

# Transparency report 2024

## KAEFER Energy



# Transparency Report 2024 – KAEFER Energy AS

## About us

KAEFER Energy AS is an industrial service provider, that can offer services to any kind of professional industrial client that operates complex assets. We are a leading ISS company targeting mainly the oil and gas industry in Norway. With over 40 years of experience and expertise, we offer proficiency through all project phases within the disciplines of insulation, scaffolding, rope access, surface protection, interior outfitting, and engineering services.

Across each of our core services, we offer planning and engineering, material supply and delivery, assembly and installation, service and maintenance, project- and quality management, general contracting services, inspection, testing, and auditing services.

KAEFER Energy AS is 100 % owned by KAEFER International AG and the ultimate parent company is KAEFER SE & Co. KG. The KAEFER Group is a global leader in asset integrity services and solutions and operates in more than 30 countries with more than 33 000 employees.

## Policies and framework

KAEFER Energy is subject to the Corporate Governance and Business frameworks at KAEFER Group;

Codes and Policies	Purpose
<b>Code of Business Conduct</b>	The KAEFER Code of Business Conduct defines globally binding principles for the KAEFER Group which are designed to guide our employees to conduct themselves ethically, with integrity and in compliance with all applicable laws and regulations.
<b>Supplier Code of Conduct</b>	The Supplier Code of Conduct sets our expectations for our suppliers to share the same values and meet the standards, we have implemented and live in our company.
<b>Policy Statement on Human Rights and Environmental Protection</b>	<p>The Policy Statement states our commitment in respect to human rights within the organisation and its value chain and is guided by international standards.</p> <p>It encompasses equality and freedom from discrimination, freedom of association and collective bargaining, labour rights, freedom from harassment or bullying, forced labour and child labour.</p>
<b>Health &amp; Safety Policy</b>	The Health & Safety Policy states our commitment to provide a healthy and safe working environment by preventing work related injuries and illnesses.

## Labour & Human Rights

When delivering our services at oil and gas plants our workers are exposed to health and safety risks. The risks include working at height, exposure to noise, chemicals, hand and arm vibration, uncomfortable working postures and cold climate. However, the risks are considered to be highly controlled by the authorities, the clients and by KAEFER. KAEFER Energy did not have any serious incidents in 2024.

Minimum wage levels follow union agreements and covers basic living costs. The workers have collective bargaining rights and freedom of association. However, monitoring work hours and rest periods on within projects or on our clients' sites is important, potentially risking worker health through excessive overtime and insufficient recovery. We have also identified harassment, bullying and discrimination as potential risks on our project sites.

### ***Our Approach (Policies)***

To manage the above-mentioned impacts, the KAEFER Code of Business Conduct as well as the statement on human rights and environmental protection serve as the foundation covering obligations to respect and monitor human rights and labour standards. Both documents are publicly available and subject to an at least annual revision.

The KAEFER Code of Business Conduct defines globally binding principles to all members of the KAEFER Group which are designed to guide our employees to conduct themselves ethically, with integrity and in compliance with all applicable laws and regulations. These binding guidelines of conduct have been detailed in several further KAEFER Group Policies, the KAEFER Supplier Code of Conduct (SCoC) and internal KAEFER Rules.

KAEFER's statement on human rights and environmental protection takes full account of widely recognised standards and international frameworks such as the UN Guiding Principles on Business and Human Rights, OECD Guidelines and International Labour Organisation (ILO) standards.

