

Human Rights and Transparency Act Report 2025

On 1 July 2022, the Norwegian Transparency Act came into effect. The Act promotes enterprises' respect for human rights and decent working conditions in connection with the production of goods and the provision of services. It also provides the general public with access to information regarding how enterprises address adverse impacts on fundamental human rights and decent working conditions.

1. Arendals Fossekompani ASA

Arendals Fossekompani is a long-term industrial investment company. We are active owners and developers of companies enabling the energy transition and next generation industrial technologies. Our portfolio companies operate globally in industries such as vertical software and analytics, satellite communications, induction technology, industrial 3D printing, property, and hydropower. Our companies employ over 2,000 professionals across 26 countries. Established in 1896, we have been a producer of renewable hydropower for more than 100 years. Our company is headquartered in Arendal and has been listed on the Oslo Stock Exchange since 1913.

Reporting and disclosure of financial and non-financial developments of the portfolio companies ensure that stakeholders are provided with the necessary information. Companies are developed in line with stakeholder expectations and leverage sustainable opportunities.

As an investment company, our upstream value chain focuses on identifying and investing in companies at various stages of maturity. These companies depend on a wide variety of business actors supplying and processing raw materials, manufacturing electronics, data hosting, construction and transportation. At the core of our operations, we invest and optimise our portfolio, enabling our companies to advance technologies such as software development, plasma and induction technologies, hydropower generation and property management. Downstream, we create both financial returns and societal impact. Our portfolio companies serve a broad range of customers in sectors such as

energy, infrastructure, defence, aerospace and automotive, and collaborate with partners in transportation, recycling and waste management.

2. Guidelines and routines

Several guidelines and procedures have been created for handling actual and potential adverse impacts relating to basic human rights and decent working conditions. Any concerns about our business conduct, or advice regarding our policies and practices for responsible business conduct, should be sent to the Chief Financial Officer and will be taken into consideration on an ongoing basis.

2.1 Code of Conduct

The Code of Conduct (CoC) was developed and adopted to ensure the company's vision and ethical standards are complied with by anyone associated with it. The CoC was updated in 2024 to clarify responsibilities in accordance with the EU's Corporate Sustainability Reporting Directive (CSRD). It is intended as a guide to help meet our ethical standards and the self-evaluation required to do so. It is each employee's own responsibility to respect and act in compliance with the CoC.

To ensure that all employees are aware of and understand the CoC, all new employees are required to read and sign the CoC as part of their onboarding process, and all employees undergo mandatory training in the ethical guidelines that the CoC outlines.

2.2 Business Partner Code of Conduct

The Business Partner Code of Conduct (BPCoC) was also updated in 2024 to clarify responsibilities in accordance with CSRD. The BPCoC is based on the Ten Principles of the United Nations Global Compact concerning human rights, labour rights, environmental responsibility, and anti-corruption. The BPCoC applies to all business partners supplying material, labour, or services ("Business Partners") to the company, and contributes to setting the framework for the behaviour we expect from all stakeholders in our global

supply chain. The BPCoC shall contribute to ensuring that our Business Partners adhere to high ethical standards and integrity, which refers to the quality of being honest and just in character.

Arendals Fossekompani has zero tolerance for illegal or unethical behaviour and expects all Business Partners to commit to the same. Arendals Fossekompani does not want to be associated with partners lacking appropriate ethical standards, or partners in breach of international guidelines and conventions. In order to do business with Arendals Fossekompani, Business Partners must therefore commit to adhering to our ethical standards. As Arendals Fossekompani may be held responsible for any damage suffered as a result of failure to comply with them, our Business Partners are aware that we may immediately terminate the business relationship in case of violations of the BPCoC. Our Business Partners undertake to implement procedures to ensure compliance with applicable laws and regulations as well as their obligations under the BPCoC.

The Business Code of Conduct includes the following areas of concern: people, environment, anti-money laundering, trade sanctions and export control, fairness and competition, handling information, cooperation with third parties, reporting concerns, audit rights, termination rights, personal privacy, data security, and GDPR. In 2024, we expanded the possible due diligence and audit on our business partners mentioned in the BPCoC, which now includes all sustainability-related topics deemed material for Arendals Fossekompani. These changes largely reflect and better document the existing practice at Arendals Fossekompani.

Topics addressed related to people are human rights, prohibition of child labour, labour rights, health and safety, hazardous substances and conflict materials, and discrimination and harassment.

