

	Policy (eng) <b>Sustainability policy (ESG)</b> Projects Internasjonal/Objectives and policies		
	<b>Dokument Id:</b> 158 <b>Versjon:</b> 3 <b>Status:</b> Godkjent	<b>Dokumentansvarlig:</b> Asgeir Drugli <b>Forfatter:</b> Asgeir Drugli	<b>Godkjent av:</b> Asgeir Drugli

## Background

UN's sustainability goals outline a joint work plan for a global sustainable future. Everyone is expected to help achieve the goals, including the business community. Tinfos both can and will contribute in our own way. Sustainability and social responsibility must be an integrated part of our activities and in our projects.

We regard our activities as part of the global transition towards a more diversified, low carbon energy future in accordance with the United Nations Sustainable Development Goals (UN SDGs). In all our activities we uphold the Ten Principles of the UN Global Compact on Human Rights, Labour, Environment and Anti-Corruption, and we annually report on our status for the work we do on these topics. We utilize our due diligence process on identifying adverse effects from our business areas on fundamental human rights and decent working conditions according to the Transparency Act (Nw.: Åpenhetsloven). Tinfos supports and respect basic human rights, and ensure that we do not contribute to violation of the human rights. Tinfos AS has implemented the Hydropower Sustainability Standard and the IFC Performance Standards related to risk assessment of environment and climate change, human beings and community and business governance.

By conducting a materiality assessment, we have identified the sustainability topics that are the most material for Tinfos. We base our sustainability policy on the SDGs and the result from the materiality assessment. The materiality assessment identifies the following as the most material topics for Tinfos:

Economic	Environmental	Social
Economic performance	Biodiversity	Labour Rights
Business Integrity	Renewable Energy	Occupational Health and Safety
Good Governance	Water Resource Management	
	Climate Change Mitigation	
	Climate Change Resilience	

The table below illustrates how the prioritized topics identified by the material assessment align with the UN Sustainability Development Goals. This correlation forms the basis for our sustainability policy.

	3 GOOD HEALTH AND WELL-BEING	6 CLEAN WATER AND SANITATION	7 AFFORDABLE AND CLEAN ENERGY	8 DECENT WORK AND ECONOMIC GROWTH	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	13 CLIMATE ACTION	14 LIFE BELOW WATER	15 LIFE ON LAND	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Economic Performance			●	●	●				
Business Integrity				●					●
Good Governance				●					●
Biodiversity							●	●	
Renewable Energy			●	●	●	●			
Water Resource Management		●				●	●		
Climate Change Mitigation			●			●	●	●	
Climate Change Resilience			●			●	●	●	
Labour Rights	●			●					
Occupational Health and Safety	●			●					

## Target group

- Employees of Tinfos AS
- Business stakeholders

## Responsibility and authority

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The Board of Directors of Tinfos is responsible for ensuring that the company complies with its obligations under the Transparency Act. The CEO is responsible for the content of this document.

The Chief Sustainability Officer, CSO, is responsible for ensuring that this document is updated and that it is reviewed by the company's management team in connection with the management's review.

CSO has the authority to initiate materiality analyses when necessary.

CSO is responsible for processes and routines in Tinfos that ensure the implementation of due diligence assessments. The Transparency Act and the OECD. CSO is responsible for communicating how we manage related risk in our own operations, in the supply chain or in other business relationships, including through COP (Communication on Progress) to the UN Global Compact and on our website.

Department managers are responsible for following up routines in connection with due diligence assessments in their respective departments, including by communicating Tinfos' requirements for responsible business conduct to our suppliers and business associates, through agreements and contracts.

## Procedure description

## ENVIRONMENTAL SUSTAINABILITY POLICY



Tinfos acts responsibly towards our stakeholders who are affected by our activities. We perform with integrity in all situations, in accordance with our ethical standards described in the Code of Conduct for Tinfos and the UN Global Compact's principles for responsible business conduct:

- We stand for a precautionary approach to environmental challenges
- We take the initiative to promote increased environmental responsibility
- We encourage the development and use of environmentally friendly technology

## Renewable energy production

Our Vision is to accelerate the global transition to a clean energy future.

