

WeBuild S.p.A. Norway Branch
The Norwegian Transparency Act
Due Diligence Report 2022 on
Fundamental Human Rights and Decent Working Conditions

1. Introduction

The Norwegian Transparency Act came into effect on the 1st of July 2022. We in WeBuild S.p.A. Norway Branch, org.nr. 919 342 102 (hereafter “WeBuild Norway”) have since then worked to implement this new legislation into the way we are doing business, to be transparent in the way we monitor that all aspects of our business ensure respect for fundamental human rights and decent working conditions.

WeBuild Norway have received the assistance of the Norwegian law firm Advokatfirmaet Magnus Legal AS and their consultancy partners in Azets Insight AS, when preparing this report.

This report describes how WeBuild Norway is organized, the due diligence assessment we have performed of our organization internally, as well as for our suppliers and business partners, and how we have ensured, and will continue to ensure, that fundamental human rights and decent working conditions are respected throughout each step in the way we operate.

A key component of the Transparency Act is the right for anyone to request information about how we handle actual and potential negative consequences in relation to fundamental human rights and decent working conditions. To ensure a clear communication channel, we have established a separate e-mail address, that will answer any questions related to the Act, at compliance@webuildgrup.com.

Inquiries will be responded to within the deadline of three weeks. In the case of a comprehensive request, we may request an extended deadline.

You will also find the relevant information in this report.

2. The Norwegian Transparency Act

The Norwegian Transparency Act requires larger enterprises to monitor and control the impact they have on social conditions, fundamental human rights and decent working conditions, in relation to the production of goods and services.

The assessment made by these larger enterprises must be done in accordance with the OECD Guidelines for Multinational Enterprises.¹ Although the Guidelines of the OECD cover a wide area related to a sustainable way of doing business, the Transparency Act is limited to fundamental human rights and decent working conditions.

The methodology that follows from the OECD Guidelines is still applicable, and WeBuild Norway have used these when carrying out the due diligence of our supply chain and business partners.

The Act has as its overarching goal to make sure businesses assess the risk of violations, or actual violations, of fundamental human rights or a lack of decent working conditions inside their own company, as well as for their supply chain and for their business partners.

As WeBuild Norway meet the thresholds of being regarded as a larger enterprise, we began our work with the Transparency Act in early 2023.

¹ <https://www.oecd.org/corporate/mne/>



In short, the Transparency Act has required WeBuild Norway to:

- Carry out a due diligence assessment in accordance with the OECD's guidelines for a responsible working life.
- Account for the due diligence that has been carried out to the public.
- Disclose information to anyone who requests it, within the boundaries of the Act.

The duty to perform the due diligence of the supply chain is continuous, and we will update this report by June 30th each year, or in the case of any major updates in our business.

3. WeBuild Norway's legal structure, governance, and ownership

WeBuild Norway is the Norwegian branch company of the Italian industrial group WeBuild S.p.A. ("WeBuild Group"). As a Norwegian branch company of WeBuild Group, WeBuild Norway work closely with our main office in Italy, utilizing the human competence and resources in an efficient manner.

The report is prepared based on the work done by our management group and information collected from our supply chain, as instructed by the Board of WeBuild Group.

WeBuild Group is a company specialized in construction and civil engineering, active in more than 50 countries across the globe. WeBuild Group provides services primarily within four different business areas: dams, hydroelectric plants and hydraulic works, railways and undergrounds, civil and industrial buildings, and motorways and airports.

In 2019, WeBuild Norway established a Joint Venture company named SA.PI. NOR Salini Impreglio – Pizzarotti ANS, org. nr. 824 208 832 ("Sa.Pi. NOR") alongside our partners in Impresa Pizzarotti & C. S.p.A, org. nr. 923 743 944. WeBuild Norway has a controlling interest of 51% in Sa.Pi. NOR.

During 2022, part of the activity of WeBuild Norway has been through Sa.Pi NOR. Sa.Pi. NOR have published their own Transparency Act Due Diligence.

In 2022 WeBuild Norway established another Joint Venture company named Sotra Link Construction JV ANS ("Sotra Link JV"), alongside our partners in FCC Construcción Sucursal Noruega, org. nr. 922 635 765, and SK Ecoplant, org. nr. 928 515 184.

The majority of the activity in WeBuild Norway has been related to Sotra Link Construction JV ANS have published their own Transparency Act Due Diligence Report.

4. Introduction of value chain and business activities

WeBuild Norway operates within the infrastructure business, specializing in construction and civil engineering. WeBuild Norway constructs roads, railways, tunnels and provides services related to these areas.

The business of WeBuild Norway during 2022 has been in parts focused on assisting Sa.Pi. NOR on the delivery of services to Bane NOR in Norway. The project in question is "Vestfoldbanen", a double railway line from Nykirke to Baråker, stretching for 13,6 kilometers.

