

STATEMENT IN ACCORDANCE WITH THE NORWEGIAN TRANSPARENCY ACT – 2023

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 & 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 697 million in 2023. Our main customers are located in Norway and a high percentage of our products come from suppliers in Norway.

The company had an average of 211 employees in 2023. The working environment is considered to be 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 [\(iv\)](#).

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 and was named a 2022 “Best Employer for Diversity” by Forbes Magazine.

1. ROXAR FLOW MEASUREMENT AS – DESCRIPTION (Continued)

i. Human Rights

As members of the United Nations Global Compact, Emerson respects and promotes human rights in all of our business operations worldwide. 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 – We strictly prohibit the use of any forced, bonded, indentured, involuntary prison labor or other compulsory labor in our policies, operations and supply chain. We require our business partners to comply with this same policy. Our policies comply with regulations, such as the UK Modern Slavery Act of 2015 and the U.S. Uyghur Forced Labor Prevention Act. Emerson fully supports these and other efforts to eradicate human trafficking worldwide.

Prohibition of Child Labor – Emerson does not allow the use of child labor in any of our facilities or businesses, and all of our employees must be of an appropriate age, as defined by applicable laws. In some cases, we support legitimate workplace apprenticeship and internship programs that conform with laws and regulations. We also prohibit our suppliers from employing anyone under the local legal working age within their facilities or throughout their supply chain.

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

1. ROXAR FLOW MEASUREMENT AS – DESCRIPTION (Continued)

ii. Diversity, Equity and Inclusion

Our culture vision sets the direction for how we want to change the way we work and accelerate our cultural transformation: We are committed to building a culture centered around diversity, equity, inclusion, innovation and growth that enables our customers, shareholders, people and stakeholders to thrive — wherever they are in the world.

Employee Opinion and Culture Surveys

Insights from our colleagues globally help shape and drive the success of our business and our employee relations. Emerson has conducted global employee opinion surveys over decades to continually foster strong employee engagement. These surveys highlight vital employee perspectives across a range of topics, including engagement, satisfaction and work-life balance. More than 85% of employees (depicts data/information as of June 2023) participated in the survey, sharing valuable feedback which is incorporated in the shaping of our culture evolution.

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. 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 strive to retain and grow our exceptionally talented global workforce. Our company value "Support Our People" is reflected in our efforts to provide competitive wages and benefits in the markets where we operate worldwide. Our compensation practices comply with applicable wage laws and international standards, including those relating to minimum wages, overtime compensation and legally mandated benefits. Documentation of payment details is provided through pay stubs or similar written communication in a timely manner.

Discrimination and Harassment

Emerson values the contributions of all employees and does not tolerate any form of discrimination or harassment. All employees are required to attend annual ethics training that reinforces this. Emerson is an equal opportunity employer that recruits, hires, trains and promotes 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. We provide training for supervisors and managers to enhance employee relations and help ensure compliance with all applicable laws.

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 & Values](#). Our goal to address environmental, social and governance issues is vital to maintaining and developing the trust and confidence of our employees, customers, suppliers, communities and shareholders. 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. We communicate our [Ethics and Compliance program](#) to employees through trainings, documentation and reporting channels where employees are encouraged to escalate questions or concerns. 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, 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 which are set and managed at the Emerson Electric corporate level. 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

Emerson's values center on the fair, ethical and responsible treatment of people and natural resources. Following the [Emerson Supplier Code of Conduct \(iii\)](#), 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 we expect our suppliers to comply with the Supplier Code of Conduct.

Emerson asks our suppliers to self-report on their performance in these areas. These surveys are prompting action and will become increasingly important to Emerson's selection of strategic supplier relationships. Strategic suppliers representing a majority of our annual supplier expenditures as well as suppliers located in the highest risk regions participate in Emerson's Supplier Code of Conduct survey.

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 on 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 is taking further steps to ensure that specific requirements of the Norwegian Transparency Act (NTA) are complied with (see Section 3 of this Report).

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 2023 in order to assess risks of adverse impact in the supply chain 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 \(globalrightsindex.org\)](https://www.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", "Yellow" and "Green" a value threshold of 1% of total annual spend has been applied. A value threshold of 0.5% has been applied to all Norwegian suppliers in the "Green" risk category. Due diligence has been performed with respect to each supplier above the value thresholds.

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

ii. **Review of Supply Chain Procedures**

The following improvements have been implemented in Roxar's supply chain procedures:

1. The inclusion of parameters related to basic human rights and decent working conditions in Roxar's supplier evaluation and selection process and in the process for continuous monitoring of suppliers,
2. Extended use of written surveys distributed to a risk-based selection of global suppliers,
3. Performance of supplier audits through site visits with respect to suppliers considered to be of high risk of negatively impacting basic human rights and decent working conditions.

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.

An on-site audit has been performed of a supplier located in the Global Rights Index "Red" category of countries documenting that the supplier respects human rights and provides very good working conditions for employees, allowing us to conclude that the supplier poses no risk of adversely impacting human rights and working conditions in our supply chain.

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 both 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

Roxar will continue its efforts to mitigate risk of adverse impact on human rights and working conditions in the supply chain by communicating Emerson's Supplier Code of Conduct to all of our suppliers.

Specific measures to this end in the coming year include:

1. Follow up responses related to survey requests already sent to selected suppliers,
2. Apply risk-based selection of suppliers in 2024 for distribution of additional written survey requests,
3. Include aspects of human rights and working conditions in the continuous assessment and monitoring of suppliers.

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. [ESG Progress | Emerson GB](#)
- v. [Driving ESG](#)

Date: 27th June 2024

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