

## Cloudberry`s work with the Transparency Act

### Cloudberry Clean Energy ASA

The Act relating to enterprises' transparency and work on fundamental human rights and decent working conditions (the Transparency Act) applies from 1 July 2022. The Act is intended to strengthen the impact of international guidelines and principles for responsible business, such as the UN guiding principles on business and human rights and OECD guidelines for multinational companies.

The main purpose of the Transparency Act is to promote companies' respect for fundamental human rights and decent working conditions in connection with the production of goods and provision of services. The law also gives the public the right to obtain information about companies' handling of matters related to human rights and decent working conditions.

The OECD's guidelines for multinational companies are recommendations from OECD countries with the purpose of promoting responsible business in all sectors. The guidelines address areas such as human rights, labour rights, the environment, taxation, anti-corruption, competition law, consumer interests, and transparency. The guidelines require companies to carry out due diligence assessments, but also to contribute to preserve the environment, respect human rights, safeguard workers' rights and avoid corruption.

In June 2022, Cloudberry Clean Energy ASA ("Cloudberry") conducted a due diligence assessment in accordance with the requirements of the Transparency Act. The assessment was conducted through a supervised workshop and advice from the company Sustainability AS. In the workshop, the management and key employees with an insight into relevant value chains and processes conducted the actual due diligence in accordance with OECD guidelines. The working group used the company Tavler AS's methodology for due diligence assessments (the Transparency Board), which is based on ISO Standard 31000 for risk management.

Cloudberry is subject to strict conditions for concessions, has a focus on the environment and nature, and has worked systematically with its social responsibility since the conception of the company. In the company's [Sustainability Report](#) of 2021, Cloudberry reports on its commitments, priorities, results, and goals related to environmental, social and governance (ESG) aspects.

Cloudberry has developed guidelines to help maintain decent working conditions and prevent violation of human rights, corruption, and environmental damage. The guidelines are described in *Guidelines for Responsible and Sustainable Investments*, *Supplier Code of Conduct*, *Code of Conduct*, *Whistleblower Policy*, *Corporate Governance Report* of 2021, and in the *Annual Report* of 2021. The board evaluates guidelines and procedures on an annual basis.

Cloudberry conducts assessments of negative impact in its own business segments, business partners, including the supply chain, and the value chain, through the company's ESG due diligence processes.

The company's [Sustainability Report](#) of 2021 and [quarterly reports](#) describe the company's handling of risk, injuries, and accidents in projects and at power plants.

### **Cloudberry's due diligence assessment**

Cloudberry's suppliers are international, national, and local. In the due diligence assessment, Cloudberry has primarily looked at the risk associated with players that supply the entire business directly. In many contexts, the company uses large suppliers over which Cloudberry has limited influence. The work around the due diligence assessment therefore focuses on those suppliers and business associates where Cloudberry is a direct legal counterpart and has a real opportunity to influence.

In the due diligence assessment, Cloudberry considered three defined goals in the Transparency Act:

1. We shall not contribute to violations of fundamental human rights
2. We shall not contribute to indecent working conditions
3. We shall be transparent about our work with due diligence assessments for responsible business

To achieve these goals, the company's uncertainties (threats) were assessed.

The company concluded that there are several uncertainties that might prevent the achievement of the above goals. The uncertainties involve lack of information, guidelines, dialogue, and concrete action to inquire into the status of human rights and decent working conditions both within Cloudberry itself and among suppliers. The working group also discussed the potential for influence and what measures could contribute to fulfil the purpose of the law.

The working group developed a list of concrete measures and initiatives to reduce the likelihood of identified threats occurring, and to strengthen Cloudberry's ability to deal with them if they occur. The measures mainly focus on intensifying Cloudberry's inquiries into the status of human rights and decent working conditions related to suppliers. This involves, among other things, increased supplier dialogue on these topics as well as clarifying internal routines to the procurement officer and project managers to increase their awareness of the contents of the Transparency Act.

### **Incorporation and the way forward**

For the company to comply with the obligations of the Transparency Act, the management of Cloudberry wanted to incorporate the results of the workshop in the board. It is also important that the board of the company is familiar with the obligations of the Act to ensure that sufficient resources are allocated to work required by the Act.

At Cloudberry's board meeting held June 30, 2022, the CEO informed the board of the Transparency Act, the board's obligations, and the company's ongoing work related to the Transparency Act. The Transparency Act was thoroughly discussed in the board meeting and Cloudberry will conduct its business in accordance with the obligations of the Transparency Act. The board approved of the company's plans for further work on the Transparency Act.

The company is developing necessary guidelines, internal systems, and routines for conducting due diligence assessments and complying with other obligations of the Transparency Act.

The company's updated and/or new guidelines for work with human rights and decent working conditions must be submitted to the board for approval before they are implemented in the company.

In accordance with the obligation of the Transparency Act to provide information, Cloudberry will provide information about the company's work to promote labour and human rights in the supply chains to anyone who requests this information.

The company shall publish a report on the due diligence assessments in accordance with the guidelines of the Act. This will be done for the first time by 30 June 2023.

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