

STELLA POLARIS

DUE DILIGENCE ASSESSMENT UNDER THE TRANSPARENCY ACT– JUNE 2023

1.0 The Transparency Act

[The Transparency Act](#) came into force in Norway on the 1st of July, 2022. The act aims to promote businesses' respect for fundamental human rights and decent working conditions with business partners, in supply chains, and internally in their companies.

2.0 Stella Polaris AS

Stella Polaris AS, Finnsnes, Norway, is a producer of cooked and peeled shrimp and shrimp shell meal. The products are sold to retail, grocery, and industrial customers worldwide. The company has its own sales office, Stella Polaris Norway AS. These two companies of June 2023 have 80 employees, divided into 25 women and 55 men. These are employees in permanent positions. We use a few temporary workers but do not have seasonal employees.

2.1 Anchoring

The business of Stella Polaris and our suppliers must be run without compromising fundamental human rights and decent working conditions. Stella Polaris has therefore committed to promoting sustainability in all aspects of the business, which is set out in several documents governing our business. The responsibility for implementation and compliance with the guidelines lies with the management team and the managing director.

To ensure compliance with ethical guidelines and as documentation for our customers, Stella Polaris is a member of SMETA (Sedex Members Ethical Trade Audit). SMETA is one of the world's leading member organizations for ethical trade that works to improve working conditions in global supply chains. Stella Polaris is audited by SMETA every three years, and the latest certification/approval from SMETA is from 2022.

In addition to an audit by SMETA, Stella Polaris is audited both internally, by customers and third-party auditors. The audits review food safety, human rights, and the environment.

Relevant for this due diligence assessment is primarily the annual audit and certification process from SMETA, but other relevant certifications are:

- **BRC** 's (British Retail Consortium) standard. BRC is a food safety and quality management framework in the food and beverage industry.
- **The environmental certifications** "MSC" (Marine Stewardship Council) and "Krav".

To ensure that our suppliers respect fundamental human rights and decent working conditions, Stella Polaris AS carries out due diligence assessments relating to our suppliers' business. The due diligence assessments follow the "[OECD due diligence guidelines for responsible business conduct](#)".

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Human rights in the supply chain are anchored and secured by the fact that all suppliers to Stella Polaris must sign the "Stella Polaris ethical guidelines for suppliers." The guidelines include:

1. Legal matters relating to Stella Polaris' suppliers must comply with all applicable and relevant laws and regulations governing their business operations and activities.
2. Human rights, ethical and social standards, and respect for individuals
3. Health, safety, and quality
4. Environment
5. Fair business practices
6. Trade regulation
7. Supply chain responsibility and traceability

If necessary, Stella Polaris will work with suppliers to help with compliance to the guidelines. A consequence of non-compliance with the guidelines will be the termination of the customer/supplier relationship.

2.2 Process for due diligence assessment

a) Mapping

Stella Polaris creates an overview of all suppliers with risks related to negative impact on human rights and decent working conditions. If no significant risk is uncovered, the process stops here, and the supplier is placed in the "low risk" category. In case of "high risk," the supplier is taken to the next step in the process. Suppliers must sign the "Stella Polaris ethical guidelines for suppliers" document in this phase.

b) Risk assessment

Suppliers assessed as "high risk" are evaluated in more detail based on what information we have and lack. If the information is sufficient, and no aspects of the supplier's business are assessed as possibly harmful, the supplier is given the "low risk" status. If we are unsure whether our information is sufficient, suppliers are assessed as "high risk," and the assessment is taken on to the next step.

c) Measures to stop, prevent and reduce negative impact

Plans and measures are drawn up to reduce the risk that has been uncovered in the previous step. Measures to reduce the risk can be:

- dialogue with the supplier to obtain information/documentation,
- announced or unannounced audits carried out by Stella Polaris itself or an independent third party, and
- change or termination of the customer/supplier relationship.

d) Implementation of measures

The measures are implemented based on the action plan, with specified responsible persons and deadlines.

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e) Evaluation of measures

After the implementation of the measures, these will be evaluated regarding the desired effect. Measures of all uncovered opportunities for negative impact are reported to the management team at Stella Polaris.

In case one suspects a violation of human rights or unacceptable working conditions, either in Stella Polaris' business or with our suppliers, we want to be contacted by email to post@stellapolaris.no or CEO Arnfinn Semmingsen (arnfinn@stellapolaris.no), tel. +47 99230203.

3.0 Negative Consequences and Risks

According to the description above, Stella Polaris has, per June 2023, surveyed our own business, suppliers, and business relationships. We have found no evidence that we or any of our suppliers do not respect human rights or do not have decent working conditions.

4.0 Measures

To limit negative consequences, we have explicit requirements for our suppliers. Stella Polaris wants an open dialogue about fulfilling the ethical criteria set and expects our suppliers to cooperate to achieve these. We will make suppliers aware of deviations from our requirements and will have to implement corrective measures where necessary and inform Stella Polaris of any deviations and actions. Based on a due diligence assessment carried out in 2023, the following will be carried out:

1. Supplier of shrimp (raw material):

We see that upon delivery of shrimp from at least one of our suppliers, we should visit and inspect again to ensure decent working conditions. Dialogue with the supplier, beyond the standard questionnaire, has been created.

2. Transport/carriers:

We want to get a better overview of which subcontractors our carriers use and have therefore started a dialogue with our transporters as we want to get more information about the working conditions of the subcontractors. We will obtain more details about which employment contracts are used, and we have therefore started a dialogue with the supplier to get more information about this.

Kårvikhamn, 30th of June 2023

Arnfinn Semmingsen
CEO Stella Polaris AS