

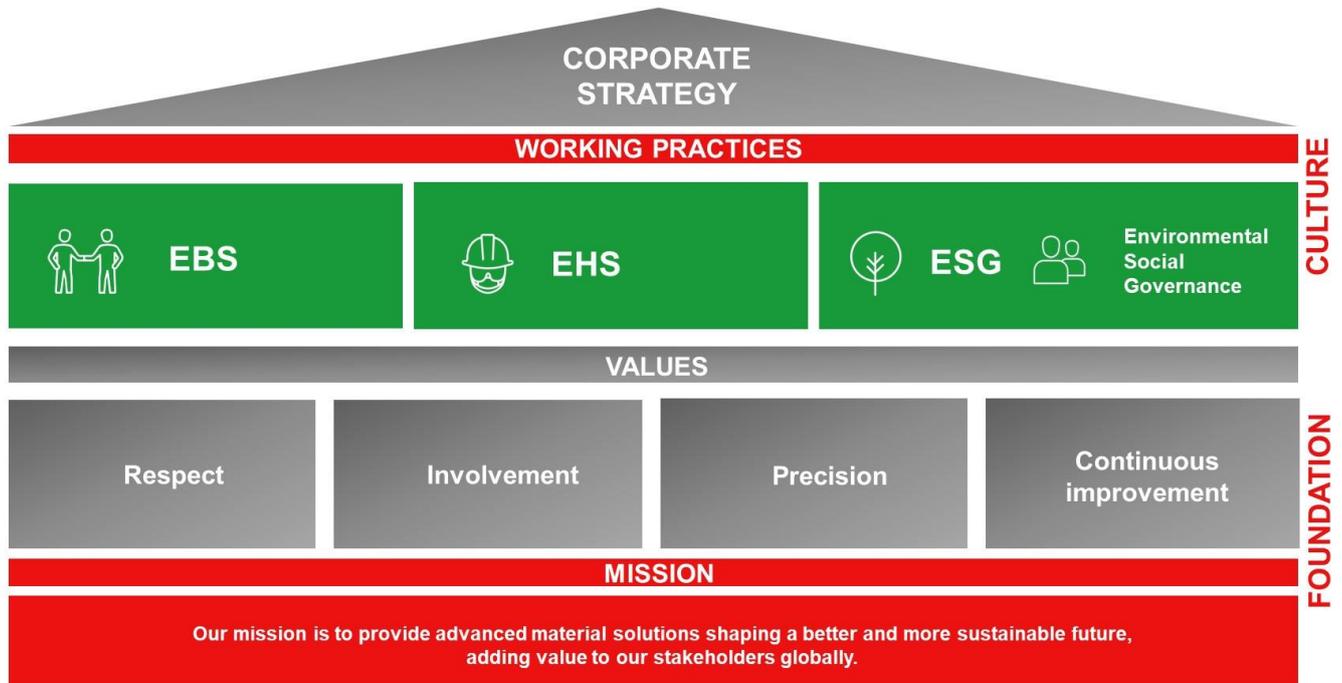
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Policy for Environmental, Social and Governance (ESG)

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1 Introduction and framework

Elkem is committed to do our business in support of the UN Sustainable Development Goals and the Paris Agreement, and our approach to corporate sustainability is based on the ten principles of the UN Global Compact. Our performance within Environmental, Social and Governance (ESG) is increasingly important to our internal and external stakeholders as tangible metrics to assess our commitment to operate sustainably. ESG is therefore represented as a main building block in Elkem's corporate strategy.



The ESG framework in Elkem includes the following policies and documents, all available in Elkem's Corporate Manual:

- **General Policy Elkem ASA**
- **Elkem Code of Conduct**
- **Policy for ESG** (*this document*)
- **Mandate for the ESG Steering Committee**
- **Human Rights Policy**
- **Corporate Standard for EHS**
- **Speak-Up policy**
- **Anti-Corruption policy**
- **Competition Law Compliance Policy**
- **Community Support Guideline**
- **Elkem Code of Conduct for Business Partners**
- **International Trade Sanctions Global Procedure and Tool**

Governing documents for corporate sustainability and ESG are subject to corporate management approval, and in some cases board approval.

