

Our Vision

Our Vision is to be globally a recognized decommissioning company ensuring sustainability in our client's operation.

Our Mission

Our mission is to revolutionize Phase 3 Decommissioning through developing and commercializing safe, time efficient and environmental responsible technologies delivered with world class service.

TRANSPERANCY ACT REPORT

2022

To fulfill Control Cutters obligation under Section 5 of the Transparency Act, this report is the account for how Control Cutter carries out Due Diligence for Responsible Business Conduct.



SAFE



EFFICIENT



RELIABLE

1. ABOUT CONTROL CUTTER AS

Control Cutter is a privately owned company, with unique patented technologies helping clients improve their performance during offshore operations. With an extensive background of successful projects, Control Cutter can assure quality, efficiency and safety on all operations, both topside and subsea. Our goal is to be our clients preferred partner through delivering world class service every time.

Control Cutter was established in 2010 to initially make anchor-cutting safer, but with continuous changes in the offshore sector, Control Cutter ended up with an innovative solution within well P&A. With a unique & patented technology for cutting resistant metals, Control Cutter has time after time proven that the combination of pinning and cutting wells can be both time and cost efficient.

We are currently 16 "cutters", rapidly growing, headquartered in Tananger (Norway), with subsidiaries in the UK and US

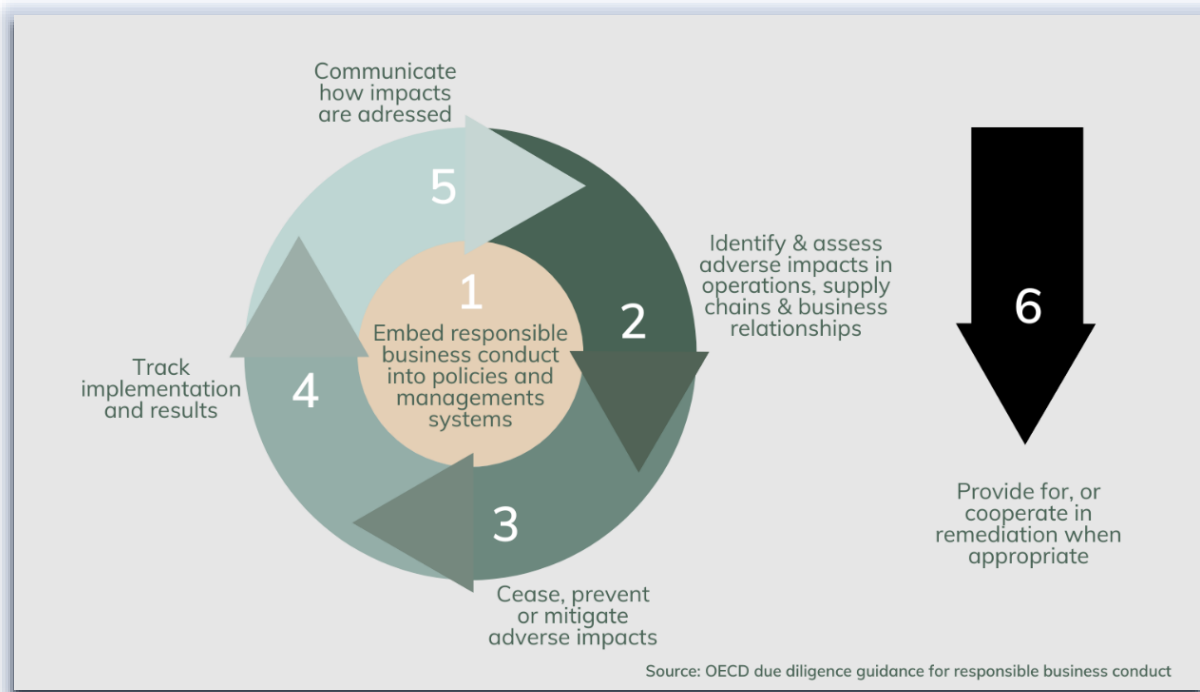
2. ABOUT THE TRANSPERANCY ACT

The Act relating to enterprises' transparency and work on fundamental human rights and decent working conditions (Transparency Act, hereafter named the Act) entered into force 01.07.2022 in Norway. The Act shall "promote enterprises' respect for fundamental human rights and decent working conditions in connection with the production of goods and ensure the general public access to information regarding how enterprises address adverse impacts on fundamental human rights and decent working conditions".

