

2023 TRANSPARENCY ACT REPORT

Annual report for Subsea 7 Norway AS and its work on fundamental human rights and decent working conditions



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This report is prepared on behalf of Subsea 7 Norway AS in line with the requirements of the Act relating to enterprises' transparency and work on fundamental human rights and decent working conditions (Transparency Act) section 5.

➤ INFORMATION ABOUT THE ORGANISATION

Subsea 7 Norway AS is subject to the Norwegian Transparency Act and is committed to fulfilling its responsibility to respect and uphold human rights. We strive to protect the dignity of all individuals working in or impacted by our operations.

Subsea 7 Norway AS has an office in Stavanger and an operational base in Dusavik for vessel mobilisation activities, maintenance and storage. Subsea 7 Norway AS has also a spoolbase at Vigra outside of Ålesund. Subsea 7 Norway AS is a wholly-owned member of the Subsea 7 S.A. group of companies (hereinafter collectively referred to as Subsea7). Headquartered in London, Subsea7 is a global leader in the delivery of offshore projects and services for the evolving energy industry, creating sustainable value by being the industry's partner and employer of choice in delivering the efficient offshore energy solutions the world needs.

Working in all water depths across all energy hubs, our engineering expertise, alliances and specialist technologies enable us to engage early, so that our multi-disciplinary teams can design and deliver the solutions that our clients want. The office in Stavanger delivers the full range of early concept and design, Engineering, Procurement, Construction and Installation (EPCI) of Subsea Umbilicals, Risers and Flowlines (SURF).

Subsea7 provides project management, engineering and construction services for oil and gas and offshore wind farm developments. More details about our business can be found at: <https://www.subsea7.com/en/our-business/what-we-do.html>

○ ***Our principles***

Subsea7 has a clear set of values that underpin everything we do. These shared values describe what is most important to us as we conduct our business. The way we behave - with each other, our people, clients and suppliers - must reflect these values:

SAFETY	PERFORMANCE	INTEGRITY	COLLABORATION	SUSTAINABILITY	INNOVATION
Our goal is an incident-free workplace. We work every day, everywhere to make sure all our people are safe.	We are driven to achieve the outcomes our clients want. We are trusted to achieve superior performance from every project.	We apply the highest ethical standards in everything we do. We treat clients, our people, partners and suppliers fairly and with respect.	We work closely and openly together with clients, partners and suppliers at a local and global level to deliver safer and stronger results for all.	We take a proactive approach towards our social responsibilities, mitigate the impact of our activities on our planet's environment and respond to the effects of climate change.	We create smarter and simpler solutions to meet the industry's needs. We combine technology, expertise, assets and partnerships to deliver projects in new ways.
					

