

**TRANSPARENCY
ACT STATEMENT**

2022



Prosafe

CONTENTS

1. Prosafe and the Transparency Act	3
1.1 Reporting under the Transparency Act	
2. Organisation and area of operations	3
2.1 Prosafe's commitment to human rights	
3. Human rights-related risks in Prosafe's operations	4
3.1 Risk of negative consequences for Human Rights and Labour Standards	
3.2 Diversity and Equality	
4. Human rights-related risks within supply chain.....	7
4.1 Supplier Mapping	
4.2 Supplier Due Diligence	
4.3 Risk Assessment	
5. Human Rights Due Diligence within Prosafe.....	9
5.1 Guidelines and routines for handling Human Rights Due Diligence	
5.2 Improving the Identification of Human Rights risks within supply chain	
5.3 Human rights protections in contract terms and conditions	
5.4 Incident reporting	
5.5 Response to human rights or labour standards violations	

The following is the annual account of due diligence activities for the reporting period pursuant to Section 4 of the Transparency Act¹.

1. PROSAFE AND THE TRANSPARENCY ACT

Prosafe is committed to the highest standards of business ethics and shall comply with all applicable laws, including the Norwegian Transparency Act and the UK Modern Slavery Act, regulations and the company's policies and procedures.

To meet the requirements of the Transparency Act, Prosafe endeavours to ensure that its Health, Safety, Security, Environmental, Quality (HSSEQ) and Corporate Social Responsibility (CSR) principles, including those relating to conflicts of interest, anti-corruption, human rights, and labour standards are integrated in our operations and those of our supply chain.

1.1 REPORTING UNDER THE TRANSPARENCY ACT

The Norwegian Transparency Act came into force on 1st July 2022. The Act established legal requirements for larger enterprises' duty to report on human rights due diligence, and their work to ensure compliance with fundamental human rights and decent working conditions within the enterprises, in their supply chains, and with their business partners.

The Transparency Act aims to promote enterprises' respect for fundamental human rights and decent working conditions and ensure that consumers, organisations, trade unions, journalists and the general public have access to information.

¹ *Lov om virksomheters åpenhet og arbeid med grunnleggende menneskerettigheter og anstendige arbeidsforhold (åpenhetsloven) 2022*

² <https://www.prosafe.com/wp-content/uploads/2022/11/Prosafe-Code-of-Conduct-November-2022.pdf>

2. ORGANISATION AND AREA OF OPERATIONS

Prosafe is a leading owner and operator of offshore accommodation and support service vessels. The Prosafe group consists of the Norwegian parent company, Prosafe SE, which is listed on the Oslo Stock Exchange, and a number of wholly owned subsidiaries in the countries where the company has operations.

Prosafe is headquartered in Norway and has offices in Aberdeen (Scotland), Rio de Janeiro (Brazil) and Singapore. Prosafe's vessels can operate in most offshore environments, but our principal operations are in the North Sea (Norway and the United Kingdom) and Brazil.

The ultimate responsibility for complying with the Transparency Act and Human Rights lies with Prosafe's Board of Directors. In the day-to-day operations, the CEO oversees the company's corporate social responsibility activities.

More information can be found on <https://www.prosafe.com>

2.1 PROSAFE'S COMMITMENT TO HUMAN RIGHTS

Prosafe acts in accordance with internationally recognised human rights and labour standards, including the International Bill of Human Rights, the United Nations Guiding principles on Business and Human Rights, the ten principles of the UN Global Compact and the principles concerning fundamental rights set out in the International Labour Organisation's (ILO) Declaration on Fundamental Principles and Rights at Work.

The company endeavours to ensure that its operations and those of its suppliers and partners are conducted in accordance with basic human rights standards. This statement of support can also be found in Prosafe's CSR Policy and in Prosafe's Code of Conduct².

In 2022, we launched a stand-alone Human Rights Policy³, anchored in our existing firm commitment to respecting human rights expressed in the Code of Conduct. The Policy is aligned with the requirements of the International Bill of Rights and the ILO Fundamental Conventions and is approved by the Board. This Policy applies to all employees, contractors, and consultants in the Prosafe group (Prosafe SE and its subsidiaries). We expect our suppliers and business partners to respect and adhere to this policy and share our commitment to respect internationally recognized human rights and labour standards.