2.2.1 Human Rights

Our 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 Work and the International Bill of Human Rights, and the OECD Guidelines for Multinational Enterprises. Arendals Fossekompani's Business Partners are also expected to comply with the internationally accepted guidelines and conventions referred to in CSRD, 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.

2.2.2 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 our Business Partners fully support, and will act in accordance with, the UN Convention on the Rights of the Child.

2.2.3 Labour Rights, Health, and Safety

Arendals Fossekompani does not accept any involuntary labour and expects all 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, a good workplace environment, and have in place a whistleblowing procedure for concerns reported by employees.

2.2.4 Hazardous Substances and Conflict Materials

Arendals Fossekompani and our Business Partners shall comply with applicable laws and regulations regarding the use of, 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 fund governments and movements that violate fundamental human rights.

2.2.5 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 our Business Partners. All people shall at all times be treated with respect and dignity.

2.3 The whistleblowing policy

Employees, suppliers, third-party representatives and other business partners are encouraged to immediately report any concern if they suspect or witness any unethical conduct, or a breach of the Code of Conduct or of other policies and applicable laws. All incidents should be reported through our whistleblower channel. Under their employment contract or applicable laws, employees may have a duty to report concerns.

Every reported concern will be taken seriously and Arendals Fossekompani will ensure to investigate and follow up such matters in an appropriate manner and within a reasonable timeframe.

The following principles are outlined in the Whistleblowing Policy:

- Concerns will be investigated and handled by persons that are not in conflict of interest or otherwise involved in the matter to ensure sufficient independence of the assessment.
- The whistleblower will be protected against retaliation, i.e., any disadvantageous treatment as a reaction to reporting a concern, and we will ensure that the whistleblower has a satisfactory working environment.
- The identity of the whistleblower shall, as a main rule, be treated confidentially and shall only be known to the person(s) handling the matter.

- Persons involved in the reported incident may be contacted and/or provided with information, if necessary, in an anonymised form, in the course of the investigation of the matter, and may, under certain circumstances, have a right to information under applicable data protection laws and regulations.
- The whistleblower reporting a concern shall be informed that the report was received within seven days of the receipt of such report.
- The whistleblower reporting a concern shall receive feedback within three months of the deadline to acknowledge the receipt as stated above.

Any feedback from stakeholders on the design, review, operation, and improvements on these mechanisms are taken into consideration on an ongoing basis. The effectiveness of the grievance mechanism is revised and evaluated annually, including the previous year’s cases of stakeholder feedback.

In 2025, there were no whistleblower cases reported in Arendals Fossekompani ASA, but 3 whistleblowing cases in the Group. All 3 cases were reported through internal channels and had a 100% resolution in an average of 3 weeks.

Arendals Fossekompani acknowledges that reporting and preventive work to reduce the violation of laws and regulations are dependent on the willingness of employees and external parties to report. All employees should familiarise themselves with our Whistleblowing Policy so they know how they may report concerns and what to expect once they have reported a concern, and employee training in the Code of Conduct includes units on whistleblowing. The Whistleblowing Policy is also available publicly on our website. In 2024, a digital whistleblowing portal for external parties was implemented to improve on the reporting of incidents in our supply chain, in addition to the whistleblowing portal available to internal parties.

2.4 Policy for handling requests of information – The Transparency Act

A procedure has been established to ensure a consistent internal handling of requests in accordance with the Transparency Act. The Chief Financial Officer has the responsibility to deal with all incoming requests and will, possibly in cooperation with other relevant colleagues, handle the request in accordance with the procedure. According to the law, everyone has the right to information about how Arendals Fossekompani prevents and handles adverse impacts relating to basic human rights and decent working conditions. A step-by-step guide is described in the procedure to ensure a consistent handling of requests.

In brief, the procedure is:

Step 1: Acknowledge Receipt

Arendals Fossekompani must always send a prompt confirmation to the requester acknowledging receipt of the inquiry as soon as possible.

Step 2: Assess Scope of the Request

Determine if the request falls within the scope of the Transparency Act. If it does not, the request may be declined. However, Arendals Fossekompani should also assess whether the information can still be disclosed due to other legal obligations or transparency principles. Legal or communications advisors should be consulted when in doubt.

