

Transparency report 2023

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 45 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 32 000 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 organization 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 complying 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

Compliance plays a crucial role in helping KAEFER 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.

Suspected or actual misconduct can be reported via various channels. Direct exchange on a personal level is KAEFER's preferred approach to building a culture of open communication and a trusting working environment. Where personal communication is not an option, KAEFER's Compliance Helpline is also available.

KAEFER's well established global speak-up facility called the KAEFER Compliance Helpline includes an appropriate response and escalation process. The KAEFER Compliance Helpline is a secure, web-based reporting system – hosted by an external provider – which can be used by employees, suppliers, clients, and other stakeholders to report suspected or actual violations of applicable law and/or 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 organization evaluates whether an in-depth investigation is required and initiates the relevant steps. All information received is treated confidentially in line with legal requirements and KAEFER's Speak-up Rule to ensure data protection, compliance with privacy laws, and whistleblower protection.

KAEFER does not tolerate retaliation against persons who report misconduct (suspected or actual) in good faith. Any person, including supervisors or managers, who tolerates or is involved in an act of retaliation against an individual in response to the report of a violation (suspected or actual) made in good faith will be subject to disciplinary measures, up to and including termination of employment. In 2023, no such cases were reported to Corporate Group Compliance.

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 are informed of the obligation.

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

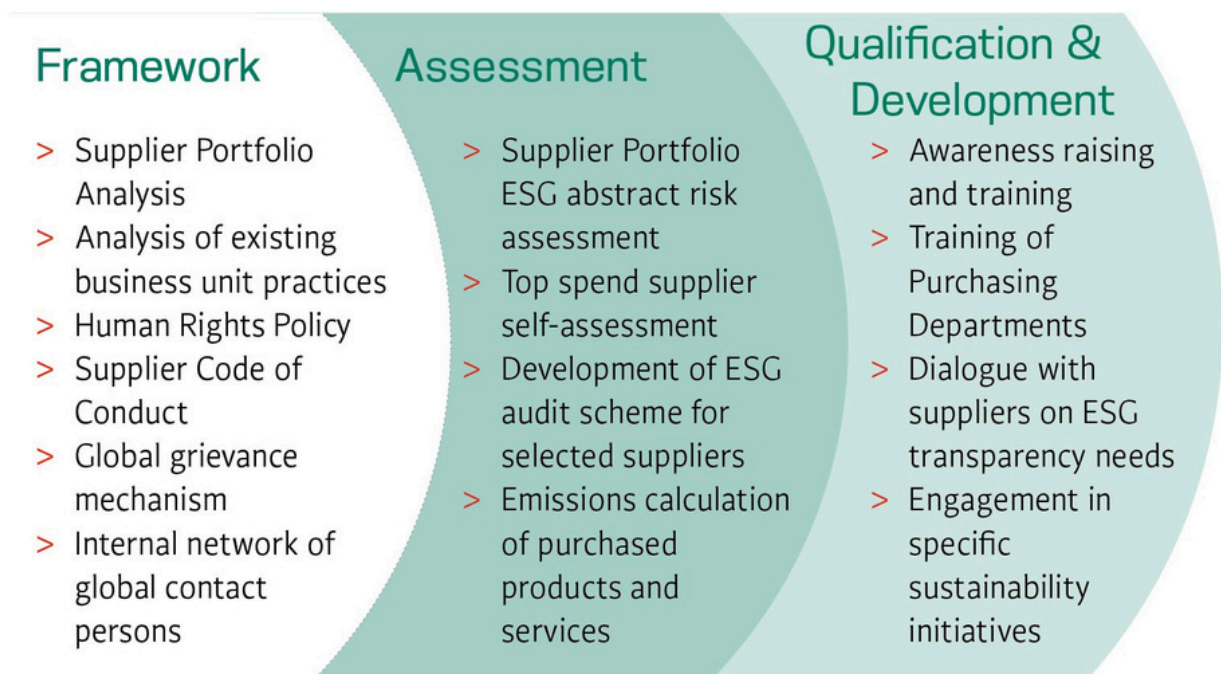
In 2023 the Group has nominated Supply Chain Sustainability Officers in the operating units, who are responsible for human rights and environmental risk management in our supply chains. Building on the risk management in day-to-day business, local implementation is monitored by a central function on group level and regularly reports to the Executive Board. To secure the flow of communication, feedback-loops have been installed and minimum meeting frequencies to keep all involved departments up to speed on developments and new approaches.