Our mission is to design, build, finance, operate and maintain high-quality hydropower plants for the production of renewable energy that create economic, social and environmental value in the markets in which we operate.

We deliver reliable hydropower plants that contribute to a secure, sustainable and renewable longterm energy supply.

## Water Resources Management

Tinfos identifies risks and implements relevant measures to prevent pollution during the construction and operation of hydropower plants.

We identify and take into account issues related to water flow affected by project and construction areas. Monitoring and operation are carried out in accordance with the licensing requirements for minimum water flow, manoeuvring and flush floods.

When our projects involve the establishment of water reservoirs, we identify important considerations before and during reservoir filling through our risk assessments. Such considerations may be related to safety, clearing of vegetation, cultural monuments, area and slope stability, etc., and we handle these issues in accordance with established plans.

We identify risks that may have negative effects due to reduced water volumes in the parts of the watercourse between the water intake/dam system and the water outlet/power station where the water is returned to the watercourse. We register the amount of water that is extracted from the watercourse and used for power production.

Tinfos will identify risks to aquatic life in all projects where we set up structures such as dams and power plants that can affect migration patterns for aquatic life.

We carry out impact assessments that identify risk factors and establish activities described in specific action plans in all our projects to avoid, minimise and reduce downstream risks in the watercourse. Tinfos ensures that risks of negative impacts on water resources used by local communities or stakeholders are identified and managed in a sustainable manner in our projects.

## Climate action and efficient use of resources

Tinfos monitor greenhouse gas (GHG) emissions generated in our projects and operations and uses the data to learn and improve our greenhouse gas reduction processes in future projects. We involve the supply chain in our climate measures and routines for monitoring greenhouse gas emissions.

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We contribute to a circular economy by ensuring a high degree of waste sorting, we monitor the amounts of waste we produce and ensure that as much as possible goes to recycling, biogas or composting. We involve the supply chain in our waste management policy. We carry out proper handling and transport of materials and waste from our activities.

Tinfos contributes to climate action through our renewable energy production from our hydropower plants, which provides sustainable energy production as an alternative to fossil fuels.

## Climate Change mitigation and resilience

Tinfos contributes to climate change mitigation through our renewable energy production from our hydropower plants, making sustainable energy production an alternative to fossil fuel.

We seek to expand our understanding of the impact of our activities on the climate by monitoring climate emissions generated in our projects and daily operations from sources such as fuel and power use in transportation, manufacturing of key-supplies (e.g. cement) and construction of the dam and powerplant.

Tinfos monitors and generates data as a basis for assessing resilience to impending climate change. The data material is used as input in our design basis to establish measures for safety for third parties, dam safety, other infrastructural resilience, and stable energy production.

We identify risks related to hydrological weather conditions that may occur during the construction phase of our projects such as floods and landslides, and ensure that measures are taken to remove, minimize or reduce the related risks to people, equipment and the environment.

We identify physical risk in the sense of acute impacts from natural phenomena such as earthquakes, changing weather conditions and other events, and use these assessments in our design basis to design and build reliable hydropower plants.

## Environmental risk assessment topics

Tinfos ensures that plans for environment and landscape, technical designs and hydrological conditions always are prepared by certified independent consultants. The documentation forms the basis for our risk assessments, assessment of specific measures and follow-up and monitoring before, during and after the project has been carried out.