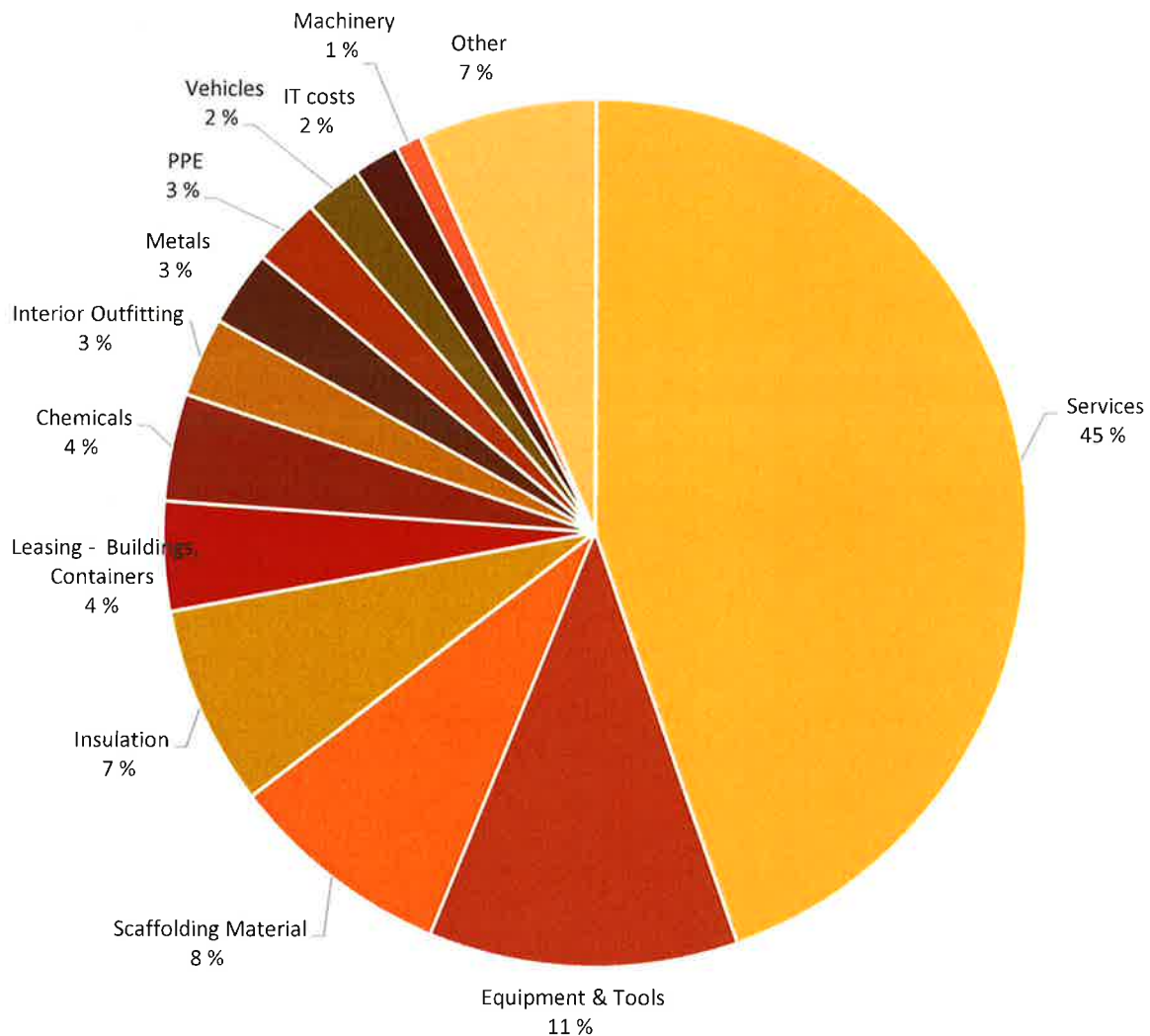
### ***Actions & Targets***

In 2024, KAEFER has conducted a human rights risk assessment to monitor compliance with international human rights standards in our own operations. The analysis shows a high degree of maturity in the prevention processes for human rights violations, e.g. through the establishment of suitable processes to avoid excessive overtime and processes to ensure compliance with occupational health & safety standards.

It is equally important that we become aware of potential human rights issues at an early stage. For this reason, KAEFER has established a secure web-based whistleblowing system through which all employees can report violations and concerns.

## Supply Chain Assessment

### Spend overview 2024



The largest part of KAEFER Energy's spend goes on services. Service providers are typically companies that perform comparable activities to KAEFER. The largest service provider to KAEFER Energy is a sister company in the KAEFER group. Working with services providers ensures flexibility, cost efficiency, and access to specialised expertise while enabling KAEFER to scale operations based on demand and to cover short-term peaks.

In contrast, material spends play a subordinate role. This is because material selection is largely determined by customer specifications, ensuring compliance with high industrial quality standards. Depending on the contract, material is either procured by KAEFER or provided by the customer. Evidently, the material volumes that we purchase depend on the characteristics of services our customers request us to fulfil, resulting in year-to-year project-based fluctuations.

# Human Rights Due Diligence

## ***Our Approach (Policies)***

KAEFER has established a comprehensive risk management system for human rights and environmental protection in the supply chain based on the UN Guiding Principles for Business and Human Rights and OECD Guidelines for Multinational Enterprises.

To embed supply chain risk management in our organisation, KAEFER has nominated Supply Chain Sustainability Officers in the operating units, who are responsible for human rights and environmental risk management in the day-to-day management of our suppliers. Internal guidelines ensure a consistent and systematic approach across all KAEFER entities worldwide.

We expect our suppliers to live by the same standards as we do. Our expectations are defined in the KAEFER Supplier Code of Conduct, which is a mandatory part of supplier contracts at KAEFER. Among others, the Supplier Code of Conduct contains requirements with regards to business integrity, labour and human rights, including forced labour and child labour, and environmental protection.

## ***Actions & Targets***

KAEFER understands due diligence as a continuous improvement process with constantly changing framework conditions. We conduct at least annual analyses to identify potential and actual negative impacts on human rights and the environment in our supply chain.