Processes that need to be followed have been defined and formalized in an internal guidance, which is a common basis for our decentralized procurement organization.

We have requested prioritized suppliers to provide us with an ESG self-assessment on their internal sustainability related procedures to confirm that they fulfil the standards that we defined as requirements in our Supplier Code of Conduct.

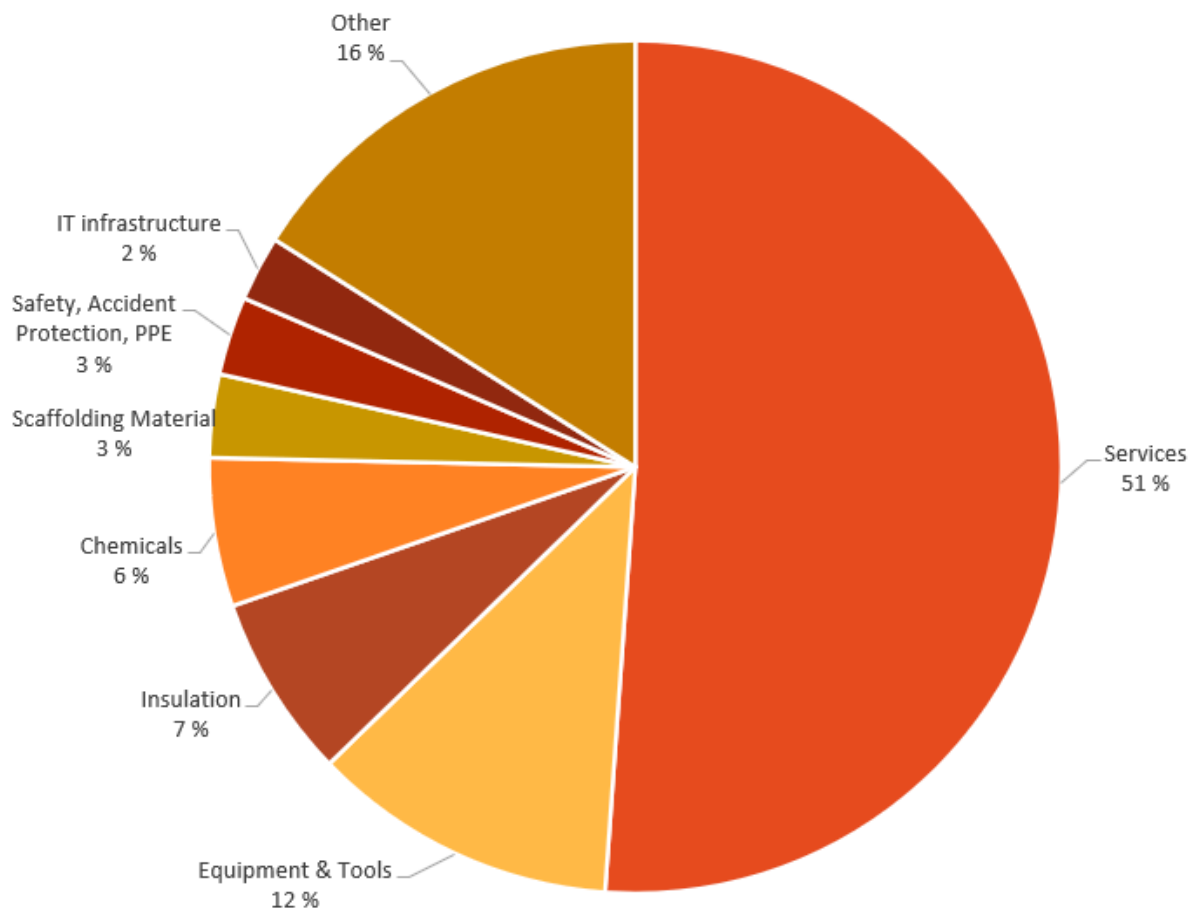
A digital platform provides suppliers with the possibility to transparently demonstrate their ESG practices and gives an immediate rating of the performance. Certifications on Health and Safety, Environmental Management and others can be uploaded and are included in the scoring. In 2023, KAEFER added the highest priority suppliers – which comprises over 50% of our global spend.