Ref <https://lovdata.no/dokument/NLE/lov/2021-06-18-99>

The Act applies to larger enterprises that are resident in Norway and that offer goods and services in or outside Norway. Control Cutter falls under the category "larger enterprises" in this context. This means that Control Cutter has three duties under the Act:

1. Carry out **Due Diligence** in accordance with the OECD Guidelines for Multinational Enterprises on a yearly basis. The process is illustrated in the figure below:



- 2. Account for the due diligence by publishing an updated report on the company’s website.
- 3. Give information about how Control Cutter addresses actual and potential adverse impacts upon written request from any internal or external stakeholder.

This document covers point 1 and 2 – that is., describes how steps 1 to 6 in the figure above are conducted in Control Cutter.

When it comes to point 3 and the company’s obligation to provide information about how Control Cutter addresses actual and potential impacts pursuant to the due diligent processes – we refer to the company’s website for information on how to get in touch.

3. STEP 1: EMBEDDING RESPONSIBLE BUSINESS CONDUCT IN POLICIES

Control Cutters Board sets the overall “tone from the top” and has the overall responsibility to ensure that Control Cutter has in place adequate measures in relation to responsible business conduct. The company’s CEO is responsible for the day-to-day implementation of such measures. Thus, business ethics is a Board and management responsibility in Control Cutter. Social sustainability and human rights are embedded in Control Cutters framework for responsible business conduct.

Ref. Transparency Act, section 4.

Control Cutter’s governing documents hierarchy related to human rights and decent work conditions are illustrated in the figure below and described in the following.

Control Cutter’s governing documents hierarchy related to human rights and decent work conditions:

Governing Documents	Document type	Title	Description
Governing Fundamentals	Policy	Code of Conduct	Set of rules outlining norms and proper practices
Governing Fundamentals	Policy	Whistleblower Policy	Set of rules outlining norms and proper practices
Group Strategies	Strategy	ESG Strategy	Overall focus areas, objectives and actions
Group Strategies	Strategy	Supply Chain Management Strategy	Strategy for responsible sourcing and business conduct
Group Procedures	Procedure	Assessment of Suppliers	Assessment of new and existing suppliers

3.1. Policy documents: Code of conduct and Whistleblowing policy

Code of conduct

Our code of conduct **clarifies Control Cutter’s mission, values, and principles**, linking them with standards of professional conduct. The code articulates the values the organization wishes to foster in leaders and employees and, in doing so, defines desired behavior. As a result, our code of conduct becomes **benchmarks** against which individual and organizational performance can be measured. The Code translates Control Cutter’s core values into behaviors and provides guidance for how we are expected to act.

Additionally, our code is a **central guide and reference for employees** to support day-to-day decision making. The code encourages discussions of ethics and compliance, empowering employees to handle ethical dilemmas they encounter in everyday work.

Our Code is further inspired by the UN's Universal Declaration of Human Rights, the ILO conventions as well as the UN Global Compact's ten principles for human rights, labour conditions, the environment and anti-corruption

Whistleblowing policy

The purpose of this Policy is to establish procedures for the receipt, retention and treatment of complaints, reports, concerns and other inquiries regarding accounting, internal accounting controls or auditing matters, suspected violations of applicable laws, rules and regulations, and suspected violations of the Code of Conduct and other codes, policies and procedures of Control Cutter and its subsidiaries.

Control Cutter encourages its employees to report suspected or actual occurrences of inappropriate, unethical, or illegal behaviour or breaches of the Code of Conduct.

