

# Transparency report 2022

## KAEFER Energy





## 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 ultimate parent company is KAEFER SE & Co. KG. KAEFER Group is a global leader in asset integrity services and solutions and operates in more than 30 countries with more than 30 000 employees.

# Policies and framework

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

All our policies follow the UN Global Compact principles on issues concerning human rights, working conditions, the environment, and anti-corruption.

Codes and Policies	Purpose
Code of Business Conduct	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
Supplier Code of Conduct	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
Human Rights Policy	The Human Rights Policy states our commitment in respect to human rights within the organisation and its value chain and is guided by international standards. 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
Health & Safety Policy	The Health & Safety Policy states our commitment to provide a healthy and safe working environment by preventing work related injuries and illnesses



KAEFER Energy supports and respects all internationally recognized human rights and shall contribute to the protection of human rights. Our commitment is clearly defined in the KAEFER Human Rights Policy. Due to incorporated procedures and policies, an extensive cooperation with unions and use of collective agreements, the risk of human rights violations at KAEFER Energy own operations is considered low.

Assessing the potential risk of human rights breaches within the supply chain constitutes an important part of our suppliers' and third parties' approval process. We expect our suppliers and subcontractors to adhere to our ethical guidelines, including our standards for human and labour rights, by acknowledging and comply to the KAEFER Supplier Code of Conduct.

We expect our suppliers to compensate all workers equivalent to the most beneficial of legally required minimum standards, terms established by legally binding collective bargaining agreements and internationally recognized human rights standards. As a minimum, such compensation includes wages, overtime, and paid leave, which calls for an adequate standard of living.



# Reporting on violations

BKAEFER takes compliance very seriously as KAEFER wants to avoid fundamental risks, ensure sustainable business success and build up and maintain trusting and reliable relationships with colleagues and business partners. This is of the highest value and must be protected.

KAEFER believes that direct exchange on a personal level is often preferred which underlines KAEFER's open communication and trusting working environment. Suspected or actual misconduct can be reported via various channels. If personal communication is not an option, the KAEFER Compliance Helpline can be used.

The KAEFER Compliance Helpline is a secure, web-based reporting system, hosted by an external provider - that can be used by employees, suppliers, clients and other stakeholders to report suspected or actual violations of applicable law, KAEFER standards and policies in a structured process. It is also possible to report anonymously. When a report is received, a member of the Compliance organisation evaluates whether an indepth investigation is required and initiates the relevant steps. All information received is treated confidentially in line with legal requirements.

KAEFER's Compliance Helpline which was introduced in 2018, was updated in 2022 and now also serves as grievance mechanism for KAEFER's new Supplier Code of Conduct and Human Rights Policy.

# Supply Chain Assessment

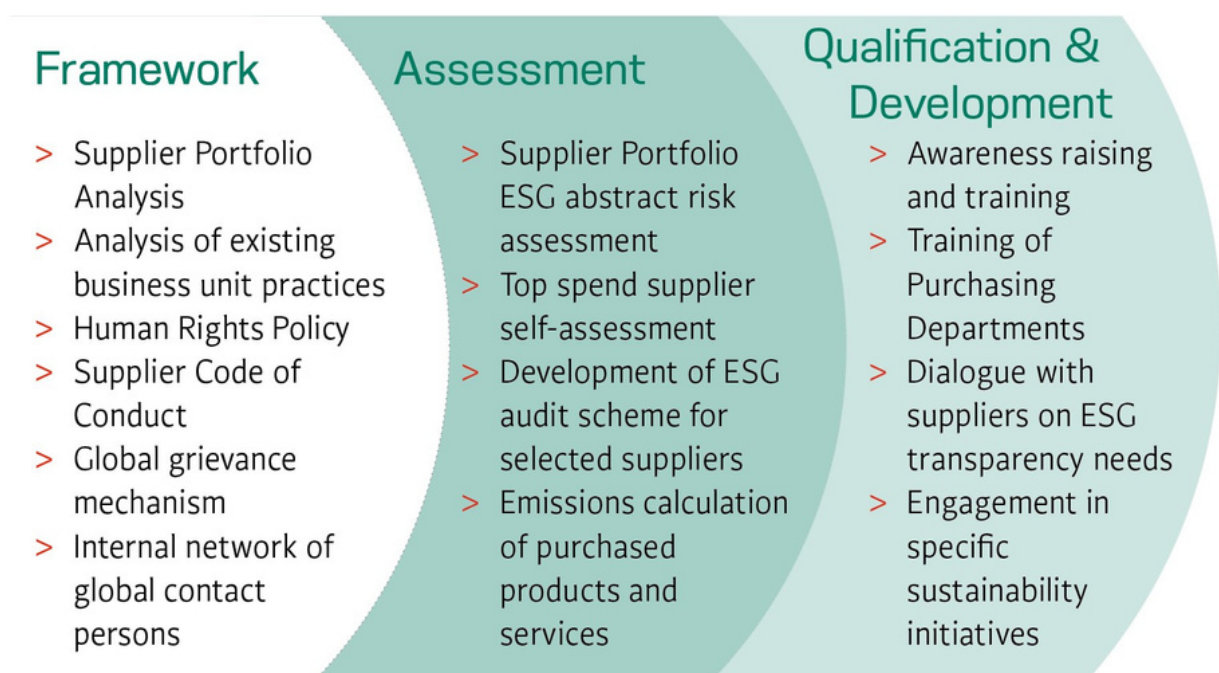
Following KAEFER's decision to set up global ESG supplier risk management for human rights and environmental standards, a Supplier Code of Conduct (SCoC) was published in 2022 to supplement the company's Code of Business Conduct.

