



STATEMENT IN ACCORDANCE WITH THE NORWEGIAN TRANSPARENCY ACT – 2022

ROXAR FLOW MEASUREMENT AS
Org. nr. 978658679

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1. ROXAR FLOW MEASUREMENT AS – DESCRIPTION

A. Company and Products

Roxar Flow Measurement AS (“Roxar”) is a product unit of Emerson Electric Co. specializing in combining innovative solutions with technology excellence to maximize reservoir performance using Roxar products for Downhole Monitoring, Flow Metering, Pipeline integrity and Corrosion and Erosion Monitoring. Roxar solutions empower customers with reliable, actionable data within the Oil and Gas industry value chain. By providing a continuous information flow, Roxar products consistently guide customers to make more informed decisions about production and integrity. This helps to maximize performance throughout the lifecycle of the well, along with increased profitability (i).

Roxar Flow Measurement AS is based in Stavanger, Norway (registration number 978 658 679) with a branch office in Bergen, Norway (registration number 872 065 172). Roxar products are developed and manufactured at the company’s sites in Norway and Emerson’s campus in Cluj, Romania, generating global sales of NOK 478 million in 2022. Our main customers are located in Norway and the majority of external purchases were made from suppliers in Norway.

The company had 210 employees in 2022. The working environment is highly ethical and positive and there are no unresolved disputes with employees. Roxar complies with the Norwegian Equality and Anti-Discrimination Act which prohibits discrimination and promotes equality on the basis of gender, pregnancy, leave in connection with childbirth or adoption, care responsibilities, ethnicity, religion, belief, disability, sexual orientation, gender identity, gender expression, age or other significant characteristics of a person.

B. Human Rights and Governance

As a subsidiary ultimately owned by Emerson Electric Co., Roxar subscribes to all of Emerson’s core values and policies, including Emerson’s commitment to Human Rights (ii), comprehensive Codes of Ethics for employees, officers, suppliers and business partners (iii) and its strategy and actions concerning environmental, social and governance (ESG) issues (iv). Many of the Emerson-related Ethics policies can be found in the section “Sources” on the last page of this report.

As part of Emerson, Roxar is building a diverse, inclusive and equitable culture where every employee is valued for their unique experiences and perspectives.

Emerson earned 100% on the Human Rights Campaign’s Corporate Equality Index related to LGBTQ workplace equality in 2022.

1. ROXAR FLOW MEASUREMENT AS – DESCRIPTION (Continued)

i. Human Rights

In our business operations around the world, Emerson remains committed to respecting and promoting human rights, which are essential to a healthy and vital commercial environment and to the broader society. This entails specific attention to particularly challenging issues and activities, including:

Commitment to Humane Treatment – We do not allow or condone any form of harsh or inhumane treatment, including sexual harassment, sexual abuse, corporal punishment, mental or physical coercion or verbal abuse, nor do we allow managers to threaten treatment of this nature. These requirements are also communicated to our business partners, including suppliers and customers, to ensure they also have the appropriate controls in place.

Prohibition of Forced Labor – Our policies prohibit, and we do not use, any forced, bonded, indentured, involuntary prison labor or other compulsory labor. We also prohibit our suppliers and other business partners from using any forced, bonded, indentured, involuntary prison labor or other compulsory labor. Our policies comply with important regulations, like U.S. Uyghur Forced Labor Protection Act (2022) and the UK Modern Slavery Act 2015. Emerson fully supports these and other efforts to eradicate human trafficking across the globe.

Prohibition of Child Labor – Our policies oppose child labor, and we do not use child labor in any facility or business. Emerson requires that all employees be of an appropriate age, as defined by applicable national laws. In certain circumstances, we support the use of legitimate workplace apprenticeship programs that conform with laws and regulations. We also prohibit our suppliers and other business partners from employing anyone under the local legal working age.

Our commitment to human rights is expressed in the Emerson Global Human Rights Policy (ii), the Emerson Supplier Code of Conduct, the Emerson Code of Ethics for Business Partners and in the Emerson Statement on the California Transparency in Supply Chains Act and United Kingdom Modern Slavery Act of 2015 (ii).

1. ROXAR FLOW MEASUREMENT AS – DESCRIPTION (Continued)

ii. Diversity, Equity and Inclusion

Our employees are our greatest strength, and we continually provide avenues where employees can share their valuable perspective.

Employee Opinion and Culture Surveys

Insights from our colleagues help shape and drive the success of our business and our employee relations. Emerson has conducted employee opinion surveys over decades to continually foster strong employee engagement. The annual survey highlights vital employee perspectives across a range of topics, including engagement, satisfaction and work-life balance. Both salaried and hourly employees across the global organization have consistently rated Emerson highly in our annual survey scores. Real value comes from repeating this process regularly and following up locally with employees regarding results, comments and initiatives going forward. Our recent employee engagement survey revealed strong engagement from across our teams. More than 85% (depicts data/information as of June 2023) of employees participated in the survey, sharing their input from across a number of categories and resulting in an overall engagement of 78% (depicts data/information as of June 2023).