WeBuild Norway is also a contractor for the Sotra Link project, and a large part of our operations during 2022 was focused on this. The Sotra Link project was commissioned by the Norwegian Public Roads Administration and is one of the largest projects currently being undertaken in Norway. It includes design, construction and management of a road network that includes 9 kilometers of highway, 12.5 kilometers of tunnels, 14 kilometers of pedestrian and bicycle paths and a suspension bridge between Øygarden and Bergen.



The value chain of WeBuild Norway includes providers of services related to our construction and civil engineering business, such as consultants for engineering and technical activities, management of real estate, accommodation, and general legal and accounting services.

5. Code of Ethics

WeBuild Norway, as a part of WeBuild Group, works to ensure that all our employees, subcontractors, consultants, agents and intermediaries, who work on behalf of WeBuild Norway, are given the tools and resources to maintain the highest ethical standards.

WeBuild Group have developed our Code of Ethics, applicable for WeBuild Norway internally and externally.² The Code of Ethics is a resource for finding information on the values of our company, and how to practice these on a daily basis. The Code of Ethics is aligned with the UNs Global Compact and the 17 Sustainability Goals of the UN. It is a tool that we provide to all our stakeholders, requiring their knowledge and compliance with the rules contained in the document. All contracts stipulated with our subcontractors and business partners include specific clauses of acceptance of the principles of our Code of Ethics.

6. Risk Management of WeBuild Norway' value chain

For more than 110 years, WeBuild Group has operated across the globe, implementing infrastructural projects in strategic sectors. WeBuild Group have performed projects in 50 different countries, employing approximately 35 000 direct workers, as well as tens of thousands of people working alongside WeBuild Group in the supply chain. WeBuild Norway utilize the corporate governance routines as established by WeBuild Group, as well as their compliance policy and system, in order to meet the requirements of local laws and regulations, while maintaining the highest ethical standards. We hold ourselves to the strict standards of integrity, fairness, reliability and sustainability, building our reputation on these four pillars. As such, we ask that all of our suppliers share in our principles from the onset of our business relationship.

In the following we will present the different key systems for Risk Management, as developed by WeBuild Group and utilized by WeBuild Norway.

6.1 Management and control system

WeBuild Norway operates with an internal control and risk management system, incorporating rules, procedures and organizational structures to ensure Health and Safety, as well as Ethical Business Practices. The system is based on standards requiring that all business activities are based on applicable internal and external regulations, which must be documented.

WeBuild Group have adopted an Integrated Quality, Environment, Health and Safety (QEHS) Management System, compliant with the international standards of ISO 9001, ISO 14001 and ISO 45001. These systems are all certified by an independent third-party. The scope of these systems includes all work where WeBuild Norway operate, and all suppliers or business partners involved.

WeBuild Group have also adopted the UN's Guiding Principles on Business and Human Rights, as well as the OECD Guidelines for Multinational Enterprises.

6.2 Selection of Suppliers

The supplier qualification procedure is a key part of the procurement process. The goal of the process is to assess whether the potential supplier meets the criteria of WeBuild Norway, so that they may become one of our vendors. Our Procurement Department is responsible for the supplier qualification process, involving a number of preliminary checks of the potential supplier's reputation and expertise.

² https://media.webuildgroup.com/sites/default/files/2021-08/webuild_ethics_code_1.pdf



All potential suppliers of WeBuild Norway are requested to answer a Supplier Questionnaire, to allow us to assess various aspects of the suppliers, such as business and production category, organization and shareholder structure, financial reporting, registration and certifications, quality, relationship to environment and safety, social responsibility, and goods categories.

Based on the result of the Supplier Questionnaire, the Procurement Department of WeBuild Norway may proceed with a specific analysis and detailed check. This may include physical visits to the supplier's production units and offices. Other departments of WeBuild Norway, such as the Technical Services and Safety Department or the Environment and System Department may also participate in the visit, in order to assess the supplier's operating capabilities with special regard to the service of interest to WeBuild Norway.

Additional risk analysis can be performed for suppliers that are regarded as higher risk in terms of the aforementioned criteria.

6.3 Suppliers' Code of Conduct

WeBuild Norway regularly monitor our activities and performances by way of reporting systems, inspections, audits and periodic performance assessments. Our monitoring also includes activities performed by our suppliers.

