



Transparency Act Report 2022

Cloudberry Clean Energy ASA

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Introduction

This report has been prepared by Cloudberry Clean Energy ASA (“**Cloudberry**”) in accordance with the requirements of the Transparency Act.

The report primarily covers the period of 1 July to 31 December 2022. However, since this is the first year of reporting under the Transparency Act, the report also includes an overview of relevant work related to human rights and decent working conditions that has been carried out after this period.

This report covers Cloudberry Clean Energy ASA, including our subsidiaries organized in the three business segments Production, Development and Operation (the Captiva Group). All companies provide services within the renewable energy sector.



About Cloudberry, our operations and supply chains

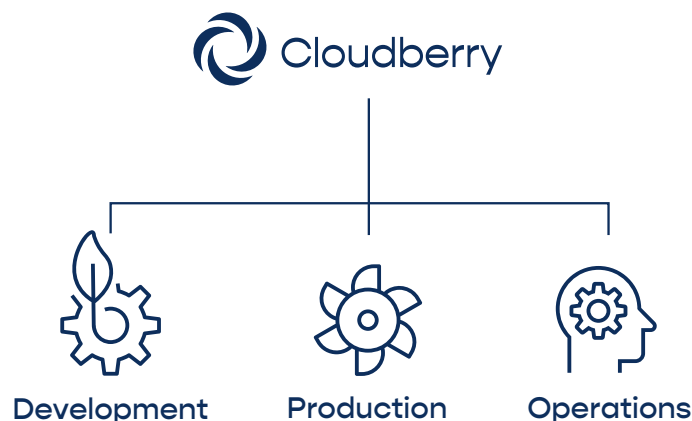
Cloudberry is a renewable energy company operating in the Nordics. We own, develop, and operate hydropower plants and wind farms in Norway, Sweden, and Denmark.

Cloudberry's operations are divided into three business segments:

Development includes development of both onshore and offshore wind and hydropower assets in Norway and Sweden from identification until the construction phase. From 2023 it includes onshore wind assets in Denmark as well. The supply chains of this business segment therefore relate to construction, such as entrepreneurs and suppliers of wind turbines and other materials.

Production includes active ownership of renewable power assets in the Nordics. This segment sells energy mainly to the spot market in Norway, Sweden and Denmark.

Operations includes asset management and operation of hydro and wind assets, including digital solutions for operational monitoring, quality assurance, health, safety and environment (HSE), as well as compliance and revenue management.



Our Values

In Cloudberry we have a value-based culture guiding us on how we act towards each other as colleagues and towards our surroundings.



Be Supportive

We accept everyone's worth and dignity, respect and help each other. We encourage supportiveness and value diversity. We welcome different opinions, but always pull in the same direction towards Cloudberry's common goals.



Be Committed

We work together with passion and dedication to reach our purpose and goals today and for the next generation. We engage in our work and emphasize the value of collaboration and teamwork. We operate with a long-term perspective, and sustainability is integrated in everything we do.



Be Bold

We believe that our mission to accelerate the transition to renewable energy requires us to be bold, go in new directions, think innovatively and differently, and think big – but always act responsibly.



Be Exceptional

We know that to succeed we must always perform our best. Being exceptional means valuing diversity to strengthen our ability for problem-solving and value creation. We set our standards high and ensure industry-leading competence and foster a culture that values the synergies of cooperation.

Cloudberry's due diligence process

1. Embedding responsible business practices

Cloudberry's due diligence assessment in accordance with the Transparency Act is anchored with the management team and the board of directors. In June 2022, one of the board's agenda items was a presentation from the CEO about the Transparency Act, the board's obligations, and the company's ongoing work to comply with the Act. In June 2023, the board was updated on Cloudberry's progress in complying with the Act and the measures taken by the Company since conducting a strategic due diligence assessment in 2022.

Cloudberry is committed to avoiding violations of human rights, indecent working conditions, damage to the environment, and involvement in corruption. The Company has developed the following set of guidelines for responsible business practices:

- Guidelines for Responsible and Sustainable Investments
- Code of Conduct
- Supplier Code of Conduct

The board evaluates guidelines and Cloudberry's adherence to its policies and procedures on an annual basis.

The standards Cloudberry adheres to in our own operations are embedded in the organization's Code of Conduct (CoC). The CoC requires that anyone who acts on behalf of Cloudberry, must operate in accordance with responsible, ethical, and sound business practices, as well as respect human- and labour rights.

