

## **Account of due diligence pursuant to section 5 of the Norwegian Act relating to enterprises' transparency and work on fundamental human rights and decent working conditions (the "Transparency Act")**

This Transparency Act report (the "Report") has been prepared in accordance with section 5 of the Transparency Act and summarises the approach taken by Norsk Vind Egersund AS (the "Firm") to identify and assess actual and potential adverse impacts to human rights and decent working conditions in the Firm's operations, supply chain or business partners, and provides:

- a general description of the Firm's business and its procedures for handling actual and potential adverse impacts on fundamental human rights and decent working conditions and
- the results of the Firm's human rights due diligence, including measures that have been or are planned to be implemented in this regard and the results or expected results of such measures.

This Report covers the period 1 July 2022 – 31 March 2023. The Firm publishes its annual accounts in English, and this Report is therefore also in English.

This Report will be made available on the website: <https://luxcara.com/sfdr/projects> and may also be obtained on request to the Firm.

### **1 POLICY STATEMENT**

The Firm is committed to respecting fundamental human rights and ensuring decent working conditions.

The Firm's board of directors is ultimately responsible for the Firm's policies and procedures in respect of fundamental human rights, and decent working conditions in connection with the production of goods and the provision of services. These reflect the values and standards of the Firm.

The Firm and the advisors (as defined under sub-sec. 2.1) cherish and promote integrity, respect, and fair behaviour throughout daily operations.

The Firm is a signatory of the UN PRI and the UN Global Compact and requires its portfolio companies to comply with these principles.

### **2 OUR BUSINESS OPERATIONS**

#### **2.1 Description of the Firm and the advisors**

The Firm owns an operational onshore wind farm incorporated under Norwegian law. The Firm's business operations can be defined through the production of renewable energy. Day to day operations are driven by maintenance and monitoring services, that are conducted continuously and on an as needed basis. The Firm is located in Norway, where the renewable energy is produced.

The Firm is considered a special purpose vehicle, with the primary object of owning wind farms and does not employ own staff. The wind farm outsources relevant workstreams, mainly operational and technical management of the wind farm (the "OMA"), operations and maintenance of the turbines (the "O&M"), and commercial asset management services (the "CAMA"; together "Advisors") to specialist third-party service providers.

The construction and operation of the wind farm is carried out in full compliance with the terms stated in licenses granted by the Norwegian authorities. It is furthermore the assessment of the board of directors that the Firm contributes positively to a sustainable environment and promotes fundamental human rights and decent working conditions in connection with the production of renewable energy.

## **2.2 Description of supply chain and other business partner relationships**

As mentioned above, the Firm is located in Norway, where the renewable energy is produced and most relevant workstreams are outsourced to its Advisors with whom the Firm has longstanding relationships.

## **3 ADDRESSING ADVERSE IMPACTS ON HUMAN RIGHTS AND DECENT WORKING CONDITIONS AT THE FIRM**

### **3.1 Human rights policies and procedures**

The Firm and the CAMA consider the UN Guiding Principles on Business and Human Rights (UNGPs), including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organization (ILO) on Fundamental Principles and Rights at Work and the International Bill of Human Rights, on a continuous basis and throughout their day-to-day business operations.

The Firm has adopted a Code of Conduct which its Advisors and suppliers and business partners are expected to adhere to. The Code of Conduct requires the Advisors, suppliers and business partners:

- to respect human rights, which means they should avoid infringing on the human rights of others and should address adverse human rights impacts with which they are involved;
- within the context of their own activities, to avoid causing or contributing to adverse human rights impacts and address such impacts when they occur;
- to seek ways to prevent or mitigate adverse human rights impacts that are directly linked to their business operations, products or services by a business relationship, even if they do not contribute to those impacts;
- to have a policy commitment to respect human rights;
- to carry out human rights due diligence as appropriate to their size, the nature and context of operations and the severity of the risks of adverse human rights impacts and
- to provide for or co-operate through legitimate processes in the remediation of adverse human rights impacts where they identify that they have caused or contributed to these impacts.

The Firm also requires all suppliers and business partners to comply with all laws and regulations on working hours, wages, and working conditions, in accordance with the norms of the ILO. The Firm does not conduct business with companies that condone child and forced labour. Business partners must tolerate any engagement of their employees in unions and respect their freedom of association. The Firm prohibits any form of discrimination and harassment and respects religious and cultural customs.

