

Tysvær Vindpark AS

The Norwegian Transparency Act Report 2022



Table of content

1. Introduction to the Norwegian Transparency Act	3
2. Methodology for the Transparency Act work	4
3. Tysvær Vindpark AS	5
3.1 Introduction to business activities	5
3.2 Business management and organization	5
3.3 Introduction to guidelines and policies	6
4. Due Diligence	7
4.1 Account of Due Diligence	7
4.2 Findings and actions	7
5. Contact information	8
5.1 Signature by Management and Board	8

1. Introduction to the Norwegian Transparency Act

The Act shall promote enterprises' respect for basic human rights and decent working conditions in connection with the production of goods and the provision of services, and ensure the public has access to information about how businesses deal with negative consequences for basic human rights and decent working conditions.

By fundamental human rights, it is meant the internationally recognized human rights that are enshrined, among other places, in the International Covenant on Economic, Social and Cultural Rights of 1966, the International Covenant on Civil and Political Rights of 1966 and the ILO's core conventions on fundamental principles and rights at work. Decent working conditions means work that safeguards basic human rights and health, environment and safety in the workplace, and that provides a living wage. By supply chain, it is meant any party in the chain of suppliers and sub-contractors that supplies or produces goods, services or other input factors included in an enterprise's delivery of services or production of goods from the raw material stage to a finished product. By business partner, it is meant any party that supplies goods or services directly to the enterprise, but that is not part of the supply chain.

The enterprises' must carry out Due Diligence assessments in line with the OECD's guidelines for multinational companies. The Due Diligence assessments must be carried out regularly and be in relation to the size of the business, the nature of the business, the context within which the business takes place, and the severity of and the likelihood of negative consequences for basic human rights and decent working conditions. The businesses must publish an account of the Due Diligence assessments. The statement must be made easily available on the company's website, or be easily accessible. In the annual report, the companies must state where the report is available. The report must be updated and published by 30 June each year and otherwise in the event of significant changes in the business's risk assessments. It must be signed in accordance with the rules in Section 3-5 of the Accounting Act.

For more information, please visit: <https://lovdata.no/dokument/NLE/lov/2021-06-18-99>

2. Methodology for the Transparency Act work

The methodology used to answer the requirements in the Transparency Act follows the OECD's guidelines for due diligence for multinational enterprises in accordance with § 4 in the Norwegian Transparency Act. The method is based on a four-step model that contains the following components and activities:

1. Embedment of responsibility
 - a. Embedment in the board and management
 - b. Embedment into policies and management systems
2. Due Diligence
 - a. Analysis of the enterprise' suppliers and value chain in accordance with the OECD guidelines
 - b. Due Diligence assessment with representatives from the enterprise to identify areas of improvement
3. Prioritize and prevent
 - a. Prioritize areas of improvement and selected suppliers to follow up
 - b. Identify measures to prevent, reduce or avoid negative impact
4. Prepare KPI and report
 - a. Prepare KPI for measurement and surveillance over time
 - b. Finalize report on the Norwegian Transparency Act for the enterprise

The data used is the enterprise' supplier register, supplier transactions as well as global risk indicators¹ for violations of human rights, violations of decent working conditions, violations of economic and tax legislation and the maturity of national environmental policy. The analysis further looks at current guidelines, routines and procedures the company has in place to be able to map, carry out, measure, evaluate and follow up potential negative impacts for the company, suppliers and business relationships.

¹ Global Slavery Index (2018), Global Rights Index (2022), Human Rights Guidance Tool (2014), Human Freedom Index (2021), Corruption Perceptions Index (2021), The World Bank: Strength of legal rights index (2019), Global Waste Index (2019) & Worldwide Governance Indicators (2023)

3. Tysvær Vindpark AS

3.1 Introduction to business activities

Tysvær Vindpark AS is a wind farm located in the Norwegian municipality Tysvær, and was put into full operation in December 2021, and has a total of 11 wind turbines. These are distributed with four turbines on Gudbrandsfjellet, four turbines on Årvikfjellet and three turbines on Litlafjellet.

The wind power project at Tysvær has a power purchase agreement with the cornerstone company Eramet Norway AS until 2038. The agreement ensures a stable and long-term power supply for the company's smelters in Norway. With an electricity demand of over 2 TWh per year, Eramet Norway is dependent on predictable electricity prices to ensure stable and efficient operation of its facilities in Porsgrunn, Sauda and Kvinesdal.

Consideration of nature and environment has been, and continues to be, central during development and operation of the wind park. A comprehensive assessment of possible impacts on biological diversity has been carried out and assessed by NVE as a part of the project development.

3.2 Business management and organization

Tysvær Vindpark was developed and built by Nordisk Vindkraft AS, now RES Group, and sold to Green Investment Group (GIG) in 2020 for further development. GIG is a leading and global company within sustainable investments and project development, and with a goal to increase the speed of the green shift. Green Investment Group was established by the British government in 2012 as the world's first green investment bank. In 2017, GIG was sold to the global Macquarie Group.