Step 3: Assess Grounds for Denial

If the request is within the scope of the Transparency Act, assess whether there are valid reasons to deny it. Grounds include:

- The request is too vague
- The request is clearly unreasonable
- It involves personal data
- It involves trade secrets or sensitive business information

Note: Even if these exceptions apply, Arendals Fossekompani must provide information about known actual adverse impacts on human rights.

Step 4: Provide a Written Response

Send a written reply within three weeks, unless a valid extension has been made in the event of unusually burdensome requests, in which case the deadline may be extended to two months and the requester notified of the delay. The response will either:

- Provide the requested information, referencing already published materials when possible, or
- Deny the request, citing legal grounds and informing the requester of their right to appeal to the Consumer Authority.

The full detailed procedure for handling inquiries according to the Transparency Act is available on Arendals Fossekompani’s website in Norwegian. Information requests can be submitted via the contact channel published on arendalsfossekompani.no.

2.5 Matters for the Board

The Board shall determine Arendals Fossekompani’s strategy, carry out necessary control functions and ensure that Arendals Fossekompani and Arendals Fossekompani Group is satisfactorily managed and organised. The Board shall set the company’s financial objectives and approve its plans and budgets. The Board is also responsible for approving and updating the organisation’s purpose, value statement, policies and goals related to sustainable development. Furthermore, the Board oversees the organisation’s due diligence and other processes to identify and manage the impacts on the economy, environment, and people. Stakeholders are encouraged to support these processes with their input during the Annual General Meeting. The Code of Conduct, the Business Partner Code of Conduct, the Whistleblowing Policy, and the Environmental Policy are approved by the Board of Directors. Breaches of these policies are matters for the Board of Directors to handle.

3. Risks of negative consequences

Risks of adverse impacts are identified through several processes: a desktop due diligence of suppliers, the annual double materiality assessment, sustainability due diligence on new acquisitions and investment decisions, and the annual strategic risk assessment. In 2025, no actual adverse impacts were identified in these processes. We are committed to providing for - or cooperating in - the remediation of adverse impacts that the organisation identifies it has caused or contributed to.

3.1 Due diligence and supplier risk

Arendals Fossekompani has performed a due diligence exercise to identify, measure and understand the most important risks in our supply chain. The due diligence assessments include suppliers and service providers that have provided AFK Group Management and AFK Hydropower (together Arendals Fossekompani ASA), and AFK Eiendom with goods and services during the year 2025 with a minimum spend of 300,000 NOK. This means that the scope has changed from last year’s reporting, where we have added AFK Eiendom’s suppliers to the assessment, but also increased the spend threshold from 100,000 NOK to 300,000 NOK.

Suppliers are categorised based on the products or services they offer to Arendals Fossekompani, aiming to assess the distribution across various product and service categories. This categorisation helps identify potential high-risk areas.

Product categories relevant to Arendals Fossekompani’s hydropower business and AFK Eiendom that are typically associated with a higher risk are building and construction materials and hydropower-specific equipment. Common materials used in electrical equipment for hydropower are steel, copper, and aluminium.

A table with the type and number of suppliers in each category is listed in the table below.

3.2 Mapping and risk assessment of suppliers

A desktop due diligence has been conducted for all suppliers with more than 300,000 NOK spent in 2025 for Arendals Fossekompani ASA and AFK Eiendom AS. The largest suppliers in the screening process were mostly service providers, craftsmen, and contractors. The headline finding of the 2025 assessment is that no supplier was categorised as high risk on a residual basis, and no actual adverse impacts were identified. The remainder of this section describes the methodology and the sector-level inherent risks that the assessment is screened against.

Among Arendals Fossekompani’s suppliers, the product categories that represent the highest risk include building and construction materials and hydropower-specific equipment. Electromechanical equipment for hydropower production is typically custom-made to fit the hydropower plant’s production capacity. Furthermore, components used in control systems can often contain one or more minerals defined as “conflict minerals”.

Medium to high-risk products according to The Norwegian Agency for Public and Financial Management (DFØ) related to building and construction include products such as stone, metals, and wood materials. The DFØ list contains information about high-risk products, meaning there is comprehensive documentation showing systematic violations of the UN Declaration of Human Rights, ILO’s core conventions (prohibition of child labour, forced labour, discrimination, and the right to organise), and national legislation concerning

labour law and health and safety regulations within the product’s supply chain.

These violations can occur during raw material extraction, component manufacturing, and final product assembly. Some risk may also be associated with goods delivered to AFK headquarters, such as furniture and office equipment.

