

H.I.G Petro II AS

Account of due diligence pursuant to the Norwegian Transparency Act

1 BACKGROUND

This Transparency Act report has been prepared in accordance with section 5 of the Transparency Act. This report summarizes the measures taken by H.I.G. Petro II AS (H.I.G. Petro II) and its wholly owned subsidiaries Hinna Park Invest AS (Hinna Park), Stavanger Business Park Holding AS (Stavanger Business Park) and Nye Stavanger Business Park AS (Nye Stavanger Business Park) (collectively referred to as H.I.G. Stavanger) to detect, assess and mitigate actual and potential adverse impacts on fundamental human rights and decent working conditions in its own operations, supply chain and business partners. This report also addresses the results of H.I.G. Stavanger's human rights due diligence, including measures that have been or are planned to be implemented due to the findings from the due diligence.

The Transparency Act applies to larger enterprises that are resident in Norway and that offer goods and services in or outside Norway. Of the companies comprising H.I.G. Stavanger, only Hinna Park meets the threshold criteria for being considered a larger company in scope of the Transparency Act. However, as a parent company will be deemed covered by the Act if the group as a whole (including a single subsidiary) meets the requirements, H.I.G. Petro II assumes it is subject to the requirements of the Act at a group level. This report therefore covers the reporting obligations of H.I.G. Petro II, as the parent company, as well as Hinna Park, in satisfaction of Hinna Park's own obligation to publish an account under section 5 of the Transparency Act.

This report covers the period from 1 July 2022 until 30 June 2023. H.I.G. Stavanger publishes its annual accounts in English, and this account is therefore also in English.

This report will be made available on the website www.monoeiendom.no, and may also be obtained on request to Mono Eiendom AS or Anvil Asset Advisors AS. Requests for information regarding this Transparency Act report or how H.I.G. Stavanger addresses actual and potential adverse impacts pursuant to the Transparency Act can also be made to Anvil Asset Advisors AS.

2 THE BUSINESS OPERATIONS OF H.I.G. STAVANGER

H.I.G. Petro II is a holding company within the real estate sector which manages an office portfolio in the Stavanger region. The portfolio consists of assets in the Forus and Hinna sub-markets, with a diversified tenant base. H.I.G. Petro II itself only has a limited number of business partners in Norway. The business partners are primarily within the field of legal, administrative, accounting, software/technology, and real estate management services.

The primary object of H.I.G. Petro II's subsidiary Hinna Park is to own an office building, located within the Hinna Park industrial area. As of today, Hinna Park only has one long-term tenant, Aker Solutions AS. Hinna Park outsources the management of the property to a third-party provider.

H.I.G. Petro II's subsidiary Stavanger Business Park Holding is, similar to H.I.G. Petro II, also a holding company with a limited number of business partners in Norway, primarily within the accounting, business management and real estate sectors.

The primary object of Nye Stavanger Business Park, which is wholly owned by Stavanger Business Park, is to own the office building Kontorveien 15, Stavanger. The property has a wide and open atrium at its center and two floors of parking below ground. Kinnarps leases the ground floor for show room purposes, while the floors above the ground floor are leased by various office tenants. The management of the property is outsourced to a third-party provider.

Currently, the H.I.G. Stavanger group serves 11 tenants in Norway.

H.I.G. Petro II and its subsidiaries do not have any own employees, and the companies' operations are primarily managed by Mono Eiendom AS, Swiss Life AM Business Mgt AS and Anvil Asset Advisors AS.

The companies in the H.I.G. Stavanger group have a stable supplier base and as such have close, long-standing informal relationships, which extend to the group's sub-suppliers.

3 H.I.G. STAVANGER'S APPROACH TO PREVENTING ADVERSE IMPACTS ON HUMAN RIGHTS AND DECENT WORKING CONDITIONS

H.I.G. Stavanger is an affiliate of the global private equity and alternative assets investment firm H.I.G. Capital, LLC (H.I.G. Capital). H.I.G. Capital is a signatory to the UN Principles for Responsible Investments and sets a high standard for its group companies, including H.I.G. Stavanger.