2 Purpose

The purpose of this procedure is to describe Elkem's key principles for corporate sustainability and outline the key activities the company implements to ensure sustainable operations with reference to relevant governing documents and tools for implementation.

3 Scope

This policy applies to all consolidated Elkem Group companies, including their directors, officers, managers, employees, hired-in personnel, consultants, and other intermediaries who represent the company.

4 Definitions

The UN Sustainable Development Goals (SDGs)

A set of 17 international Sustainable Development Goals (SDGs) were approved in 2015 by all the United Nations member states with the intention of working towards a more sustainable and equal world for all by 2030.

The UN Global Compact

The UN Global Compact is a voluntary platform established in 2000, and is a practical framework for companies that are committed to sustainable and responsible business conduct. The UN Global Compact's 10 recognised principles cover human rights, labour standards, environment and anti-corruption, in addition to supporting the goal of the UN SDGs.

The UN Guiding Principles on Business and Human Rights

The UN Guiding Principles on Business and Human Rights (UNGPs) are a set of guidelines for states and companies to prevent, address and remedy human rights abuses committed in business operations. The UNGPs were endorsed by the UN Human Rights Council in June 2011.

ILO

Adopted in 1998, the Declaration are a set of principles that promote and respect the rights of freedom of association and the effective recognition of the right to collective bargaining, the elimination of forced or compulsory labour, the abolition of child labour and the elimination of discrimination in respect of employment and occupation.

5 Responsibilities

All employees have responsibilities regarding corporate sustainability in Elkem. To be able to fulfil these responsibilities each location and function is expected to establish its own understanding of how this policy affects their specific working environment and develop necessary procedures and routines to ensure full compliance.

Corporate management

- Elkem's CEO is ultimately responsible for ensuring that Elkem has a holistic program for corporate sustainability
- Overall responsibility for the organisation's conformance with public regulations and requirements outlined in this document.
- Responsible for external communication of information regarding any material deviations from policy.

ESG steering committee

The main purpose of the ESG steering committee is to ensure the implementation and follow-up of ESG related work and processes throughout the Elkem organisation. The mandate of the ESG steering committee is described in detail in the document "Mandate for the ESG steering committee" available in the Elkem governing documents. The ESG Committee reports to Elkem's CEO on a regular basis.

Corporate functions (HR, EHS, EBS, Compliance and Legal department)

- Support divisions and entities with competence building and change management within the areas of corporate sustainability.
- Contribute as subject-matter experts in reviews and audits of own business, suppliers, and partners.

Corporate, division and entity level procurement functions

- Owners of all supplier relations.
- Responsible for mapping and basic monitoring of suppliers' corporate sustainability performance in accordance with Elkem's expectations as part of the supplier performance evaluation and development. Requirements are further described in dedicated procurement procedures.

- Compliance with the International Trade Sanctions Global Procedure and Tool in procurement processes with support from the Legal and Compliance department

Division and entity level sales and marketing functions

- Owners of all customer relations.
- Responsible for collaboration with agents, distributors, and customers to ensure compliance with this policy.
- Responsible for responding to customer enquiries about Elkem's corporate sustainability performance.
- Responsible for ensuring compliance with the International Trade Sanctions Global Procedure and Tool in sales processes with support from the Legal and Compliance department.

Individual employees

- Familiarise and comply with Elkem's Code of conduct
- Familiarise with and follow Elkem's ESG-related policies as applicable for their work.
- Report concerns and deviations / breaches to immediate supervisor or by using Elkem's Speak Up channel
- Contribute to investigations and improvement initiatives where relevant.

6 Working with corporate sustainability

Corporate sustainability is linked to multiple business processes, and Elkem therefore strives to integrate sustainability considerations into its core business processes. This approach also facilitates a company culture where sustainability is considered as part of core business, rather than as a separate exercise.

6.1 Principles of corporate sustainability

Elkem's approach to corporate sustainability is based on the ten principles of the UN Global Compact. Elkem's principles and approach to each of these principles are further elaborated on in the governing documents listed in section 1 of this policy.

6.2 Internal efforts at own locations

Each location (production, sales / logistics and administrative locations) is responsible for conducting its business and managing its business relationships in accordance with this policy. This includes the preparation of their own programs (procedures and practices) and training of their own employees to ensure understanding of the content. It also means having systems for deviation management and auditing of compliance with corporate policy.