3.2. Strategy documents: ESG and Supply Chain Management

ESG Strategy

Our ESG Strategy **outlines Control Cutter's approach to Environmental, Social and Governance (ESG) issues**. Control Cutter is committed to incorporating ESG considerations in every aspect of our operations. We acknowledge that our actions have an impact on both people and the planet. Consequently, we take a holistic stakeholder approach in all our decision-making processes.

The three pillars of our ESG Strategy are:

Environmental – This has to do with our organization's impact on the planet and the environment

Social – This has to do with the impact our organization has on people, including staff, customers and the community

Governance – This has to do with how our organization is governed.

Communication of our ESG strategy is important to drive change internally and externally. This is the way we show customers, our own employees and other stakeholders what we are doing to drive progress and what our ambitions are. We communicate the challenges, the ambitions and the progress within sustainability as an integrated part of the communication around the commercial offering.

Our strategy is further inspired by the UN's Sustainable Development Goals towards 2030.

Control Cutter has prioritized 3 of the 17 goals where we believe we can help make a difference

Responsible business conduct is embedded in the ESG strategy and are connected to Control Cutters overall Mission and Vision and in our core values.

Control Cutter’s Mission & Vision are:



Mission

Our mission is to revolutionize Phase 3 Decommissioning through developing and commercializing safe, time efficient and environmental responsible technologies delivered with world class service.



Vision

Our Vision is to be globally a recognized decommissioning company ensuring sustainability in our clients operation.

Control Cutter’s Core Values are:



EFFICIENT



SAFE



RELIABLE

Control Cutter’s ESG focus areas:



We provide time efficient and environmental responsible technologies delivered with world class service



We put health & safety on top of the agenda and drive continous improvements based on our experiences



We shall always conduct our business in accordance with all applicable laws, operational regulations and restrictions



Supply Chain Management Strategy

Our Supply Chain Management Strategy involves looking at the supply chain holistically ranging from the design phase of new products and services, financing, sourcing, production, operation of and finally service and stock keeping.

At Control Cutter, we also strive to ensure our customers and business partners that we follow, understand, and handle negative impacts on society and the environment through responsible business behaviour. This involves, among other things, carrying out thorough **due diligence processes** for responsible business conduct in line with the OECD's framework.

Control Cutter has incorporated responsible business conduct expectations into our business relationships. Our **Supplier Code of Conduct** or Supply Chain Code of Conduct (Code) sets our expectations for our business and for our business partners. It is implemented by requesting our suppliers to sign the Code. Our Code is based on the guidelines set by the ILO Conventions, the UN Universal Declaration of Human Rights, and the UN Global Compact. Suppliers that sign the Code commit to the expectations set by these frameworks, as well as any other specific requirements in our Code.

The company's requirements to conduct risk-based due diligence measures under the Transparency Act comprise both direct purchase from suppliers as well as indirect purchases from such suppliers. The requirements under the Act and the available risk mitigating tools will, however, be different. Direct purchases from suppliers that entail an inherent risk of human rights and labor abuses, require a more pro-active and cautious approach from the Company in terms of background checks and follow-up measures, such as audits. When sourcing indirectly through (lower risk) suppliers that may have high-risk suppliers in their supply chain, the main mitigating tool is to address the Company's expectations to the supplier through an agreement. Such agreement should include obligations for the supplier to address, mitigate and report on human rights and labour rights risk in the supplier's supply chain.

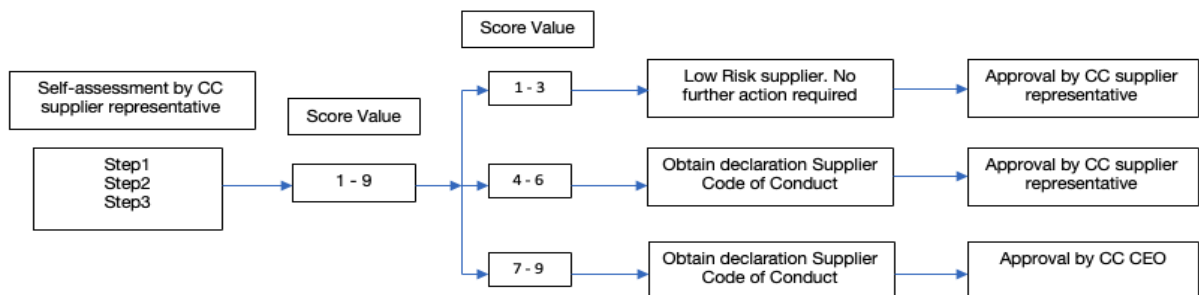
3.3. Procedures: Assessment of Suppliers

The purpose of this procedure is to describe the method for conducting assessment & approval of new suppliers as well as yearly assessment of all suppliers and form an essential part of Control Cutters supply chain management.