The global sustainability commitment is to rate all relevant suppliers and ensure their compliance with KAEFER's Supplier Code of Conduct by 2030.



Spend overview

Spend per category 2023



The largest part of KAEFER Energy's spend goes on services. Based on our human right risk assessments we have in 2023 focused our efforts on suppliers of services and on the largest suppliers in the other categories. We manage these suppliers closely and expect them to meet the same standards as we do in our own operations.

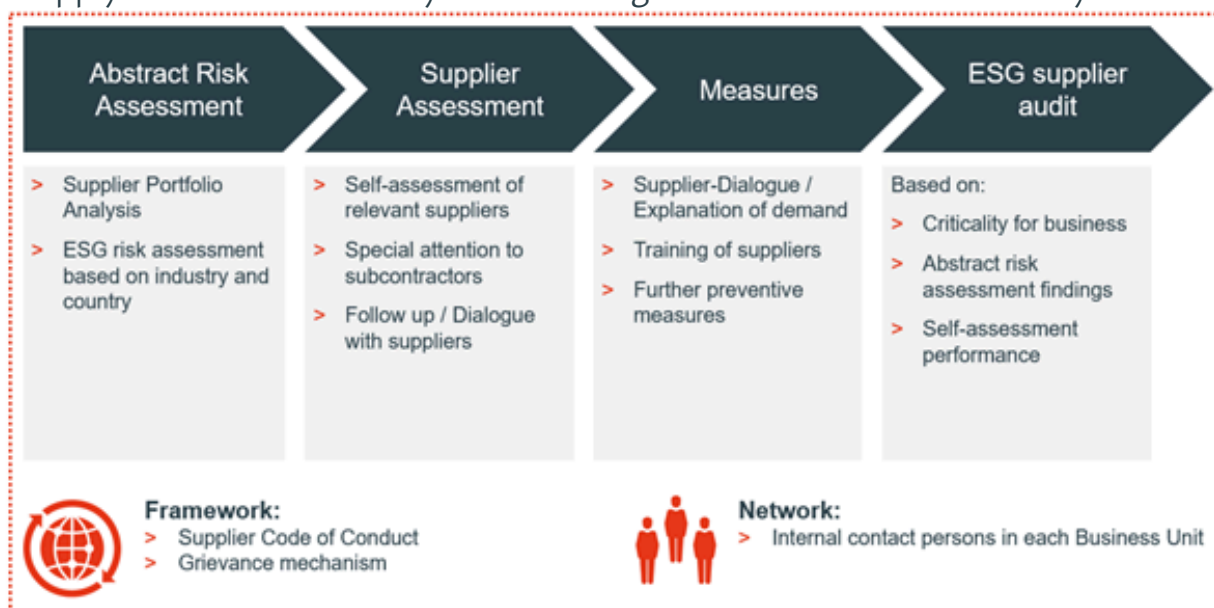
KAEFER Energy complies with current collective agreements and local agreement with employees' representatives in relation to wage conditions. Requirements are established for equal treatment of hired in personnel's wages and working conditions. We have ensured equal treatment through our audit process related to "Supervisory responsibility" (Påseplikt), where we have audited all our hired-in personnel service suppliers during 2023. KAEFER Energy also monitors 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 2023.

Outlook

Going forward, we will continue to work towards our intention 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. In addition, a mandatory internal e-learning on human rights and discrimination will be developed and rolled-out.

Stavanger

Udo Giesen
Chairman of the board

Jens Evert Paul Hermansson
Member of the board

Andrew Leknesund
Member of the board

Jacqueline Kirsten Schübler
Member of the board

Bård Bjørshol
General Manager



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KAEFER ENERGY

Transparency Report 2023 – KAEFER Energy AS

Final Audit Report

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