

Due diligence assessment Norwegian Transparency Act

The Transparency Act came into effect in Norway on 1 July 2022. Its purpose is to promote respect by companies for basic human rights and decent working conditions along supply chains. A goal of the Act is to ensure that the public has access to information on these conditions and on how businesses handle them. Together with other measures, these legal requirements will contribute to work by Hellefoss Paper AS to meet and comply with UN SDG 8 on decent work and economic growth, as well as SDG 12 on responsible consumption and production. The core of the Act imposes a duty to carry out due diligence assessments. These require businesses to map possible and actual negative impacts on basic human rights and decent working conditions in supply chains, implement improvement measures, follow these up and report on them.

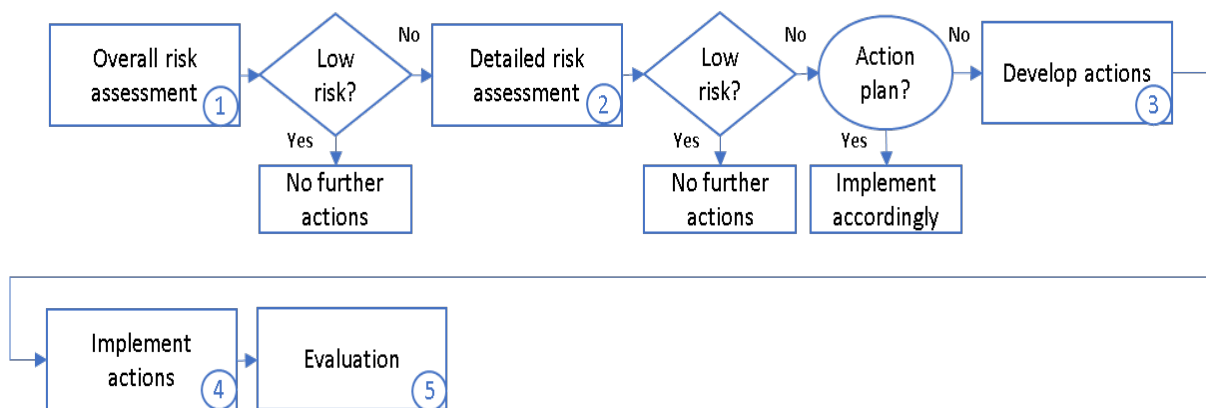
Hellefoss Paper AS is a book paper mill located in Hokksund, Norway. The company produce book paper in a range of qualities. The main input factors to the production are mainly wood, cellulose, energy and chemicals. The products are sold worldwide.

The company has its own set of guidelines and procedures to ensure that the required safety and quality levels are met. In addition, we have a working environment committee (AMU), a safety representative (verneombud) and a Health Safety and Environment representative (HMS ansvarlig). All the employees may become members of the Unions. At Hellefoss the employees are mainly organised through Fellesforbundet and Forbundet for Ledelse og Teknikk (FLT).

Hellefoss Paper AS is committed to avoiding and addressing adverse impacts on the basic principles for social, environmental and economic development that we cause, contribute, or are linked to via our business relationships. We work to create a balance between our financial goals, and our passion for the environment and workers' rights, in a way that allows continued profits, while at the same time ensuring our activities are a benefit to society, both locally and internationally. We, at Hellefoss Paper, are certain that growth and responsible business practices can coexist.

Therefore, we seek to ensure that Hellefoss Paper as well as the suppliers operate in accordance with the requirements of our Code of Conduct (attachment 1) and thereby work towards alignment with the internationally recognised principles for sustainable development.

Our process for the assessment of suppliers follows the following steps:





Hellefoss Paper AS

- 1) The overall assessment is based on external sources related to human rights (Freedom House), Environment (Environmental Performance Index), decent working conditions (International Trade Union Confederation) and anti-corruption (Transparency International), in addition to an assessment of the service/product which is delivered and our experience with supplier.
- 2) In the next step we evaluate the suppliers own internal policies, certificates etc.
- 3) If the risk is still not acceptable and there are already action plans in place it will be handled accordingly.
- 4) If there are no clear action plan, we evaluate and develop proper actions to be implemented.
- 5) Confirmation that our action actually reduced the risk of potential adverse impacts.
Learning and implementation of the improved action plan.

