

# Transparency Act account 2023

## 1. Introduction

Pursuant to section 5 in the Transparency Act we hereby present Aibel's account on our work to respect fundamental Human Rights and decent working conditions in our company and our operations.

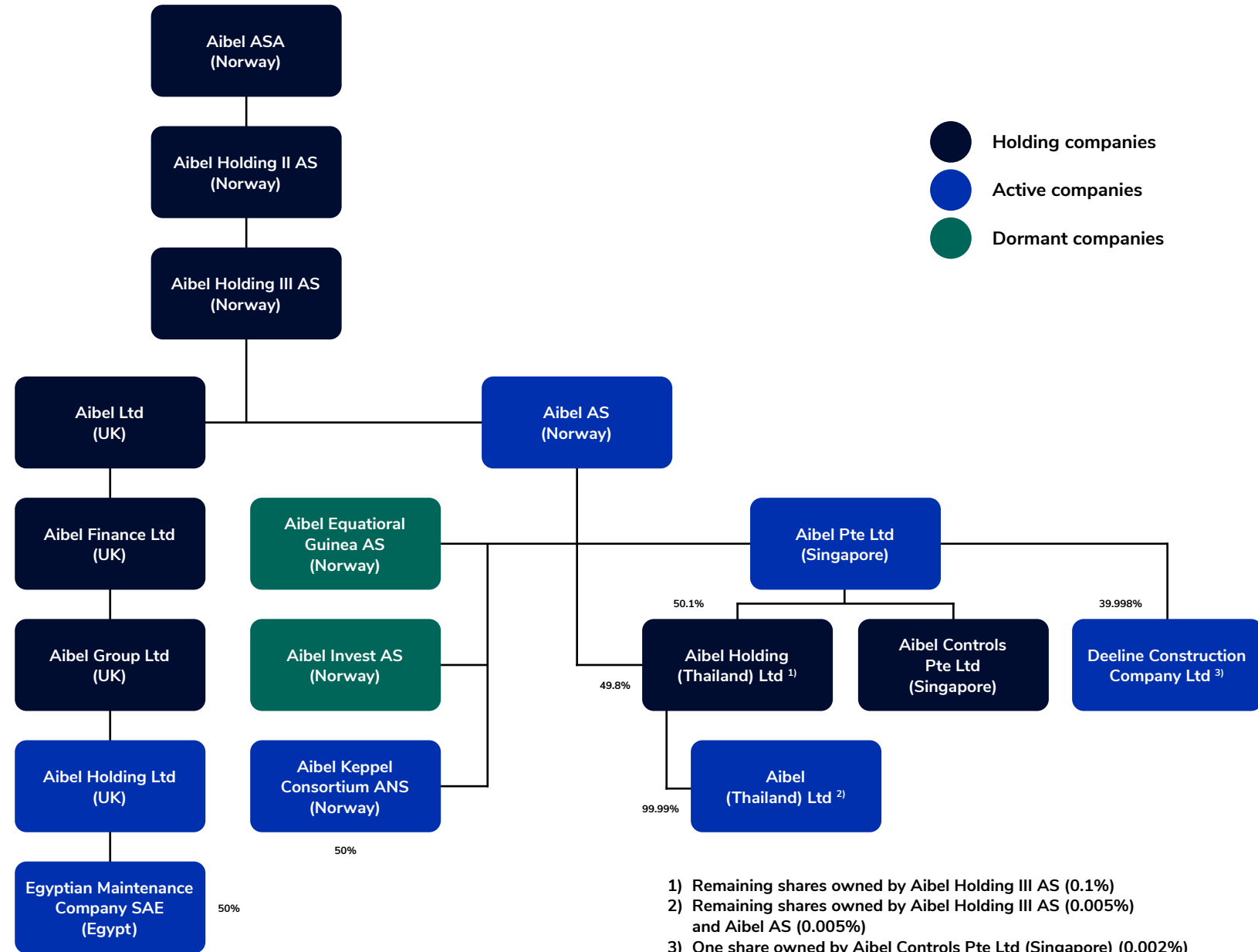
This account was approved by Aibel's Board of Directors (BoD) on 29.06.2023 and covers the financial year 2022. Our account is written in English in line with Section 3-4 third paragraph in the Accounting Act.

