

# STATEMENT PURSUANT TO THE NORWEGIAN TRANSPARENCY ACT (“REDEGJØRELSE ETTER ÅPENHETSLOVEN”)

## 1 INTRODUCTION

The Norwegian Transparency Act (“**the Transparency Act**”) entered into force on 1 July 2022. The Act requires larger enterprises to carry out due diligence in accordance with the OECD Guidelines for Multinational Enterprises, see Section 4 of the Transparency Act. Moreover, the enterprises are required to publish an account of due diligence, see Section 5 of the Transparency Act.

This document contains KCA Deutag Drilling Norge AS’ (“**KCA Deutag Norge**”) due diligence account pursuant to Section 5 of the Transparency Act. The account covers the period from 1 July 2023 to 31 December 2023, the final date of KCA Deutag Norge’s financial year.

Section 2 of this account covers KCA Deutag Norge’s structure and area of operations, see Section 5, first paragraph, letter (a) of the Transparency Act.

Section 3 of this account describes KCA Deutag Norge’s work relating to due diligence, fundamental human rights and decent working conditions, see Section 5, first paragraph, letter (a) of the Transparency Act.

In Section 4 of this statement, we account for information regarding actual adverse impacts and significant risks of adverse impacts KCA Deutag Norge has identified through its due diligence, see Section 5, first paragraph, letter (b) of the Transparency Act.

Section 5 of this account covers information regarding measures the enterprise 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, see Section 5, first paragraph, letter (c) of the Transparency Act.

Section 6 of this account states the e-mail address created by KCA Deutag Norge in order to receive and respond to information requests pursuant to Section 6 of the Transparency Act.

This account will be periodically updated in line with KCA Deutag Norge’s continuous due diligence work pursuant to the Transparency Act.

## 2 ABOUT KCA DEUTAG AND KCA DEUTAG NORGE

KCA Deutag is a leading international drilling, engineering and technology company with more than 130 years of experience, including more recently, the provision of innovative contributions to energy transition. The KCA Deutag Group works both on land and offshore. KCA Deutag is divided into three business units: land, offshore and Kenera and operates approximately 166 drilling rigs in 26 countries. Headquartered in Aberdeen, Scotland, the Group has more than 11,000 employees on a worldwide basis.

KCA Drilling Norge AS (**'KCA Deutag Norge'**) and its subsidiary KCA Deutag Modu Operations AS (**'KCA Modu'**) form part of the overall KCA Deutag group. KCA Deutag Norge and KCA Modu currently have approximately 1100 employees. Both KCA Deutag Norge and KCA Modu operate from Bergen, Norway.

## 3 DUE DILIGENCE ASSESSMENTS AND WORK RELATING TO FUNDAMENTAL HUMAN RIGHTS AND DECENT WORKING CONDITIONS

### 3.1 Due diligence assessments

KCA Deutag Norge carries out due diligence for itself and for and on behalf of its subsidiaries pursuant to Section 4 of the Transparency Act, which stipulates six due diligence steps, in accordance with the OECD Due Diligence Guidance for Responsible Business Conduct:

1. Embed responsible business conduct into the enterprise's policies;
2. Identify and assess actual and potential adverse impacts on fundamental human rights and decent working conditions that the enterprise has either caused or contributed toward, or that are directly linked with the enterprise's operations, products or services via the supply chain or business partners;
3. Implement suitable measures to cease, prevent or mitigate adverse impacts based on the enterprise's prioritisations and assessments;
4. Track the implementation and results of measures;
5. Communicate with affected stakeholders and rights-holders regarding how adverse impacts are addressed; and
6. Provide for or co-operate in remediation and compensation, where this is required.

### 3.2 Embedding of responsible business conduct

#### **Human Rights and Decent Working Conditions:**

As a global company, KCA Deutag operates in various locations with diverse climates, cultures and languages. The KCA Deutag group is guided by internationally recognized human rights standards and principles, including those encompassed in the United Nations Guiding Principles on Business and Human Rights, Universal Declaration of Human Rights Bill of Rights and the International Labor Organization's Declaration on Fundamental Principles and Rights at Work. These standards are applied both internally, across all

operations, as well as to all third-party suppliers, representatives and to their subcontractors and business partners. These standards are emphasized within our group Code of Conduct and associated policies.

### **Our People:**

The KCA Deutag core values WE CARE are embedded throughout the KCA Deutag Norge and KCA Modu organisations. The group's 'Culture of Care' initiatives are implemented across the group, where leaders are guided and trained to create and sustain an atmosphere of psychological safety, encouraging people to collaborate and speak up, without fear of retaliation.