Hellefoss Paper AS has assessed the main suppliers covering 88 % of the total purchase (in monetary terms) in 2022.

In case of non-compliance with requirements in our Code of Conduct, we will focus on suppliers' ability and willingness to demonstrate continuous improvements. We feel confident that cooperation and dialogue will result in a more efficient partnership, which both parties will benefit from.

The company has a set of routines to handle complaints to ensure that a potential complaint, request or feedback are properly handled within short time. We will ensure that the person concerned is put in contact with correct person at Hellefoss which may give best possible answer.

Hokksund 26.06.2023,

Roar Paulsrud
Chair

Roger Borgersen
Board member

Jan Arild Vigdal
Board member

Thomas Engløy
Board member

Attachment 1

Code of Conduct - Hellefoss Paper AS

Introduction

The purpose of this Code of Conduct (Code) is to ensure that our suppliers demonstrate responsible business conduct. The Code follows globally agreed minimum standards and asks our suppliers to manage adverse impacts on:

- Human rights
- Labour rights
- Environment principles
- Anti-corruption principles

We expect our suppliers, and sub-suppliers, to operate in full compliance with all applicable international and national laws, regulations and prevailing industry standards.

A CSR questionnaire, or a similar form of communication, may be distributed to our suppliers. We, at Hellefoss Paper, expect this to be completed truthfully, and returned no later than 4 weeks after receiving it.

In addition, suppliers shall accommodate visits from Hellefoss Paper. This includes providing physical access to any representative from Hellefoss Paper or assigned by our company. Hellefoss Paper reserves the right to let an independent third party of our choice make on-site inspections to verify compliance with the requirements of this Code.

Should a supplier, repeatedly and knowingly violate this code of conduct, and refuse to collaborate with Hellefoss Paper on implementing plans for improvement, Hellefoss Paper will seek to end the business relationship with said client.

In cases of severe violations of human rights, significant damage to environment and/or in cases of bribery, termination of the business relationship will be immediate.

Hellefoss Paper reserves the right to put forward additional or more specific requirements and conditions related to sustainable development; e.g. on use of chemicals.

Suppliers must ensure that the content and understanding of this code of conduct are communicated to all relevant employees.

Code of Conduct requirements

Through the establishment of the processes outlined above, the principles that Hellefoss Paper expects suppliers to manage adverse impacts upon are described in the following subsections:

Human rights including labour rights

Suppliers are expected to manage adverse impacts on internationally recognised human rights including labour rights as stated in the International Bill of Human Rights and the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work. This includes prohibition of child and forced labor and requires that a living wage is being paid. This also includes managing adverse impacts on consumers, as stated in the OECD Guidelines on Multinational Principles' chapter on Consumer Interests.

Human rights and labour risks that suppliers in specific must manage:

- Risk of child labor
- Risk of forced labor
- Risk of excessive work time
- Risk of sector average wage being lower than the country's minimum
- Risk of noise exposure and non-fatal injuries
- Risk of sector average wage being lower than country's non-poverty guideline
- Risk of accidents and death
- Risk of toxicity or chemical exposure

Environment principles

Suppliers are expected to establish adequate processes to manage all significant potential and actual impacts on the external environment and support the principles in the Rio Declaration on Environment and Development. These principles are further described in the UN action plan Agenda 21. This corresponds to the environmental principles described in the OECD Guidelines for multinational enterprises.

Anti-corruption principles

Suppliers should establish adequate processes to counter corrupt practices. Such processes should support and be in line with the United Nations' Convention against Corruption.

Signature

As a supplier to Hellefoss Paper, I hereby confirm that the company I represent will work in accordance with the Hellefoss Paper Supplier Code of Conduct now, and in the future.

Binding signature and possibly the suppliers' stamp.

Date _____