3. HUMAN RIGHTS-RELATED RISKS IN PROSAFE'S OPERATIONS

Prosafe operates in the international oil and gas industry which is a strictly regulated industry with a strong presence of trade unions.

In 2022, Prosafe had offices and/or operations in five countries scoring 100, 93, 82, 73, and 47, respectively in the internationally recognized Freedom in the World report⁴ by Freedom House which assesses political rights and civil liberties for 210 countries. In their annual report they use numerical ratings from 0: Not free to 100: Free. The lowest score of 47 is for Singapore and is mainly related to political freedom and civil liberties. Our Singapore activities consist of eight employees with wage levels and working conditions at par with company practice.

Prosafe's approach to respecting human rights starts with the company's commitment to its workforce. This includes ensuring that staff are treated fairly and without discrimination and have a healthy, safe, and secure working environment, in addition to respecting their right to freedom of association and right to negotiate and cooperate through relevant representative bodies.

3.1 RISK OF NEGATIVE CONSEQUENCES FOR HUMAN RIGHTS AND LABOUR STANDARDS

As a global offshore accommodation and support service company operating in harsh environments, the nature of our business has inherent risks related to safety, the environment, and potentially human rights. Prosafe has a zero-mindset philosophy in respect of matters relating to HSSEQ and shall endeavour to minimise risk and harm to personnel, assets, and the environment.

Operations in the North Sea are supported by several European Original Equipment Manufacturers (OEM) that provide equipment, spares, and servicing of critical vessel equipment. Operations are highly regulated in the North Sea and as such the risks for breaches of human rights and labour standards are deemed lower than in less regulated regions.

Operations in Brazil are predominantly for Petrobras, the state-owned Brazilian multinational energy company. Although risks in Brazil may be perceived higher than in our North Sea operations, we continue to use European OEM to support our operations in the region. This approach helps maintain standards and safety onboard our vessels in addition to reducing human rights risks that may occur using non-OEM, local Brazilian service providers.

Prosafe is not directly involved in the extraction of hydrocarbons, our support services are mainly related to the support of the installation, maintenance, and repair of offshore installations for National Oil companies. Given the nature of our business and size of our supply chain we have used the UN Guiding Principles on Business and Human Rights to focus on identifying general areas where the risk of potential adverse human rights impacts is most significant. The table below identifies potential risks based on the location and type of operations, the use of third-party providers for critical equipment and services, and our key supply chain partners required to support safe and efficient operations.

³ <https://www.prosafe.com/wp-content/uploads/2022/10/Human-Rights-Policy.pdf>

⁴ <https://freedomhouse.org/explore-the-map?type=fw&year=2022>

Human Rights	Operational Impact	Mitigation
Employees' right to a healthy and safe work environment and living environment.	<p>We own and operate seven (7) vessels, operating in harsh offshore environments, globally. Our vessels are gangway connected to our client's host installation providing accommodation and support services for client contractors 24 hours a day. These operations can be considered safety critical and represent an inherent risk to our shipboard management team and guests.</p> <p>Vessel recycling activities and the use of yards to safely dispose of our assets also present a risk to third party employees right to a healthy and safe working environment.</p>	<p>Safety is our number one priority, and we recognize that we have a responsibility to do what we can to ensure the health and safety of our employees, contractors, and guests. We have a robust HSSEQ policy and detailed procedures that is audited by independent third parties to ensure compliance.</p> <p>In all cases, Prosafe will adhere to relevant conventions (2009 Hong Kong Convention, 1989 Basel Convention), always adopt best practice, provide financial guarantees, and appoint independent recycling yard representation where necessary, until the asset is completely recycled, and conduct extensive diligence when recycling of any asset.</p>
Freedom from forced labour and human trafficking.	We are aware that the marine industry has been exposed to forced labour and people with contracts that are not in line with human rights.	We ensure that we follow all local and regional regulations and are externally audited for compliance. We employ most of our crew in Brazil, and otherwise use reputable third-party crewing agencies and audit them on their performance and compliance.
Non-discrimination in hiring, employment, pay and benefits.	It is an inherent risk to all businesses, but particularly in our industry which has a particularly strong gender disparity.	We have clear policies and procedures on hiring and employment, and we monitor and ensure fair pay and benefits for all our employees.
Diversity, Equality & Inclusion	Men have traditionally made up a greater proportion of the recruitment base for offshore operations, and this is reflected in Prosafe's gender breakdown.	Prosafe operates an equal opportunity policy including gender equality. We monitor, analyse and report our employee statistics. We are actively working to ensure the operating and employment environment we create is attractive to women and any current or potential employee, regardless of gender, age, disability, pregnancy and maternity, nationality, religion, or sexual orientation.
Freedom from workplace harassment	We know there can be friction and disputes between people. We do not accept any form of harassment in any work environment.	We expect all our employees to follow our Code of Conduct and Human Rights policy, ensuring freedom from workplace harassment. Employees are encouraged to report any incident as outlined in our Code of Conduct and Whistleblowing Policy.