KCA Deutag is committed to:

- Maintaining a Culture of Care and respecting the beliefs, opinions, dignity and cultural differences.
- Embracing diversity, inclusion and equality by providing a framework for fair and ethical hiring and recruiting practices, fair wages and benefits in line with the group's operating markets.
- Holding a ZERO TOLERANCE approach to practices such as modern slavery, child labour, forced or indentured servitude, and other human rights abuses, across the organisation.
- Holding a ZERO TOLERANCE approach to bullying, harassment and/or any unfair discrimination within the workplace based on race, gender, age, sexual orientation, gender identity, marital status, disability, or any other characteristic protected by applicable laws.
- Protecting personal data, in accordance with applicable laws.
- Recognising and working with all labour unions and collective representation as permitted by national laws.

KCA Deutag's Modern Slavery and Human Trafficking Statement, which is available on:

[KCA-Deutag-Modern-Slavery-Statement.pdf](#)

### **Safety:**

Safety is the group's highest priority, and a commitment to the safety of people, environments and assets are adopted thought-out all the global operations through our policies, procedures and management systems. - All KCA Deutag employees are expected to comply with the Health & Safety policy, and other applicable policies, procedures and guidance.

KCA Deutag Norge is ISO certified under several ISO standards, including ISO 9001 Quality management systems, ISO 14001 Environmental management systems, ISO 45001 Occupational health and safety management systems and ISO 50001 Energy Management. Additionally, KCA Deutag Norge is contracted with an external occupational health service that surveys and follows up on the work environment. The occupational health service offers consultation and advice for employees.

### **Sustainability:**

KCA Deutag's long and short-term strategic direction on sustainability, including human rights and decent working conditions, is guided by an independent third-party materiality assessment which is based on the industry leading Global Reporting Initiative (GRI) Sustainability Reporting Standards.

More information is available in H&P Inc's Sustainability Report 2024, which is available on: [HP-Sustainability-Report-2024.pdf](#)

### 3.3 KCA Deutag Norge's due diligence work

In order to comply with the obligations of the Norwegian Transparency Act, an independent sustainability consultant was engaged to aid the identification and assessment process, to assist with the assessment of actual and potential adverse impacts associated with operations, products and services.

The identification and assessment process consists of four stages:

1. Delimiting the scope of assessment;
2. Initial screening procedure;
3. Information requests to suppliers and business partners; and
4. Other forms of dialogue.

In 2023, KCA Deutag conducted due diligence assessments on new and qualified suppliers. Based on the screening carried out in 2023, where the risk of negative impacts on fundamental human rights and decent working conditions was evaluated, KCA Deutag has established specific targeted questions based on self-evaluation and the uploading of documentation from third parties.

### 3.4 Stage 1: Delimiting the scope of assessment

In 2022, KCA Deutag Norge released purchase orders to 513 active suppliers and business partners. The list of active suppliers and business partners in 2022 have served as the point of departure when determining the scope of the due diligence assessments.

After a preliminary sorting, the scope of more in-depth assessments consisted of 178 active suppliers and business partners.

### 3.5 Stage 2: Screening procedure

The next stage in the process entails a screening procedure on the remaining 178 third-party suppliers and representatives. The risk of adverse impacts on fundamental human rights and decent working conditions was assessed based on the following risk indicators:

1. High risk associated with the commodity, product and/or service;

2. High-risk countries;
3. High risk associated with ownership and ownership structures; and
4. Overall impression.

Striving towards best practice beyond mere compliance with the Transparency Act and adhering to the company's core values, KCA Deutag Norge has also determined to include risk indicators relating to environmental impacts. Therefore, our risk assessment also includes the following additional risk indicators:

1. High risk relating to sector;
2. High-risk countries; and
3. Overall impression.

This initial screening procedure is based on publicly available information and does not entail any direct dialogue with the third-party suppliers and representatives subject to the risk assessment. The purpose of this procedure is to delimit the list of suppliers which we deem it appropriate to follow up during the next stage of the due diligence process. The decision to follow up a supplier is on the one hand based on raised flags (red, yellow or green) relating to each risk indicator during the screening procedure and on the other hand the assessors' margin of appreciation.

### **3.6 Stage 3 and 4: Information requests to suppliers and business partners, and other forms of dialogue**

Based on the findings of the initial screening procedure, an information request will be sent to a selection of suppliers and business partners. The information requests include requests for information that is not readily and publicly available and/or , for other reasons has not been available to assessors during the initial screening procedure. This segment of diligence is ongoing.