All suppliers of WeBuild Norway must fairly and transparently collaborate in the conduct of our monitoring, and they are themselves required to assess their own suppliers. WeBuild Norway, and all of our suppliers, make a commitment to:

- Operate in full respect with WeBuild Groups' policies and procedures regarding Quality and Performance, Health and Safety, Environment, Fair and Favorable Working Conditions, Equal Opportunities and Non-Discrimination, and Privacy.
- Adopt a quality management system compliant with the international standard relevant to the task, such as the ISO-standard or similar.
- Reduce to a minimum workplace accidents and incidents, through awareness raising, information, training and educational programs for workers.
- Respect the local environment, favoring responsible use of resources and the use of recycled products and/or products less harmful to the environment, supporting regional economy and the fight against climate change.
- Reducing to a minimum the negative impact on natural ecosystems and inconvenience for local communities.
- Protecting the integrity and dignity of all persons throughout their work, guaranteeing the respect for working conditions as set out in the human rights ratified in the International Bill of Human Rights of the United Nations, and in the Fundamental Conventions of the International Labor Organization.
- Protect all workers from acts of harassment and violence, both physical and mental.
- A zero-tolerance of any form of illegal, child, forced or bonded labor, or practices that constitute modern forms of slavery or human trafficking.
- Guarantee that staff working conditions comply with local regulations, collective agreements and the ILO conventions in relation to working hours, overtime, holidays, wages, benefits and accommodation where provided. Wages must be paid directly to workers, without delay or deductions not required by law.
- All workers must be sufficiently qualified and ensured the freedom of association and the right of collective bargaining.
- Guarantee equal opportunities to workers in processes that regulate all phases of the employment relationship, as well as oppose offensive, discriminatory violent and intimidating behavior in the workplace.
- Process personal data in a way that is stored carefully and protected from access to unauthorized parties.

All contract agreements entered into with a supplier holds a compliance clause, granting WeBuild Norway the right to terminate the contractual relationship in the event that the Suppliers' Code of Conduct is not respected.



Some contracts require additional qualification systems to be put in place, depending on the applicable requirements. For instance, suppliers working on projects subject to specific environmental certifications are required to verify their compliance with these parameters. Other requirements include social criteria, such as suppliers having a workforce consisting of employees from a certain category (such as ethnic minorities).

6.4 Whistleblowing and Information

Complying with WeBuild Norway's ethical principles is a fundamental factor in the way we operate. As such we have developed a Whistleblowing System, available for all employees, collaborators, consultants, suppliers and third-parties connected to WeBuild Group to send anonymous report related to actual and potential violations of statutes, procedures, policies or our Code of Ethics.³ All reports are sent to the Whistleblowing management structure of our Compliance Department.

In order to raise employee awareness of human rights issues, WeBuild Group have developed an online learning program, available to all employees. The course is mandatory for all new hires.

6.5 Audits of Supply Chain

WeBuild Norway continuously assess and monitor our supply chain and conducts audits of how the supplier's management system is structured and the suppliers' procedures for handling risks related to health, safety, and decent working conditions. Active critical suppliers are audited before WeBuild Norway engage in a contract with them, and subsequently once a year.

If WeBuild Norway are notified of or suspect any non-conformities or the person in charge of supplier handling is noticing any discrepancies, WeBuild Norway will immediately conduct further investigations.

All audits adhere to the procedures of WeBuild Norway, conducted by a designated audit team. The assessment process is flanked by the on-site monitoring of projects by the local QEHS Departments, which mainly cover subcontractors and is designed to check that their activities comply with our quality standards and applicable requirements for the environment, health and safety. Specifically, the local QEHS Departments regularly audit the subcontractors. Any non-compliance is managed in accordance with the management system procedures and includes the agreement of improvement plans and follow-up checks to ensure that they are implemented.

Involvement of the subcontractors in these issues also takes the form of regular coordination meetings and the participation of their employees in classroom and on-site QEHS training courses.

The auditing process will indicate whether or not a supplier is compliant with our requirements. Depending on the severity of the finding, corrections, corrective actions, or opportunities for improvement are decided and undertaken by the auditing team. The results are presented to the supplier, and actions taken in order to rectify the findings are verified in subsequent audits.

7. Due Diligence of WeBuild Norway's Supply Chain

7.1 Methodology

WeBuild Norway's work with the Transparency act was conducted by our financial department, with the assistance of consultants from Azets Insight AS and the law firm Advokatfirmaet Magnus Legal AS. The work was based on the OECDs due diligence model, as described in the Guidelines for Multinational Enterprises. During the spring of 2023, WeBuild Norway have carried out a high-level risk assessment, based on factors related to geography, different sectors, raw materials and publicly available information related to our prioritized suppliers. The suppliers were further scored on several global country-specific risk factors.