The risk categorisation of countries is done according to Transparency International and the International Trade Union Confederation (ITUC). ITUC comprises national trade union centres, connecting trade unions within individual countries. It serves as the worldwide representative body for the labour force globally. The figure below shows the Global Rights Index which represents the degree of respect for workers’ rights on a scale from 1 to 5+. Europe is on average the region with the lowest rating – 2.78 in 2025 – with Norway being among the countries with the best respect for workers’ rights according to the Global Rights Index.

Type of suppliers

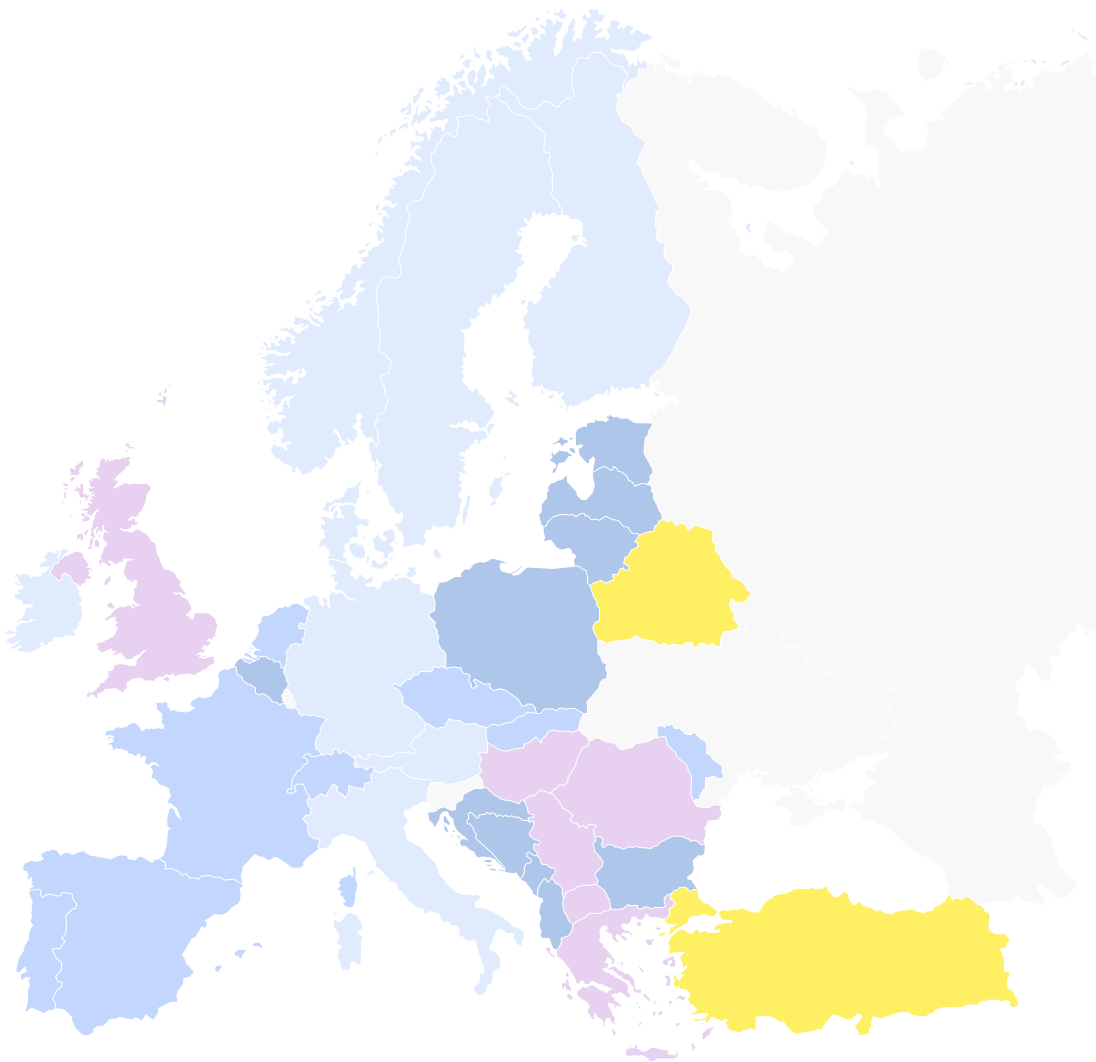
	NUMBER OF SUPPLIERS
Machine and Hydroelectric Contractors	7
Infrastructure and Construction Work, Craftsmen and Products	18
HR and Recruitment Services, Consultancy Services	13
AFK Office Solutions and Property Services	5
Telecommunications, Web Design and Services	6
Insurance and Financial Services	10
Attorney and Accounting Services	4
Total number of suppliers	63

