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KONGSBERG

## Compliance Plan and Procedure for Combating Trafficking in Persons in KMI

Governing Document

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## 1. Scope

Compliance Plan and Procedure for Combating Trafficking in Persons in Kongsberg Maritime, Inc. and KMI subsidiaries (“KMI”) for compliance with FAR 52.222-50. KMI has developed this combating trafficking in persons compliance plan (the “Compliance Plan” or the “Plan”) to be applicable for each USG contract or subcontract that is for supplies, other than commercially available off-the-shelf items, acquired outside the US, or services to be performed outside the US, that exceeds \$550,000 USD in value. The purpose of the Plan is to ensure that employees, agents, and subcontractors are aware of prohibited conduct under anti-trafficking regulations and laws, as well as actions that may result from violations. The Plan also includes procedures for reporting, recruitment, wages, housing, and to prevent employees, agents, and subcontractors, at any tier and at any dollar value, from trafficking in persons.

### 1.1 Identification

The identification of this procedure is KMIUS-PRO-0001. This procedure supplements the Code of Ethics & Business Conduct, (ref. [1]), and the Directive for Human Resources, (ref. [2]).

### 1.2 Document History

**Table 1      Document History**

Revision	Document changes
-	This is the first version of the document.

## 2. Referenced Documents

**Table 2      Referenced Documents**

<b>Reference and Title</b>	<b>Doc ID</b>	<b>Publisher</b>
[1] Code of Ethics & Business Conduct	<a href="#">KOG-GOV-0011</a>	KOG
[2] Directive for Human Resources	<a href="#">KOG-DIR-0001</a>	KOG
[3] Directive for human rights risk assessment and - reporting	<a href="#">KOG-DIR-0046</a>	KOG
[4] Directive for Raising Concerns and follow up of Raising Concerns	<a href="#">KOG-DIR-0005</a>	KOG
[5] Directive for Compliance Due Diligence of Business Partners	<a href="#">KOG-DIR-0017</a>	KOG
[6] Directive for the following up of sustainability and corporate social responsibility in the supply chain	<a href="#">KOG-DIR-0015</a>	KOG

### 3. Tailoring of the Compliance Plan

The Plan may be appropriately tailored with respect to the size and complexity of the particular USG contract or subcontract; and to the nature and scope of the activities to be performed for the Government, including the risk that the contract or subcontract will involve services or supplies susceptible to trafficking in persons.

### 4. Posting of the Compliance Plan

The Compliance Plan shall be posted to the KMI web site, currently:

<https://www.kongsberg.com/no/maritime/contact/our-offices/united-states-houston-inc/>

A written copy of the Compliance Plan shall be provided to each employee and agent, as applicable. The Compliance plan will be provided to the Contracting Officer upon request. KMI and its subcontractors and agents will meet any future additional posting requirements pursuant to applicable FAR, DFARS, or other contractual anti-trafficking requirements.

### 5. Awareness Program and Training

Employees will be required to complete Combating Trafficking in Persons Awareness training annually. New employees will be required to complete Combating Trafficking in Persons Awareness training as part of the onboarding process. The training will ensure employee familiarity and awareness of the requirements of this Plan.

All KMI employees and KMI subsidiary employees who directly or indirectly support a USG contract or subcontract shall be made aware of the prohibitions in this Plan. For the purposes of this subsection and additional requirements, a KMI employee or KMI subsidiary employee that directly or indirectly support a USG contract or subcontract shall be referred to as “applicable employee”. Each applicable employee shall:

1. Complete the mandatory Combating Trafficking in Persons Awareness training annually and completion of the training shall be tracked and documented.
2. If temporarily working in the US, shall be provided the Rights and Protections for Temporary Workers brochure in their desired language found at the Department of State website, currently: <https://travel.state.gov/content/travel/en/us-visas/visa-information-resources/temporary-workers.html>. The US Human Resources representative shall document the file that the applicable employee has received the brochure.

All applicable employees will be required to confirm they have read, understood, and will comply with the Plan. If KMI has engaged an agent to assist the Company in securing or performing the work; such agent shall also be subject to the Plan and must execute the Certification referenced in Section 11.

### 6. Employee Rights

KMI will provide to employees and agents an overseas assignment letter, written in a language understandable to the employee, that will include, but is not limited to, the following information: wages and fringe benefits; location of work; living conditions; housing and associated costs, if provided or arranged; any significant costs to be charged to the employee; and, if applicable, the hazardous nature of the work.

Employees have the right to ask for clarification of any employment terms they do not understand. KMI will require employees or agents to be presented with and expressly agree to the terms of their employment.

