

Tonstad Vindpark AS

The Norwegian Transparency Act
Report 2022

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The Norwegian Transparency Act

Introduction

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>

Our 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 indicators* 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.

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

Tonstad Vindpark AS & SUSI Tonstad AS

Introduction to business activities

Tonstad Vindpark is a wind farm located in the Norwegian municipalities Sirdal and Flekkefjord. The concession was approved by The Norwegian Water Resources and Energy Directorate (NVE) in 2016. The wind farm has a capacity of 208MW and consist of 51 turbines, which makes it one of the largest wind farms in Norway. All produced energy is sold to Hydro through a 25-year agreement. The wind farm contributes to supply Hydro’s aluminium factories in Norway, so that their production can run on renewable energy.

Tonstad Vindpark and its parent company, SUSI Tonstad, are owned by SUSI Renewables 2 S.à.r.l. (100%). The companies are a part of the group SUSI partners, a Swiss-based infrastructure investment manager with an exclusive focus on the wide spectrum of investment opportunities arising from the global energy transition.

Introduction to value chain, guidelines and policies

The operational responsibility of Tonstad Vindpark is contracted to Hydro Energi AS, which follows Hydro ASA’s policies from supply chain, purchasing and risk management to sustainability. More information about the mentioned policies and how Hydro works with sustainability measures can be read at: <https://www.hydro.com/en/investors/reports-and-presentations/annual-reports/annual-report-2022/>.

Siemens Gamesa Renewable Energy AS (SGRE) is contracted to manage the windmills and the efficiency of the energy production. More information about how SGRE works with sustainability measures can be read at: <https://www.siemensgamesa.com/en-int/sustainability>.

Sub-suppliers engaged through the two contracting parties to deliver products or services to Tonstad Vindpark are evaluated and engaged based on the contracting parties routines for supply chain, purchasing and sustainability. Directly engaged suppliers and sub-suppliers from SUSI Partners are evaluated and engaged based on SUSI Partners Sustainability Policy and Code of Ethics & Sustainability Conduct, which is applicable to SUSI Partners including subsidiaries and affiliates.



Tonstad Vindpark AS

Due Diligence

Tonstad 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 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 74 suppliers, one supplier comes from a country that is categorized as a medium risk country in terms of violations to fundamental human rights and decent working conditions (Italy). There are no suppliers from high risk countries. 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, 24 suppliers have been subject to Due Diligence for 2022.

Findings and actions

The Company has identified one incident with a sub-supplier of one of Tonstad Vindpark's significant suppliers. The incident did not occur in direct or indirect services to Tonstad Vindpark, but in another project not related to Tonstad Vindpark where the same supplier, as used on Tonstad Vindpark, delivered good and services through a sub-supplier. The incident is evaluated as a minor incident and is fully restored between the affected parties. The incident reflect the importance of the work SUSI Partners, Tonstad Vindpark and its contracting parties does when it comes to sustainable sourcing with focus on risk management and choosing the right suppliers to work with. The Company, Hydro Energi AS and SGRE will continue to improve its routines, procedures, and take necessary action like direct supplier involvement and engagement to prevent for similar incidents in the future. There will be no further actions to follow up on the identified incident.

As a part of the Due Diligence, all prioritized suppliers have been subject to a risk assessment carried out by the Company. No suppliers have been assessed with high risk, two suppliers have been assessed to medium risk in tier one. Tier one means that the supplier delivers goods and/or services directly to Tonstad Vindpark through engagement either with SUSI Partners, Hydro Energi AS or SGRE. The two suppliers is within the professional services industry where the risk is considered an industry risk, not a risk directly carried by the supplier. Therefore, there is no directly natural action to implement.

Of the suppliers, three have been assessed to carry a medium risk in the value chain beyond tier one (sub-suppliers). Two of the suppliers are engaged through Hydro Energi AS and is managed through Hydro's routines and procedures. The third one is considered managed at an appropriate level through the management of Tonstad Vindpark AS.

As a general understanding of SUSI Partners, SUSI Tonstad and Tonstad Vindpark, 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 actions in relation to the Transparency Act is considered natural to implement as of 30.06.23.

Tonstad Vindpark AS

For further information on the Norwegian Transparency act for Tonstad Vindpark AS, please contact us at: sitemanager.tvas@hydro.com

Signature on behalf of Hydro Energi AS as operational partner:

Head of Power Operations Wind

Anita Meisler

Date: 30/6/2023

Signature:

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

Chairperson

Scott Leitch Mackenzie

Date: 30/6/2023

Signature:



Board member

Khalid Mahmood

Date: 30/6/2023

Signature:

Khalid Mahmood

CEO

Marcello Balasini



Date: 30/6/2023

Signature:

Marcello Balasini

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Underskrivere



Anita Meisler
Head of Power Operations Wind
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07.07.2023 07:46

Dokumenter i transaksjonen

Report on The Transparency Act- Tonstad Vindpark.pdf

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