



## **Report on due diligence assessments pursuant to the requirements in the Transparency Act**

The act relating to enterprises' transparency and work on fundamental human rights and decent working conditions (Transparency Act) came into force on July 1, 2022. The act is meant to strengthen the effect of international guidelines and principles for responsible business, such as the UN's Guiding Principles on Business and Human Rights and the OECD's Guidelines for Multinational Enterprises.

This report is intended to meet the requirement to account for due diligence assessments in § 5 of the Transparency Act.

### **NG Group's organizational structure and most important business areas**

NG Group AS is the parent company in NG Group. The parent company is owned by Norsk Gjenvinning Norge AS, which is controlled by the investment fund Summa Equity. In 2022 the services and companies making up the corporation were organized in the following divisions: Norsk Gjenvinning, NG Markets, NG Metall, Nordic Demolition, Nordic Industrial Services, NG Growth, and Zirq Solutions. This report covers the entire NG Group corporation (hereafter NG Group), including all subsidiaries. (See the attachment at the end of this report for a complete list of these companies).

As of 01.01.2023, NG Group is organized in six different platforms. The platforms have strategic plans to grow and expand throughout the value chain. This report refers to the divisions that made up the corporation until 31.12.2022, as the report mainly applies to the 2022 financial year.

NG Group is Norway's biggest supplier of recovery and environmental services. The group collects different types of waste from businesses in a wide variety of branches, along with household waste from municipalities and inter-municipality companies. The group's services connected to the division Norsk Gjenvinning make up the biggest part of the undertaking when measured in turnover. Each year the companies in NG Group handle 2.5 million tons of waste for more than 40,000 customers. Group service offerings include waste transport, waste handling, sorting, downstream logistics, purchase and sale of waste, household renovation, demolition and environmental remediation of buildings, security shredding, and more. Group service offerings include waste transport, waste handling, sorting, downstream logistics, purchase and sale of waste, household renovation, demolition and environmental remediation of buildings, security shredding, and more.

The group has extensive geographic coverage in Norway and the Nordics. The group's activities are mainly carried out in Norway and Sweden, although some of the companies in the corporation are located in Finland, Denmark, Great Britain, and Poland.

NG Group delivers a variety of waste fractions downstream for energy and material recovery. Metal, plastic, paper, and residual waste are among the biggest waste streams which are delivered to the group's business partners. Residual waste is sent to energy recovery in Norway and Sweden. Other waste fractions, such as paper and metal, are exported to countries in both Europe and Asia while plastic is mainly recovered in Europe.

NG Group has its own waste handling and recovery facilities run by companies in the group. The biggest of these is Groruddalen Environmental Park in Oslo, which operates collection, reception, and sorting of waste fractions. The group also has significant activity handling masses from building and construction work and runs multiple landfills for handling and disposing of masses in Norway. Group companies in Norway also work with the dismantling and demolition of buildings.

Through Zirq Solutions, the group has also taken position as an actor in the market for the recovery of cables and downstream sale of copper and aluminum. One of the newer companies in Zirq Solutions is also working with product development and production of, for example, furniture components based on recovered plastic.

Expanding downstream in the value chain is a strategic effort for NG Group and the new platforms, and the group plans to steadily expand the scope of its business into new markets in the future.

Several of NG Group's companies are affected by collective bargaining agreements with country-wide trade unions. Employees are also represented in the Board of Directors, from both the office and operational sides.

## **NG Group's guidelines and routines for handling actual and potential negative consequences for fundamental human rights and decent working conditions**

NG Group is committed to ensuring ethical purchasing from the group's suppliers of products and services. Our supplier contracts include requirements to act in accordance with anti-corruption laws and UN human rights.

The following documents guide the work in this area:

- Employee Code of Conduct
- HR policy
- Diversity and inclusion policy
- Supplier Code of Conduct
- Contract clauses
- HMS Policy

### **More on the Supplier Code of Conduct**

The group has its own Supplier Code of Conduct (SCoC), called the supplier declaration, which is approved by the Group Board of Directors and requires that suppliers follow the group's standards regarding responsibility, integrity, and sustainability. The declaration covers a range of compliance and sustainability related topics including human rights, freedom to organize, HMS, forced labor, and child labor. It also includes the requirement that suppliers pass on NG Group's principles and requirements to their own suppliers and business partners. In the declaration, NG Group reserves the right to audit suppliers and demand correction for any violations. The group makes use of this access and conducts regular supplier audits, both upstream and downstream.