KMI and KMI subsidiaries will make available to all employees and agents a copy of the Compliance Plan,

prior to the commencement of their assignment.

See also the Directive for human rights risk assessment and -reporting (ref. [3]).

**Recruitment:** KMI permits only the use of recruitment companies with trained employees and requires recruiters to comply with local labor laws and to provide potential employees and agents with accurate information pertaining to their employment, includes their duties, hours of work, location of work, wages, housing and living conditions, costs to be charged the employee, and any hazardous nature of the work at least five days prior to any relocation. KMI prohibits charging recruitment fees to employees.

**Wages:** KMI requires wages to meet applicable host-country legal requirements or explain any variance.

**Housing:** If housing is provided by KMI, it must meet host-country housing and safety standards. In cases where KMI offers housing as part of a host nation contractor hire or transfer of a host nation contractor hire to a different country, KMI shall offer housing that meets minimum standards of the host nation. For the purposes of the Plan, a “home” may be a single unit home, townhome, condo, flat, or an apartment.

**Identity Documents:** KMI strictly prohibits destroying, concealing, confiscating, or otherwise denying access to employee identity or immigration documents such as driver licenses or passports.

**Transportation Costs:** KMI must provide return transportation at the end of employment for employees sent to a non-US country for the purpose of working on a USG contract. For trafficking victims or witnesses seeking redress in the country of employment, KMI must provide transportation costs in a manner that does not obstruct such redress or witness activity. Employees who are terminated for cause or who desire to leave prior to completion of the contract are still entitled to these costs if they would otherwise qualify for them.

## 7. Prohibited Activities

The list of prohibited activities is:

- Engaging in severe forms of trafficking in persons
- Procuring commercial sex acts
- Involuntary servitude
- Using forced labor
- Destroying, concealing, confiscating documents such as passports, driver licenses, etc.
- Use misleading or fraudulent recruiting practices, including using recruiters that do not comply with local labor laws
- Charging employees recruitment fees
- Failing to provide return transportation or pay for transportation upon the end of employment for employees working in a foreign country
- Providing or arranging housing that fails to meet the host country housing and safety standards
- Failing to provide an employment contract, recruiting agreement, or other required work documents in writing when required by law

## 8. Reporting Violations

KMI has provided several easy and retaliation-free means of reporting suspected trafficking in persons activity. Such reporting is a critical tool to assist KMI in monitoring and detecting any trafficking in persons violations. KMI must immediately notify appropriate Government officials of any credible information regarding suspected trafficking in persons activity. Such reporting by KMI will be coordinated through the Kongsberg Group Legal Department (ref. [4]).

All KMI employees and agents are required to report, anonymously if preferred, any suspected trafficking in persons activity through any of the following:

- The immediate manager, or another manager if the immediate manager is believed to be disqualified due to conflict of interest
- The HR Department
- The Compliance Manager
- The Ombudsman (Ethics Council for KOG)
- Whistleblowing Channel -  
<https://kongsberg.whistleblownetwork.net/WebPages/Public/FrontPages/Default.aspx>
- As a last resort, the employee may notify the KOG Board of Directors

See also Directive for Raising Concerns and follow up of Raising Concerns (ref. [4]).

KMI employees and KMI subsidiary employees may report any activity that may violate the prohibitions of the Plan, without KMI retaliation, to the Global Human Trafficking Hotline at 1-844-888-FREE, [help@befree.org](mailto:help@befree.org), or at one of the numbers or sites found in the list at <http://www.state.gov/j/tip/>.

KMI has an obligation to protect all employees suspected of being victims of, or witnesses to, prohibited activities prior to returning to the country from which the employee was recruited, and shall not prevent or hinder the ability of these employees from cooperating fully with Government authorities.

If KMI is made aware of any credible information from any source pertaining to a suspected trafficking in persons violation, KMI will investigate such allegations, take appropriate remedial measures, and immediately notify the Contracting Officer and the agency IG, as well as what action it has taken with respect to the allegation. KMI shall immediately inform the responsible Contracting Officer if it becomes aware of credible evidence of any violation of the prohibitions of this Plan. Prior to disclosure, it is recommended that General Counsel is made aware of the pending disclosure. Prior notification to General Counsel shall not be misconstrued to discourage disclosure of an alleged violation; but, to help protect a KMI employee or KMI subsidiary employee from personal liability or prosecution.

KMI will fully cooperate with the USG investigation agency of the law subject to the limitations at FAR 52.222-50(g)(2). KMI will fully cooperate with any Federal agency conducting an audit or investigation of potential trafficking in persons violations, including providing timely responses to Government investigators and providing reasonable access to facilities and staff.