6.3 Suppliers, partners, and customers

As an international company, Elkem operates in a global market both as a producer of materials and products for sale, and as a buyer of commodities and services. Our activities are therefore not limited to Elkem's own operations, but also considers the responsibility to influence suppliers, partners, and customers to the extent this is feasible.

This means that we:

- Communicate Elkem's principles for corporate sustainability by including Elkem's Code of Conduct for Business Partners in supplier contracts.
- Include requirements for suppliers' corporate sustainability performance as part of procedures for qualification / approval / evaluation of suppliers and in procurement procedures
- Take appropriate steps to prevent breaches of international trade sanctions regimes
- Respond positively to customer enquiries about Elkem's corporate sustainability performance, providing the resources and information necessary to respond to the customers' satisfaction. Positive response is also to be given to requests for self-assessment and auditing within the area of corporate sustainability / ESG.
- Include contractual obligations to comply with this policy or equivalent in agreements with business partners (e.g. joint venture partners) and agreements with parties representing Elkem (e.g. agents and distributors)
- Are willing to terminate business relationships if the other party is unwilling to take necessary steps to improve performance and comply with our ESG standards

6.4 Community support and sponsor agreements

Elkem's main form for community support is creating and maintaining a stable and safe working environment in the local communities where we operate. In addition, Elkem is positive to volunteer community work done by its employees and to giving financial support to local non-profit organisations as long as the support is given without any expectation or requirement for return service or preference. Any financial support shall be given in a fully open and transparent manner in accordance with local legislation and Elkem's Code of Conduct.

For more information see the corporate guideline for community support in the corporate manual / corporate governance.

7 Training and education in corporate sustainability / ESG

All employees shall have documented training in Elkem's Code of Conduct. Specialized training in topics such as anti-corruption, competition law and human rights is provided to selected employee groups based on an assessment of risk exposure. Each location is responsible for its own implementation and documentation of training with support from the corporate HR and Compliance department.

8 Auditing

8.1 Auditing of own activities

Social responsibility and ethics are included as topics in Elkem's internal audit program. Auditing of all major production locations is done by corporate EHS minimum every other year. The EHS audits include several material ESG topics.

8.2 Auditing of suppliers, partners, agents, and distributors

Elkem's procurement and technical service personnel will follow-up suppliers in connection with routine visits, contractual negotiations and projects.

Questions about corporate sustainability are also included in the procurement function's own system for supplier audits where the focus is a total evaluation of the supplier and its areas for improvement. Follow-up of previously agreed improvement measures are also included as a natural part of a supplier visit. During routine visits and regular supplier audits, the need for more thorough audits will be identified.

9 Deviation management

Potential deviations from this policy shall always be documented, investigated and resolved with necessary actions within a reasonable amount of time. Implementation of action plans must also be followed up.

If suppliers, agents, distributors, or partners are not willing to correct deviations, or not capable of doing this within a reasonable amount of time, collaboration is to be terminated as soon as obligations can be met in a satisfactory manner. In some cases, deviations are so severe that the collaboration must be terminated, even if this leads to legal consequences and increased costs for Elkem. Corporate management shall always be involved in the decision-making process in this type of situation.

10 Reporting

Elkem's corporate sustainability performance is documented annually through the publication of an ESG report. The report is approved by the Board of Directors and made publicly available through the Elkem website.

11 Revision history

R06	22.11.2021	Policy updates according to new organisation of sustainability	Siri Simenstad and Marit Flinder Roscher-Nielsen	ESG steering committee
R05	31.12.2018	Update after listing – logo	Marit Flinder Roscher-Nielsen	CSR steering committee

R04	24.05.2018	General review and update of some definitions	Mark Breidenthal	CSR steering committee
R03	14.09.2016	Elkem is now a signatory to the Un Global compact (10).	Mark Breidenthal	CSR steering committee
R02	14.01.2016	Attachment added	Mark Breidenthal	CSR steering committee
R01	15.12.2014	General review and update	Mark Breidenthal	CSR steering committee
R00	24.02.2010	First issue	Mark Breidenthal	Mark Breidenthal
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