H.I.G. Stavanger has adopted a Supplier Code of Conduct (the Supplier Code), which clarifies the minimum expectations H.I.G. Stavanger sets for companies and persons that provide goods or services to H.I.G. Stavanger. The Supplier Code includes sections on fundamental human rights and decent working conditions, as well as health, safety, and environmental matters. It further cascades H.I.G. Stavanger's expectations of its own suppliers to any sub-suppliers and provides a right for H.I.G. Stavanger to request information and conduct on-site audits to assess whether the supplier acts in compliance with the Supplier Code. If there are any breaches of the content and spirit of the H.I.G. Stavanger Supplier Code of Conduct, H.I.G. Stavanger wants to know and encourages its suppliers to report any such violations so that the supplier and H.I.G. Stavanger may align on a process to get the supplier back in compliance with the principles of the Supplier Code.

H.I.G. Stavanger also encourages its suppliers, as well as their employees and sub-suppliers, to report any suspected breaches of laws, regulations, or ethics violations to H.I.G. Stavanger. All such reports will be assessed and followed up in a confidential and appropriate manner.

Going forward, all new suppliers to H.I.G. Stavanger will be required to sign the Supplier Code. Existing suppliers will be requested to sign the Supplier Code in connection with periodic contract reviews and/or discussions as appropriate.

Since H.I.G. Stavanger does not have any own employees, the Supplier Code is considered to be a key part of H.I.G. Stavanger's approach to preventing adverse impacts on human rights and decent working conditions in its supply chain and business partner relationships.

4 ASSESSMENT OF ACTUAL AND POTENTIAL IMPACTS ON HUMAN RIGHTS AND DECENT WORKING CONDITIONS

4.1 Approach and methodology

H.I.G. Stavanger has conducted a risk assessment for the purpose of identifying and assessing actual and potential adverse impacts on fundamental human rights and decent working conditions that H.I.G. Stavanger has either caused or contributed towards, or that are directly linked to H.I.G. Stavanger's operations, products or services via the supply chain or business partners.

In connection with the risk assessment, a high-level review of H.I.G. Stavanger's operations, suppliers and business partners has been conducted. In order to further assess the risk related to its supply chain and business partners, H.I.G. Stavanger will also conduct more in-depth assessments of selected suppliers and business partners that have been identified as higher risk (as described in more detail in sections 5 and 6).

4.2. Outcome of assessment of actual and potential adverse impacts in H.I.G. Stavanger's own operations

H.I.G. Stavanger has so far not identified any actual adverse impacts on human rights and decent working conditions in its own operations.

H.I.G. Stavanger's assessment has further concluded, based on operational, geographical, and sectoral factors, that there is a low risk of potential adverse impacts on human rights and/or decent working in the group's operations. This conclusion is based on the fact that H.I.G. Stavanger does not have any own employees, such that its operations are limited to activities of investing in and owning properties in Norway. The geographical risk of the operations is also considered low, as all of H.I.G. Stavanger's operations take place in Norway.

Finally, H.I.G. Stavanger considers the sector risk connected with its operations to be low, as real estate management services – a sector primarily involving high-salaried/high-skilled labour – is not considered to constitute a high risk of causing, contributing to or being linked to adverse impacts on human rights or decent working conditions.

H.I.G. Stavanger recognizes that the group could be linked to adverse impacts on human rights or decent working conditions caused or contributed to by tenants of the properties owned by H.I.G. Stavanger. At present, given H.I.G. Stavanger's stable relationships with a small number of tenants, this risk is considered to be low. However, H.I.G. Stavanger will remain mindful of this risk in connection with any changes to its tenant population.

