

## 2 POLICY STATEMENT

Norse is committed to being a good corporate citizen. We will lead by example, operating in accordance with responsible, ethical, sustainable and sound business principles, with respect for people, the environment and society.

At Norse we continuously assess and take measures to mitigate the human rights risks in our operations, as well as in our supply chain and amongst our business partners, in accordance with the OECD Global Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights.

Norse respects and promote fundamental human rights and decent working conditions (referred to as "human rights and working conditions" in the following). This includes internationally recognized human rights that are enshrined, among other places, in the International Covenant on Economic, Social and Cultural Rights of 1966, the International Covenant on Civil and Political Rights of 1966 and the ILO's core conventions on fundamental principles and rights at work, as well work that safeguards health, safety and environment in the workplace, and that provides a living wage.

## 3 ABOUT NORSE

### 3.1 Company structure

*Norse Atlantic ASA* (Norway) is a holding company and the parent company of the Norse group of companies comprising Norse Atlantic ASA and its underlying subsidiaries. In addition to owning the subsidiaries, the Parent enters aircraft leases with external lessors and subleases the aircraft to its subsidiaries. As of 15 December 2022, the Parent is listed on Euronext Expand Oslo at Stock Exchange.

*Norse Atlantic Airways AS* (Norway) is an operational company that holds permits and certificates for Norwegian and EU operations. In addition to operating commercial flights, including selling tickets, it employs management and staff (cabin crew and pilots), in total 276 employees. Norse Atlantic Airways AS has a US and a French branch. The French branch employs management and staff.

*Norse Atlantic US Holding AS* (Norway) is a holding company that holds shares in *Norse Atlantic USA LLC* (US), which is an administrative company employing ten employees. *Norse Atlantic Airways US LLC* (US) is a crewing company with a total of 295 employees.

*Norse Atlantic UK Ltd.* (UK) is an operational company that holds permits and certificates for UK operations. The company operates commercial flights, including selling tickets, and it employs management and staff (cabin crew and pilots), with a total of 428 employees. *Norse Atlantic UK Ltd.* has a US branch.

*Norse Atlantic Management AS* (Norway) and *Norse Atlantic Management UK Ltd.* (UK) are both dormant companies.

Please see our Annual report 2022, available [here](#) for further information about Norse. All numbers of employees are per mid June 2023.

### **3.2 Operations**

Norse was set up in 2021 to become the leading low-cost, long-haul airline, with a particular focus on the transatlantic market. Norse's business model is to fly non-stop, direct flights in major markets, reducing complexity and overheads, and thus costs.

Norse's headquarters is located in Arendal, Norway. Norse has offices in Fort Lauderdale (USA), Paris (France), and London Gatwick (UK), as well as an aircraft maintenance competence satellite at Oslo Gardermoen (Norway).

Norse currently flies to destinations in Europe and the US, and will during 2023 start flying to Thailand, Barbados and Jamaica.

Norse's primary market is leisure travelers, but Norse has also become popular among business travelers. Cargo has become an increasingly important part of Norse's revenue mix, but flying passengers remains the main source of income.

Apart from operating its own scheduled routes, Norse flies charters and wet lease for various governmental and private organizations, tour operators and other airlines who require extra capacity.

Norse flies an ultra-modern and uniform fleet of 15 Boeing 787 Dreamliners, the most environmentally friendly and cost-effective aircraft in class.

All our employees are directly employed by Norse, and we encourage union representation as we believe that contributes to a fruitful employee-employer relationship. Our workforce is well diversified in terms of geographic origin, gender and ethnicity.

### **3.3 Supply chains and business partners**

Norse works with numerous suppliers and business partners worldwide. Norse's key supply chains can be categorized in the following main categories:

- Aircraft including main components
- Aircraft maintenance services
- Fuel
- Ground handling including catering and luggage services
- Airport and air traffic services
- Cargo operations

- Payment services, software and ticketing

Norse's first tier suppliers are located mainly in Europe and USA. Once Norse start flying to Barbados, Jamaica and Thailand later in 2023, Norse will engage local suppliers for airport services as is required. The same key supply chains as for Norse in general are also relevant for Norse Atlantic Airways AS specifically.

