

Kvaerner Business Integrity Program

Expectations to suppliers and our way of doing business

KVÆRNER™

Kvaerner's Code of Conduct

> People

- Working environment
- Labour standards
- Health safety and security
- Discrimination/harassment/bullying
- Privacy and data protection
- Drugs and alcohol
- Purchase of sexual services

> Business Integrity

- Human rights
- Anti-corruption
- Facilitation payments
- Gifts and entertainment
- Conflicts of interest
- Contributions
- Export compliance

> Communities and environment

- Protecting the environment
- Local content

> Quality

- Customer focus
- Risk assessment and prevention
- Process based method
- Continuous improvement

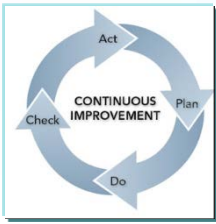
- > Kvaerner's Code of Conduct will be a part of the Contract documents



Kvaerner's Business Integrity Policy

- **Human Rights and Labour rights:** Kvaerner is committed to generally recognized human rights and labour rights.
- **Corruption and improper payments:** Kvaerner's principles in respect of anti-corruption, bribery and improper payments, as well as guidelines for gifts and entertainment expenses.
- **Fraud:** Kvaerner's principles relating to financial irregularities which have breach of integrity as a common denominator.
- Kvaerner requires all suppliers and subcontractors to follow the same principles.
 - Signing Supplier Declaration
 - Strict contract requirements
 - Close joint monitoring
 - Audit rights
 - Contractual sanctions for violations





The Kvaerner Business Integrity Program



The *Kvaerner Code of Conduct*

The *Kvaerner Business Integrity Policy* covers :

A: Human Rights:

- Freedom of expression
- Freedom of association and collective bargaining
- Labour standards
- Forced labour
- Child labour
- Minority rights
- Harassment and Discrimination
- Purchase of sexual services

B: Corruption and improper payments:

- Corruption and bribery
- Facilitation payments
- Gifts
- Entertainment expenses
- Conflict of interest
- Charitable donations and sponsorships
- Contribution to political organisations
- Fair business competition
- Maintaining accurate and truthful books and financial records

C: Export control and sanctions

D: Fraud

Prevention

- Solid governing documents
- Clear and visible communication at all levels in the organizations
- Continuous risk assessments
- Extensive training programs
- Risk based integrity due diligences of partners, third party representatives, suppliers and subcontractors
- Implementing Business Integrity requirements into the supply chain
- Learning from other companies and organizations – share own experiences

Detection

- Well working channels for reporting of concerns/ whistleblowing
- Inspections, reviews and audits
- Monitoring, regular meetings about Business Integrity issues

Response

- Investigation of all reported concerns/whistleblowing
- Consistently implement response actions:
 - Work together to improve deviations
 - Contractual sanctions
 - Termination

Labour rights

> Key areas

- Child labour
- Forced labour
- Freedom of association
- Non-discrimination
- Health Safety and Security
- Employment contract
- Wages and benefits
- Working time
- Reporting channel

> Expectations to Suppliers:

- Solid governing documents
- System for monitoring and reporting
- Training of employees and leaders
- System for reporting of concerns
- Strict system for pre-qualification of sub-suppliers
- Strict compliance and equal requirements in contracts with sub-suppliers
- Reporting to Kvaerner of relevant findings/concerns
- Transparency and accommodation of Kvaerner's audits



Corruption and bribery

- Key areas
 - Zero tolerance
 - Corrupt practices – active or passive
 - Facilitation payments
 - Gifts
 - Conflict of interest

- Expectations to Suppliers:
 - Solid governing documents
 - System for monitoring – gift register?
 - Training of employees and leaders
 - System for reporting of concerns
 - Strict system for pre-qualification of sub-suppliers
 - Strict compliance and equal requirements in contracts with sub-suppliers
 - Reporting to Kvaerner of relevant findings/concerns
 - Transparency and accommodation of Kvaerner's audits



Export controls and sanctions

> Key areas

- Regulatory compliance in all jurisdictions of operation
- International sanctions
 - Targeting specific companies
 - Targeting sectors
 - Specific projects

> Expectations to Suppliers:

- Commitment to regulatory compliance including sanctions
- System for monitoring
- Training of employees and leaders
- System for reporting of concerns
- Identification and background checks of Partners and sub-suppliers
- Strict compliance and equal requirements in contracts with sub-suppliers
- Reporting to Kvaerner of relevant findings/concerns
- Transparency and accommodation of Kvaerner's audits