

VELBYGD – Report in accordance with Section 5 of the Transparency Act (Åpenhetsloven).

Introduction

The Velbygd Group, owned by Abra Eiendom AS, comprises several companies. Key subsidiaries include Velbygd Prosjekt AS, which handles housing development in the Haugalandet region; Vellbygd Østlandet AS, responsible for housing development in Eastern Norway; and Velbygd AS, which primarily manages internal corporate functions.

The Group currently has approximately 15 employees engaged in the development, planning, and execution of residential projects. With the exception of one employee based in Oslo, all staff are located at the Group's headquarters at Strandgaten 202 in Hugesund. For project execution, we contract with a range of subcontractors for the technical construction trades. Consequently, none of the Group's companies have an active, on-site presence during construction.

We acknowledge that the construction industry, including the building trades, presents several inherent risks. This is particularly true concerning the working conditions of hired personnel in Norway, where all our projects are built. We are also aware that products and components used in our industry are sometimes manufactured under questionable conditions, especially in Eastern Europe and Asia.

In this report, we will outline the Group's due diligence efforts concerning human rights, decent working conditions, and ethical trade, in accordance with the requirements of the Norwegian Transparency Act (Åpenhetsloven). To this end, we base our approach on the OECD Due Diligence Guidance and its framework.

Our Approach to Due Diligence is Based on OECD Guidelines:



The OECD Due Diligence Framework for Human Rights and Decent Working Conditions.

Embedding Responsibility

Our commitment to the Transparency Act is anchored at the Group's board level. Responsibility is further delegated to the managing directors of each company, who hold regular meetings on this topic with our construction project managers and purchasers. Furthermore, the Group's Code of Conduct ensures that our values and ethical guidelines are embedded in all our companies. We expect all companies that supply products and/or services to us to adhere to these same values and guidelines.

We continuously work to embed the requirements of our Code of Conduct throughout our operations, including through employee training and by integrating respect for human rights and decent working conditions into our internal policies and procedures.

Due Diligence and Supplier Mapping

We recognize the potential for adverse impacts within our supply chain, both in relation to poor working and employment conditions and concerning the products and materials used in our residential projects. To date, we have identified the following key risk areas in our work:

- Working and employment conditions at our subcontractors.
- Working and employment conditions at the manufacturers of our building products.
- Procurement of products manufactured in Eastern Europe and Asia.

In accordance with the Transparency Act, we conducted a mapping exercise this spring, focusing on 20 of our largest subcontractors and suppliers by turnover. This was carried out via a web-based survey where the responsible parties in each company answered a series of questions about their compliance with the Transparency Act. We utilized several questions recommended by the business association VIRKE. The results from the survey were encouraging, and during this period, we have not identified any censurable conditions with our subcontractors or suppliers.

The construction sector is an industry with a high risk of labor-related crime, and our subcontractors are therefore a priority for monitoring and follow-up. The quality of employment contracts, wage conditions, and the working environment are key focus areas where we, as the client, must ensure full compliance at all times.

Our project managers and purchasers play a crucial role in ensuring that our subcontractors and suppliers understand and adhere to our standards, both contractually and in practice. Training for our project managers and purchasers is a key initiative to effectively implement measures and ensure compliance. In the event that we uncover errors, deficiencies, or breaches of laws, regulations, or our ethical guidelines, the relevant subcontractors or suppliers will be given a deadline to rectify the issues.

Reporting and Public Information

Reports on the Group's work regarding the Transparency Act are published on our website: www.velbygd.no. Inquiries related to our work on the Transparency Act can be directed to kjetil@velbygd.no and will be answered within three weeks of receipt.

Haugesund, 1st. of July 2025



Børge Andersen
Chairman of the Board,
Abra Eiendom AS