Tinfos carries out risk assessments to identify adverse effects on the environment and climate that may arise because of our activities, including the following topics:

<b>Biodiversity and invasive species</b>	Risk of adverse impacts on biodiversity in general, and vulnerable species in particular, due to the project must be identified. Necessary measures must be initiated, monitored and followed up.
<b>Hydrological Resource</b>	Risks associated with the regulation of water bodies, with a particular focus on how water withdrawals and discharges from the river affects natural environments or local communities, will be identified. Necessary measures will be initiated, monitored and followed up throughout the implementation and operation phase of the hydropower plant.
<b>Water quality and sediments</b>	Risks associated with waste management, erosion/sedimentation and potential negative impact on nearby areas in terms of contamination of hazardous substances, annoying sound or light throughout the project's lifetime must be identified. Necessary measures must be initiated, monitored and followed up.
<b>Climate change Mitigation and Resilience</b>	The risk of negative effects on the climate due to our activities will be identified. Measures will be implemented to reduce greenhouse gas emissions and ensure sustainable use of resources throughout the project, and throughout the power plant's lifetime, will be initiated and followed up.

## SOCIAL SUSTAINABILITY POLICY



### Labour rights

We exercise integrity in all situations, in accordance with our ethical standards described in the Code of Conduct for Tinfos and the UN Global Compact's principles for responsible business conduct:

- Tinfos respects the right of employees to form and join trade unions and recognizes employees' right to collective bargaining.
- Tinfos does not accept any form of forced labour
- Tinfos helps ensure the real abolition of child labour
- Tinfos does not accept any form of discrimination in the workplace

Tinfos does not tolerate exposing employees to social dumping in the sense of serious breaches of health, safety and

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environmental rules, including rules on working hours and requirements for housing standards or that employees are offered wages and other benefits that are unacceptably low compared to what employees normally earn in the same country.

At Tinfos, we actively ensure training and competence enhancement of local supervisory personnel and operators.

## Health, Safety and Working Environment

Tinfos is committed to providing a safe workplace. Thus, we are required to organize and conduct our business in a way that prevents hazards to personnel, materials or the environment. Tinfos' HSE work shall be based on systematic measures to ensure that the company's activities are organised, carried out and maintained in accordance with the requirements of or pursuant to applicable HSE legislation.

At Tinfos, we seek common ground through planned and regular dialogue and cooperation between employees and management on issues related to occupational health and the working environment.

Our HSE requirements are passed on to our suppliers.

## Integration and diversity

Tinfos values diversity among our employees, and we will facilitate equal opportunities for the development and realization of personal goals without discrimination or bullying.

Tinfos does not tolerate discrimination against employees based on age, gender, sexual orientation, disability, race, nationality, political opinions, religion or ethnic background, as well as any other discrimination prohibited by law.

The same principles apply to all our activities both at home and abroad, and they must be applied in our supply chains.

## Local value creation

Tinfos emphasizes that our activities should contribute positively in the local communities in connection with our hydropower construction projects and the operation of power plants. We seek to engage local labor and contractors, and offer training and expertise where applicable.

## Social risk assessments topics

Tinfos carries out risk assessments for negative effects on people and society that may arise as a result of our activities, including within the following topics:

<b>Working conditions and HSE</b>	Risks to workers in the supply chain must be identified and assessed with regard to rights, pay conditions, safety at work, living conditions and other conditions related to HSE. Necessary measures must be initiated, monitored and followed up.
<b>Health and safety - society and infrastructure</b>	Risk to safety for society and infrastructure in terms of floods, fires, landslides, etc. must be identified. The risk of negative impact from project activities must be identified. Necessary measures must be initiated, monitored and followed up.
<b>Land acquisition and involuntary settlement</b>	Risks associated with landowner rights and property conditions must be identified. Risks associated with involuntary relocation of settlement and livelihoods as a result of the project must be identified. Necessary measures must be initiated, monitored and followed up. Local participation must be ensured.
<b>Communication with stakeholders</b>	Interest groups must be identified, and communication plans must be drawn up that describe the project's dialogue with our stakeholders, including local communities. An assessment of the project's notification mechanisms must be made and, in each case, adapted to local needs so that dialogue with all stakeholders is ensured. Necessary measures must be initiated, monitored and followed up.
<b>Cultural heritage</b>	The risk to the project's chances of destroying or damaging cultural monuments in the area must be identified. Necessary measures must be initiated, monitored and followed up.
<b>Indigenous peoples</b>	The risk of indigenous peoples and their livelihoods in the area being negatively affected by the project's activities will be mapped. Necessary measures must be initiated, monitored and followed up.