Norse's business partners include providers of travel services, accommodation, advertising/marketing, office space, office supplies, facility management, IT services and software, financial and advisory services and carbon offset. Our most relevant business partners are located primarily where our offices and operations are carried out, i.e. in Norway, UK, France, and the US. This means that for Norse Atlantic Airways AS, the business partners are primarily located in Norway.

## **4 NORSE'S APPROACH TO PREVENTING ADVERSE IMPACTS ON HUMAN RIGHTS**

### **4.1 Policies and procedures**

#### Policies and procedures to ensure respect for human rights and working conditions

Norse has in place several policies and procedures in order to ensure respect for human rights and working conditions.

Our overall commitment to respect human rights and working conditions is anchored in our *Code of Conduct*, which has been approved by the Board of Directors of Norse Atlantic ASA.

As specified in our Code of Conduct, we prioritize the safety and security of our passengers, crew members, colleagues and assets, always adhering to strict safety standards and industry best practices. We also specify Norse's commitment to respect human rights and working conditions, including that we oppose all forms of slavery, forced labour, human trafficking, child labour and violations of human rights in our operations, in our supply chain and amongst our business partners. Further, at Norse we have a zero tolerance policy for discrimination and harassment, as set out in the Code of Conduct.

Norse expects our suppliers and business partners to abide by the same or similar principles in their own operations as those outlined in the Code of Conduct. We have also adopted a *Supplier Code of Conduct* which further specifies our expectations to our suppliers and business partners, including in particular relating to human rights and working conditions. Norse expects that the Supplier Code of Conduct is communicated to our third parties' employees and sub-suppliers involved in delivering a service or supplies to Norse.

Under the Supplier Code of Conduct, suppliers and business partners are also required to establish internal mechanisms to monitor and ensure compliance with the Supplier Code of Conduct. The third party shall encourage their employees to report behaviour that is contrary to the Supplier Code of Conduct or similar standards. Non-compliance with the Supplier Code of Conduct may, as a final consequence, result in termination of the supplier or business partner's contract with Norse, although Norse will strive to engage in dialogue with the relevant third party in order to improve any relevant concern.

In relation to the Transparency Act specifically, Norse is in the process of formalizing its procedures to ensure that Norse upholds its obligations to respect fundamental human rights and decent working conditions, and complies with the Transparency Act. The procedure sets out the responsibilities, processes and measures to ensure adherence to the Transparency Act including how to handle information requests under the Transparency Act. Compliance with the Transparency Act is a top-level

commitment, and the board of directors therefore has the overall responsibility to oversee Norse's compliance with the Transparency Act.

As safety is a primary focus for an airline, Norse also has in place health and safety procedures as required by all applicable laws and regulations.

### Reporting concerns

At Norse we encourage everyone working for or on behalf of Norse to ask questions and raise concerns of any misconduct related to our business operations that should be prevented or corrected.

This includes concerns relating to a violation of law or other reprehensible conduct, conduct contrary to the Code of Conduct or other internal policies or procedures, and/or conduct contrary to ethical norms that are widely accepted in society, for example dangers to life and health, unsafe working environment, or personal data breach.

As part of our safety regulations, our reporting system also includes health, safety and sub-optimal working conditions.

## **4.2 Assessment of actual and potential impacts on human rights and decent working conditions**

### 4.2.1 Approach, methodology and key findings

Norse carries out human rights due diligence in accordance with the Transparency Act and OECD Guidelines for Multinational Enterprises, covering all group entities. The purpose is to identify and assess actual and potential adverse impacts on fundamental human rights and decent working conditions that Norse has either caused or contributed towards, or that are directly linked to Norse's operations, products or services via the supply chain or business partners, and to mitigate and remedy any such adverse impacts and relevant risks.

The inherent risks of adverse human and labor rights impacts in the airline industry forms the backdrop to Norse's own assessment.

Norse has for this reporting period conducted a broad scoping exercise to identify all our business areas across our operations and relationships, including in our supply chains and amongst our business partners, where human rights risks are most likely to be present and where the risks are most significant. We have also done an in-depth assessment of our key suppliers and business partners, identifying key risk areas including most prevalent human rights risks.