3.2 DIVERSITY AND EQUALITY

We believe that strength lies in differences, not in similarities. Our diverse and talented workforce is one of the company's most important competitive advantages in satisfying the requirements of our clients. Attracting, developing, and retaining the best employees of all backgrounds gives the company access to new ideas, promotes better decision-making, and creates a workforce that mirrors our clients and the world at large.

Prosafe operates an equal opportunity policy including gender equality. Men have, however, traditionally made up a greater proportion of the recruitment base for offshore operations, and this is reflected in our gender breakdown.

We aim to offer the same opportunities to all and ensure that there is no discrimination with respect to recruitment, remuneration or promotion, due to age, disability, gender, marriage and civil partnership, pregnancy and maternity, nationality, religion or belief, sex, and sexual orientation.

All employees shall have a salary that is seen as fair, competitive and in accordance with industry standards. Only relevant qualifications such as education, experience, performance, and other professional criteria shall be considered when appointing new employees, making performance evaluations, settling remuneration, and awarding promotions.



4. HUMAN RIGHTS-RELATED RISKS WITHIN SUPPLY CHAIN

4.1 SUPPLIER MAPPING

Prosafe has mapped its suppliers and business associates in 2022. Our suppliers enable us to deliver safe and efficient operations by providing goods, equipment and services to support our business. We do not manufacture goods or equipment and rarely procure raw materials. Globally, we currently have 914 approved suppliers, although only 534 suppliers were active in 2022. In total, 281 suppliers are located in Europe, with 205 located in Brazil and nine located in Singapore.

Prosafe has started conducting due diligence on its suppliers. The assessments will be in proportion to the supplier's size, nature, and context. In addition, the probability that violations of basic human rights and decent working conditions occur shall be assessed, as well as the severity in the event of violations and the potential for Prosafe to exert leverage. This means that the assessments will be different in content and scope - the more complex the company's supply chain, the more complex the assessments.

4.2 SUPPLIER DUE DILIGENCE

We have partnered with Worldfavor⁵, a sustainability management and reporting platform, to drive transparency and sustainability within our supply chain. The platform will collect and analyse data that can be used to achieve a transparent and visible multi-tier supply chain. Suppliers will complete a series of questionnaires depending on the type of organisation, their location, and the products and /or services they provide. The standard reports are based on the latest CSR standards and regulations that companies are expected to be transparent about.

⁵ www.worldfavor.com

As a minimum requirement, Suppliers will be asked to complete the following questionnaires:

- Sustainability approach
- Sustainable sourcing approach
- Human rights and labour standards
- Diversity and non-discrimination
- Employment practices
- Health, safety and wellbeing

We are at an early stage regarding the data collection and analysis of our supply chain but remain committed to evaluating and identifying inherent risks by utilising the Worldfavor platform. However, we have identified certain risks in relation to crewing and catering providers as well as local service providers located in regions that are deemed to be higher risk for human rights violations. Questionnaires will be issued to these suppliers in the first quarter of 2023 and results will be analysed and evaluated in the Worldfavor sustainability platform.

4.3 RISK ASSESSMENT

Prosafe has undertaken a preliminary risk assessment focusing on key suppliers of people-related services such as crewing providers/medical providers and OEM that provide us with service engineers in regions that are deemed higher risk. The risk assessment is based on the following:

- Type of goods/services with a special focus on whether they provide manpower as part of the service
- Location of service requirement
- Perceived risk in the region of operation
- The total annual spend
- Relationship and track record with Prosafe