4.3 Outcome of assessment of actual and potential adverse impacts in H.I.G. Stavanger's suppliers and business relationships

On the basis of the review of H.I.G. Stavanger's suppliers and business partners, the greatest risk of H.I.G. Stavanger causing, contributing to or being linked to adverse impacts on human rights and/or decent working conditions has been identified to be **suppliers providing facilities/building services**. The main reason underpinning this assessment is the general exposure of this sector to risk factors such as low-salaried work, poor working conditions, use of migrant workers and reliance on third parties to recruit, hire and manage the workforce. Further, the nature of H.I.G. Stavanger's business means the group (notably Hinna Park and Nye Stavanger Business Park) relies heavily on these kinds of suppliers, resulting in both high criticality and high spend. These inherent risks are mitigated to some extent by the fact that the suppliers are all located in Norway, which mandates high standards relating to workers' rights and working conditions, and that H.I.G. Stavanger generally knows its suppliers well, through long-standing working relationships. As such, the risk related to these suppliers has been assessed to be *medium*.

A large proportion of H.I.G. Stavanger's suppliers are in the **professional services industry** (e.g. financial, insurance, legal, accounting, consulting). These suppliers have been assessed to be *low-medium* risk, based on sector-inherent risk factors such as discrimination and lack of diversity and inclusivity, as well as unlawful overtime, but again taking account of mitigating factors such as geography (all based in Norway) and long-standing working relationships.

Notwithstanding the risks noted above, H.I.G. Stavanger has so far not identified any actual adverse impacts on human rights and decent working conditions in our supply chain or in our business partner

relationships. Going forward we will, however, strive to continually improve our assessment and to conduct gradually more thorough assessments in order to identify any actual as well as other potential adverse impacts.

4.1 H.I.G. Stavanger's prioritized human rights areas

Based on H.I.G. Stavanger's assessment and taking into account the highest severity and likelihood of a potential adverse impact on people, H.I.G. Stavanger has identified the following areas of human rights and working conditions as prioritized:

- decent working conditions, including health and safety requirements; and
- freedom from discrimination.

5 MITIGATING ACTIONS AND TRACKING PROGRESS

H.I.G. Stavanger has initiated certain measures to prevent and mitigate the risks of adverse impacts on fundamental human rights and decent working conditions in both H.I.G. Stavanger's own operations and in H.I.G. Stavanger's supply chain and business partner relationships.

Firstly, H.I.G. Stavanger is in the process of implementing a more formalized process for carrying out due diligence on all new and existing suppliers and business partners. This includes developing appropriate assessment criteria to be used in connection with H.I.G. Stavanger's higher risk suppliers and business partners.

H.I.G. Stavanger also intends to engage in dialogue with its higher risk suppliers and business partners in order to further assess actual or potential adverse impacts on human rights and decent working conditions, and around measures that could be taken to protect human rights in H.I.G. Stavanger's operations and supply chain. Such dialogue will in the first instance be initiated with those suppliers and business partners where H.I.G. Stavanger is likely to have greatest leverage (based on spend and closeness of the relationship).

Further, and more generally, H.I.G. Stavanger will take steps to ensure prioritized supplier contracts include clauses pertaining to fundamental human rights and decent working conditions, in addition to the general obligation to adhere to the Supplier Code as referred to above. The intention and expected result of these contract clauses, in conjunction with the Supplier Code, are to strengthen the respect for fundamental human rights and decent working conditions in H.I.G. Stavanger's supply chain and business partner relationships.

6 PRIORITIES FOR THE NEXT REPORTING PERIOD


Going forward, H.I.G. Stavanger will continue to improve its assessments of any actual or potential adverse impacts on fundamental human rights and decent working conditions in H.I.G. Stavanger's own operations and through our suppliers and business partners.

H.I.G. Stavanger will also progress dialogue with prioritized suppliers and business partners. This will be especially pertinent when there is a change of tenants in the properties owned by H.I.G. Stavanger, at which stage it will also be important for H.I.G. Stavanger to engage in dialogue with new tenants about their prospective business activities at the relevant property owned by H.I.G. Stavanger.

In the longer term, H.I.G. Stavanger also has plans for development projects at one or more of its properties. Although it is too early stage to assess potential risks relating to these projects (the details of which have not yet been determined), H.I.G. Stavanger will take steps to incorporate human rights

risk assessments into its pre-project evaluation processes and ensure that stakeholders are consulted in the event of large-scale building or renovation projects that may impact local communities.

SIGNATURES H.I.G. PETRO II AS

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SIGNATURES HINNA PARK INVEST AS

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Chair of the board

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