Norse has identified the following areas of human rights and working conditions that will be prioritized, taking into account the highest severity and likelihood of a potential adverse impact on people:

- (i) Right to health and safety
- (ii) Decent working conditions, including right to rest and limits to overtime (with a particular focus on migrant workers)
- (iii) Human trafficking
- (iv) Principles of freedom of association and collective bargaining
- (v) Freedom from discrimination

The most significant risks identified in Norse relates to the following supply chains: Ground handling, production of uniforms, painting services, maintenance services and shipping. We also recognize that there are medium inherent risks in our operations relating to working conditions for own employees (in particular cabin crew, pilots and maintenance and engineering personnel) as well as general risks for external stakeholders, as further specified below. These risks are relevant for Norse generally, as well as for Norse Atlantic Airways AS specifically.

#### 4.2.2 Outcome of assessment of actual and potential adverse impacts in Norse's own operations

##### Employees

Norse has considered whether there has been any actual adverse impacts on human rights in our own operations for our employees. Norse has in the reporting period recorded some minor physical injuries but no significant injuries or other adverse impacts on human rights and working conditions have been reported or detected.

In relation to potential adverse impacts on human rights and working conditions for employees, the risks vary somewhat depending on group of employees. The risks are most prevalent for airborne personnel and maintenance engineers. For our airborne personnel, as in the aviation industry in general, discrimination and harassment (particularly from passengers) is a known risk, so is violence from passengers, as well as general safety issues related to flying an airplane. Further, airborne personnel are exposed to mental health risks relating to stress, physical confinement as well unruly passengers. In the industry as such there are also general risks of being exploited in terms of not receiving decent pay and not having decent working hours. However, such risks are carefully managed in Norse (see section 5 below).

As for Norse's maintenance engineers, they are exposed to amongst others the risk of physical hazards relating to work with large, moving machines as well as work in cold weather during winter.

The risk for potential adverse impacts on human rights and working conditions for own employees is generally considered medium risk. Due to these inherent risks, Norse has an unwavering focus on providing decent working conditions and maintaining high health and safety standards, as further addressed in section 5 below.

These risks are relevant in Norse generally, as well as for Norse Atlantic Airways AS specifically.

##### Operations and effect on external stakeholders

Norse has not identified any actual adverse impacts on human rights as a result of our own operations on external stakeholders.

As in the aviation industry in general, there are however general, significant risks embedded in Norse's operations relating to:

- (i) Safety on aircraft/flights,
- (ii) use of force against unruly passengers,
- (iii) use of airplanes for human trafficking purposes, and
- (iv) pollution and climate change, and related impact on human rights such as food supplies, reductions in potable water and more.

These risks are relevant for Norse generally, as well as for Norse Atlantic Airways AS specifically.

#### 4.2.3 Outcome of assessment of actual and potential adverse impacts in Norse's suppliers and business relationships

Norse has considered whether there has been any actual adverse impacts on human rights in our supply chain or business partner relationships. Historically, Norse has discovered isolated instances of poor working conditions amongst suppliers of ground handling/maintenance services in the US, some of the workers' working conditions were poor, including lack of resting periods. Norse has otherwise not identified actual adverse impacts in our supply chains. However, we remain cognizant that due to the significant risks (as described below) there are likely to be other actual adverse impacts which we will strive to uncover and address in our future due diligence efforts (see also section 6 on our priorities for the next reporting period).

Norse has identified several supply chains that are generally considered to be represent significant risk. More concretely, we consider the following Norse supply chains to be high risk: (1) Ground handling; and (2) Production of uniforms. Further, we consider the following supply chains to represent moderately high risk: (1) Maintenance services, (2) Painting services, and (3) Shipping.

The generic risks in these supply chains generally include, amongst others, poor working conditions, migrant workers, low-salaried/low-skilled work, illegal overtime and lack of rest days, and discrimination. However, risk level varies depending on e.g. geographical factors and supplier-specific factors. For example, the risks are more prevalent in geographies which in general have lower scores on relevant global indexes for protection of human and worker's rights, such as the US (according to amongst others the Global Rights Index), and less prevalent in Northern European countries.

These supply chain risks are relevant in Norse generally, as well as for Norse Atlantic Airways AS specifically.

In terms of business partners, our assessment has so far not identified actual adverse impacts or significant risks connected with any of our business partner relationships. In particular as relates to Norse Atlantic Airways AS, we consider the risk level generally to be somewhat lower than in Norse companies in other jurisdictions as most of Norse Atlantic Airways AS' business partners are located in Norway which in general is consider low risk from a geographical perspective.