## GOVERNANCE RISK ASSESSMENT



## Business integrity

Tinfos has zero tolerance for all forms of corruption, and we take active measures by establishing an anti-corruption programme

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to ensure that this does not happen in our business or activities. We exercise integrity in all situations, in accordance with our ethical standards set out in the Code of Conduct for Tinfos and the UN Global Compact's Principles for Responsible Business Conduct, which means that:

- Tinfos AS shall fight all forms of corruption, including extortion and bribery.

## Good governance

At Tinfos, we have sound corporate business structures, policies and practices and act in an open and transparent manner. Our corporate governance components are described in our Corporate Governance Policy.

Tinfos comply with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, with specific references to the ILO Core labor Conventions.

In all our activities we uphold the Ten Principles of the UN Global Compact on Human Rights, Labour, Environment and Anti-Corruption.

We establish compliance assurance processes in our projects to identify all relevant legal and regulatory requirements, licence conditions and reporting requirements. We aim to establish a good relationship with regulators, authorities and other stakeholders in all our activities.

We recognize the procurement process as a source of potential risks and opportunities and establish procurement plans and processes to ensure that suppliers get the opportunity to offer products and services to Tinfos on equal terms.

We pass on Tinfos' requirements for responsible business conduct through the agreements we enter into with our business partners.

We believe that good corporate governance is based on productive relationships with our stakeholders and aim to identify and understand our stakeholder's requirements and expectations through stakeholder mapping and materiality analysis.

## Information security

Tinfos is committed to ensuring the confidentiality, integrity and availability of its client, employee, shareholder, board and company data that we process, transfer and store both physically and electronically.

We support initiatives to ensure and enable the implementation of an approach to information security that aims to comply with relevant regulations and globally respected professional norms and standards such as ISO 27001.

## Whistleblowing

Transparency is a prerequisite for motivation, trust and security at Tinfos. There is acceptance in the company to raise concerns and to raise criticism, and the company has various procedures and channels for raising critical questions about the company's or individuals' behaviour when representing Tinfos.

Procedures for whistleblowing are described in more detail in our Code of Conduct, and reports are handled in accordance with our internal whistleblowing routine by the company's own whistleblowing committee.

## Governance risk assessments topics

Tinfos carries out risk assessments for negative corporate governance effects that may arise as a result of our activities, including within the following topics:

<b>Corruption and bribery</b>	Risks related to corruption and bribery shall be identified and assessed in the markets in which we operate. Necessary measures must be implemented and followed up. The effect of measures will be measured. View <a href="#">Tinfos Code of Conduct</a> for more information.
<b>Conflicts of interest</b>	The risk of conflicts of interest must be identified and assessed in all our activities. Necessary measures must be implemented and followed up. View <a href="#">Tinfos Code of Conduct</a> for more information.
<b>Information security</b>	View our <a href="#">Information Security Policy</a> for more information.
<b>Privacy / GDPR</b>	Privacy risks must be identified and assessed in all parts of our business. Necessary measures must be implemented and followed up. View our <a href="#">Privacy and Data Protection Policy</a> for more information.
<b>Money laundering and tax fraud</b>	The risk of money laundering and tax fraud shall be identified and assessed in all parts of our business. Necessary measures must be implemented and followed up. View our <a href="#">Anti-Money Laundering and tax fraud policy</a> for more information.
<b>Protection of whistleblowers</b>	In the event of whistleblowing, Tinfos always carries out a risk assessment of the risk of retaliation for the whistleblower. Necessary measures must be implemented and followed up where this is deemed necessary. View <a href="#">Tinfos Code of Conduct</a> for more information.

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