In late 2022, Tysvær Vindpark's parent company, Nordic Renewable Power AB, was sold to its current owner, Vauban Infrastructure Partners. Vauban Infrastructure Partners is a Paris based asset management company dedicated to investment in infrastructure assets, which contributes to the sustainable development of local communities and their environment. Investments are typically of long-term, have growth potential and are resilient in the face of uncertainties and risk.

RES Group (Renewable Energy System Ltd.) has kept the responsibility for operation and asset management in Tysvær Vindpark. This includes support related to the technical, financial, commercial, and site management, including site inspections and contractor management. The physical operation of management and maintenance of the wind turbines is contracted to Siemens Gamesa through a 25-year agreement.

Tysvær Vindpark AS has a financial year from April to March each year. The report for 2022 accounts for transactions and suppliers from April 2022 to March 2023.

3.3 Introduction to guidelines and policies

Tysvær Vindpark has formalized routines and guidelines that addresses elements from the Norwegian Transparency Act. The reference is made primarily to the board resolution on compliance with the Act and the OECD's guidelines for fundamental human rights and decent working conditions. The operation and asset management within the Company is delegated to RES Group; this includes technical, financial and commercial responsibility within the Company.

RES Group has a number of policies and routines relevant to the Norwegian Transparency Act, some of which are:

- Group policies on Ethics, HSE, Modern Slavery, Whistleblowing and Supply Chain Code of Conduct
- National routines for HSEQ on contractors and supply chain

Suppliers that are directly engaged through Tysvær Vindpark are evaluated based on guidelines and policies of RES Group. In 2023, the Company will, with the support of RES, consider the need for preparing new and/or updating existing routines to make them better suited to prevent, detect and act on actual and potential negative consequences within the Company and its value chain.

The operational "on-site" responsibility is contracted to Siemens Gamesa. Some of the most significant purchases in terms of volume and transaction volume is carried out at the operational level. This means that day-to-day contracting and/or purchases of products and services to Tysvær Vindpark follows Siemens guidelines and policies for human rights, value chain and

risk management. More information on policies in Siemens Gamesa may be read in their 2022 consolidated non-financial statement².

The dialogue between the contracting parties is frequent and the cooperation is of long term.

4. Due Diligence

4.1 Account of Due Diligence

Tysvær Vindpark AS has carried out a Due Diligence assessment in accordance with § 4 of the Norwegian Transparency Act and accounts for the Due Diligence in accordance with § 5. The Due Diligence was carried out in collaboration with Tysvær Vindpark's sister company, Buheii Vindkraft AS. This was considered beneficial, as the two companies have a number of suppliers and business relations in common and operate within the same sector.

The Company has carried out an analysis of suppliers for 2022 based on global risk indicators on human rights, working conditions, climate and environment, as well as corruption. Out of a total of 36 suppliers, none of the suppliers comes from a country that is categorized as a medium or high risk country in terms of violations to fundamental human rights and decent working conditions.

As there are a number of less significant suppliers and single-purchase suppliers, the Company has prioritized the suppliers that account for minimum 80% of total purchases as well as international suppliers for the Due Diligence. In total, nine suppliers have been subject to Due Diligence for 2022. Tysvær Vindpark has performed either manual or visual supplier control on 100 % of the prioritized suppliers.

4.2 Findings and actions

As part of the Due Diligence, all prioritized suppliers and business relations have been subject to a risk assessment carried out by the Company. All suppliers, along with their value chain, have been assessed with low risk of violations to fundamental human rights and decent working conditions.

² https://www.siemensgamesa.com/en-int/-/media/siemensgamesa/downloads/en/sustainability/siemens-gamesa-consolidated-non-financial-statement-2022-en.pdf?ste_sid=b2b5d37b0d6ed87583390f6815570e1f

In 2023, Tysvær Vindpark will send a supplier declaration to five of its most significant suppliers to ensure that they act in line with Company's general principles on basic human rights and decent working conditions. The Company has set a target that 100 % of new suppliers that are directly engaged with Tysvær Vindpark, shall sign the supplier declaration. The supplier declaration will be used in addition to existing routines for supplier pre-qualification and/or evaluation.

Tysvær Vindpark will continue with its already established supplier control and consider updating existing routines and procedures. The Company will maintain a frequent dialogue with its most significant suppliers, this includes to work towards better insight into specific routines and policies that Siemens Gamesa uses in their supplier control.

It is the Company's general understanding that the operation of the wind farm and the execution of the work on behalf of its owners is under excellent and sustainable control. Therefore, no further action has been identified as natural to implement in 2023 to meet the requirements of the Norwegian Transparency Act.

5. Contact information

For more information on the Norwegian Transparency Act for Tysvær Vindpark AS, please contact us at: AMNordics@res-group.com

5.1 Signature by Management and Board

The report is read and approved by the Company's management and board of directors:

Leon Eliassen Notkevich
Managing director

Date: 9/14/2023

Sign:

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Leon Notkevich
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Sam Léa Zhang
Chairperson

Date: 9/15/2023

Date:
Sign:

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Lea Zhang
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Marine Emmanuelle Corinne Cuny
Member of the board

Date: 9/15/2023

Date:
Sign:

DocuSigned by:
Marine Meiller
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Raphael Boughanim
Member of the board

Date: 9/14/2023

Date:
Sign:

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