## 5 MITIGATING ACTIONS AND TRACKING PROGRESS

### 5.1 Mitigating actions

Norse has undertaken specific actions to prevent and/or mitigate risks as referred to in the previous section. The overall intention and expected result of these measures are to mitigate the adverse impacts on humans as identified through our human rights due diligence described above.

A key priority for Norse is creating and maintaining a safe and healthy workplace for persons on our aircraft, including personnel and passengers. Norse has in place strict safety measures for cabin crew, engineers and pilots. Safety training is part of onboarding, and compliance with flight time / overtime hours are strictly monitored. Employee surveys and comprehensive reporting measures are in place to identify working conditions or incidents which could negatively affect physical working environment or mental health.

The general risks relating to airborne personnel not receiving decent pay and not having decent working hours, is managed in Norse by striving to pursue high ethical standards, including offering decent pay and providing decent working conditions as such. Norse has also been proactive in terms of cooperating with unions and has entered into union agreements.

As regards our employment processes, we use a structured and auditable recruitment system in order to ensure and document fair employment processes

Norse has further conducted audits of high-risk suppliers, which amongst others consider the general working conditions at the supplier's premises.

Relating to our external impact, Norse participates in an industry initiative against human trafficking in the airline industry that promotes efforts to prevent third parties from using airline services to perpetrate human trafficking.

In recognition of the fact that aviation represents about 2 percent of global emission, we will also do our utmost to contribute to reducing our carbon impact while sustaining and creating jobs and economic growth. A modern fleet of Boeing 787 Dreamliners, optimizing fuel-efficiency as well as carbon offsets will contribute to reducing our overall carbon footprint. Norse will use sustainable aviation fuels when it becomes available at commercially sustainable volumes and prices. In addition, we will work diligently to eliminate waste generation through source reduction and recycling/reuse where possible. We also support legislation that provides incentives and funding for climate change, including sustainable aviation fuels.

## **5.2 Tracking progress**

Norse will be tracking the progress of our already implemented and soon to be implemented measures to prevent and mitigate adverse impacts throughout 2023. We expect to report on the outcome of these measures and any progress as part of the publication of our Transparency Act report in 2024.

## **6 PRIORITIES FOR THE NEXT REPORTING PERIOD**

Taking into account that human rights issues may change over time, and that there may be issues we have overlooked in our first assessment, Norse will regularly review our human rights due diligence assessment going forward.

Going forward Norse will in particular focus on conducting more in-depth assessments of our operations and, in particular, selected supply chains that so far have been identified as higher risk. We will also consider potential human rights impacts in relation to new flight destinations, including Barbados, Jamaica and Thailand and implement suitable measures to mitigate such risks.

In addition, and in order to further continue improving our practices in the coming year, we will:

- Continue to anchor human rights due diligence within our operations.
- Continue to communicate our human rights policy internally and externally, including to suppliers and business partners. In particular, we will have a focus on implementing the Supplier Code of Conduct and appropriate contract clauses in relevant supplier and business partner relationships (starting with critical suppliers / business partners and higher risk relationships).
- Strengthen supplier audit routines, including incorporating further controls relating to human rights and working conditions.
- Develop and implement supplier questionnaires in order to better understand human rights and working conditions-related risks.
- Engage in further dialogue to assist specific, high-risk suppliers in better understanding and implementing Norse's requirements and expectations.
- Consult with relevant stakeholders (local communities affected by operations; unions; local authorities etc.).

- Consider other suitable measures to further assess working conditions in own operations, e.g. through employee surveys etc.

## **7 REQUESTS FOR INFORMATION**

Requests for information regarding this Transparency Act Report or Norse's human rights due diligence policies and practices at large can be made to [transparency@flynorse.com](mailto:transparency@flynorse.com).



**8 SIGNATURES**

**Norse Atlantic ASA**

Arendal, 28 June 2023

*(signed electronically)*

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Terje Bodin Larsen

Chairman

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Bjørn Kjos

Board member

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Aase Mikkelsen

Board member

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Bjørn Tore Larsen

CEO

**Norse Atlantic Airways AS**

Arendal, 28 June 2023

*(signed electronically)*

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Terje Bodin Larsen

Chairman

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Bjørn Tore Larsen

CEO