



Business Partner Code of Conduct

Arendals Fossekompani ASA

Version no.	Date implemented	Changes
1.3	10 July 2025	Update to reflect new responsible at Arendals Fossekompani
1.2	7 November 2024	Update with clarification on responsibilities according to CSRD (Directive EU 2022/2464)
1.1	9 February 2023	Update of the Business Partner Code of Conduct
1.0	11 February 2021	New document

Approved by

Arendals Fossekompani's Board of Directors

1 Introduction

This update of the Business Partner Code of Conduct (“BPCoC”) was resolved by the Board of Directors of Arendals Fossekompani ASA (“Arendals Fossekompani”).

The BPCoC is based on the Ten Principles of the United Nations Global Compact concerning human rights, labour rights, environmental responsibility and anti-corruption.¹

The BPCoC applies to all business partners supplying material, labour or services (hereinafter referred to as “Business Partners”) to Arendals Fossekompani. Arendals Fossekompani does not want to be associated with partners lacking appropriate ethical standards. In order to do business with Arendals Fossekompani, Business Partners must therefore commit to adhering to the ethical standards set out herein.

The Business Partner acknowledges that it is liable to Arendals Fossekompani for any damage suffered as a result of failure to comply with the obligations set out herein, and that Arendals Fossekompani may immediately terminate the business relationship in case of any violation of this BPCoC.

The Business Partner undertakes to implement procedures to ensure compliance with applicable laws and regulations as well as its obligations under this BPCoC.

2 Purpose

This BPCoC contributes to set the framework for the behaviour Arendals Fossekompani expects of all our stakeholders in our global supply chain.

The BPCoC shall contribute to ensuring that our Business Partners adhere to high ethical standards and integrity. Integrity in this context refers to the quality of being honest and just in character. Integrity is about attitude and behaviour. Arendals Fossekompani has zero tolerance for illegal or unethical behaviour, and expects all its Business Partners to commit to the same.

¹ <https://www.unglobalcompact.org/what-is-gc/mission/principles> (last visited on 30 July 2024).

3 Guidelines and framework

3.1 Laws and regulations

Arendals Fossekompani's Business Partners shall always act in accordance with applicable laws and regulations. If a Business Partner's own rules are stricter or more comprehensive than the applicable laws and regulations, and not in conflict with any applicable laws and regulations or this BPCoC, the Business Partners' own rules shall apply.

4 People

4.1 Human rights

Arendals Fossekompani's Business Partners shall respect human rights, and always act in line with the rules and principles laid out in the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work² and the International Bill of Human Rights, and the OECD Guidelines for Multinational Enterprises.³ Arendals Fossekompani's Business Partners are also expected to comply with the internationally accepted guidelines and conventions referred to in the Corporate Sustainability Reporting Directive ("CSRD" (EU 2022/2464)), such as the UN Convention on the Rights of Persons with Disabilities, the UN Declaration on the Rights of Indigenous Peoples, the European Convention for the Protection of Human Rights and Fundamental Freedoms, the European Social Charter, the Charter of Fundamental Rights of the European Union, and any other fundamental conventions of these organisations.

4.2 Prohibition of child labour

We do not accept any form of child labour or that children below the lawful minimum age for admission to employment are engaged in our own or our Business Partners' activities. If persons below the age of 18 are involved, we demand special precautions to safeguard their health, security and rights. Persons below the age of 18 shall not perform dangerous or night work, and their work shall not inflict damage on their education or development. Arendals Fossekompani and its Business Partners fully support, and will act in accordance with, the UN Convention on the Rights of the Child.⁴

² <https://www.ilo.org/declaration/lang--en/index.htm> (last visited on 30 July 2024).

³ <https://www.oecd.org/en/topics/policy-issues/responsible-business-conduct.html> (last visited on 30 July 2024).

⁴ <https://www.ohchr.org/en/professionalinterest/pages/crc.aspx> (last visited on 30 July 2024).