- **Our employees and suppliers**

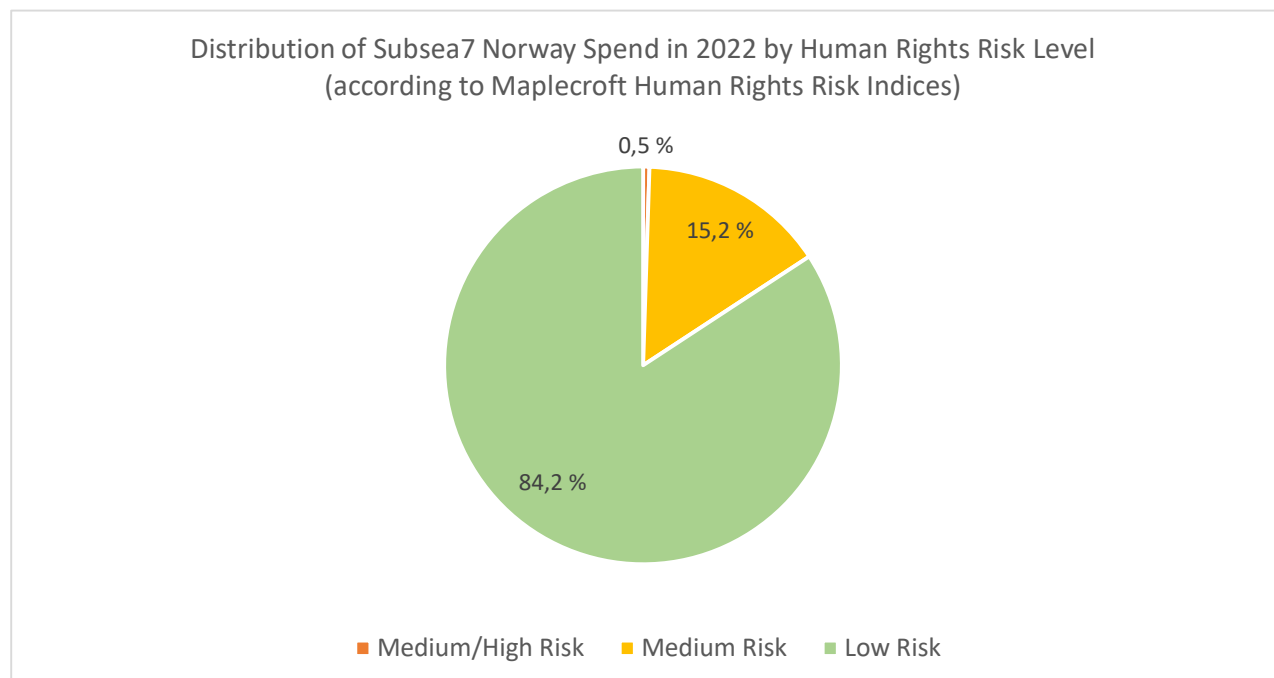
Today the number of employees working for Subsea 7 Norway AS is:

- Onshore & offshore: 600+
- Onshore: 550+

Number of registered Suppliers:

- Globally: 9000+
- Norway: approximately 800.

We use the Maplecroft Responsible Human Rights Sourcing database to tier and understand country risks. The vast majority of suppliers used by Subsea 7 Norway AS in 2022 are considered to be low risk when considering the location of the supplier, whilst there remains a smaller proportion of medium and medium-high risk suppliers.



➤ **UN GLOBAL COMPACT**

Subsea7 is proud to be a signatory to the UN Global Compact, in which the United Nations has set out 10 principles covering human rights, labour, environment and anti-corruption.

➤ **POLICIES AND PROCEDURES IN RELATION TO HUMAN RIGHTS**

Subsea7 has various policies and procedures that address Human Rights. We aim to provide working conditions aligned with international best practice with respect to human rights and labour practices, and to respect the human rights of people who work for us and in our supply chain or are otherwise impacted by our operations.

- ***Human Rights Policy Statement and Slavery and Human Trafficking Statement***

Our Human Rights Policy Statement recognises our responsibility and commitment to act in a socially responsible manner, comply with applicable laws, respect human rights and avoid complicity in human rights abuses, as stated in the UN Guiding Principles on Business and Human Rights.

Subsea7 understands and accepts its responsibility to manage the human rights impacts of its business and operations, including its supply chain. It takes ongoing and continually improving measures to ensure that it works with Suppliers who can demonstrate their commitment to upholding standards that are consistent with its own.

Our Human Rights Policy Statement and Ethics Policy Statement can be found at:
<https://www.subsea7.com/en/about-us/labour-practices-and-human-rights.html>

- ***Our Human Rights Programme***

Subsea7 Group has a human rights programme designed to:

- embed our Human Rights Policy Statement and the relevant aspects of our Code of Conduct; and
- identify and manage human rights risks across our own operations and within our supply chain, with a particular emphasis on the risks of the most egregious impacts, namely child labour, slavery and trafficking, and other forms of forced or involuntary labour; and thereby
- give effect to our commitments under the UN Global Compact and the ILO Standards in relation to child labour; and
- address existing and emerging stakeholder and regulatory expectations and requirements, such as the UK Modern Slavery Act, the Norwegian Transparency Act and applicable EU diligence laws.

