

Norwegian Transparency act

Organisation of Clemens Kraft operation, rules and regulations

Clemens Kraft Group is a leading small scale hydro power producer in Norway and has since 2006 developed, constructed and operated small scale hydro power plants. The portfolio consists of 51 power plants in operation including five power plants in owned associated companies. Clemens Kraftverk (the Group) is a sub-group within the Clemens Kraft Group, holding all power plant related assets, but do not have any employees. The management and administration of Clemens Kraft Group is employed in Clemens Kraft AS, a sister company of Clemens Kraftverk AS.

The two owners, Allstad hold 50.1% and CPV/CAP (Pension fund of Coop Group Switzerland) hold 49.9% of the shares. Clemens Kraft has all production in Norway and power produced is sold at Nord Pool power exchange.

Clemens Kraft is working towards respect for fundamental human rights and decent working conditions in connection with the construction and operation of power plants and also administration connected to the portfolio of power plants.

The corporate governance in Clemens Kraft follows the sound business principles with a focus on ethical guidelines and sustainability of the owner Allstad.

The Norwegian Transparency Act entered into force on 1 July 2022 and Clemens Kraft has conducted a due diligence assessment of own employees, contractors and other relevant stakeholders to Clemens Kraft.

Clemens Kraft has not prioritized any formal cooperation with other small scale hydro producer connected to the Transparency Act.

Human rights impact assessment

Clemens Kraft undertakes and integrates human rights in the operation of the powerplants and will integrate the requirements also in construction projects when new projects are starting up. All powerplants in operation will be part of the same framework without taking into consideration the different legal entities or Single Purpose Vehicle (SPV).

A revised assessment of relevant topics connected to the Transparency Act is updated Q2 2025.

The mapping of fundamental human rights and decent working conditions are identified into the following topics:

- Health and security
- Work conditions
- Social dumping
- Discrimination and harassment
- Burden on the local community
- Components and raw materials
- Components related to transportation

When giving priority to the different topics, the severity and probability measures will be emphasized.

Severity is based on *scale*, how many people could be impacted, *scope*, as potential severity and *recovery* like possible compensation or recovery.

Probability is measured based on geographical risk or industry risk. The identified risks are in general not identified as significant or unacceptable, however the potential of risks related to negative consequences is increasing when new projects start construction.

Improvement initiatives and focus areas

In Clemens Kraft today with construction projects in the pre phase, the assessment of those projects is related to planning. Further assessment has been focusing on the power plants in operation and the work connected to the administration. Actions will be taken towards subcontractors in the maintenance contracts to confirm the working conditions for their employees and during procurement of components and other relevant material. Clemens Kraft is not aware of any breach today. Results of actions taken are expected to improve the working conditions of contractors. Clemens Kraft will establish self-declaration forms to commit the contractors and sub-contractors by the end of 2025.

There are no reported issues related to the transparency act as of today. The dialogue with stakeholders as landowners and local communities is followed up closely.

Health and security

During 2025 there have been an update of the guidelines in Clemens Kraft to further improve and align requirements both internally and externally. Focus areas are related to **contractors** and implementation of action plans, improvements, routines for follow up and communication. The risk is expected to remain modest and in line with Clemens Kraft expectations.

Agreements with local caretakers are in place and have been in focus since the 2023 update to secure the contractors to be in line with CK's expectations. Own employees have been trained in mandatory safety routines (FSE) in addition to initiatives related to first aid training in general.

Working conditions

Focus area will be related to **contractors** and implementation of action plans, improvements, and routines for follow up and communication to relevant parties. The risk of having non-acceptable working conditions for contractors is expected to be modest.

Local caretakers do have the same routines and regulations as own employees. Professionals followed up by control of established routines within the company.

Social dumping

Revised assessment will be done when **hiring people and contractors** for new projects

The revised assessment is pending start of construction projects.

Discrimination and harassment

Risk assessed as low and will be followed closely to evaluate increased probability and implement actions to mitigate risk

Channels for reporting issues established with ALLSTAD.

Burden on the local community

Focus area is to **continue implement action plans**, routines and increase communication with landowners and other local communities.

Communication with the local community is high on the agenda.

Components and raw materials

Implement routines and guidelines to reduce risk when using contractors and requirement to **procurement of raw materials**

Relevant when refurbishment projects and when starting up construction projects.

Transportation

Implement routines and guidelines to reduce risk when **using contractors and sub-contractors**.

Risk assessment for own employees and contractors on a regular basis.

During the assessment of human rights and decent working conditions, the addressed focus areas will be duly communicated, and training will be evaluated to ensure implementation of the Transparency Act in the organization. All governing documents will be updated and made available to relevant stakeholders of the Group.