## 2. About Aibel

Aibel ASA is a Norwegian company with its registered head office located in Sandnes, Norway. The Aibel Group is also located in Asker, Haugesund, Bergen, Harstad and Hammerfest, as well as in Singapore and Laem Chabang, Thailand. In addition, Aibel holds a 50% financial investment in Egyptian Maintenance Company (EMC), and a 40% shareholding in Deeline Construction Company Ltd. Financially EMC and Deeline are non-consolidated entities, and hence not considered a part of the Aibel Group.

The operating entity in Norway is Aibel AS, who is the entity that is issuing and signing this account in accordance with the regulations in the Transparency Act.

Aibel ASA is ultimately owned by Ferd (50%), Ratos (32%) and the Swedish pension fund Sixth AP Fund (18%). The Aibel Group Legal Structure chart as per 28 April 2023 is displayed below.



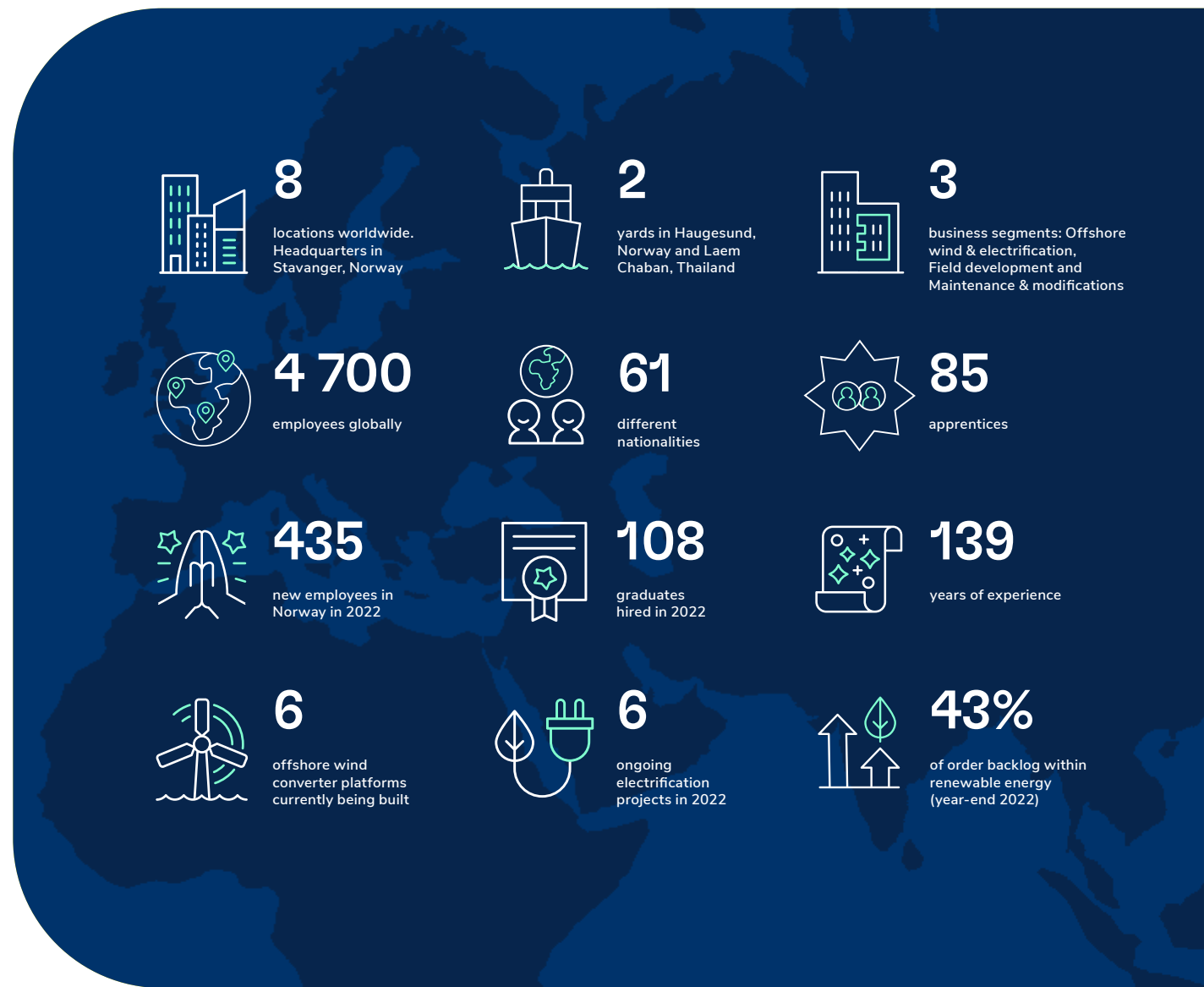
The Aibel Group (Aibel/the Group) is headed by an Executive Management Team (EMT) which consist of the Chief Executive Officer (CEO) and five other Executives. The CEO reports to the Aibel ASA Board of Directors (BoD), which consists of eight Directors, of which three are employee representatives. Current information about the Aibel BoD members and the management team is available on Aibel.com.

