

Transparency Act at Rosenberg Worley AS



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Rosenberg Worley AS

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Synopsis

On 1st July 2022, the Norwegian Transparency Act took effect.

The objective of this legislation is to promote respect that companies should have for fundamental human rights and decent working conditions, in connection with the production of goods and the provision of services. This legislation should also ensure that the general public has access to information about how companies should address adverse impacts on fundamental human rights and decent working conditions.

This act requires that Rosenberg must therefore conduct due diligence on its suppliers to identify and assess the impacts on fundamental human rights and decent working conditions within the company and our supply chain and then publish an account of the due diligence carried out.

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1. Reporting the Transparency Act

Pursuant to Section 5 in the Transparency Act, the company will hereunder account for our work with the legislation for our fiscal year 2023.

This includes:

- A general description of the company's structure, area of operations, guidelines, and procedures for handling actual and potential adverse impacts on fundamental human rights and decent working conditions
- Information regarding any adverse impacts and significant risks of adverse impacts that the company has identified through its due diligence
- Information regarding measures the company has implemented, or plans to implement, to cease actual adverse impacts, or mitigate significant risks of adverse impacts, and the results, or expected results, of these measures



2. Company Structure

Rosenberg Worley AS is fully owned by Worley Ltd. operated out of Sidney, Australia.

Worley is a global entity that provides engineering and EPC services to multiple industries worldwide.

Rosenberg is located in Stavanger, Norway and has been conducting business since 1896. Currently we are delivering fabrication and EPCI services to the offshore oil and gas industry on the Norwegian Continental Shelf (NCS). Worley's purpose is to deliver a more sustainable world, and therefore Rosenberg Worley has a clear focus on the energy transition. We are continually strengthening our position within the renewable energy market segment.

3. Due Diligence

To meet the requirements of the Transparency Act, Rosenberg has established a local task force.

This task force will work, solely and specifically, to ensure that the Transparency Act is implemented within our business and will ensure that Rosenberg fully adheres to the requirements of the act.

The local task force consists of representatives from the following departments:

- HR
- Legal
- HSEQ
- Risk & Sustainability
- Supply Chain

4. Implemented Process

Rosenberg’s task force uses a step-by-step process to ensure that the Transparency Act is enforced.