- Global Slavery Index
- Global Rights Index

³ <https://www.webuildgroup.com/en/governance/internal-control/whistleblowing-system>

- Human Rights Guidance Tool
- Human Freedom Index
- Corruption Perception Index
- The World Bank's Strength of Legal Rights Index
- Global Waste Index
- Worldwide Governance Indicators

To be able to handle the assessment, only the most significant suppliers have been assessed in depth. This is based on transactions in NOK. When significant tier 1 vendors are data-analyzed based on the mentioned risk factors, the most significant suppliers were assessed by answering the following questions for each supplier:

Due Diligence questions for all significant 1 st tier vendors		Vendor X
Executed supplier control?	Yes?	
	Verified completion by:	
Recorded or possible incidents according to OECD guidelines?	Yes?	
	Verified completion by:	
The likelihood of adverse impacts?	(1-5) 1 is very low, 5 is very high	
The consequence of adverse impacts?	(1-5) 1 is very low, 5 is very high	
Description of possible incident	Description	
	Verified completion by:	
Actions to remedy, mitigate or prevent incidents	Description	
	Verified completion by:	
Likelihood for incidents in supply chain beyond Tier 1	(1-5) 1 is very low, 5 is very high	
Consequences if incidents in supply chain beyond Tier 1	(1-5) 1 is very low, 5 is very high	

The OECD Guidelines refer to the likelihood of adverse impacts on people, the environment and society that enterprises cause, contribute to, or to which they are directly linked. In other words, it is an outward-facing approach to risk. Aligning with this guideline, we have identified and prioritized based on severity and likelihood of potential negative impacts.

These risk areas are:

- Working hours, wages and benefits
- Health and safety (including injuries and fatalities)
- Raw materials sourced via our supply chain
- Discrimination based on sex, gender or religion
- Privacy
- The rights of ethnic minorities

In order to efficiently assess the likelihood of any negative impacts in WeBuild Norway's value chain pertaining to fundamental human rights or decent working conditions, we have constructed a risk matrix. The risk matrix scores our supply chain in terms of how likely a negative impact could occur, as well as how significant the consequence of an individual would be, on a risk score from 1 – 5, where 1 is a very low risk, and 5 being an unacceptable risk. The two results are then multiplied with each other, giving the supplier a final risk score of between 1-25. A final risk score of 1-4 is considered a low risk, a score of 5-12 is a medium risk, and a score of 12-25 is a high risk. Each supplier may end up with a low, medium or high risk based on subjective matters and knowledge about the supplier.

The suppliers risk score is also based on the initial documentation received during the onboarding process of WeBuild Norway, and if we have additional information obtained through monitoring visits to the supplier.

In total, our analysis of suppliers and business relations combine objective risk assessment based on global risk indicators, and a subjective risk assessment based on our experience and knowledge about each individual supplier.

7.2 Due Diligence Results

The findings from WeBuild Norway's due diligence indicate that we generally operate within a low-risk environment regarding negative impacts on fundamental human rights and decent working conditions.

All of WeBuild Norway's operations are carried out in Norway, which is a country highly regulated and subject to control by the Norwegian government in the areas of health and safety, labor- and human rights. Outside of WeBuild Group, WeBuild Norway's supply chain is primarily Norwegian companies.

WeBuild Norway also have some European suppliers, where our largest foreign business partners are from Denmark and Great Britan. Similarly, to Norway, these countries are highly regulated and under strict control by their individual governments.

As a part of WeBuild Group, we have a close relationship with the other companies within our group, and several of those are included in WeBuild Norway's supply chain. These companies all adhere to the key values of the WeBuild Group, including the QHES requirements of our WeBuild Norway and is subject to internal audits on a routinely basis.

WeBuild Norway does not have suppliers from non-EU countries.

WeBuild Norway have conducted a risk assessment for our suppliers and business partners and have found zero of our tier 1 suppliers which meet the requirements for a medium risk, or higher. The supply chain of WeBuild Norway consists primarily of consultants used on the Sotra Link project, where the risk of adverse impacts on fundamental human rights and decent working conditions is low.

7.3 Summary

With the established routines for the Transparency Act due diligence performed by WeBuild Norway, we will continue to build and improve upon managing and minimizing the risk for any negative impacts to fundamental human rights and decent working conditions in our own WeBuild Norway, as well as throughout our supply chain. Our work with the Transparency Act has been a learning experience, giving us better insight into how we can optimize our routines for the coming years.

During 2023 WeBuild Norway will continue to conduct the due diligence process of our value chain, focusing in greater detail on our business partners subcontractors (tier 2 of our value chain). We will also be looking into how we can implement more comprehensive human rights requirements for our tier 1 suppliers and include human rights into our audit procedures.

WeBuild Norway hold themselves and their supply chain to a high standard in terms of respect for fundamental human rights and decent working conditions. The end results we want require constant work in terms of monitoring and evaluation, and we are dedicated to continuously improve on the effectiveness of our measures for risk mitigation and insight into our supply chain.

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