We work with an external provider to provide an objective, holistic and understandable assessment of our suppliers with respect to their ESG performance. Taking into account the country of operation, the industry and the spend level, specific suppliers are requested to provide us with an ESG self-assessment on their sustainability related procedures through a digital platform to confirm that they fulfil the standards that we defined in our Supplier Code of Conduct. Certifications on health and safety, environmental management and others can be provided and are considered in the assessment. In addition, we incorporate experience from our local procurement units into our risk analyses to improve our understanding of the risks of our suppliers.

Through ongoing dialogue with suppliers and their employees, e.g. as part of on-site audits, we strive to achieve a better understanding of the key issues from the perspective of those affected. Potential negative impacts are assessed with regards to likelihood of occurrence and severity. Thereby, severity is defined as a combination of scale, scope and irremediability.

Our risk analysis highlights subcontracted/hire-in workers as a key focus area, given their role alongside our own employees in project execution. In contrast, most of our material suppliers are large, publicly traded companies already subject to strict transparency requirements.

Regarding specific human rights concerns, we have identified health and safety and equal treatment of hired-in personnel's wages as key issues.

KAEFER Energy follows current collective agreements and local agreements with employees' representatives in relation to wage conditions. Norwegian regulations require equal treatment of hired-in personnel's wages and working conditions as own employees.

We have ensured equal treatment through our audit process related to “Supervisory responsibility” (Påseplikt-prosedyrer), where we have audited all our subcontractors in 2024.

KAEFER Energy also monitors working health risks of hired-in personnel through our own operations, including working hours and overtime of hired-in personnel.

When employees of service providers work on behalf of KAEFER at customer sites, we ensure they receive appropriate personal protective equipment and safety training. We are committed to providing subcontracted workers with the same level of safety as KAEFER employees. Within our control, we take proactive measures to prevent violations of labour and human rights.

In 2024, more than 40 selected suppliers participated in the ESG self-assessment questionnaire, covering over 50% of our local spend

Results show that the majority of suppliers fully meet our requirements or only show minor deviations. Where we see that suppliers fail to meet our expectations stated in the Supplier Code of Conduct, KAEFER follows up with the affected suppliers to agree on a corrective action plan to improve the ESG performance and reduce the risk of adverse impacts.

KAEFER has actively participated in an industry-initiated network within the ISS industry in Norway. The purpose of this collaboration is to align on shared principles and methodologies for identifying procurement categories with elevated Human Rights Due Diligence risks in a broader sustainability perspective. We believe the participation can improve the accuracy of identifying any potential breaches, as well as reducing the questionnaire/audit fatigue in our industry. Although the initiative was launched during the current reporting year, the work has gained momentum and continues with full force into 2025.

We have not identified any adverse impacts or connected risks on fundamental human rights and decent working conditions in 2024.

We regularly review the effectiveness of all risk management measures and adjust where necessary to continuously improve. The Board of Directors is informed regularly, at least once a year, about our risk management activities.

## Complaints Procedure

### ***Our Approach (Policies)***

Since 2023, KAEFER has offered a publicly available complaints procedure, enabling individuals and groups to report human rights risks and suspected violations. This allows us to take immediate action to prevent or mitigate potential harm.

The KAEFER Rules of Procedure for the Handling of Complaints, outline the process in detail, including key features, accessibility, and responsibilities.



To raise awareness among workers in our value chain, KAEFER references the procedure in its Supplier Code of Conduct. As subcontractor workers often share work sites with KAEFER employees, our poster campaigns further help to inform them about their rights and reporting options.

Recognising that many issues are best resolved at the source, we also require our suppliers to establish their own effective complaints procedures as part of our Supplier Code of Conduct.

### **Actions & Targets**

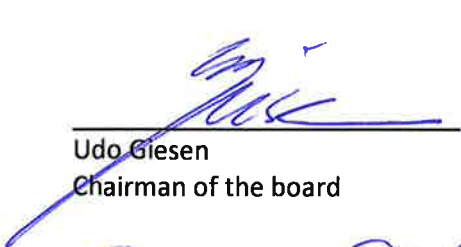
KAEFER recognises that despite the utmost care, violations may occur. If one of our suppliers or an actor in our supply chain is involved in the violation, we will seek to remedy the situation. We expect and require our suppliers to put an immediate end to actual abuses.

If necessary, we will agree with the responsible actor to develop a plan to end the abuse, with defined time lines and responsibilities ("corrective action plan"). We reserve the right to suspend or terminate the business relationship if the violation is not remedied in a sustainable manner.


KAEFER will not tolerate retaliation against anyone who provides information or reports concerns in good faith. All information is processed by a small group of selected and specially trained employees at KAEFER who are contractually required to keep the information confidential.

In 2024, KAEFER has not received any complaint with regards to severe human rights issues and incidents in the value chain.


Stavanger, 17<sup>th</sup> of June 2025




Udo Giesen  
Chairman of the board




Jens Evert Paul Hermansson  
Member of the board



Andrew Leknesund  
Member of the board



Claudia Eckert  
Member of the board



Bård Bjørshol  
Managing Director