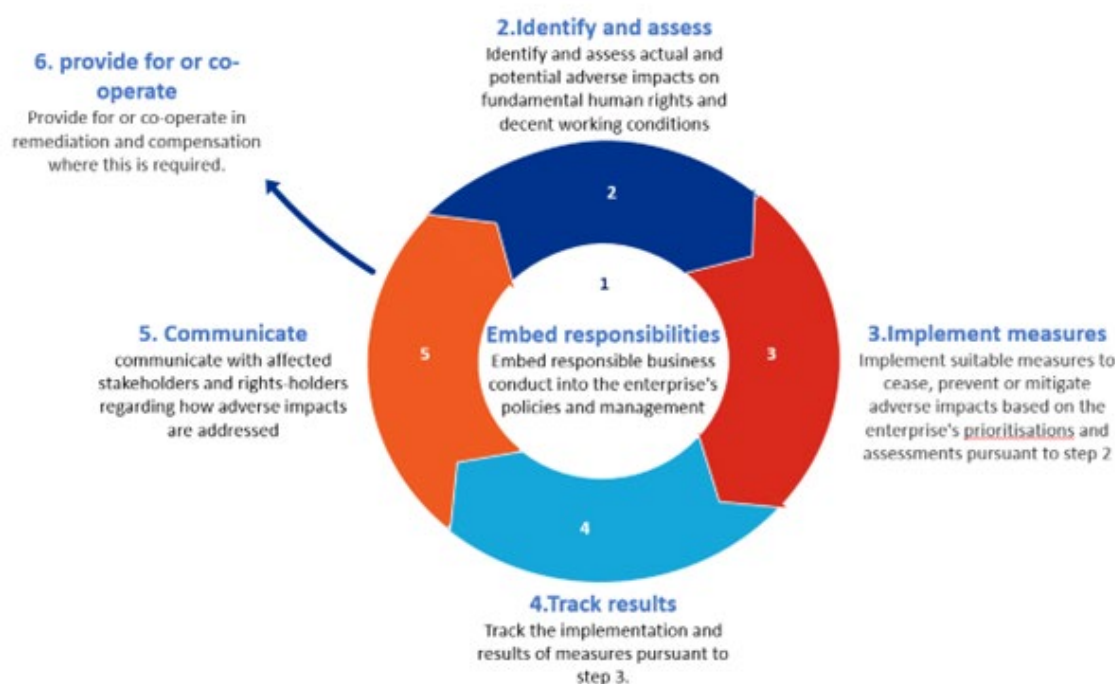


Figure 1: Step-by-step process used by the Task Force

Step 1 | Embed responsibilities

The first step used to implement the Transparency act within our company was to establish responsibilities at the board level and to establish a task force.

In addition to embedding responsibilities to comply with the new legislation, Rosenberg Worley AS and Worley Ltd used their established and comprehensive management systems that is certified according to the ISO 9001:2015 Standard. This system contains policies and procedures that ensure we are equipped to both handle and prevent potential and actual adverse impact upon company values, along with local and global legislation including human rights.

A selection of policies and procedures for combating actual and potential adverse impacts on fundamental human rights and decent working conditions, both within our company and our supply chain, includes:

- **“Code of Conduct”** - sets the minimum requirements for ethical standards and compliance with all laws and regulations which apply to us. Specifically, this addresses our obligation to prevent bribery and corruption and ensure ethical behavior. We are committed to encouraging a highly ethical culture and preventing bribery in Worley. We train our people in our Code of Conduct when they begin employment and provide annual refresher training.

- **“Supply Chain Code of Conduct”** - sets the standard (and minimum level) of ethical expectations for the suppliers and contractors who work with Worley. This policy is attached to every purchase order.
- **“Human Rights Policy”** – states our commitment to respecting the basic human rights of all people we deal with. Furthermore, we will not be complicit nor engage in activities that solicit or encourage human rights abuse. We operate responsibly on a global level and commit to engaging with our stakeholders to manage the social, economic, and environmental impact of our activities. This policy applies to all Worley employees (staff, contract, and temporary hire), and it extends to all our business dealings and transactions occurring within the countries in which we operate.
- **“Modern Slavery Policy”** – states our respect for the fundamental human rights of the people we deal with, along with not partaking in activities that encourage human rights abuse. Our efforts to prevent modern slavery are published in our annual Modern Slavery Statement.
- **“Ethics Reporting and Whistleblower Standard”** – encourages whistleblowers to come forward with information relating to breaches and potential breaches of Worley’s Code of Conduct and to make disclosures of reportable conduct. This Standard outlines the framework for whistleblowers to report such matters and provides clarity on how whistleblowers can be supported, protected, and encouraged to raise their concerns.

Adherence to all policies and procedures mentioned above are mandatory requirements for the prequalification of all suppliers set to deliver critical materials and services.

Step 2 | Risk identification and assessment

During implementation of the Transparency Act at Rosenberg Worley AS, an assessment was made to identify and assess actual and potential adverse impacts on fundamental human rights and decent working conditions that the company has either caused or contributed to, or that was directly linked to the company’s operations, products, or services via the supply chain or business partners.

When assessing our company for the risk of actual and potential adverse impacts on fundamental rights and decent working conditions to occur within our own business, we found the risk to be acceptable given our comprehensive management system.

The task force has identified a potential risk due to the high number of suppliers in our supply chain. Rosenberg Worley AS currently has more than 1000 suppliers and subcontractors. This high number of suppliers represents a statistical risk of adverse impacts on human rights and decent working conditions within our supply chain.