Control Cutter engages with suppliers to improve value chain conditions in several ways. This includes contractual requirements, self-assessment, risk assessment and assessment according to different standards.

All Control Cutter subsidiaries follow this assessment of supplier's procedure.

The Supplier assessment process is described in broad outlines in the figure below. Step 2 involves performing risk assessments according to Amfori-BSCI Countries Risk Classification and the Transparency International Corruption Perception Index.



A Control Cutter Supply Chain Risk Matrix is used for scoring. Score value of 1-3 is considered low risk also with regards to ESG risk. Score value of 4-9 demands further action – suppliers have to comply to our Supplier Code of Conduct by confirmed statements.

4. STEP 2, 3, 4, 5, AND 6: DUE DILIGENCE ANALYSIS

4.1 Due Diligence analysis for 2022

As part of the process to identify & assess adverse impact in operations, supply chains and business relationships (**step 2**), Control Cutter conducted a due diligence assessment of all active suppliers in 2022 during spring 2023.

Control Cutter has reviewed its supplier portfolio and has categorized risk in relation to the geographical location of the suppliers and the respective volume of purchases, as well as the scores according to the Supply Chain Risk Matrix:

Country of geographical location	Number of Suppliers	%-age of total number Suppliers
Norway	149	88
UK	14	8
US	2	1
Denmark	2	1
Germany	1	<1
Israel	1	<1

From the table Norwegian and UK suppliers constitutes the majority of suppliers and are considered general low risk in relation to upholding fundamental human rights and decent working conditions. None of Control Cutters suppliers are scored with “high risk” according to the company’s Supply Chain Risk Matrix

4.2 Following up on high risk suppliers

As part of the process to cease, prevent or mitigate adverse impacts (**step 3**) and to follow up on high risk suppliers, Control Cutter considers that it is not a necessary step to focus on at this period of time – given the fact that our Due Diligence analysis for 2022 did not reveal this to be an issue.

As the company expects growth in operational activities in the coming years, as well as growth in the number of geographical locations we work from, it is reasonable to expect strong growth in the number of suppliers in Control Cutters portfolio as well.

Control Cutter will track implementation and results close going forward (**step 4**).

5. NEXT STEPS

2022 is the first year Control Cutter conducts a due diligence analysis of the company’s suppliers.

Control Cutter believe we already have a god, well-functioning, documentable system in place to ensure that our suppliers follow fundamental human rights and have decent working conditions for their employees. As the company evolves, we will ensure that new suppliers comply with our requirements for suppliers with regards to fundamental human rights and decent working conditions.

To reach our long-term objective of transparency, traceability, and integrity across our supply chain, we will in 2023 strive to:

- Implement our Supply Chain Management Strategy across all subsidiaries.
- Continue the work with obtaining compliance declarations to our Code from suppliers to meet ESG KPI's.
- Continue the work with strengthening the cooperation with key suppliers.
- Develop and conduct internal trainings in Code of Conduct with all employees, providing understanding of the importance of Responsible Business Conduct.
- Develop and conduct internal trainings on the hierarchy of policies and strategies related to human rights and decent working conditions.

This report (statement) is approved in accordance with the rules in Section 3-5 of the Accounting Act – that is by the Board of Directors and the CEO.

Do you have any questions about how we work with the Transparency Act and how we ensure Responsible Business Conduct relating to human rights and decent working conditions in our Supply Chain?



Please contact!

Lukas A. David

CEO

lukas@controlcutter.com