The purpose of the information requests is to collect information on how third-party suppliers and representatives manage their actual and potential adverse impacts on fundamental human rights, decent working conditions, and the environment. This information will be used to assess whether the third-party suppliers and representatives have sufficient control over these areas and/or are aligning their policies and guidance in the same or substantially the same way as expected by the KCA Deutag group.

Third party supplier and representatives who provide positive and demonstratable answers in line with the information request are cleared from the remaining stages of the diligence process. Third-party suppliers and representatives who completely or partially abstains from answering the information requests will be subject to further diligence at stage four (4).

Should any incidents of adverse impacts be discovered, suitable measures will be implemented to cease, prevent and/or mitigate, as appropriate, the adverse impact.

KCA Deutag Norge is determined to ensure that its core values are implemented in a thorough and responsible manner. At the time of publication of this annual report, last stages (3 and 4) are yet to be finalised. The findings of these stages will therefore be postponed and disclosed at a later time.

KCA Deutag has established a guide for the questionnaire as well as an electronic questionnaire through our supplier prequalification database, Vendor Management. The questions include general information about whether the business is subject to the Transparency Act, the company's measures to prevent negative impacts on fundamental human rights and decent working conditions, and ownership. Furthermore, there are questions about human rights, employment/decent working conditions, HSE and Quality, suppliers/subcontractors/business partners, environment and climate, as well as uploading the supplier's ethical guidelines.

#### **4 ACTUAL ADVERSE IMPACTS AND SIGNIFICANT RISKS OF ADVERSE IMPACTS**

In the due diligence work conducted so far, no adverse impacts on fundamental human rights and decent working conditions have been identified in the Norwegian operations. Any findings during the remaining stages of the due diligence assessment process will be disclosed (to the extent permitted by contract and law) and managed as soon they are readily available.

If the supplier, in whole or in part, refrains from responding to the self-evaluation form in Vendor Management, or if we receive dubious or alarming answers, other forms of dialogue/communication may be considered as the next step to resolve any misunderstandings or concerns. Should incidents with negative impacts be discovered, appropriate measures will be implemented to stop, prevent, and/or mitigate the negative impact. KCA Deutag is committed to ensuring our Culture of Care is implemented thoroughly and responsibly. We recognize that it may take some time to achieve this ambition and we strive to be transparent. KCA Deutag has a total of 2,800 suppliers in our system, of which 550 were used in 2023. Supplier qualification is an ongoing continuous activity, and throughout 2023 we have focused on suppliers flagged with risk level 'red' as well as qualifying new suppliers where requirements of the Transparency Act are highlighted in Vendor Management.

#### **5 MEASURES IMPLEMENTED TO CEASE ACTUAL ADVERSE IMPACTS OR MITIGATE SIGNIFICANT RISKS OF ADVERSE IMPACTS**

No adverse impacts have been identified in the Norwegian operations. Concrete measures, beyond sending information requests to selected third party suppliers and representatives are yet to be implemented. Further and matured measures which are implemented later, will be disclosed in due course pursuant to the Transparency Act.

Third-party suppliers and representatives are expected to comply with the same or substantially the same standards in policy, contracting and work practices as the KCA Deutag group. As part of our supply chain

processes, third-party suppliers and/or representatives are required to confirm that they act in accordance with fundamental human rights and decent working conditions as part of our contracting terms and conditions.

An example of the same is proved below (subject to change from time to time)

*“CONTRACTOR shall conduct its business in a manner that respects the rights and dignity of all people and internationally recognised human rights, including without limitation:*

- (a) Not employing, engaging or otherwise using forced labor, trafficked labor or exploitative child labor; nor engaging in or condoning abusive or inhumane treatment of workers;*
- (b) Providing equal opportunities, avoiding discrimination and respecting freedom of association of workers, in each case within the relevant national legal framework; and*
- (c) Mitigating or avoiding adverse human rights impacts to communities arising from CONTRACTOR’s activities to the extent practicable.*

*Failure to comply with this clause may constitute a material default giving rise to termination....’*

## **6 INFORMATION REQUESTS PURSUANT TO SECTION 6 OF THE TRANSPARENCY ACT**

An e-mail address in order to receive and respond to information requests pursuant to Section 6 of the Transparency Act: [apenhetsloven@kcadeutag.com](mailto:apenhetsloven@kcadeutag.com)

The company has not received e-mails in 2023.