Description of service provision	Potential negative impact	Action required
<p>Marine and Agency Personnel Services</p> <p>Third-party crewing providers that supply personnel to support our operations in regions that are deemed higher risk.</p>	<p>Potential for agency crew to be exposed to forced labour or have contracts that are not in line with Human Rights standards.</p>	<p>Contracts are in place for key crewing agencies.</p> <p>Questionnaires will be sent to agencies that provide services in these regions. Crewing providers based in the UK and Norway are deemed to be low-risk and are not required to complete the questionnaires at this time.</p> <p>Review results in Worldfavor and determine if further action is required.</p>
<p>Catering Providers</p> <p>Third-party catering providers that supply catering crew, food and cleaning products to support our operations.</p> <p>Prosafe's clients often contract and manage the catering service provision in-house. In this instance Prosafe is not responsible for providing the service.</p>	<p>Potential for catering crew to be exposed to forced labour or have contracts that are not in line with Human Rights standards.</p> <p>Potential that food is not sourced in an ethical and responsible manner, meeting local and national standards, where necessary.</p>	<p>Contracts are in place for key catering providers.</p> <p>Questionnaires will be sent to relevant providers. Audits are common practice to measure performance and compliance.</p> <p>Location of operations may require additional due diligence/audits depending on perceived risk in the region.</p> <p>Review results in Worldfavor and determine if further action is required.</p>
<p>Global Medical Services Provider</p> <p>Third-party provider offering topside support and offshore medics in all regions of operations, if requested by our clients. Focus on regions that are deemed higher risk, including Brazil and USA.</p>	<p>Potential for offshore Medics/Doctors to be exposed to forced labour or have contracts that are not in line with Human Rights standards.</p>	<p>Contract in place with global provider. Questionnaire will be issued to the service provider with a focus on the supply of medics/medical services in high-risk regions.</p> <p>Review results in Worldfavor and determine if further action is required.</p>
<p>Original Equipment Manufactures</p> <p>Key Suppliers that maintain safety critical equipment onboard our vessels. Many of these providers are based in Europe but have established operations in higher-risk regions, including Brazil and USA</p>	<p>Potential for OEM service engineers to be exposed to forced labour or have contracts that are not in line with Human Rights standards.</p>	<p>Contracts are often in place with key suppliers. Questionnaire to be issued to providers that have a local presence in high-risk regions of operations.</p> <p>Review results in Worldfavor and determine if further action is required.</p>
<p>Non-OEM Suppliers Brazil</p> <p>Key suppliers in the Brazil region that provide services onboard our vessels supporting our operations.</p>	<p>Potential for service engineers to be exposed to forced labour or have contracts that are not in line with Human Rights standards.</p>	<p>Key local suppliers in Brazil that often provide us with offshore service personnel to support our operations.</p> <p>Review results in Worldfavor and determine if further action is required.</p>

5. HUMAN RIGHTS DUE DILIGENCE WITHIN PROSAFE

As a responsible business we have continued to develop our due diligence processes to meet our obligations, but we also recognise that there is more we can do to improve. We have made progress in 2022 and we plan to develop, evaluate and improve our human rights due diligence further in the year ahead.

5.1 GUIDELINES AND ROUTINES FOR HANDLING HUMAN RIGHTS DUE DILIGENCE

Prosafe has prepared an action plan that will guide the company on its path to compliance with the requirements found in the Transparency Act.

Action	Status	Comment
Anchor accountability in the Board of Directors	✓	The ultimate responsibility for complying with the Transparency Act, and Human Rights lies with Prosafe's Board of Directors. Human Rights policy was implemented in 2022 to demonstrate our commitment.
Launch a stand-alone Human Rights Policy	✓	
Anchor in the Internal Management System (IMS)	✓	Procurement and supply chain management documentation has been updated to include references to Human Rights due diligence. ASVQ has been updated in the Integrated Management System.
Additional questions about human rights and labour standards included in the company's Approved Supplier Verification Questionnaire	✓	Completed and updated in the Integrated Management System
Build employee awareness and competence by the rollout of an e-learning program with a focus on human rights and labour standards	–	Underway, currently sourcing a provider of an e-learning course.
Update requirements to suppliers and business associates	✓	
Map suppliers and business associates	✓	Ongoing process for existing and new Suppliers.
Perform Supplier risk assessment in line with OECD guidelines	–	Ongoing process for existing and new Suppliers.
Perform Supplier audits focusing specifically on human rights and labour standards.	X	Audits focusing on human rights will be completed based on the results of the supplier evaluation and risk assessments. Planning to commence audits during 2023.
Initiate required actions to stop, prevent or reduce any negative impact or damage	X	Will be initiated based on the results of the Worldfavor analysis and/or supplier audits.
Monitor implementation and results	X	Actions to be defined following supplier audits/recommendations
Report in the annual ESG report	✓	

5.2 IMPROVING THE IDENTIFICATION OF HUMAN RIGHTS RISKS WITHIN SUPPLY CHAIN

We have updated our Approved Supplier Verification Questionnaire (ASVQ) to include additional questions relating to Human Rights and Labour Standards to improve our supplier due diligence process and help identify potential risks within our supply chain. In addition, we also use several oil and gas industry-led Joint Qualification Systems (JQS) to support the prequalification of our suppliers.