Cloudberry expects, and demands, its business partners to uphold the same ethical standards as it does in the conduct of its own operations. This is highlighted in Cloudberry's Supplier Code of Conduct (SCoC). The SCoC is made part of contracts with our suppliers, and states that we expect our business partners and suppliers to set out the same ethical standards in their relationships with their suppliers and sub-contractors, as Cloudberry requires of them.

In addition to Cloudberry's expectation of compliance to requirements of ethical and sustainable practices, including safeguard basic human rights and decent working conditions, the SCoC obliges our suppliers to carry out due diligence assessments in accordance with OECD guidelines. We also expect our suppliers to demonstrate willingness and ability to improve their operations to positively impact people, society, and the environment.

To specifically address health and safety risks at construction sites, Cloudberry has safety and health guidelines for the work environment ("SHA-plans") in place for every development project and is continuously improving its framework and reporting routines. We have weekly construction meetings for all our projects, and health and safety management on site is an integral part of our regular supplier dialogue to ensure that routines are implemented and monitored on an ongoing basis.

To be able to uncover and implement corrective actions for any breaches of our CoC or SCoC, a whistleblowing channel is available on the Cloudberry website for all our employees, representatives, suppliers, business partners and other stakeholders. The whistle-blowing channel provides the possibility of anonymously reporting.

Our whistleblowing policy commits us to a fair, confidential, and transparent process for handling any reported concerns, and to protect whistle-blowers from retaliation.

2. Assessing risk in Cloudberry's business and supply chains

Cloudberry uses a digital tool with standardized methodology (Tavler Transparency Board) to conduct and document the due diligence assessments in line with the requirements of the Transparency Act.

The platform provides an overview of all material suppliers and makes it possible to map identified risks up until purchasing. The mapping is an ongoing process and is continuously updated and developed.

The process improves and increases the dialogue with suppliers on responsible business, human rights and working conditions. Furthermore, the platform provides a checklist for the dialogue with our suppliers on their due diligence assessments in accordance with the OECD's guidelines on fundamental human rights and decent working conditions.

In many contexts, Cloudberry uses large suppliers, where we have limited influence to impact their value chain. In the due diligence assessment, Cloudberry has therefore primarily focused on risks associated with its direct suppliers where Cloudberry is a direct legal counterpart and has real potential for influence.

As a first step, Cloudberry has chosen to assess risks in its own business and supply chain at an overall strategic level. Through a supervised workshop in June 2022, a due diligence assessment was conducted in accordance with the requirements of the Transparency Act. Primarily, preparations were made to map the status of relevant suppliers and business partners. Then the management and key employees with insight into relevant value chains and processes participated in a workshop, where the actual due diligence assessment was carried out in accordance with OECD guidelines.

In the workshops, a checklist status was presented showing status quo in relevant areas. The checklist addresses the obligations of the act and the guidelines from the OECD. The findings in the checklist were based on preparatory work where interviews had been conducted with key employees, and relevant documents had been reviewed.

In the workshop, assessments against three defined goals in the Transparency Act were made:

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

The working group then assessed the uncertainties (threats) the Cloudberry faces to achieve these goals.

The following uncertainties related to fundamental human rights and decent working conditions were identified:

- Subcontractors of large suppliers¹
- Working conditions extracting copper and iron
- Lack of relevant information from suppliers
- Follow-up of suppliers²
- HSE at the producing power plants

¹ There are uncertainties relating to conditions in large and complex value chains prior to Cloudberry.

² There is a lack of systematicity in the assessments of the HSE standards of small local entrepreneurs in the Nordics.

3. Identified adverse effects and material risk of adverse effects on human rights and decent working conditions

We operate in the Nordic market and with professional suppliers that we assess as not presenting significant risks related to human rights and working conditions. On the other hand, there are risks linked to our suppliers' subcontractors, e.g., the working conditions in the value chain where copper and steel are produced.

During 2022, Cloudberry has not identified any adverse effects to human rights or decent working conditions in our operations or supply chains. No incidents causing harm to people's health or serious material damage were recorded, although two near misses were reported. In one of the near misses, a rock rolled down a slope at a construction site. In the other incident, a truck slid off a construction road and into a shallow ditch. The causes of the near misses were thoroughly investigated, and corrective measures were implemented to reduce the risk of similar incidents in the future. There were no injuries or material damages detected at the site of either incident.

To identify material risk of adverse effects on human rights and working conditions, the uncertainties were assessed according to the probability of their occurrence (does not happen, can happen, happens) and the degree of severity (not very serious, serious, very serious):

Might happen, not very serious:

- Subcontractors of large suppliers. The company sees uncertainties relating to conditions in the large and complex value chain prior to Cloudberry.