### **3.2 Our approach to preventing adverse impacts on human rights and decent working conditions**

The Firm utilises its Advisors to apply a due diligence process to enable the identification and prioritization of adverse impacts on human rights and working conditions. The human rights and decent working conditions due diligence process is part of a broader due diligence process and follows the requirements of the EU SFDR and EU Taxonomy. The Firm in collaboration with its Advisors implements procedures to identify, measure, manage, and monitor any potential adverse impacts on fundamental rights and decent working conditions.

In addition, and as mentioned above, the Firm has implemented a Code of Conduct, relevant for the suppliers and business partners of the Firm.

Simply acting according to the law and complying with ethical minimum standards is not enough. The Firm's goal is to create business partnerships which enable all involved persons to give their best and cherish integrity, respect, and fair behaviour.

The Firm in collaboration with its Advisors apply an active management approach and monitor the quality of services provided by the third-party manager closely. This assessment/monitoring is conducted on a quarterly basis. Findings are followed up by the respective project manager and mitigating measures will be developed. On a regular basis, findings with a potential negative effect on the asset are addressed ad-hoc and through regular meetings with project stakeholders, such as the maintenance and operational manager.

In addition, a whistle-blower mechanism, which allows employees, business partners and suppliers to ask questions and raise concerns related to the Firm's operations is in place.

#### **4 ASSESSMENT OF ACTUAL AND POTENTIAL ADVERSE IMPACTS ON HUMAN RIGHTS AND DECENT WORKING CONDITIONS RELATING TO THE FIRMS OWN OPERATIONS, SUPPLY CHAIN AND BUSINESS PARTNERS**

##### **4.1 Human rights impact assessment: approach and methodology**

The Firm utilizes its Advisors to set up a due diligence process to assess the adverse impacts on human rights, and decent working conditions relating to the Firm's own operations, supply chain, and business partners. The purpose is to identify and assess actual and potential adverse impacts on fundamental human rights and decent working conditions that the Firm has either caused or contributed towards, or that are directly linked to the Firm's operations, supply chain or business partners. As part of the risk assessments, the active management approach includes on-site visits and close collaboration with technical and maintenance contractors.

##### **4.2 Outcome of assessment of actual and potential adverse impacts in the Firm's own operations**

Risk assessments are conducted on an ongoing basis.

The Firm recognizes that there is an inherent general risk that its operations may be linked to adverse human rights impacts, for example negative impact on local stakeholders. However, in practice, no such potential adverse impacts were identified.

Findings Report

Actual Adverse impacts	No adverse impacts were identified
Potential Adverse impacts	No adverse impacts were identified

##### **4.3 Outcome of assessment of actual and potential adverse impacts in the Firm's supply chain and business partner relationships**

Risk assessments are conducted on an ongoing basis. To date, the Firm in collaboration with its Advisors has not identified any actual adverse impacts on human rights and decent working conditions related to its supply chain and business partner relationships.

The Firm recognizes that there is an inherent general risk that operations may be linked to adverse human rights impacts, for example through negative impact on local stakeholders or poor or unsafe working conditions of contracted staff (contracted by the Advisors). However, in practice, no such potential adverse impacts were identified.

#### Findings Report

Actual Adverse impacts	No adverse impacts were identified
Potential Adverse impacts	No adverse impacts were identified

### **5 MITIGATING ACTIONS AND TRACKING PROGRESS**

Risk management processes identify, measure, manage, and monitor the actual or potential significant risk impacts in the entire operations. In the case actual or potential adverse impacts are identified, the Firm in collaboration with its Advisors will develop mechanism to cease, prevent and/or mitigate those risks (as relevant).

The results of the Firm's human rights due diligence will be shared and discussed with respective stakeholders. If necessary, measures will be taken and monitored.

### **6 PRIORITIES FOR THE NEXT YEAR**

The Firm promotes transparency and strongly supports national and European measures towards strengthened transparency, sustainability, governance and social structures. Priorities for the next year are to uphold the strong governance framework and monitoring system in order to guarantee fundamental human rights and promote suitable working conditions in connection with the production of renewable energy at the Firm and further improve human rights impact assessment processes to continue to identify and take steps to mitigate any actual adverse impacts that may occur.

#### **SIGNATURES**



*Alexandra von Bernstorff*