## 9. Actions Resulting from Violations

All trafficking is strictly prohibited by the Code of Ethics & Business Conduct, (ref. [1]). Failure to comply with the requirements of the Code of Ethics & Business Conduct, (ref. [1]), and the Plan by any KMI employee, KMI subsidiary employee, or agent may result in disciplinary action up to, and including, removal from the contract or subcontract, suspension or debarment of the employee or agent from further Government contracting, and suspension or termination of employment (or termination of the agreement with the agent), in addition to any penalties imposed by the Government.

Violations may also result in serious ramifications to KMI, including a negative entry into our past performance ratings, non-exercise of an option period, contract termination, suspension of contract payments, loss of the KMI's fees under the contract, suspension or debarment, and civil and criminal penalties.

## 10. Contract Employees

KMI and may recruit contract employees in host nations only through host nation recruitment companies

having trained employees, who prohibit charging recruitment fees to contract employees or potential contract employees, and who ensure that wages meet applicable host nation legal requirements or explain any variances to the satisfaction of KMI.

IF KMI uses recruitment companies to hire a contract employee in response to a USG contract or subcontract, KMI shall take the following minimum precautions:

1. Conduct due diligence on the recruitment company as specified in Directive for Compliance Due Diligence of Business Partners, (ref. [5]). Verify the recruitment company is not currently or has not been investigated, charged, indicted, or found guilty for any activities in Section 7 or any other activity that may in any way have a negative impact on KMI's reputation or ability to operate. It is mandatory to document the country's status on the US State Department's [Office to Monitor and Combat Trafficking in Persons](#) most recent Trafficking in Persons Report. If the country where performance will take place is identified as a Tier 2 Watch List or Tier 3, the Compliance Manager for KMI shall approve such recruitment. The Compliance Manager shall use all available information to make such a decision, including a Corporate Social Responsibility audit prior to engaging the recruitment company. The Compliance Manager shall document findings and order a decision to the KMI business unit responsible for the hire. The decision shall be binding and independent and may not be overruled without additional information or a specific compliance plan. Additional care shall be given if the recruitment company will hire workers in the food services, janitorial and disposal services, truck and driver services, security guards, construction, or low-level electronics industries.
2. Prior to hiring a contract employee in a host nation, KMI shall investigate and determine the reasonable salary or hourly wage for the position in question. Documentation of comparable compensation for a position with like experience and housing requirements shall be completed using Appendix 1: Recruitment and Wages Evaluation.
3. In the contract, or other legal instrument, the recruitment company shall agree to the following terms and conditions:
  - (a) Shall not directly or indirectly charge the contract employee a fee for such employment;
  - (b) The recruitment company shall not at any time withhold the contract employee's passport or other forms of personal Government issued identification;
  - (d) The recruitment company has not misled the contract employee in any way, such that the job description, wages, and other benefits are clearly disclosed;
  - (e) If hazardous work is involved, all necessary safety precautions and gear have been provided to the contract employee at the recruitment company's or KMI's cost;
  - (f) All information has been provided in the contract employee's preferred language, regardless of if it is verbal or written;
  - (g) If, as a condition of employment (and if this subsequently changes, the contract employee must be provided a minimum of five days prior notice), the contract employee must temporarily relocate, all reasonable costs that KMI agrees to cover such as housing or transportation shall inure to the benefit of the contract employee;
  - (h) The recruitment company shall provide a copy of their contract with the contract employee, prior to KMI approval of the recruitment company contract;
  - (i) The contract shall document that the costs shall cover the contract employee's temporary housing and round-trip transportation; and
  - (j) All housing requirements shall meet the minimum requirements of the host nation.
4. In the event a contract employee is suspected of being a victim of trafficking in persons or the recruitment company is suspected of violating the Plan, the contract employee may directly contact KMI. KMI will use reasonable care to handle such a suspected violation. Such care includes reimbursement of unpaid wages, benefits, and transportation.



5. The KMI employee that has the need to hire a contract employee shall document their evaluation using the form prescribed in Appendix 1: Recruitment and Wages Evaluation.

## **11. Subcontractor Compliance and Monitoring**

In addition to compliance with the Code of Ethics & Business Conduct (ref. [1]) and the requirements in the Directive for Compliance Due Diligence of Business Partners (ref. [5]) and the Directive for the following up of sustainability and corporate social responsibility in the supply chain (ref. [6]), KMI's subcontractors must comply, where applicable, with the combating trafficking in persons requirements detailed in FAR 52.222-50 and the certification at FAR 52.222-56.