4.3 Labour rights, health and safety

Arendals Fossekompani does not accept any involuntary labour, and expects all its Business Partners to comply with all fundamental labour rights and applicable laws and regulations. Business Partners shall ensure fair salaries, safe working conditions (including necessary supervision and protection from fire and other dangers), the right to organise, and a good workplace environment, and they shall have in place a whistleblowing procedure for the reporting of concerns by employees.

4.4 Hazardous substances and conflict materials

Arendals Fossekompani and its Business Partners shall comply with applicable laws and regulations regarding the use, prohibition and restriction of hazardous substances and shall avoid the use of conflict materials, i.e. materials that originate from conflict areas and contribute to funding governments and movements that violate fundamental human rights.

4.5 Discrimination and harassment

Any kind of discrimination due to gender, ethnicity, national origin, descent, skin colour, language, religion, sexual orientation, family situation or disability is not accepted in Arendals Fossekompani or any of its Business Partners. All people shall at all times be treated with respect and dignity.

5 Environment

Arendals Fossekompani applies guidelines based on the environmental standards incorporated in the Ten Principles of the UN Global Compact. Arendals Fossekompani expects its Business Partners to be committed to environmental sustainability by continuously improving energy efficiency and minimising their discharges, emissions and waste, and to otherwise adhere to applicable laws and regulations to minimise their negative environmental impact and prevent danger to the environment.

Business Partners shall have the necessary permits to conduct their business and comply with applicable laws and regulations related to all use of products, chemicals and equipment in their business. Business Partners are expected to have in place appropriate measures to prevent harmful impacts on the environment, including the contribution to climate change, pollution of the environment, damage to water, marine resources or biodiversity, and resource use and waste production.

6 Anti-bribery and corruption

Arendals Fossekompani does not tolerate bribery or corruption in any form, either in its own business activities nor in that of its Business Partners. Bribery, corruption and facilitation payments (referring to small unofficial payments typically made to secure or expedite the performance of a routine or necessary action to which the payer is entitled) are strictly prohibited, whether with public officials or private business partners. Business Partners shall not directly or indirectly offer, give or

accept any advantage which may be considered improper and shall comply at all times with applicable laws and regulations.

Under certain circumstances, it may be difficult to draw the line between acceptable and common advantages in a business relationship (e.g. a modest business lunch after a conference) and an improper advantage. For its own employees, Arendals Fossekompani has therefore established guidelines such that:

- All gifts and hospitality, except promotional items of minimal value, given or received by Arendals Fossekompani employees shall be registered in the Company's Gift and Hospitality Register and/or reported to the Chief Financial Officer.
- Cash gifts are never allowed. Other gifts may only be given or accepted if they are considered to be of moderate value in a local context and would usually be subject to pre-approval.
- Offering or accepting hospitality is only acceptable where this has a clear business purpose, the host is present and the cost is reasonable.
- Travel and accommodation shall always be paid by the employer, not by a third party.

Arendals Fossekompani expects its Business Partners to adhere to the principles set out above or to certify that they have adequate procedures in place to combat bribery and corruption.

7 Anti-money laundering

Money laundering occurs when funds from illegitimate sources are channelled into legitimate business activities and the financial market. Arendals Fossekompani opposes all forms of money laundering and expects its Business Partners to comply with all applicable anti-money laundering laws and regulations. This includes having adequate measures in place to allow for the identification and correct handling of potentially illegitimate funds, for example by the establishment of due diligence procedures for new business relationships. This includes adequate diligence on business partners by our Business Partners.

8 Trade sanctions and export control

Trade sanctions and export control regimes are becoming increasingly complex and are imposed on a variety of sectors, countries and persons. Such laws may impose restrictions on the sale, shipment, electronic transfer, provision, or disclosure of information, software, goods, assets, funds, and services across national borders or involving parties subject to trade sanctions.