Aibel is a leading service company within the oil, gas and offshore wind industries providing clients with optimal and innovative solutions within Engineering, Procurement, Construction, and Installation (EPCI) throughout a project's entire life cycle. In short, Aibel builds and maintains critical infrastructure for major reputable clients within the energy industry.

The Group's operations are organised within three business segments: Field Development, Offshore Wind & electrification, and Modifications & Yard Services.

As per 31 December 2022, Aibel had more than 4,700 employees working at the company's offices in Norway, Thailand, and Singapore. In addition, Aibel operates two yards located in Haugesund, Norway, and in Laem Chabang, Thailand, with significant prefabrication and construction capacity.

Here is a snapshot of some key Aibel facts as of year-end 2022:



### 3. Human Rights in Aibel

#### 3.1. Commitment and responsibility

##### Our commitment

Aibel's commitment related to Human Rights is clearly stated in the Code of Conduct and in the Human Rights Policy. Aibel respects and adheres to the Human Rights and labour standards based on international law. We follow the principles of the Universal Declaration of Human Rights, ILO Declaration on Fundamental Principles and Rights at Work and the fundamental conventions. Furthermore, we follow the principles of the UN Guiding Principles on Business and Human Rights and the Modern Slavery Act 2015. We respect and support Human Rights in all our locations and in our entire value chain with particular attention to those who are most vulnerable to adverse impacts, including women, children, and migrant workers.

##### Responsibility for Human Rights

The Board of Directors and the Executive Management Team holds the overall responsibility in Aibel for securing that the Group respects fundamental Human Rights and decent working conditions. The follow-up related to Human Rights reporting, investigating claims of misconduct and ensuring that Human Rights are implemented in the management system lies with the Compliance department and Human Resources (HR) department. This work is further supported by Supply Chain Management and Subcontracting to ensure that the required awareness, practices and responsibility is pushed down into our supply chain.

The Executive Management Team participates in the Compliance and Human Rights Committee in relation to investigating violations in our supply chain.

#### 3.2. Our approach to Human Rights

Aibel started working with Human Rights several years ago, and the preferred method to achieve improvements in the handling of Human Rights issues in the operations has been to incorporate all new initiatives and actions into existing processes and procedures, where relevant.

During the last few years focus has been particularly high, and Aibel became a UN Global Compact signatory in 2017. We continuously implement updates and improvements into our management system to ensure that respect for fundamental Human Rights and working conditions are observed according to best practice.

The intention is to make Human Rights considerations and Human Rights risk awareness a natural part of our day-to-day work and part of everything that we do.

A Human Rights policy statement is published on Aibel's webpage to clearly communicate our commitment to Human Rights and also how we execute the commitment. Human Rights considerations and compliance with Human Rights best practices are requirements in our Code

of Conduct, and we require similar commitment to the prevailing principles from all suppliers and subcontractors, which they confirm by signing the Aibel Supplier Code of Conduct.

Internal tools to prevent violations of human or labour rights in Aibel comprise of the Code of Conduct supplemented by training, policies, procedures, processes, work instructions, guidelines, employee manuals, contracts, and checklists. In addition, close cooperation with the trade unions and the

use of collective agreements contribute to safeguard that there are no violations of human or labour rights within the Aibel Group.