Failure to comply with the requirements will result in appropriate action by KMI, up to and including immediate termination of any subcontract with KMI, as well as potential suspension and debarment by the USG.

Pursuant to FAR 52.222-50(i), KMI may require a subcontractor to provide KMI with a copy of its combating trafficking in persons compliance plan and any implementing policies and procedures, and, prior to subcontract award, certify that it has implemented a compliance plan to prevent any prohibited activities in FAR 52.222-50. The subcontractor must also certify that it will monitor, detect, and terminate any agent, subcontract, or subcontractor employee engaging in prohibited activities, and, after having conducted due diligence, either (a) to the best of the subcontractor's knowledge and belief, neither it nor any of its agents, subcontractors, or their agents is engaged in any such activities; or (b) if abuses relating to any of the prohibited activities have been found, the subcontractor, or its lower-tier subcontractor, has taken the appropriate remedial and referral actions.

Subcontractor compliance plans must meet the minimum requirements in FAR 52.222-50(h), be sufficiently tailored with respect to the size and complexity of the contract under which employees will work, and to the nature and scope of the activities to be performed for the Government, including the number of non-US citizens expected to be employed and the risk that the contract or subcontract will involve services or supplies susceptible to trafficking in persons.

KMI will monitor subcontractors' conduct based on the risk of trafficking in persons related to the particular product or service being acquired and the country of performance.

Where KMI has access, and it is determined appropriate, KMI will inspect for signs of trafficking in persons at the workplace, and if housing is provided, inspect the housing conditions.

If a subcontractor is made aware of any credible information from any source pertaining to a suspected trafficking violation, that subcontractor must investigate such allegations, take appropriate remedial measures, and immediately notify KMI, the Contracting Officer, and the agency IG, as well as what action it has taken with respect to the allegation.

Subcontractors must fully cooperate with any Federal agency conducting an audit or investigation of potential anti-trafficking violations, including providing timely responses to Government investigators and providing reasonable access to facilities, records, and staff.

## **12. Certification**

When required by FAR 52.222-50(h)(5) or FAR 52.222-56, KMI will certify to the Government that (a) it will maintain the Compliance Plan; (b) it will monitor, detect, and terminate any agent, subcontract or subcontractor employee engaging in prohibited activities; and (c) after conducting sufficient due diligence, to the best of its knowledge and belief, neither KMI nor any of its subcontractors or agents are engaged in prohibited activities, or if there are abuses relating to any of the prohibited activities, KMI or its subcontractor has taken the appropriate remedial actions.

## 13. Acronyms, Abbreviations, and Definitions

### 13.1 Acronyms and Abbreviations

DFARS	Department of Defense FAR Supplement
DOD	Department of Defense
FAR	Federal Acquisition Regulation
IG	Inspector General
KOG	Kongsberg Gruppen ASA
KMI	Kongsberg Maritime, Inc.
US	United States
USG	United States Government

### 13.2 Definitions

1. **Applicable employee** means a KMI employee or KMI subsidiary employee that directly or indirectly supports a USG contract or subcontract.
2. **Coercion** means threats of serious harm to or physical restraint against any person; any scheme, plan, or pattern intended to cause a person to believe that failure to perform an act would result in serious harm to or physical restraint against any person; or the abuse or threatened abuse of the legal process.
3. **Commercial sex act** means any sex act on account of which anything of value is given to or received by any person.
4. **Debt bondage** means the status or condition of a debtor arising from a pledge by the debtor of his or her personal services or of those of a person under his or her control as a security for debt, if the value of those services as reasonably assessed is not applied toward the liquidation of the debt or the length and nature of those services are not respectively limited and defined.
5. **Forced labor** means knowingly providing or obtaining the labor or services of a person: by threats of serious harm to, or physical restraint against, that person or another person; by means of any scheme, plan, or pattern intended to cause the person to believe that, if the person did not perform such labor or services, that person or another person would suffer serious harm or physical restraint; or by means of the abuse or threatened abuse of law or the legal process.
6. **Involuntary servitude** includes a condition of servitude induced by means of: any scheme, plan, or pattern intended to cause a person to believe that, if the person did not enter into or continue in such conditions, that person or another person would suffer serious harm or physical restraint; or the abuse or threatened abuse of the legal process.
7. **KMI employee** means a full-time, part-time, or hired support contractor that is authorized to represent KMI or KMI directors and officers
8. **KMI subsidiary** means any company for which KMI holds a controlling interest, either

partly or completely, and whereas such controlling interest may or may not be exercised.