Arendals Fossekompani's Business Partners are expected to comply with trade sanctions and export control laws and regulations imposed by the United Nations and major jurisdictions such as the European Union and the United States in addition to trade sanctions and export control regimes applicable to the business relationship between Arendals Fossekompani and the Business Partner.

9 Fairness and competition

Arendals Fossekompani's Business Partners shall, at all times, ensure to be trustworthy, honest and fair in all dealings and ensure that possible conflicts of interest are handled appropriately.

Arendals Fossekompani has no tolerance for violations of applicable competition laws and regulations in any country and expects fair competition among its Business Partners. This includes, inter alia, not taking part in or supporting illegal cooperation on pricing, illegal market sharing, abuse of a dominant position or any other activity that might constitute a breach of applicable competition laws and regulations. Business Partners shall also refrain from sharing sensitive information with third parties and particularly competitors.

10 Taxation

Arendals Fossekompani's Business Partners shall have in place internal control measures for management of tax matters and ensure that applicable tax laws and regulations are complied with. The Business Partners shall, in line with the expectations in the OECD Guidelines for Multinational Enterprises, publicly disclose information for good tax governance including financial and tax information, group structure information, and information relevant for related party transactions. Related party transactions should be performed in accordance with relevant transfer pricing requirements including the "arm's length principle".

11 Handling of information

11.1 Data protection, confidentiality and trade secrets

Business Partners are expected to comply with applicable laws and regulations with regards to data protection, confidentiality and trade secrets.

In particular, Business Partners shall not disclose sensitive business information or trade secrets provided to them by Arendals Fossekompani regarding the company, its products and its operations to third parties, unless Arendals Fossekompani has given its explicit written consent to the disclosure in question. Arendals Fossekompani expects that such information is not passed on to any third party even after the business relationship has been terminated.

11.2 Responsible use of social media and other media communications

Social media channels such as Facebook, Instagram, LinkedIn and X (formerly Twitter), among others, allow for communication, promotion, discussions and information sharing and are increasingly used in business contexts. Arendals Fossekompani expects its Business Partners to refrain from publishing information, logos or other material belonging to Arendals Fossekompani without its express written consent. Neither should material that can be associated with Arendals Fossekompani or its employees be published without the consent of Arendals Fossekompani and parties involved. This also applies, in principle, to statements to the media.

11.3 Privacy and protection of personal data

Business Partners shall comply with applicable regulations protecting the privacy and personal data of individuals, including the (EU) 2016/679 General Data Protection Regulation (GDPR). As such, any data that falls within the scope of the GDPR shall be processed in accordance with relevant data processing agreements and procedures Business Partners shall only use personal data for appropriate purposes.

12 Cooperation with third parties

Business Partners shall, to the extent possible, promote the implementation of the principles set out in this BPCoC by their own business relationships such as their subcontractors, suppliers and third-party representatives.

Furthermore, Business Partners shall ensure that they have adequate procedures for their cooperation with third parties, including, for example, appropriate due diligence before establishing a new business relationship. In any case, Business Parties are expected to ensure that their agreements with their business relations:

- a) are in writing,
- b) specifically describe the services to be performed, and
- c) offer compensation that is proportional to the services received.

13 Due diligence on sustainability matters

The Business Partner shall perform due diligence assessments of its impact on sustainability matters (environment, social conditions, working environment, equality and non-discrimination, compliance with fundamental human rights⁵ and combatting corruption and bribery).

The Business Partner shall cooperate with Arendals Fossekompani on requests to carry out due diligence or risk assessments on actual and potential adverse impacts related to sustainability matters that the Business Partner has caused or contributed to or that are directly linked to its operations, products or services through its value chains and own business partners. This includes providing all relevant information on its operations and value chains which may be relevant for Arendals Fossekompani's assessments related to goods or services included in the business relationship with Arendals Fossekompani, and to allow audits of the Business Partner's premises of

⁵ Fundamental human rights refer to the internationally recognised 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.

the Business Partner in accordance with clause 15. Such assessments shall include sustainability matters deemed material to Arendals Fossekompani or the Business Partner.⁶

Upon request from Arendals Fossekompani, the Business Partner shall provide all relevant information on actual and potential consequences on sustainability matters in its operations on a general basis or related to a particular product or service. Adequate and understandable information shall be provided in writing as soon as possible, and within one week at the latest. If the information request makes it unreasonable to reply within one week, the Business Partner shall notify the Arendals Fossekompani as soon as possible and the information shall be provided no later than 45 days after the request.