Below is a more detailed description of the key processes, documents, and policies available in our management system, applicable to all of Aibel's operations. As described above, these confirm Aibel's respect for Human Rights and ensures effective adherence to the standards and to set the expectations in our supply chain. All documents are endorsed by our Executive Management Team.

##### Due diligence and Human Rights in the supply chain

Evaluating the potential risk of Human Rights violations within the supply chain is an important part of Aibel's approval process of suppliers and third parties. We use our influence as a client to ensure that the suppliers are obligated to respect Human Rights. Our Integrity Due Diligence (IDD) of third parties is risk based, and the perceived Human Rights risk level is an important factor, which is included in the overall assessment of any supplier. The process is supported by an overall IDD policy statement, the IDD work instruction, the guidelines for Human Rights assessments in supplier evaluation and audits, and finally by two different self-reporting questionnaires collected from suppliers during the approval process. With regards to EMC, Aibel has provided support with respect to Compliance and Human Rights awareness training during 2022. Furthermore, EMC has become a signatory to the UN Guiding Principles on Business and Human Rights.

The Supply Chain and Compliance departments are authorized to approve and audit new third parties. In addition, HR and the hire-in departments contribute to ensure that Human Rights incidents are prevented.

Manpower providers are subject to regular audits performed by the hire-in department, HR department and union representatives, in which contracts, time sheets etc. are checked.

In addition, Aibel uses external Human Rights expert companies when we wish to perform Human Rights assessments on entities that are considered very high risk. Likewise, Aibel has regularly been subject to Human Rights assessments by clients since 2020. Feedback provided from these assessments is considered important to promote continuous improvements.

#### Country risk assessment

The country risk assessment is an important process when considering doing business with third parties in any new countries. Human Rights status is one of the most important scores considered in the Country Risk Assessment List. The risk of Human Rights violations in a specific country will affect the risk categorisation of a supplier located or operating in that country and it will affect the due diligence process, the required documentation, and the likelihood of approval.

Any request for Aibel activities in a high risk or medium risk country requires an extensive country risk assessment report and approval by the EMT and/or the BoD.

#### Whistleblowing system – grievance reporting

WhistleB is the Group's online reporting system provided by an external company. It is available 24/7 via the intranet, Aibel.com, Url or QR code for both internal and external users. The system allows for anonymously reporting in 8 languages. There has been an increase in reports the last couple of years, and we believe the increase is due to

a successful internal campaign to promote the reporting channel.

Aibel investigates all actual or suspected violations and breaches related to our Code of Conduct, corruption, Human Rights violations and any other compliance incidents or other types of unethical or unlawful actions. The Compliance and Human Rights Committee handles such reports and investigations as described in our process and work instruction.

#### Ethics and compliance awareness training

Aibel Group employees are required to complete an annual certification (e-learning), whereby they confirm that they understand and agree to comply with the principles of our Code of Conduct. In 2022, 96 % of all eligible employees completed this training.

In addition, a selection of employees are required to attend a classroom-based compliance awareness and dilemma training session every third year. The training program was updated and expanded both in 2021 and 2022, and the updated program is particularly tailored to increase knowledge and awareness of Human Rights risk, the Transparency Act, and how we can act to prevent any violations and how employees can contribute by recognizing and reporting red flags.

#### Employee involvement

Aibel promotes employee involvement, and we cooperate with employee representatives across all business segments, aiming to encourage engagement by employees in the continuous development of the company.

Approximately half of all Norwegian Aibel employees are

trade union members and almost three-quarters of all Norwegian employees are covered by collective agreements.

This is different for the group companies in Singapore and Thailand, and there are no unions registered in either company.

Therefore, a Working Environment Group was formed in Aibel Singapore in 2018, consisting of volunteers who take on the role as employee representatives and to meet with management representatives monthly to discuss any workplace or working environment related issues.

Similarly, a Welfare Committee consisting of elected employee representatives has quarterly meetings with management representatives in Aibel Thailand. The Committee monitors the welfare and well-being of employees and propose welfare initiatives. In addition, Aibel Thailand has a HSE committee, consisting of management and employee representatives, which holds monthly meetings to ensure safe working conditions and a good working environment.