NG Group has committed to the recycling branch's Code of Conduct, which was created by Norsk Industri in 2014. This includes, among other things, an obligation for businesses to support, respect, and comply with internationally recognized human rights. NG Group has zero tolerance for slavery and human trafficking, and has, among other steps, accounted for this in a separate statement "Statement against slavery and human trafficking", in response to the UK Modern Slavery Act of 2015.

### **Roles and responsibilities**

Responsibility and authority to account for due diligence assessments are defined in the group's procedure for handling information requirements and accounting for due diligence assessments. The procedure was developed in 2022 to ensure that the requirements of the Transparency Act would be met and distribute roles and responsibilities.

Chief Sustainability Officer (Group CSO)

- Overall responsibility to ensure that the group's framework for risk assessments covers the Transparency Act's obligation to conduct due diligence assessments
- Overall responsibility to ensure that the group's compliance with the duty to respond to information requests, including creating and updating the procedure

#### Head of Compliance for NG Group

- Responsible for creating and updating the procedure
- Responsible for relevant templates to respond to information requests, and responsible for responding to information requests to group companies until otherwise decided
- Responsible for the annual report on the group's due diligence assessments

#### Division director/general manager

- Responsible for conducting risk assessments/due diligence assessments in line with the Transparency Act within their unit, following the group's procedure for risk assessments
- Responsible for implementing and promoting the procedure in their own division/company

#### Other managers and employees

- Responsible for communicating any information requests in line with the procedure and supporting the preparation of a response from their unit

In 2022, the risks related to fundamental human rights and decent working conditions at suppliers and partners were added to the group's overall risk assessment procedure – which is approved by the Group Compliance Manager. This procedure is obligatory for all divisions and companies in the group and says that the risks for fundamental human rights violations must be evaluated at the same time and with the same process as other risks. In "The Procedure for Risk Assessments", NG Group has included a list of the risks which must be evaluated specifically to comply with the Transparency Act. The categories on the list are composed of:

- Pay discrimination for equal work or work of equal value,
- Discrimination based on race, gender, skin color, language, religion, political or other, violence, or harassment,
- Health, environment, and security in the workplace,
- Impeding employees' opportunity to rest,
- Have free time and reasonable limits to working hours,
- Impeding organization and collective bargaining
- Forced labor, slavery, and undue stress

### **Whistleblowing channel**

NG Group has a whistleblowing channel on its website, for both internal and external reports. Information on the whistleblowing channel and the opportunity to report are located here; [Norsk Gjenvinning Group: Whistleblowing is positive.](#)

All reports will be handled on a confidential basis, and it is possible to make reports anonymously. NG Group also has a whistleblowing guide with information on the rights of whistleblowers, how to report, the prohibition of retaliation, and NG Group's duties regarding whistleblowing as an employer. The guide is available in Norwegian and English on the website. Internal reports can also be made through the employee's nearest manager or to the Head of Compliance.

NG Group encourages all employees to report any unacceptable conditions, and has good experience with handling reports, safeguarding whistle blowers and reports in accordance with legal requirements and group procedures.

### **Risk mapping as a part of due diligence assessments in NG Group in 2022**

NG Group has over 3000 local, national, and international suppliers. The majority of the group's suppliers and downstream business partners are registered in Northern European countries. NG Group's risk assessments have identified the biggest risk for fundamental human rights violations to be in regions outside of Europe,

where the group has business partners for handling downstream solutions and waste fractions in Asia, for example in India, and among transportation providers that have drivers from Eastern Europe.

In 2022 NG Group conducted due diligence assessments focused on the requirements in the Transparency Act for the first time. These assessments were conducted in all the divisions.

The first step was to hold workshops for each of the divisions which focused on actual and potential negative consequences for fundamental human rights and decent working conditions. The risks defined in the new attachment to NG Group's risk assessment procedure were included on a high level in the risk assessments the divisions conducted in 2022. The workshop participants included leadership group representatives and key employees with overview and insight into relevant value chains and processes. These workshops were held for Norsk Gjenvinning, NG Metall, Nordic Demolition, Nordic Industrial Services, Zirq Solutions, NG Growth, and NG Markets.

These workshops were based on mapping and assessments of 1) actual and 2) potential negative consequences for fundamental human rights and decent working conditions that NG Group has caused or contributed to and 3) identifying and implementing measures to stop, prevent, or limit these negative consequences.

## **Material risk for negative consequences and measures implemented in the divisions**

NG Group's divisions operate in different business areas, and individual companies have done their own assessments of the risks for negative consequences for fundamental human rights and decent working conditions that they have caused or contributed to. Risks were assessed for probability and severity, and ranked as red (high), yellow (medium), or green (low). Red and yellow risks are considered material.