Might happen, serious:

- Working conditions extracting copper and iron. Cloudberry will focus on this risk in further dialogue with suppliers and collaborate to map and possibly prevent this risk further.
- Lack of relevant information from suppliers. Cloudberry will establish procedures to send out questionnaires to suppliers to survey the suppliers work with fundamental human rights and decent working conditions.
- Follow-up of suppliers. Lack of systematicity in the assessments of the HSE standards of small local entrepreneurs engaged in the development and construction phase.
- HSE at the powerplants in production. Follow up suppliers regarding HSE on the producing power plants.

4. Measures to prevent, mitigate or halt adverse effects

Cloudberry conducts its own assessments of negative impact in its operations and business relationships, including the supply chain, through the company's ESG due diligence process. The Cloudberry projects are closely followed by conducting meetings weekly on site and maintaining close dialogue with suppliers during construction. Still, Cloudberry will follow up suppliers more closely to map their initiatives to ensure human and labour rights and proper reporting to Cloudberry.

Cloudberry focuses on stopping, preventing, or reducing negative impact through dialogue with project managers, and through existing guidelines and routines detailed in the Guidelines for Responsible and Sustainable Investments, the Whistleblower Policy, and the Supplier Code of Conduct. Before conducting the due diligence assessment in accordance with the Transparency Act, Cloudberry had a strong focus on environmental issues, but the due diligence assessments revealed a lack of documentation of work to prevent violations of human rights and to secure decent working conditions.

To address this gap, a supplier declaration form with questions as a basis for prequalification of suppliers of products and services to Cloudberry, has been developed and implemented. The declaration form covers regulatory requirements, quality, sustainability and HSE, and specifically asks the suppliers to document their process to safeguard fundamental human rights and decent working conditions in their value chain. The supplier declaration form is now integrated in all tendering processes, and was most recently used in the procurement process at Munkhyttan wind farm project.

A list of measures/initiatives has been prepared to reduce the likelihood of identified threats occurring, as well as to strengthen Cloudberry's ability to deal with them if they occur.

Initiatives that have been taken:

- In the fourth quarter of 2022 the first employment engagement survey was conducted in Cloudberry. It focused on HSE, compliance, work life balance and diversity, equity, and inclusion in the workplace.
- Assessment of fundamental human rights and decent working conditions has been incorporated as a part of the prequalification for suppliers and as well as in the ESG due diligence process before final investment decisions.
- The Supplier Code of Conduct is updated and Cloudberry is in the process of informing existing suppliers of the update, encouraging notification systems and a whistleblower channel.
- At the end of 2022 Cloudberry further assessed and developed the company's culture and values in a workshop for all employees. In June 2023, another workshop with all employees was organized to continue this important work, being an important ongoing process going forward.
- Responsibilities on projects during construction:
 - Training project managers in ensuring fundamental human rights and decent working conditions
 - Notify and educate employees and suppliers of their right and responsibility to notify possible misconduct, and guidance on how such notification should be made and what to expect from Cloudberry's handling of concerns raised



5. Way forward

Going forward, the strategic due diligence assessment will be conducted on an annual basis to secure that the company follows the OECD's guidelines addressing human rights and decent working conditions in the value chain. To support these processes Cloudberry will incorporate a plan for the due diligence assessment annually and prepare procedures and instructions for how strategic due diligence assessments in accordance with OECD guidelines shall be conducted.

Cloudberry acknowledges that the due diligence assessment is a dynamic and continuous process, affected by circumstances in the organization's

operating environment that are constantly changing. Cloudberry develops routines and systems to work preventively to mitigate potential negative impacts of our operations. Accordingly, the company will implement risk-based audits in the supply chain to secure the best risk management practices to ensure that the entire supply chain encompasses the values promoted by the Act on environmental, social and governance business impact. We believe that securing responsible business conduct and good governance, internally and in our value chain, will contribute to a long-term positive reputation making Cloudberry a desirable employer and business partner.

Oslo, 12 June 2023

The Board of Directors of Cloudberry Clean Energy ASA



Tove Feld
Chair of the Board



Petter W. Borg
Board member



Benedicte Fossum
Board member



Nicolai Nordstrand
Board member



Stefanie Witte
Board member



Henrik Joelsson
Board member



Alexandra Koefoed
Board member



Anders J. Lenborg
CEO

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