As previously mentioned, Aibel Group's Board of Directors includes three union/employee representatives.

#### Equal opportunities, diversity, and inclusion

Aibel has zero tolerance for harassment, intimidation and improper behaviour. Hence, at Aibel, no one shall be subjected to discrimination on the grounds of gender, or gender identity, religion, age, political views, race, skin colour, national or ethnic origin, physical impairment, sexual orientation, or style of cohabitation. This is clearly stated in the prevailing Human Rights policy.

## 4. Complying to the Transparency Act

### 4.1. Board approved plan of execution

Early 2022, a plan to secure the Aibel Group's compliance with the requirements in the Transparency Act were presented to, and approved by, the Board of Directors.

During our initial assessment, we observed that Aibel already had in place several important measures ensuring respect for Human Rights in our operations, supporting the expectations in the Transparency Act.

Regardless of these initial observations, we chose to take one step back to ensure that all locations and business segments were encouraged to, and allowed to, participate in and contribute to an internal Transparency Act due diligence process.

This provided an opportunity for key internal stakeholders to be informed about the requirements and to take ownership for the continued adherence going forward. The aim was to make every stakeholder feel responsible for and committed to ensuring that Aibel does not cause or contribute to any Human Rights violations.

The implementation of identified requirements was headed by a transparency group consisting of members from relevant departments as well as Employee representatives. The group was set up to ensure that Aibel complies with all requirements in the Act.

### 4.2. Due diligence

#### Method/approach

Aibel chose to arrange separate due diligence sessions in the different business segments and in the different locations across the Group. Prior to the due diligence sessions, an information package was forwarded to all participants. The package included information about the requirements in the law, description of possible adverse impacts, important risk affecting factors and an overall presentation of Human Rights status in the company. All relevant input from the sessions was collected and assessed for relevance.

#### Results and assessment of risk reducing measures

The outcome of our initial due diligence process could be summarized in two main areas with higher perceived risk of adverse impacts. These are referred below.

We did not discover any serious actual adverse impacts in the due diligence, but awareness was raised on some non-conformances from earlier assessment where the agreed mitigating actions are still in process.

#### The construction yards

One identified main risk area is related to manpower supply in our yards in Thailand and Haugesund.

The risk of potential Human Rights violations in our yard in Haugesund is considered low due to the incorporated procedures and policies, the extensive cooperation with unions and the use of collective agreements.

The risk is, however, not viewed as non-existent, and we must continue to monitor and follow-up on any potential

risk, especially since we have contractors and enterprises working in our yards, as well as a large number of workers provided from manpower supply agencies.

For the operation in our yard in Thailand, the potential risk is assessed as higher, but procedures and instructions are in place to avoid incidents from occurring. We make continuous efforts to reduce potential risk, in close cooperation with both customers and suppliers.

We consider the ability for Aibel to influence supplier behaviour and to push for any required changes as high due to the significant buying power.

We have had several external Human Rights assessments in Thailand, which have provided valuable input on areas of improvement. Aibel is committed to being a best practice company and setting a good example. Hence, we strive to ensure that our Thailand yard continuously meet higher standards than the minimum requirements under Thai law. Such higher requirements are also normally expected by the clients and need to be demonstrated by Aibel in order to remain a preferred supplier.

#### Supply chain

The second main risk area, and possibly the most significant and most difficult to control, is within the supply chain. Internal risk assessments performed suggest that the supply chain is the area where the potential risk of Human Rights violations is the highest.

Aibel has comprehensive processes for approval and monitoring of suppliers and we have taken further steps to strengthen this scheme in recent years.

**Further analysis of supply chain risk exposure**

The initial Transparency Act due diligence process revealed upside potentials related to managing the supply chain risk and to secure further improvements in current processes.

During 2022 we developed the “Aibel Compliance requirements”, that includes, among other subjects, a thorough chapter on Human Rights. The intent is to be even more clear on our expectations and requirements for suppliers to adhere to best Human Rights practices and to convert these expectations and requirements to contractual obligations.

The requirements will be implemented and attached to our Standard Purchasing Conditions during 2023.

We have also updated Aibel’s Human Rights policy statement to communicate our commitment and approach to Human Rights more clearly. The new policy is available on our website Aibel.com.