Upon request from Arendals Fossekompani, the Business Partner shall implement appropriate measures to cease, prevent, or mitigate negative impact and provide or cooperate on remediation or compensation when required.

Arendals Fossekompani shall not be held liable for, or bear the costs of remediation or compensation related to, the Business Partner's actual or potential adverse impact on such topics. To the extent possible within the business relationship, Arendals Fossekompani will seek to assist the Business Partner with its efforts to promote corporate sustainability on matters related to the environment, social issues, and governance.

The Business Partner shall compensate Arendals Fossekompani for any economic loss suffered due to any breach of these obligations or related to the Business Partner's adverse impacts on these issues.

14 Reporting concerns

Arendals Fossekompani encourages transparency, and Business Partners and their employees are expected and encouraged to report any concerns about potential violations of this BPCoC or applicable laws and regulations to Arendals Fossekompani without delay. Business Partners and their employees should report to the Chief Financial Officer or the relevant Arendals Fossekompani contact person. If such reporting is considered inappropriate, they may also report directly to a member of the Arendals Fossekompani Board of Directors or the management.

Arendals Fossekompani expects that the Business Partner encourages their employees to report concerns and provides training in Arendals Fossekompani's Whistleblowing Policy.

⁶ Material topics will be reviewed as part of annual sustainability reporting, particularly in light of the Corporate Sustainability Reporting Directive (CSRD [2022/2464/EU](#), last accessed on 30 July 2024).

The information reported and the identity of any whistleblower will be treated confidentially to the extent possible and permitted by applicable laws and regulations. Arendals Fossekompani will endeavour to protect whistleblowers against retaliation. Arendals Fossekompani may, however, disclose information to competent authorities to the extent appropriate.

15 Audit rights

In order to ensure compliance with the BPCoC and strengthen ethical conduct throughout its supply chain, Arendals Fossekompani or any independent audit company mandated by it may, from time to time, perform an inspection or audit of the conduct of its Business Partners with or without prior notice. For this purpose, Business Partner shall immediately upon request share documentation on compliance with the BPCoC and applicable laws and regulations and allow access to its premises.

16 Termination rights

Arendals Fossekompani may decide to immediately terminate the business relationship with its Business Partner in the event of a violation of the BPCoC or applicable laws and regulations by the Business Partner.

17 Update of the BPCoC

This BPCoC shall be subject to continuous development and updates based on the laws and regulations, conventions, principles, standards and other relevant framework for ethical business conduct that apply at any given time, as well as any areas of compliance and integrity risks identified for Arendals Fossekompani and its Business Partners.

Business Partners shall collaborate in this work, by suggesting necessary amendments to the Chief Financial Officer at Arendals Fossekompani and by committing to adhere to the BPCoC published by Arendals Fossekompani on its homepage.

Business Partner Declaration

By signing this Declaration, I confirm that I have read and understood the rights and obligations set forth in the Business Partner Code of Conduct available at Arendals Fossekompani's homepage, and I will endeavour to implement appropriate measures to ensure compliance with the Business Partner Code of Conduct in all activities of the Business Partner I am signing for:

For and on behalf of
Arendals Fossekompani

For and on behalf of
Business Partner Name:

Name:
Capacity:
Date:

Name:
Capacity:
Date:

VISITING ADDRESS
Langbryggen 9, 4841
Arendal

POSTAL ADDRESS
Box 280, 4803 Arendal

+47 37 23 44 00
firmapost@arendalsfoss.no
arendalsfossekompani.no