Labor Relations

We respect our employees' right to freedom of association in choosing labor organizations to represent them. We work collaboratively to keep positive relationships with the unions, works councils and employee associations that represent many of our employees. In the United States, approximately 6% of our workforce was part of a union in 2021. Worldwide, approximately 30% of our employees are represented by an employee representative organization, such as a union, works council or employee association.

Wages and Benefits

At Emerson, we work to retain and grow our exceptional global workforce. We uphold our value of Support Our People by providing competitive wages and benefits in the markets where we operate around the world. Our compensation practices comply with applicable wage laws and international standards, including those relating to minimum wages, overtime compensation and legally mandated benefits. The basis on which workers are paid is documented in a timely manner via pay stub or similar written communication.

Discrimination and Harassment

We value the contributions of all employees and do not tolerate any discrimination or harassment. This is reinforced in our annual ethics training that is required for all employees. Emerson is an equal opportunity employer, committed to recruit, hire, train and promote people in all job classifications without regard to sex, race, color, religion, national origin, age, marital status, political affiliation, sexual orientation, gender identity, genetic information, disability or protected veteran status. We do not condone any form of discrimination or harassment on the basis of these and other protected classes.

1. ROXAR FLOW MEASUREMENT AS – DESCRIPTION (Continued)

iii. Governance

We take the necessary steps to help ensure our company acts responsibly and in accordance with the [Emerson Purpose, Causes and Values](#). Our commitment to addressing ESG issues is vital to maintaining and developing the trust and confidence of our employees, customers, suppliers and communities. From our Board of Directors and executive leadership team to our employees and suppliers, we expect those who represent Emerson to uphold an unwavering level of integrity.

Integrity & Ethics

To support our ethics and legal compliance processes, we have established clearly defined policies and practices for employees through our [Ethics and Compliance program](#). Our Corporate Governance and Nominating Committee of the Board of Directors oversees the program and helps ensure we take a comprehensive approach through monitoring, investigation and evaluation — merging three core functional areas including Human Resources, Audit and Compliance, and Law. We communicate our Ethics and Compliance program to employees through trainings, documentation and reporting channels where employees are encouraged to escalate questions or concerns. The program is reviewed annually to help ensure consistency with the current business environment and industries we operate in. We welcome new employees to the program during their onboarding and refresh current employees and leaders on the program through annual training.

Our ethics reporting process provides employees clear steps on how to report unethical behavior. Employees are provided with several avenues to escalate ethics concerns, including our Ethics Reporting website and Ethics hotline number. Both channels are operated by an independent third party and allow for employee anonymity.

Supply Chain

We work closely with supply chain partners all over the world to source high quality and cost-effective components, provide supply chain resiliency and reinforce the importance of business integrity. We operate our global supply chain network to a high level of ethical, human rights and environmental standards. We regularly evaluate and update these standards, launch new initiatives, invest in better resources and systems and enhance our supplier engagement processes to make a positive impact for our customers and communities.

Affirming Supplier Responsibility

[The Emerson Supplier Code of Conduct](#) (iii) sets expectations for suppliers to comply with principles of ethical behavior, labor practices, human rights and environmental protections. Emerson is monitoring over 3,000 suppliers for a broad spectrum of risks, including financial, natural hazards, geopolitical and man-made risks, using a third-party monitoring service. We also updated our purchase order terms and conditions in all jurisdictions to specifically ask our suppliers to adhere to our Supplier Code of Conduct. This direct engagement process provides a mechanism for open dialogue with our suppliers on environmental, social and governance information. We require suppliers who wish to participate in our e-sourcing initiatives to acknowledge their understanding and compliance with our Supplier Code of Conduct before they can bid. We also conduct site visits for many of our new suppliers as part of our qualification process.

1. ROXAR FLOW MEASUREMENT AS – DESCRIPTION (Continued)

iii. Governance, continued

Supplier Selection and Monitoring

Roxar follows a supplier selection and approval process when changes in suppliers are initiated. Any new supplier is requested to complete a Supplier Evaluation Form before the supplier is registered in Roxar's ERP system. Suppliers are monitored and followed up individually in a Supplier Risk Assessment matrix which takes into consideration a range of key supply chain risk factors across Roxar's list of suppliers.

Responsible Business Conduct Embedded Into Policies and Management Systems

Responsible business conduct is a cornerstone of all Emerson policies. In addition to the policies highlighted in the sections above, Roxar has taken further steps to ensure that specific requirements of the Norwegian Transparency Act (NTA) are complied with.

The Roxar Board of Directors and the Senior Leadership Team have been informed of the review of policies related to the NTA requirements and endorse the required changes in business processes and the disclosure of the NTA report on Emerson's web-site.

Questions related to the Norwegian Transparency Act report can be addressed to info.roxar@emerson.com. Administrators of this mailbox will forward questions to relevant recipients, ensuring no time is lost with respect to Roxar's duty to respond within the required timeframes.