The programme is informed and underpinned by our Values and our Board's determination to manage the human rights impacts of our business.

Subsea7's Human Rights programme is summarised in this graphic:



○ **Code of Conduct**

The Subsea7 Code of Conduct sets out our commitment to conducting business fairly and ethically, including by treating our employees, clients, contractors and suppliers fairly and with respect. It also provides guidance on how to ensure we uphold our commitments. The Code of Conduct also includes more prominent and engaging sections on human trafficking, forced labour and other human rights abuses.

In Subsea7 we also have our own Code of Conduct for Suppliers, which sets out the key principles of ethical conduct that the supplier must agree to uphold when working with Subsea7 and is incorporated into our standard terms and conditions for suppliers.

The Supplier Code of Conduct includes mutual commitments to:

- Ethical business conduct, including with regard to anti-corruption
- Health, safety and security.
- Human rights and fair and lawful employment practices across Subsea7 and throughout our supply chain.
- As a minimum, complying with national legal requirements regarding wages and working hours.
- Support the International Labour Organisation's standards regarding child labour and minimum age.
- Prevent modern slavery and human trafficking anywhere in our business or supply chain.
- Uphold the same standards when dealing with employees, contract staff and sub-contractors.

For the past three years Subsea7 has hosted annual Integrity Events for Suppliers, where our suppliers are invited for presentations and discussions under the topic of acting with integrity.

- ***Approach to human rights and labour practices***

Subsea7's human rights programme is risk-based and is designed and implemented on the basis of risk assessments carried out for each region and business unit and updated annually. A risk assessment is conducted for every country, and on entry into a new high-risk country. This risk assessment includes corruption and human rights risks.

Risk assessment and due diligence are also built into our supply chain management procedures, as well as our procedures for selecting and appointing business partners and other third parties. Suppliers are risk-tiered on the basis of the country in which they operate and the category of materials or services they provide. To assist us with our modern slavery and human trafficking risk mapping, we commissioned GoodCorporation™, an independent, expert firm.

Subsea7 have identified the following risks, which would have the most egregious impacts, as our priority focus areas in the short- to medium term:

- Child labour
- Slavery and trafficking
- Other forms of forced or involuntary labour

Accordingly, our risk assessments focus on which parts of our operations or supply chain might involve vulnerable migrant or underage workers. More detail is provide in the Risk Assessment section below.

Our aim is to understand and manage human rights risks farther down our supply chain sooner, i.e. by identifying where a low-risk tier 1 supplier may have higher-risk suppliers directly or indirectly beneath it in our supply chain. For this reason, we need to go deeper rather than broader with our risk focus.

- ***Supply Chain Management Procedures***

All of Subsea7's Suppliers are subject to thorough evaluation from pre-qualification to delivery. Potential Suppliers are assessed for human rights risks before they are approved for use. We use the Maplecroft Responsible Human Rights Sourcing database to tier and understand country risks; and we also recognise that certain categories of materials or service providers present a potentially higher risk, and are continually refining our processes to improve the manner in which we identify and risk assess those categories.

Suppliers deemed to be high-risk must complete a human rights due diligence questionnaire, whereas those considered medium-risk complete a short-form risk assessment questionnaire, designed to validate whether they need to complete the full questionnaire. All high-risk suppliers also undergo due diligence screening via a system called 'Exiger' to detect potential legal, ethical and reputational risks. These steps allow us to evaluate how determined and equipped a potential Supplier is to uphold our human rights standards. When identified, red flags are reviewed, approved and closed.

The due diligence screening is continuously refreshed, and due diligence questionnaires are refreshed every three years.

If we identify any particular concerns within our supply chain, we would seek to work with the relevant suppliers to improve conditions for their workforce. We would reserve the right to deselect suppliers, if they were to fail to make the required improvements within a reasonable timeframe. We would not work with a supplier that appears to breach any of our “red lines”, unless they had already rectified the breach and made the necessary improvements. These red lines include slavery and trafficking. More information regarding our risk assessment is included under the section “*Risk assessment*” below.