Aibel has a large and diverse supplier list ranging from important strategic sub-contractors that we have a close and long-lasting relationship with, down to low spend, minimal risk suppliers. Our supplier due diligence approach is becoming increasingly risk based, and we spend most time and effort on the suppliers we consider as high risk, on high criticality deliveries, and on manpower suppliers.

We continuously assess the different categories and matrixes that indicate how we approve, monitor, and reassess the different types of suppliers. Typical factors that affect this evaluation includes type of scope/product, country of origin, size of counterparty, global presence, use of unskilled labour, magnitude and length of contract.

All business partners and customers are vetted and approved. Aibel does not make use of agents, representatives, or intermediaries due to the perceived risk increase the use of such parties poses.

**4.3. Other measures/improvements**

**IT improvements**

Aibel will implement a new system for third party management in 2023. The identified tool will provide us with improved control and overview of third-party exposures, save time and prevent uncertainties related to supplier management, as well as reduce risk and allow for easier overview and reporting.

The tool will provide a systematic overview of first tier suppliers, partners, and other known sub-suppliers. Based on this overview the system will support and ease initial assessments of the risk related to fundamental Human Rights and decent working conditions.

Pending the new system we have done a targeted mapping of all subcontractors, frame agreement suppliers, and hire-in suppliers. The risk is assessed to be limited due to procedures, contract formats, extensive cooperation with the suppliers, performed audits and assessments, as well as the geographic location of the companies on the list.

**Information & training**

**Campaign in the yards**

We have an information campaign planned for our yards called “– You know your rights, right?” Posters with a QR code providing access to a page with more information on Human Rights and working conditions will be posted around our yards.

The plan is for the poster and corresponding information to be available in Norwegian, English, Thai and Polish. In addition, Aibel is aiming at becoming a dyslexia friendly workplace, and all the information will be developed with dyslexia in mind; easy to understand and read and a possible option to have the information read.

A similar campaign for our reporting channel WhistleB has proven very successful and increased the number of filed reports, particularly from workers in the Thailand yard.

**Compliance awareness training**

We already incorporated Human Rights into our compliance awareness training during the last two years. This training is provided to selected personnel based on position in the company and potential for exposure to relevant situations.

**New e-learning**

In 2023 we have contracted a company to help us develop a new e-learning for our mandatory Code of Conduct training course. This will include important topics covered in our Code of Conduct, including Human Rights.

**Human Rights due diligence specific training and information meetings**

Several training and information sessions of important internal stakeholders and gatekeepers are planned for 2023. These will be performed in addition to the compliance awareness training to ensure that Human Rights is a focus area throughout project lifecycle and across the Group.

All business partners and customers are vetted and approved. Aibel does not make use of agents, representatives, or intermediaries due to the perceived risk increase the use of such parties poses.

**SA 8000 training**

Several employees in the quality department in Aibel Thailand were given training on SA8000 – social awareness and SA 8000 internal audit in 2022. The course provides the participants with the skills to be able to plan prepare and perform internal audits to ensure the SA8000 system is implemented effectively.

For Aibel the intent is to include Human Rights audit as part of company internal audits and train the team to be able to identify and uncover indications of Human Rights or labour violations, to understand the Thai labour standard requirements and related legislation, as well as to ensure good practice on handling labour issues in the company.

**5. Closing considerations**

This report has described the progress and status within the Aibel Group with regards to what tools we have at our disposal and how we work to ensure that Human Rights and labour standards are being duly considered when doing business.

The efforts are continuously ongoing to ensure that improvements progress, and both the Board of Directors as well as the Executive Management Team have high ambitions with regards to Aibel remaining a top performer within this important area.

**Asker, 29.06.2023**

**The Board of Directors of Aibel AS**

*/s/ Helle Marie Bay*  
Board member

*/s/ Charlotte Strand*  
Board member

*/s/ Kristian Eikre*  
Board member

*/s/ Helge Midttun*  
Chairman of the Board

*/s/ Johan Christian Johansson Gebauer*  
Board member

*/s/ Rune Eriksson*  
Board member

*/s/ Ina Grønlien*  
Board member

*/s/ Karsten Amble Bøe*  
Board member

*/s/ Mads Andersen*  
CEO