The countries and divisions in NG Group have documented these results to varying degrees. This report presents the results of these risk assessments and identified measures to reduce the respective risks.

### **Norsk Gjenvinning**

Norsk Gjenvinning is Norway's biggest supplier of recovery and environmental services and operates approximately 25 facilities where waste is collected and prepared for recovery. The biggest facility is Groruddalen Environmental Park in Oslo. Norsk Gjenvinning also operates facilities at Øra in Fredrikstad, in Larvik, in Bergen, in Tønsberg and in other parts of Norway. Norsk Gjenvinning also offers transport services, container rental, and other waste collection equipment and services.

In the company's 2022 risk assessments, Norsk Gjenvinning identified several risks for negative consequences for fundamental human rights and decent working conditions as material in its operations. Norsk Gjenvinning has identified, for example, risks connected to livable wages, fair pay and equal pay for work of equal value, along with the potential for rest, free time, and reasonable limits to working time. Norsk Gjenvinning has also defined measures to stop or limit these risks through, among other things, following up the Working Environment Act's overtime and rest time decisions on a monthly basis, adding requirements to supplier contracts, and following up with risk based supplier audits.

### **NG Metall**

NG Metall receives all types of metals, along with electrical waste, from industrial enterprises and demolition projects in large enterprises, from municipality waste owners, and from other customers who need to dispose of smaller volumes of waste. Car wrecks also make up a significant portion of the metal that is collected in the nine facilities NG Metall has in Norway and in Sweden. Metal waste is sent onwards to NG Metall's main facility at Øra in Fredrikstad, where it is ground and sorted before it is sold downstream in Norway, Europe, and Asia and made into new raw materials.

In 2022 NG Metall evaluated the risk for fundamental human rights and decent working conditions violations at the division level. As a result, NG Metall has identified measures to reduce these risks such as contracts, risk assessments, physical audits, compliance assessments, and prequalification of business partners. NG Metall has evaluated the risks related to downstream sales and expansion into new markets with weak

environmental regulations and human rights as low based on existing internal routines for prequalification of business partners outside of the Nordics. As a precaution, NG Metall will continue with the current background checks of business partners and follow the development of applicable countries on the ITUC Global Rights Index for human rights.

NG Metall has also evaluated the internal risk for violating the Working Environment Act including working hours and takes steps to reduce these risks through following up the Working Environment Act's overtime and rest time provisions. These are reported systematically to corporate management through business reviews and board meetings.

### **Nordisk Återvinning Service (NÅS) and NG Renovasjon (NGR)**

NÅS and NGR offer collection and transport of household waste in Norway and Sweden. They have an additional small number of businesses as customers but work mainly with public contracts with municipalities and inter-municipality companies. The waste they collect is then transported to facilities for waste handling, mainly in Norway and Sweden. The waste is recovered through either biological treatment or incineration with energy recovery.

In their 2022 risk assessments, NÅS and NGR identified the risks of accidents, serious personal injury, and safety culture. The companies have also identified the following measures to stop or limit the risk: updated risk assessment procedures, standard training processes with tailored safety training, open safety talks, revised lifesaving rules and procedures, incident follow-up in weekly meetings, and manager training for all managers. The 2022 risk assessments have also found that there is a risk connected with lacking management tools for tracing the value-chain to suppliers. As a risk reducing measure, they have established procedures for recruiting the correct competency, leadership training, and contract follow-up.

### **NG Downstream**

NG Downstream is the group's market and trading company and handles 1.2 million tons of waste annually. The company is responsible for waste trading for municipalities, inter-municipality companies and business actors, and downstream sale of waste fractions Norsk Gjenvinning has received at its facilities including plastic, paper, wood products, residual waste, hazardous waste, and wet organics among other fractions. The largest volumes are residual waste, wood products, and cardboard and paper, which are sold in Europe and Asia. Solid logistics solutions are important for downstream solutions and NG Downstream's logistics department handles transportation by train, container transport, and bulk shipping.

NG Downstream has extensive experience with conducting background checks on new business partners for both its own downstream solutions and for NG Metall's downstream business partners. Physical checks and audits of business partners are conducted based on risk, both before entering new contracts and throughout the contract period. In 2022 NG Downstream assessed the risk of negative consequences for fundamental human rights and decent working conditions on a high-level and found that downstream business partners and expansion into new markets with weak environmental regulations and low follow-up on human rights are material risks. Some risk reduction measures have been implemented, including the continuance of the established business partner audits, and following countries' development on the ITUC Global Rights Index for human rights, working conditions, and environmental impact of operations. Audits in high risk countries are also a relevant risk reduction measure.

