

Transparency Act Report 2023

1. Introduction

The purpose of the Transparency Act is to promote enterprises' respect for fundamental human rights and decent working conditions. Moreover, the Act aims to ensure public access to information on how enterprises are addressing adverse impacts on such matters. Being a larger enterprise as defined under the Transparency Act, Aventron Norway AS is subject to its requirements.¹ Aventron Norway AS thus holds obligations to carry out due diligence in accordance with the Transparency Act, and to annually publish an account of its assessment.²

The account provides

- a general overview of the organizational structure of the enterprise, its area of operations, and internal guidelines and procedures for handling actual and potential adverse impacts.³
- an outline of the actual and potential adverse impacts that the enterprise has identified through its due diligence.⁴
- implemented or planned measures to cease or mitigate risks, and the results expected of these measures.⁵

In line with the proportionality principle of the Transparency Act,⁶ the assessment will correspond to the size of the enterprise.

2. Clarification of standards

The due diligence requirement under the Transparency Act refers to *fundamental human rights* and *decent working conditions*. *Decent working conditions* refers to “work that safeguards fundamental human rights, health, safety and environment in the workplace, and provides a living wage.” *Fundamental human rights* refer to internationally recognized human rights standards, based on the Universal Declaration of Human Rights of 1948 (UDHR). Explicitly mentioned legal instruments, include:

- the International Covenant on Economic, Social and Cultural Rights of 1966 (“ICESCR”),
- the International Covenant on Civil and Political Rights of 1966 (“ICCPR”), and
- ILO's core conventions on fundamental principles and rights at work.

In addition, other human rights instruments are included insofar as they are “considered relevant to the individual business.” In the case of Aventron Norway AS, additional relevant instruments include the ILO Convention No. 169 on Indigenous Peoples and Tribal Peoples in Independent Countries (“the ILO Convention no. 169”), and to some extent the Conventions on the Rights of the Child (“CRD”) and the Convention on the Elimination of all form of Discrimination Against Women (“CEDAW”).

The due diligence assessment shall be carried out in line with the latest version of the OECD Guidelines for Multinational Enterprises. The 2023 version includes new guidelines on climate and environment. While the obligations under the Transparency Act are materially limited to fundamental human rights or decent working conditions, impacts on the climate and environment that result in adverse impacts on fundamental human rights or decent working conditions, are within the scope of the Act.

¹ Section 2 (1) and 3 *litra* a.

² Section 4, c.f. Section 5.

³ Section 5 (1) *litra* a.

⁴ Section 5 (1) *litra* b.

⁵ Section 5 (1) *litra* c.

⁶ Section 4 (2).

3. Organisation and internal procedures

Aventron Norway AS is a country subsidiary of Aventron AG and holds ownership in 20 subsidiary Companies. The purpose of Aventron Norway AS is to “hold shares in, operate and develop” small-scale energy enterprises, all situated in Norway.⁷ On occasion, Aventron Norway AS also constructs new power plants.

Aventron Norway, and its subsidiary companies, have no direct employees, having subcontracted the management and day-to-day operations of the power plants to other local service providers. However, all policies adopted at the group level apply to Aventron Norway AS, as to other local entities of the group. This includes a Code of Conduct that covers equality and anti-discrimination, HSE and stakeholder communication. Service providers in all countries are expected to comply with a corresponding code, and failure to do so results in contract termination.

On group level, being also applicable for Aventron Norway AS, non-compliance reports can be made by e-mail to a relevant supervisor or management. Whistle-blowers can seek guidance from the HR department on reporting procedures. There are routines both on the group and local level, to systematically identify adverse risks. Senior management on group level uses proprietary metrics to monitor diversity and inclusion, such as pay gaps, proportion of women in the workforce and gender diversity on the board of directors.

4. Due diligence within the enterprise

The due diligence assessment covers adverse impacts that are, in various degrees, linked to the enterprise’s conduct. Firstly, the risk assessment shall cover actual or potential adverse impacts that the enterprise has *caused* or *contributed* to. The wording *caused* refers to cases where the enterprise in itself is sufficient for the impact to occur,⁸ whereas the wording *contributed* refers to the facilitation or encouragement of other entities to cause adverse impacts.⁹ Relevant risk factors include sector, industry and geographic location.¹⁰

4.1. Impacts on the workforce

There are sector-wide risks of adverse impacts on decent working conditions in the areas of construction, operation and maintenance work on energy power plants. The geographical positioning of Aventron Norway AS plants in Norway somewhat decreases such risks, owing to strong labour law and the presence of unions. Nonetheless, there are several potential risks in the area of decent working conditions that Aventron Norway AS may cause or contribute to.