To manage an assessment of this high number of suppliers, the task force used a risk-based approach to reach a manageable number of suppliers subject to due diligence. The selection of suppliers subject to due diligence was based on the following criteria:

- Countries of operation
- Contractual turnover
- Size of supplier

- Our opportunity to influence
- General suspicion

Based upon the assessment, and a developed pre-qualification process using Magnet JQS and Achilles, the task force identified 10 suppliers to be subjected to due diligence. As the risks at this point are assumptions based on criteria for selection, the task force identified the need for further due diligence. Therefore, the task force sent a formal request to the selected suppliers for gathering further information, including:

- Whether or not their company was subject to the Norwegian Transparency Act
- An account of measures and steps taken by their company in order to be in compliance with the legislation
- An overview of their company's structure, area of operations, guidelines, and procedures for handling actual and potential adverse impacts on fundamental human rights and decent working conditions, including their supply chain and business partners
- Information regarding any potential and adverse impacts and significant risks of adverse impacts that their company had identified through its due diligence
- Information regarding measures that their company had, or planned to, implement to cease actual adverse impacts or mitigate significant risks of adverse impacts and the results or expected results of these measures

The risk assessment were performed using the Company's risk management system PIMS, ensuring the risk assessment process is in accordance with management system standards in our company.

Step 3 | Implemented measures

This step includes a mix of internal measures and measures within the supply chain.

Internal measures

- Creating a task force to work solely with implementing the Transparency Act in the company
- Assessment of our own policies and procedures. They were found to be in compliance with the Transparency Act

Supply chain measures

Following a review of the answers provided by the above-mentioned suppliers that were subjected to due diligence, the company defined suitable measures to cease, prevent or mitigate adverse impacts on fundamental human rights and decent working conditions caused by the suppliers or residing within the supplier's supply chain.

Given the new legislation, and the short period of time since its enactment, the task force prioritized mitigating measures for this year's work with the Transparency Act.

Measures chosen to implement:

- Create awareness of the new legislation amongst our suppliers by sending them the due diligence letter, which will increase awareness regarding human rights amongst our suppliers.
- Provide knowledge sharing, as well as educate suppliers about our expectations for conduct when working with, and in accordance with, the Transparency Act
- Request further feedback on how they have, or plan to, secure fundamental human rights and decent working conditions either within their own operations or their supply chain. (E.g. those with unsatisfactory replies to our due diligence request.)

In addition to our abovementioned work with the Transparency Act, Rosenberg Worley AS perform annual audits on our personnel suppliers. This includes a dedicated human rights assessment, to ensure fundamental human rights, as well as decent working conditions for hired-in-personnel. These audits, and following measures, are conducted according to our procedure for “supervisory responsibility in regards of salary- and working conditions for hired-in-personnel.”

Step 4 | Track results

The responses we were in receipt of, and the different suppliers degree of having started the implementation of the Transparency Act, were of varying quality. In general, we note that most suppliers are aware of the impact of the act, and are in the process of implementing it.

Based upon the replies received from our suppliers, the task force has reassessed the risks of actual and potential adverse impacts on fundamental human rights and decent working conditions to occur. As the act requires, the risks of impact were mitigated based upon the provided information from the suppliers.

Our suppliers who did not respond, provided unsatisfactory answers, or otherwise are still considered as having a potential unacceptable risk will continue to be included in our annual work for the Transparency Act.

Next year a new risk assessment will be performed in accordance with the act, and Rosenberg Worley AS must consider if other suitable measures to cease, prevent, or mitigate the risks can be identified. Options available to us are to request for more information, and to include a review of implementation of the act in our general audit of the suppliers. General measures will be to consider including contractual clauses with relevant requirements by way of amending our agreements, and to highlight and assess compliance with the act in our supplier evaluations.

Step 5 | Communicate

This report will be made available for the general public on our website. (LINK). Detailed information can be provided upon request in accordance with the Transparency Act § 6.

Step 6 | Cooperate

In this first year after enactment of the act, our due diligence within the chosen suppliers did not reveal any actual or potential adverse impacts on fundamental human rights and decent working conditions within our



supply chain. If the due diligence had revealed any adverse impact, required remediations would be implemented.

Summary

This work process is now implemented in our company's management system, and the Transparency Act requires a continuing process. Each year we will conduct the same procedure to further develop insights in our supply chain as required in the act. On a yearly basis a report will be published, building on experience gained to further develop and improve the process.

The task force is of the opinion that the process can be scaled up by way of reaching out to even more suppliers on broader selection criteria.