### **NG Group level measures, and further work to comply with Transparency Act requirements**

**NG Group's due diligence work is under development, and the group has identified the need for anchoring with the Board of Directors and further implementation, especially in all the group's companies. Risk assessments will be further developed and strengthened in accordance with established methods. As of today, only Norsk Gjenvinning, NG Metall, NÅS and NGR, NIS and NG Downstream are accounted for here, although risk assessments will cover all NG Group companies.**

NG Group's supplier declaration (SCoC) requires that all suppliers follow the group's standards in accordance with, among other things, legal compliance, human rights, freedom to organize, working time, salary, HMS, forced labor and child labor, and working environment and impact. Additionally, NG Group conducts physical

audits of new downstream partners in Asia on a regular basis, focusing on conditions related to human rights, working conditions, and the environment.

NG Group has a strict compliance program for exports, with a specific focus on export to non-Nordic countries where the risks for fundamental human rights and decent working conditions violations are higher due to weaker government regulation. NG Group conducts, therefore, strict evaluations of waste receivers. As a part of these evaluations, NG Group collects information on the receiver both in the form of self-reporting and Integrity Due Diligence (IDD) checks. Furthermore, the relevant national import regulations and sanctions lists are checked, and other factors which can increase the risk for NG Group's involvement in partnerships that violate regulatory requirements and group standards are considered.

During the coronavirus pandemic, physical audits in the value chain were difficult, and over the past few years the group has not conducted active and physical audits in the value-chain at the same level as before the pandemic. The group is increasing these activities again in 2023 and plans to increase the number of physical audits of business partners abroad, especially in India and Thailand. The target for 2023 is 34 audits.

NG Group has not uncovered any actual negative impacts from its own operations, supply-chain, or business connections as a consequence of group activity in 2022. The group recognizes that this could be connected to the fact that risk mapping and assessments were conducted at a high-level in 2022 due to the pandemic and travel restrictions in Asia. The risk mapping and evaluations conducted in 2022 have given the group a starting point for further work which, with strengthened implementation, structure, methods, and level of detail will steadily increase its level of insight going forward.

The group will update the relevant procedures, including the "Procedure for risk assessments" and "Procedure for selection of business partners outside the Nordics" in order to strengthen its work with fundamental human rights and decent working conditions.

NG Group's supplier declaration (SCoC) and guidelines for employees are implemented throughout the group and are available in the group's management system. The Board of Directors has not yet adopted the additional documents regarding fundamental human rights and decent working conditions in its own operations or for suppliers and business partners. These documents will be adopted by the Board of Directors as NG Group continues in 2023 and the coming years to strengthen its work with due diligence.

One of the group's improvement measures will be the further development of due diligence in all NG Group companies. This work will take place through 2023 and into 2024 and will include updating governing documents and policies, such as NG Group's guidelines for employees. The group will also clarify expectations of and set requirements for the platforms to ensure that sufficient resources are allocated to due diligence, and it is implemented in accordance with the OECD guidelines in the future. This applies at company level, in the platforms, and at the group level.

Due diligence assessments were included in the group's risk procedure in 2022 and several NG Group companies and divisions have started the necessary work. Simultaneously, the group recognizes that conducting the risk assessments in conjunction with other risk assessments may have made it difficult to identify and assess the negative impacts the companies' activities have could potentially have on people, society, and the environment. Due diligence in accordance with the requirements of the Transparency Act will require an increased focus on risk assessments in the companies.

NG Group expects that the aim of increased frequency of physical audits and clearer methodological focus on risk assessments and follow-up will reduce the risk for violations of fundamental human rights and decent working conditions.

The group will update the existing policy for suppliers and business partners (Supplier Code of Conduct) to clarify the duty to conduct due diligence in accordance with the OECD's method, along with which of the ILO core conventions the group must comply with.

NG Group's strategy for downstream value chain expansion will require regular reviews and updates of the risk assessments related to potential negative impacts and damages from the group's own operations, supply chain, and business connections.

In 2022, NG Group invested in a digital tool for analyzing registered purchases. The tool collects data from invoices, connects suppliers to an external database, and presents consolidated information about the suppliers. Approximately 2900 of the Group's suppliers were added to the system in 2022. In 2023 NG Group will expand the use of the new system to provide a more detailed overview, including risk classification of suppliers based on branch and geography among other things, with the aim of registering all active suppliers in the system.