Global Rights Index 2025

● EUROPE

2.78

- 1 Sporadic violations of rights
- 2 Repeated violations of rights
- 3 Regular violations of rights
- 4 Systematic violations of rights
- 5 No guarantee of rights
- 5+ No guarantee of rights due to breakdown of the rule of law
- No data



It should be noted that for most suppliers, the products and services they provide are regarded as very low risk. Supplier categories such as consultancy services, IT, web development, insurance and financial services, and recruitment services, naturally restrict the potential for breaches concerning working conditions and basic human rights.

A summary of the risk categorisation is shown in the table below.

The table presents inherent risk – that is, the level of risk associated with each sector based on global OECD, UNGP and DFØ logic before any controls are applied. It does not represent the risk profile of Arendals Fossekompani’s actual supplier base, which is predominantly Norwegian and operating under strong labour-law and HSE frameworks. The residual risk, after considering supplier location, sector regulation, the supplier’s own due diligence (such as a published Transparency Act statement or code of conduct), and the size and nature of our transactions, is materially lower. The 2025 desktop assessment did not identify any supplier as high risk on a residual basis. The combination of supplier category and location was used in the desktop assessment, and it was further checked if they had a published Transparency Act statement and/or ethical business conduct published on their website. The supplier’s size and financial value of the transactions with Arendals Fossekompani were also considered.

The results of the analysis did not show that any of the suppliers were categorised as high risk on a residual basis. No actual adverse impacts on human rights or decent working conditions were identified in 2025.

Where risks were identified, Arendals Fossekompani prioritises them on the basis of severity and likelihood, in line with the OECD due diligence methodology. Although no actual adverse impacts were identified in 2025, the inherent-risk screening indicates that the most material potential risks in our supplier base relate to the construction and infrastructure category (social dumping, wage and working-hour violations, and HSE breaches in subcontractor chains) and to ICT and telecommunications hardware (minerals sourcing and labour conditions further down the supply chain). These categories are therefore given priority in our ongoing follow-up and in the questions directed to suppliers.

3.3 Process to remediate negative impacts

On a general basis, Arendals Fossekompani approaches potential negative impacts carefully, directing more questions to the suppliers that do not answer important questions in a satisfactory way or that are classified as high risk. Our engagement with suppliers will continue, and based on the outcomes of our supplier due diligence we intend to carry out follow-up actions as deemed necessary. Should a supplier be unwilling to cooperate on responsible business conduct and the processes outlined above, Arendals Fossekompani has a clear position on terminating business relationships where necessary as per the Business Partner Code of Conduct. So far, it has not been necessary to terminate our agreements with any of our suppliers or partners. To further improve our supply chain assessments for the Group, a supply chain system will be available Group wide in 2026. This will improve the consolidation of our findings and help us identify risks and concerns.

The expected result of these measures is earlier and more consistent identification of risk across the Group, enabling more targeted follow-up before any adverse impact

materialises. As the new system is rolled out in 2026, we plan to track its effect on the share of suppliers screened, and the proportion of high-risk suppliers that improve their practices or are exited. We will report on these results in future Transparency Act statements.

3.4 The Transparency Act in the portfolio companies

With the passing of the Norwegian Transparency Act in 2022, our portfolio companies Tekna, ENRX, and Volue are also subject to the Transparency Act and required to publish their own Transparency Act report annually. Please refer to the companies’ own report for more information.

All portfolio companies have their own Business Partner Code of Conduct and work closely through their ethics and compliance programmes to prevent and reduce negative impacts and high risks.

NSSLGlobal is following up their suppliers through their reporting requirements for the UK Modern Slavery Act. As part of their due diligence and risk assessment they are conducting a supplier questionnaire to assess the risks of modern slavery and human trafficking. Potential new suppliers who are rated as being higher risk are required to provide further ethical operations and ability to comply with NSSLGlobal’s Supplier Code of Conduct.

DD June 2026


Trond Westlie
Chair


Benjamin Golding
Chief Executive Officer

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