- ***Speak Up Policy***

We have a clear Speak Up Policy, which offers various channels for raising concerns, including an externally administered and monitored confidential reporting line, Safecall, which is extensively promoted within Subsea7 Group. All personnel are encouraged to utilise one of these reporting channels if they become aware of a possible breach of our Code of Conduct or have other concerns in respect of unethical conduct. We also have procedures for investigating concerns reported via these channels.

Subsea7 suppliers are encouraged to raise concerns about behaviour inconsistent with the above commitments.

More information about our Compliance and Ethics Programme, Code of Conduct and Speak Up policy can be found at: <https://www.subsea7.com/en/about-us/business-ethics.html>

- ***Investigations, Remediation and Enforcement***

All allegations received via Safecall or internal channels are reported to the CECO, who logs them on a case management system and oversees their investigation by appropriately independent managers, in accordance with the Group Compliance and Ethics Investigations Principles and Procedures.

We use our case management system to track Speak Up and other human rights cases and investigation metrics, such as number of reports received, the types of misconduct alleged or suspected, and remedial measures taken. We use such metrics to assess areas for improvement in our programme, and we report on them to the Ethics Committee and the Corporate Governance and Nominations Committee of the Board of Subsea 7 S.A.

Grievances are handled in accordance with the applicable local grievance procedure.

- ***Risk Assessment***

During 2022 Subsea7 implemented a new process for assessing human rights risks at our offices and sites and on our vessels across all regions, in relation to both our own staff and on-site suppliers’ staff. Our goal was to identify the highest risks, with a particular, risk-based focus on child labour, slavery, trafficking and other forms of forced or involuntary labour. The resulting mapping was used to define policy and procedure enhancements and action plans to implement them.

As mentioned earlier, in 2022 Subsea7 introduced an enhanced, supplier human rights risk-tiering matrix, which takes into account the country risk (based on proprietary country risk data to which we subscribe) and whether the type of material or services supplied falls into a category which we deem potentially higher risk. Whilst our existing process already screened suppliers for human rights risks, we also developed an enhanced human rights assessment and due diligence questionnaire for high-risk suppliers.

Subsea7's assessment of our global supplier risk is primarily based on the increased likelihood of (i) underage workers, or (ii) low-skilled, migrant workers from a medium- or high-risk country, working in another country or onboard a vessel, as these are the biggest risk factors for the risk areas we are prioritising.

The risks within our own workforce are generally perceived to be low, but the risks cannot be ignored, and we need to do more work to be sure that we have assessed the risks correctly and have taken the right steps to mitigate or guard against them.

In particular:

- Staff sourced from external agencies to work in our offshore operations may represent a risk, especially where those agencies are based, or source people from high-risk countries and/or when migrant workers are performing relatively low-skilled / low-paid work.
- Norway is one of the lowest-risk countries in which Subsea7 operates. However, our programme takes into account the fact that suppliers that manage staff working on Subsea7 sites to provide certain services, such as catering, security, cleaning etc. may be relatively high risk, even in countries considered low risk.
- Suppliers of certain materials tend to be higher risk than many of our suppliers of services, as they may have long, opaque supply chains, which are much harder to assess and gain assurance about.
- Vessel fabrication services is a category that warrants further careful assessment and scrutiny, as such services can involve tough working conditions, subcontracting of work and a complex supply chain, and they represent a very significant amount of expenditure by Subsea7.
- On a global level, some of the countries in which Subsea7 suppliers are based are considered medium-high from a human rights perspective.

Subsea7 is committed to fulfilling its responsibility to respect and uphold human rights. We strive to protect the dignity of all individuals working in or impacted by our operations, including people who work for our suppliers or who live in the communities where we work. Subsea7 will comply with all applicable laws of the jurisdictions in which we operate.