NG Group can never guarantee that violations of fundamental human rights and decent working conditions will not occur in the value chain. NG Group will continue to work to secure compliance with the OECD's model for due diligence.

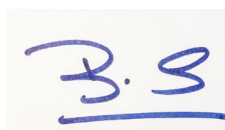
26th of June 2023

Board of Directors NG Group AS



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Reynir Kjær Indahl



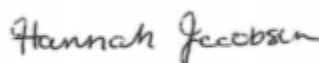
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Bertrand Camus



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Aurelia Marie Binet Carrere



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Hannah Gunvor Jacobsen



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Cecilie Skauge



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Åge Landro



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Elisabeth Johansen



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Kim Robert Haugerud Borredalen



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Bjørn Arve Ofstad, Group CEO

## Attachment: List of all companies in NG Group as of 31st of December 2022

Selskapsnavn	Eierandel
Zirq Cables AS (tidl: Kabel Metall Trafo Gjenvinning AS)	100,0 %
Adact AS	100 %
Zirq Medical A/S (tidl: Præstø Produkthandel KMT og Zirq Plastic)	100,0 %
Zirq Cables Denmark A/S (tidl: KMT Genvinding Denmark A/S/ KMT KABEL DANMARK A/S)	100 %
Norsk Gjenvinning Norge AS (tidl: NG Group AS)	100 %
NG Midco AS	100 %
NG Topco AS	100 %
Norsk Gjenvinning Miljøeiendommer AS	100 %
NG Group AS (tidl: Norsk Gjenvinning Norge AS)	100 %
NG Markets AS (tidl: NSBF)	100 %
Revise AS	100 %
Humlekjær og Ødegaard AS	100 %
Isekk AS	100 %
Jarnes Miljøpark AS	66 %
Løvås Transportfirma AS	100 %
Miljøkvalitet AS	100 %
NG Oppstrømstransport AS	100 %
Norsk Gjenvinning AS	100 %
Norsk Gjenvinning Transport AS	100 %
O Tenden Holding AS	75 %
Reen AS	68,7 %
Tenden Miljø AS	100 %
Tomwil Miljø AS	100 %
Østfold Gjenvinning AS	100 %
Metodika Miljøpark AS (fusjonert inn i Downstream 01.01.2023)	51 %
Kaupang markets AB	100 %
Norsk Gjenvinning Downstream AS	100 %
RECMET AS (solgt mars 2023)	50,1 %
NG Metall Holding AB (tidl: Metall AB)	100 %
Norsk Gjenvinning Metall AS	100 %
R3 Entreprenører AS	100 %
IBKA Norge AS	100 %
Mortens Rørinspeksjon AS	50,6 %
Eivind Koch Rørinspeksjon AS	100 %
IBKA A/S	100 %
IBKA AB	100 %
IBKA UK Ltd	100 %
IBKA NUF	100 %
Norsk Gjenvinning Renovasjon AS	100 %
Nordisk Återvinning Service AB	100 %



Nordic Demolition AS	60 %
Øst-Riv AS	100 %
Norprodukter Miljø AS	100 %
Norsk Gjenvinning M3 AS	100 %
Saneringsteknikk AS	100 %
NG Vekst AS	100 %
NG Secure AS (tidl: Norsk Makulering AS)	100 %
NORDIC INDUSTRIAL SERVICES AS (WR START UP 310 AS)	100 %
Asak Massemttak AS	100 %
Borge Massemttak AS	100 %
Kopstad Massemttak AS	100 %
Midt-Norge Massemttak AS	100 %
Holmen Massemttak AS	100 %
Hauka Deponi AS	100 %
Eikefet Massemttak AS (tidl. Norsk Gjenvinning Offshore AS)	100 %
Zirq Solutions AS (tidl: WR Start Up 372)	77,27 %
Reen Technology OY	100 %
Reen Technologies Ltd (tidl: Enevo UK LTD)	100 %
NG Metall AB (tidl: Mirec Solutions AB)	100 %
SIMS Recycling Solutions AS	100 %
AiP Sanering AS	100 %
AiP Betongsaging AS	100 %
Sørvest Betongsaging AS	100 %
Letbek Holding ApS	100 %
Letbek A/S	100 %
Outercore ApS	100 %
Micollect ApS	50 %
Letbek Sp. z o.o	100 %
Zero Emission Energy	60 %
Drillcon AS	100 %
Diamant Wire Teknikk AS	100 %
EC Svenska AB	100 %
Pasa AS	38 %
Østlandet Gjenvinning AS	50 %
New West Gipsgjenvinning AS	50 %