2. RISK ASSESSMENT RELATED TO FUNDAMENTAL HUMAN RIGHTS AND DECENT WORKING CONDITIONS

a. Roxar Business Operations Due Diligence

Roxar's business operations focus on human rights and good working conditions through its active participation in Emerson's Environmental, Social and Governance programs. This includes the conduct of annual employee surveys, voluntary participation in Emerson's Diversity, Equity and Inclusion initiatives and mandatory participation in training programs concerning Emerson's codes of ethics. Employee surveys and training participation are followed up and employees are encouraged to escalate questions or concerns.

Following Emerson's Supplier Code of Conduct, we expect all suppliers to support Emerson's values, especially as they relate to ethics, human rights and the fair treatment of their workforce. Emerson's purchase order Terms and Conditions as well as our standard supply agreement explicitly state that we expect our suppliers to comply with the Supplier Code of Conduct.

b. Roxar Supplier Due Diligence

The duty to carry out due diligence as set out in the NTA has been met through the performance of a supplier database risk assessment and a review of supply chain policies and procedures.

i. Supplier Risk Assessment

Roxar has carried out a review of its supplier database based on accounting data for fiscal year 2022, in-house knowledge of our suppliers and existing documentation related to approved suppliers in order to assess risks of adverse impact related to basic human rights and decent working conditions.

Suppliers have been analyzed by their country of incorporation and divided into risk categories based on the Global Rights Index, ITUC GRI - Home (globalrightsindex.org) in which countries are rated and categorized as "Red", "Orange", "Yellow" and "Green" based on records related to violation of basic human rights and decent working conditions. The due diligence also takes into consideration the type of goods or services sourced, such as professional services, components, electronics or raw material.

Due diligence has been performed with respect to all suppliers in the highest risk category, "Red". In risk categories "Orange" and "Yellow" a value threshold of 1% of total annual spend has been applied, and due diligence has been performed with respect to each supplier above the value threshold.

ii. Review of Supply Chain Procedures

A review of Roxar's relevant supply chain procedures revealed a potential to improve our focus on basic human rights and decent working conditions in supply chain procedures and templates used for assessing, approving and monitoring external suppliers.

2. RISK ASSESSMENT RELATED TO FUNDAMENTAL HUMAN RIGHTS AND DECENT WORKING CONDITIONS (Continued)

iii. Outcome of Due Diligence Exercise

No actual adverse impact or significant risks of adverse impact on human rights and working conditions have been identified as a result of the due diligence exercise and the review of supply chain procedures.

During the review of suppliers, we have identified one supplier with minor annual spend located in the Global Rights Index “Red” category of countries. The risk is primarily related to the supplier’s country of registration and incomplete responses related to product quality.

While no significant risks or actual adverse impacts related to human rights and decent working conditions have been uncovered so far, Roxar remains committed to conducting ongoing due diligence assessments in own business operations and towards suppliers and business partners, to identify and promptly respond to any significant risk or actual adverse impacts that may be uncovered during the process.



3. MEASURES TO BE IMPLEMENTED TO MITIGATE RISKS OF ADVERSE IMPACT

a. Roxar Business Operations

Roxar will establish a process to review our suppliers' adherence to Emerson's Supplier Code of Conduct and will continue encouraging our suppliers to support Emerson's values especially related to ethics, human rights and the fair treatment of their workforce.

b. Supplier Risk Assessment

Roxar's due diligence of its vendor database has resulted in the following measures to mitigate the risk of negatively impacting basic human rights and decent working conditions.

1. Perform on-site audit, including an assessment of Human Rights and Working Conditions of one supplier located in a high-risk country.
2. Perform due diligence through extended use of written surveys issued to suppliers in all risk categories:
 - a. Survey all suppliers above 1% materiality level located in Global Rights Index "Red", "Orange" and "Yellow" categories of countries.
 - b. Survey suppliers located in Norway ("Green" category) above 0.3% level of materiality.

c. Supply Chain Procedures

The review of Roxar supply chain procedures identified the following areas where measures will be taken to improve monitoring of risks related to human rights and working conditions in the supply chain.

1. Request supplier's confirmation of compliance with basic human rights and decent working conditions in the initial step of the supplier evaluation and approval process.
2. Introduce a section in Roxar Supplier Evaluation Form completed by suppliers which addresses compliance with basic human rights and decent working conditions.
3. Amend Supplier Risk Assessment to include parameters which rate each supplier's compliance with basic human rights and decent working conditions.

CONTACT

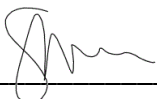
Please direct any questions you may have with respect to Roxar's compliance with the Norwegian Transparency Act to the following address: info.roxar@emerson.com.

SOURCES:

- i. [Roxar | Emerson NO](#)
- ii. [Other Policies | Emerson US](#), including:
Emerson Global Human Rights Policy,
Emerson Statement on the California Transparency in Supply Chains Act and United Kingdom Modern Slavery Act of 2015
- iii. [Business Ethics | Emerson US](#)
- iv. [Driving ESG Progress](#)

Date: 30th June 2023

Signature:



Geir Aanensen
General Manager and Chairman
Roxar Flow Measurement AS



Terje Nødland
Board Member
Roxar Flow Measurement AS