KAEFER's SCoC follows UN Guiding Principles on Business and Human Rights and OECD Guidelines for Multinational Enterprises. It sets out explicit requirements for all our suppliers in terms of human rights. All relevant suppliers were informed of the new obligation during the year.

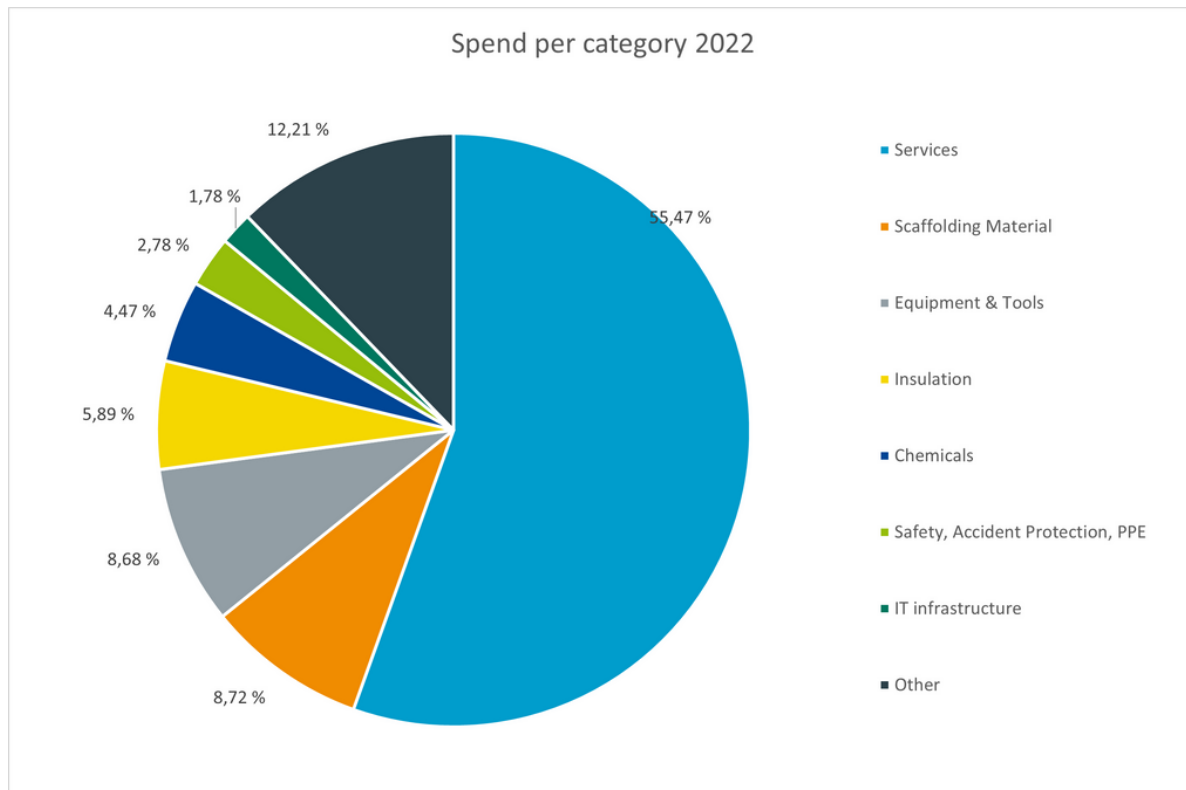
To help deliver a smooth transition – and take account of cultural and legislative differences in countries the KAEFER Group operates in – the workstream team created an internal Supply Chain Sustainability Network in 2022, including representatives from Norway.