Identified risks include:

- Fatal and non-fatal incidents due to lack of training, proper information and procedures, failure to follow procedures or inadequate risk management, tools, protection clothing or equipment
- Fatal and non-fatal incidents due to heights, electricity, equipment and weather hazards
- Accidents and injuries caused by excessive hours of work under strenuous conditions
- Spread of communicable diseases among workers

Moreover, significant sector-wide risks are associated with the employment of temporary labour and migrant workers. With no own employees in Norway, Aventron Norway is potentially contributing to risks concerning migrant and hired workers or subcontractors.

⁷ *Aventron Norway AS*, Brønnøysundregisteret.

<https://data.brreg.no/enhetsregisteret/oppslag/enheter/913494512>

⁸ Prop.150 L (2020-2021) p. 108.

⁹ Prop.150 L (2020-2021) p. 108.

¹⁰ Prop.150 L (2020-2021) p. 109.

Identified risks include:

- Forced labour, due to dependence on employers and deceptive recruitment practices
- Limited access to social support, legal and administrative systems
- Excessive work hours
- Discrimination of migrant workers,¹¹ concerning working hours, housing, wages, leave, promotion and training

Taken as a whole, these risks relate to fundamental human rights and decent working conditions as enshrined in the ILO Convention on Occupational Health and Safety, the right to the best attainable health,¹² as well as the broadly enshrined principles of non-discrimination and the elimination of forced labour.

4.2. Impacts on Indigenous Peoples' Rights

The energy sector is associated with industry-wide risks concerning indigenous people's rights. The positioning of power plants in Norway in this case increases risks. Several Aventron Norway AS projects are located in Nordland, Trøndelag and Innlandet counties, where there are areas of traditional Sámi cultural practices. Aventron Norway AS' power plants are not known to interfere with areas of Sámi cultural practices. Actual adverse impacts have consequently not been found. As the power plants may be located in proximity to areas of Sámi cultural practices, there is still a potential risk for Aventron Norway AS to cause or contribute to adverse impacts on fundamental human rights. The scale and scope of this risk are however nuanced by the comprehensive concession processes all projects are subject to, which entail the assessment of Sámi cultural rights.

Identified risks include:

- Loss of access to land and water areas traditionally used for Indigenous People's cultural practice, due to land acquisition
- Breaches of procedural rights, due to insufficient consultations

The identified risks relate to fundamental human rights as enshrined in the ILO Convention no. 169, the principle of free, prior, and informed consent, and the right to exercise minority culture.¹³

4.3. Loss of nature and environmental harm

There are sector-wide risks of land use and construction work contributing to biodiversity loss, pollution and greenhouse gas (GHG) emissions. All Aventron Norway AS projects are land-based energy plants that claim land, with particular ramifications for biodiversity. Biodiversity and a healthy environment are prerequisites for the enjoyment of most fundamental human rights.¹⁴ Alarming rates of biodiversity loss, environmental degradation and GHG emissions, entail that even relatively small plants risk contributing to adverse impacts. These risks are however included in the concession processes that all projects are subject to, which is considered to lower the risk.

Identified risks include:

- Adverse impacts on various fundamental human rights, due to biodiversity loss, environmental degradation and GHG emissions through its operations, Aventron Norway AS
- Particular impacts on Sámi cultural rights, due to the degradation of biodiversity on which the exercise of Sámi cultural rights is dependent

¹¹ A/HRC/26/35 p. 5.

¹² CESR articles 7 and 12.

¹³ ICCPR article 27.

¹⁴ See, for instance, «Klima og menneskerettigheter» NIM (2020) p. 29-35, https://www.nhri.no/wp-content/uploads/2020/10/Klima_og_menneskerettigheter.pdf

5. Due diligence relating to the supply chain

The assessment shall moreover identify actual and potential adverse impacts on fundamental rights and decent working conditions that the company is *directly linked to*.¹⁵ The wording refers to situations where there is a connection between the adverse impacts and the enterprise, through its business partners or supply chain.¹⁶ Connections covered by the Transparency Act are however delimited to contractual relationships.¹⁷

5.1. Construction of new power plants

Most of the risks related to supply chains are linked to construction of new power plants. Aventron Norway AS has not been engaged in construction of new power plants in Norway, neither wind nor Hydro, in 2023. Having completed its latest construction project in 2021. The below risks are included based on having built new plants historically, and the expectation of doing such activities in the future, even if not directly applicable to 2023.

High-risk metals that form a central part of renewable energy assets, exposing Aventron Norway AS to industry-wide risks. Assets used in the construction or main component replacement of wind turbines and hydropower plants include materials such as copper, lithium and rare earth elements.