9. **KMI subsidiary employee** means a full-time, part-time, hired support contractor that is authorized to represent a KMI subsidiary, KMI subsidiary directors, and KMI subsidiary officers.
10. **Recruitment company** means a third party entity engaged by KMI for the purpose of recruiting employees to work directly for KMI or contract employees. This includes, but is not limited to, recruitment firms and recruitment agencies.
11. **Severe forms of trafficking in persons** means sex trafficking in which a commercial sex act is induced by force, fraud, or coercion, or in which the person induced to perform such act has not attained 18 years of age; or the recruitment, harboring, transportation, provision, or obtaining of a person for labor or services, through the use of force, fraud, or coercion for the purpose of subjection to involuntary servitude, peonage, debt bondage, or slavery.
12. **Sex trafficking** means the recruitment, harboring, transportation, provision, or obtaining of a person for the purpose of a commercial sex act.

## Appendix 1: Recruitment and Wages Evaluation



### KONGSBERG

In accordance with the Compliance Plan and Procedure for Combating Trafficking in Persons in KMI, the KMI employee that has a need to hire a contract employee in a host nation through a recruitment company shall complete this evaluation and have it approved by a manager one level above or higher. If the country of performance is Tier 2 Watch List or higher, approval from the Compliance Manager for KMI is required.

**Text in red is instructions. Delete all red text prior to finalizing the document.**

**Background:** Explain why you need to recruit employees in a host nation, this can, for example, be in response to a contract, subcontract, or a marketing activity.

**Country Tier:** Document the Country Tier according to the US State Department Office to Monitor and Combat Trafficking in Persons most recent Trafficking in Persons Report. If Tier 2 Watch List or higher, approval from the Compliance Manager for KMI is required.

**Local Wages and Compensation and Housing Requirements:** Contract your KMI HR representative for assistance with obtaining this information. Document the prevailing local wages and other compensation prior to hiring a local employee. If applicable, document the host nation minimum housing requirements.

**Is relocation required?** Yes/No. If Yes, KMI shall either agree to pay such costs or the wages shall include all necessary relocation costs and round-trip transportation.

**Will the work involve hazardous material?** Yes/No. If Yes, KMI shall ensure the request to the recruitment company includes the required notification are made to the employee and require all personal protective equipment be provided at no cost to the employee.

The request to the recruitment company and subsequent contract shall include the following mandatory terms:

1. The recruitment company hereby certifies that it has and will not charge the contractor employee a fee of any kind as a precondition to be employed or receive consideration for employment by the recruitment company.
2. The recruitment company hereby certifies that it has not and will not for any reason withhold, confiscate, or destroy the contractor employee's passport or other personal Government issued identification. Notwithstanding the foregoing, the recruitment company may temporarily access the contractor employee's passport or other personal Government issued identification to verify identity and maintain records, with the contractor employee's voluntary consent.
3. The recruitment company shall, in writing, clearly express the terms of employment, including the job description, any relocation requirements, wages, benefits, if the work involves hazardous materials or hazardous locations, and if housing or other living arrangements shall be made. The recruitment company shall bear the costs of such instruments and shall translate in written form to the contractor employee's preferred language. If verbal instructions are necessary, the recruitment company shall bear the costs to provide a translator in the contractor employee's preferred language. The agreement between KMI and the recruitment company shall not be binding until the recruitment company provides the terms of their agreement with the contractor employee to demonstrate

- compliance to this term.
4. In the event KMI agrees to reimburse housing costs or round-trip transportation costs for the contractor employee, the recruitment company hereby warrants that all such agreed costs will enure to the benefit of the contractor employee. KMI shall reimburse the recruitment company, the agreed housing or round-trip costs, after the recruitment company provides reasonable evidence that such costs have been incurred on behalf of the contractor employee. Should KMI become aware that such evidence has been altered, modified, forged, or otherwise, in addition to all rights available in law or equity, KMI reserves the right to withhold payment to the recruitment company or terminate the agreement for cause.
  5. The contractor employee shall be provided a KMI employee point of contact to report any violation as defined in this agreement directly to KMI. The contractor employee shall not be subject to retaliation for contacting KMI.

\*\*\*

Submitted By:

Name

Title

Signature/Date

Approved by Manager:

Name

Title

Signature/Date

If the country rating from the most recent US State Department Office to Monitor and Combat Trafficking in Persons Trafficking in Persons Report is Tier 2 Watch List or higher, approval from Compliance Manager for KMI is required.

Compliance Manager

Approval:

Name

Title

Signature/Date