We currently use the following JQS providers depending on the region of operations:

- Achilles FPAL⁶ – UKCS & Brazil
- SEQual⁷ – UKCS
- Magnet JQS⁸ – NCS

While the main focus of the JQS is HSSEQ performance and standards, it is evident that providers are starting to develop their systems to include social aspects, including human rights and auditing specifically in this area.

5.3 HUMAN RIGHTS PROTECTIONS IN CONTRACT TERMS AND CONDITIONS

We have completed a legal review of our standard supplier terms and conditions and included several new clauses to meet our obligations regarding the Norwegian Transparency Act. These new clauses give us the right to audit suppliers at any time for the purpose of ensuring and confirming compliance with all Human Rights Protection Legislation. In addition, we have included a clause for termination should a supplier breach any applicable laws, or we have reasonable grounds to believe that the supplier has breached any applicable laws.

⁶ <https://www.achilles.com/community/oil-and-gas/>

⁷ <https://sequal.co.uk/>

⁸ <https://collabor8.no/services/magnet-jqs/>

⁹ <https://prosafe.integrity.complylog.com/>

5.4 INCIDENT REPORTING

Prosafe has an Ethics Committee that reports to the Board of Directors and oversees Prosafe's work related to ethical business conduct. The Ethics Committee shall:

- Facilitate anonymous whistleblowing
- Ensure that concerns can be raised in an anonymous way
- Ensure that the channels for whistleblowing are sufficiently accessible and known
- Ensure that reported concerns are investigated and dealt with, if necessary, using external consultants (lawyers, auditors)
- Ensure that findings are used to improve ways of working in Prosafe

Prosafe has a secure Whistleblowing channel, IntegrityLog⁹, an easy online tool that allows safe, anonymous reporting of business integrity concerns. The whistleblowing channel allows anyone to report breaches or suspected breaches of our Code of Conduct, Governing Policies or Laws and Regulations.

Stakeholders are encouraged to make a report in relation to business integrity concerns including:

- Breaches of our Code of Conduct or other governing policies
- Violations of human or labour rights
- Breaches of applicable laws and regulations
- Incidents of corruption, bribery and/or facilitation payments
- Incidents of fraud or theft
- Incidents of discrimination or harassment
- Threats to life or health
- Insider trading
- Inappropriate gifts or gratuities

Individuals raising concerns retain the right to remain anonymous provided that (i) the company will not be in breach of any applicable law, rule, or regulation by maintaining the; anonymity and (ii) the issue raised does not concern a criminal offence. Notifications on IntegrityLog will be received, processed, and followed up by an independent third party.

All concerns reported will be treated confidentially. Prosafe will ensure that no retaliation is taken against a whistleblower and that reports made in good faith will have no effect on their career.

In 2022, there were two whistleblowing cases. Both cases were of minor seriousness and have been closed.

5.5 RESPONSE TO HUMAN RIGHTS OR LABOUR STANDARDS VIOLATIONS

No legal claims have been received from any employee in respect of any violation of human rights or labour standards, and no breaches of the Code of Conduct in relation to human rights or labour standards have been observed in 2022. As no human or labour rights incidents were identified, Prosafe has not been involved in providing or enabling remedy during this reporting period. Should such incidents be identified, Prosafe would provide and facilitate remedy.

28 March 2023

The Board of Directors of Prosafe SE

(original signed)

Glen Ole Rødland
Non-executive Chairman

Alf C. Thorkildsen
Non-executive Deputy Chairman

Birgit Aagaard-Svendsen
Non-executive Director

Nina Udnes Tronstad
Non-executive Director

Halvard Idland
Non-executive Director

Jesper K. Andresen
Chief Executive Officer





Prosafe

Accommodating
the Offshore
Industry

www.prosafe.com