The Supply Chain Sustainability Network is responsible for:

- Analysis of KAEFER's supplier portfolio, as well as existing initiatives in our various business units
- Annual abstract risk assessment of our Supplier Portfolio based on ESG criteria
- Setting up of ESG supplier risk management framework: Implementation of grievance mechanism and processing of occurrences



# Spend overview



The largest part of KAEFER Energy's spend goes on services. Based on our human right risk assessments we have in 2022 focused our efforts on suppliers of services. We manage our service suppliers closely and expect them to meet the same standards as we do in our own operations.

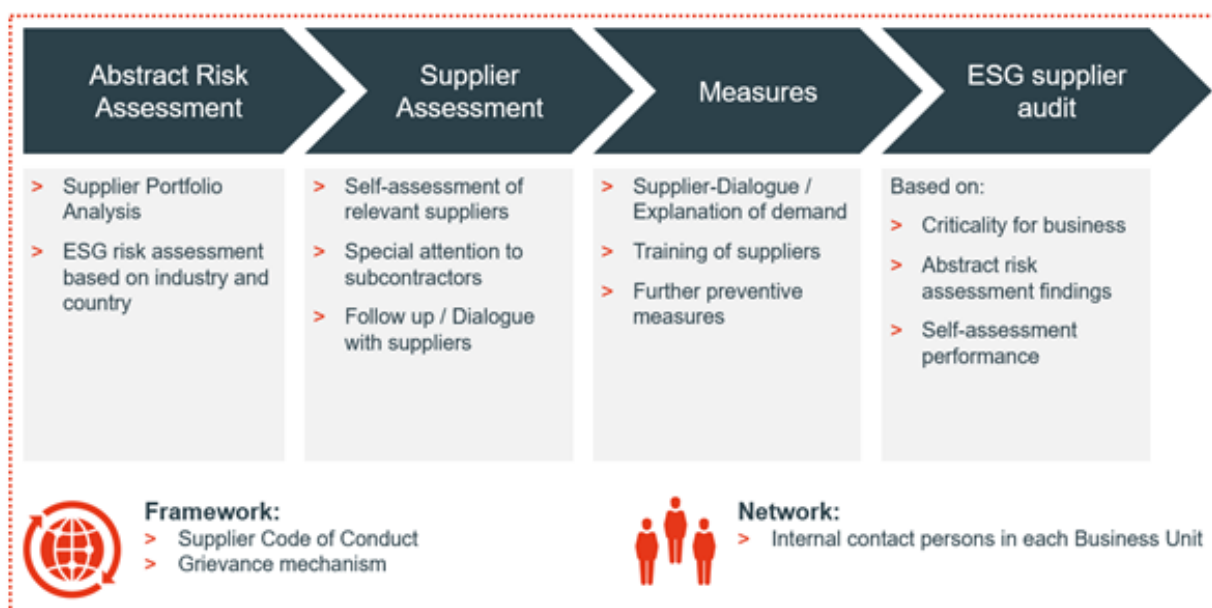
KAEFER Energy complies with current collective agreements and local agreement with employees' representatives in relation to wage conditions. Requirements are established for equal treatment of hired in personnel's wages and working conditions. We have ensured equal treatment through our audit process related to "Supervisory responsibility" (Påseplikt), where we have audited all our hired-in personnel service suppliers during 2022. KAEFER Energy also monitor working health risks of hired-in personnel through our own operations, including working hours and overtime of hired-in personnel.

We have not identified any potential or adverse impacts or connected risks on fundamental human rights and decent working conditions in 2022.

# Outlook

Going forwards, our intention is that all supplier relationships will be subject to monitoring – including a human right risk assessment and working conditions. We plan to structure this according to the Supply Chain Sustainability – Risk Management – Escalation Hierarchy.

## Supply Chain Sustainability - Risk Management- Escalation Hierarchy



KAEFER Energy will consider further measures if we identify adverse impacts or significant risk of adverse impacts. Measures may involve a closer review of the companies that entail a high risk, including implementing new and/or updated guidelines to manage the risk, updating and enforcing the company's ethical guidelines for the suppliers and contract terms to ensure fundamental human rights and decent working conditions.

Stavanger, 5 June 2023

  
Udo  
Giesen  
Chairman

  
Dirk  
Brand-Saßen  
Board Member

  
Jens  
Hermansson  
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**KAEFER ENERGY**