The geographical locations identified in the supply chain further amplify risks. While Aventron Norway AS use local suppliers for operating its sites, it relies on electromechanics from Energi Teknikk AS during power plant construction. The supply chain of Energi Teknikk AS includes products and services from suppliers in Norway, India, Serbia, Spain, France, the Czech Republic and Turkey.¹⁸ There are documented risks of forced and child labour associated with the electronics and metal sectors in India, Turkey, France and Spain.¹⁹ It is moreover likely that more countries form part of the intricate supply chain, an uncertainty that must be considered associated with further risks. Similarly for wind turbines Aventron Norway AS has purchased turbines from German Enercon GmbH, with main production sites in Germany Poland, Portugal and Turkey, and main sub-suppliers in China, India and Turkey.

In addition to forced and child labour, major risks regarding the extraction and processing of metal globally include:²⁰

- Dangerous working conditions and low income
- Discrimination, sexual exploitation and violence
- Land acquisition, forced displacement and impacts on the rights of indigenous peoples
- Lack of trade union rights
- Illegal mining that illegal armed groups can benefit from
- Violence against defenders of human rights and the environment

Such impacts have not been documented to have actually occurred on any of Aventron Norway AS's power plants. Considering the sector-wide risks, identified locations of suppliers and uncertainty about the complete supply chain, risks of adverse impacts can nonetheless be considered directly linked to the operations and products of Aventron Norway AS.

The identified risks relate to all human rights standards listed in Section 1.2.

¹⁵ Section 4 *litra* b.

¹⁶ Prop.150 L (2020-2021) p. 108.

¹⁷ Prop.150 L (2020-2021) p. 109.

¹⁸ Energi Teknikk AS "Redegjørelse åpenhetsloven" 2023. <https://energi-teknikk.no/wp-content/uploads/Energi-Teknikk-AS-redegjorelse-a%CC%8Aopenhetsloven.pdf>

¹⁹ [Responsible Sourcing Tool](#) Retrieved: 10.04.24.

²⁰ [Anskaffelser.no/baerekraft](https://anskaffelser.no/baerekraft) Retrieved: 10.04.24.

5.2. Operational power plants

When in operation, procurement of physical components is limited to consumables and occasional spare parts or upgrades, all of which are limited in nature. The local and day-to-day technical and commercial management, and the operations and maintenance of the power plants, is subcontracted to local entities. The main suppliers are Captiva Asset Management AS, Nordkraft AS, Proxima HydroTech AS, Enercon Norway AS and individuals operating as local wardens on the individual power plants.

6. Implemented and planned measures to further mitigate risks

Aventron Norway conducts monthly meetings on its operations and general conditions, including HSE. This measure is expected to ensure continuous monitoring of HSE conditions. HSE compliance and other identified risks are moreover discussed in the context of country visits by the CEO, which occur several times a year. This measure is expected to provide the group level with insights that can lead to the identification of gaps and corrective actions.

With reference to 4.1, as mitigating measure, for each power plant a comprehensive Internal Control program has been established in accordance with the “Regulations relating to Systematic Health, Environment and Safety Activities in Enterprises (Internal Control Regulations)” (*no: Internkontrollforskriften*). Furthermore, despite not having own employees, all subcontracting is done with Norwegian companies, utilizing almost exclusively personell employed in Norway.

With reference to 4.2 and 4.3, the identified risks are all part of the assessments made during licencing process, and all Aventron Norway’s power plants have valid environmental and operating licenses (*no: anleggskonsesjon*). During the licencing process any negative impacts from the power plant construction is evaluated together with the climate and socioeconomic benefit of new clean energy production.

Aventron Norway AS further plans to:

- Develop a routine to consider risks related to human rights and decent working conditions in procurement processes. This measure can enable informed choices between suppliers or give suppliers incentives to ensure human rights and decent working conditions. Consequently, it is expected to mitigate the risk of being directly linked to adverse impacts on human rights and decent working conditions through.
- Develop and implement a reporting channel for hired personnel. This measure is expected to lower the threshold for reporting, disclose adverse impacts and enable rapid corrective measures.
- Ensure standard contracts for temporary employment are in line with the standards of fundamental human rights and decent working conditions. This measure is expected to disclose breaches and if identified, enhance the legal protection of hired personnel.

7. Requesting information from Aventron

For requests concerning the Transparency Act, please contact:

- the CEO of Aventron Norway Daniel Moll, at Daniel.Moll@aventron.com, or
- Head of Hydro in Captiva Asset Management AS, Stig-Martin Braate, at smb@captiva.no

Oslo, 30.Juni 2024



Name: Daniel Moll

Title: CEO



Name: Eric Wagner

Title: Chairman of the Board