

A Statement
to the Norwegian Transparency Act





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1 General Information

1.1 Company

Sotra Link Construction JV ANS (hereinafter referred as "SLCJV" or "We") is a partnership company, registered in Valaskiftet 6, 5355 Knarrevik on the 8th of March 2022 with the Organisation No. 928 890 961, established by 3 partners which are FCC Construcción S.A., Webuild S.p.A, and SK ecoplant Co., Ltd., to perform Rv.555 Sotrasambandet project in Vestland of Norway, which will improve traffic condition between Øygarden and Bergen building new roads, tunnels, and bridges.

FCC Construcción S.A. has 35% of the participation of interest and is a world leader in construction, with extensive experience accumulated over its 120 years of history. Their activities cover all areas of engineering and construction, and they are the benchmark for civil works (roads, railways, airports, hydraulic and marine works, tunnels, and bridges) and residential and non-residential building works such as hospitals, football stadiums, museums, and offices.

Webuild S.p.A. has 35% of the participation of interest and is a global construction player that specialises in building large and complex infrastructure projects for sectors such as sustainable mobility, hydroelectric energy, water, green buildings, and tunnelling. They have 115 years of applied engineering experience on five continents and 70 000 staff from over 100 nationalities.

SK ecoplant Co., Ltd. has 30% of the participation of interest and is a Korean construction & eco-business company, former name of SK Engineering & Construction Co., Ltd., has contributed to stakeholders' happiness through diverse construction projects, such as plants, infrastructure, buildings, and housings, and industrial development at home and abroad in the past 44 years since its establishment in 1977.

1.2 Clients

Statens Vegvesen (NPRA, the Norwegian Public Road Administration) is the ultimate client of this project is a Norwegian government agency responsible for national road networks, driver training, vehicle inspection, and subsidies to car ferries. They strive to ensure that the road transport system in Norway is safe, sustainable, efficient, and available to all. They manage national roads on behalf of the national government and county administrations, this involves planning, developing, operating, and maintaining



the roads.

Sotra Link AS is a direct client of SLCJV. It has been granted a concession agreement for this project from Statens Vegvesen. It is a limited liability company consisting of 3 investors, which are Macquarie Capital, SK ecoplant, and Webuild.

From the top client to the main contractor and its partners, all parties are big players in this field internationally, all of them has high level of experience and management procedure overarching a high standard of ESG (Environmental, Social and Governance) and a strong code of ethics.

1.3 Product and Market

The Rv.555 Sotrasambandet project is a PPP (Public-Private-Partnership) contract, which has a value of 19.8 billion NOK, awarded to Sotra Link AS by Statens Vegvesen. This project is the largest single contract entered into by the Statens Vegvesen of all time. Sotra Link AS will finance, design, build, operate and maintain the road system for 25 years. In this regard the Design and Build work has been awarded to the SLCJV.

We are going to build 9.4 km four-lane road from the intersection with Fv.562 at Storavatnet in Bergen to the junction with Fv.561 at Koltveit in Øygarden municipality. The Sotra Link bridge and tunnel system will feature 19 roads and pedestrian underpasses, 23 tunnel portals, 22 bridges and viaducts, new four-lane motorways and 14 kilometers of pedestrian and bicycle paths. Approximately 24 kilometers of two-lane access roads will also be built.

The main bridge will be 30 meters wide and 900 meters long, with towers 145 meters high. The Drotningstvik Tunnel, which will be nearly 2 000 meters long, will have junctions and ramps to Drotningstvik. The Harafjell Tunnel will be reconstructed and there will also be three tunnels for pedestrians and cyclists at Janahaugen, Kiplehaugen and Harafjellet.

The products and services we provide detour areas of heavy congestion will resolve bottlenecks and improve traffic safety for road users. It is scheduled to open to traffic on 1 June 2027.

The markets in which we operate is Norway where the work site is located. The physical work will be done in Øygarden – Bergen area and the majority of design consultants and build subcontractors will be from near local area or other part of Norway such as Oslo.



2 Human Rights and Working Conditions

2.1 Commitments

Since we established the Company in 2022 and the Transparency Act came into effect in the same year, we have done our best to fulfill the Act, hence, we have implemented noteworthy measures. Following these measures, we will develop further measures to fulfill the requirements.

First, we have a Code of Ethics and HR policy which covers vast topics related to its employees and society. In these documents, we clearly state that it ensures working condition respectful of human rights and fully rejects any form of illegal, child, forced labour, or practices that constitute modern forms of slavery and human trafficking. Moreover, it is clearly mentioned that all employees will have respectful working condition abide by the Norwegian law standard.

And we have put in place "Integrated Management System for Quality, Environment, Sustainability, Safety and Health" at work. Our management is committed to achieving zero accidents with reference to environment, and health and safety and zero non-conformities with reference to quality. The policy defines actions to fulfill the Environment and Sustainability and actions to preserve workers' safety.

Considering the business area covering this topic is vast, a person who is in charge of is a Project Director of the SLCJV, gets reported by various departments' managers related to human rights and working conditions such as HR, HSE, Procurement, and Communications and so on.

On September 2022, a final draft of Code of Ethics and HSE policy etc. officially addressed to our Board of Director, which highlights our commitment to human rights and ethical behaviour of ourselves and our supply chain. Following the implementation of Code of Ethics and HSE policy, we have improved not only other measures such as "social compliance", contractual bindings and so on, but also application of due diligence and assessment process.

In addition to the above, SLCJV, also in a Sub-Clause 35.2.2 of a contract with the client, committed to conduct regular risk assessments in order to prevent infringements of fundamental human rights and the ILO's core conventions in its own operations and in the supply chain. Therefore, our Board of Directors and management have clearly acknowledged the importance of this topic.



Early in 2023, we held a kick-off meeting, gathering all related departments' managers, and discussed how to develop, elaborate, and systemise the assessment and due diligence process. Additionally, in the following weeks, all managers of related departments and the site management gathered to have an internal workshop session to identify types of risks and possible risk factors. Based on the identified risks, the site management, and managers prioritised risk for action.

Throughout from the first kick-off meetings, following discussion between managers and up to the workshop session, our management team are firmly aware of the importance and further necessary action to put this in place and align it into their daily task.

2.2 Whistleblowing and Complaint Mechanism

Given by a legal frame of the Work Environment Act, part 2, we have implemented the Whistleblowing procedure. This procedure defines the process of handling of reports and potential investigations arising because of such reports, due to information regarding behaviours and actions that do not comply with our Code of Ethics and with possible violations or misconduct that could negatively impact its business or cause reputational damage to the project.

In particular, the report's topic shall be based on the violation or to the presumed misconduct, referring to one of these categories:

- Acts of corruption and fraud
- Workplace health and safety violations
- Environmental violations
- Violation of human rights, in relation to respect of diversity and inclusion, and rights of local communities
- Accounting violations in relation to financial flows or money laundering
- Market manipulation and insider trading
- Theft or improper use of company resources and assets
- Violation of the privacy and confidentiality of data and information
- Conflicts of interest



- Violations in the procurement phase and unfair competition

Once reports or information received by Whistleblowing Reporting Unit (hereinafter referred to WRU), through various channels such as email addressed to an independent compliance consultant or to the project management, or post etc., a case will be dealt by following procedure:

1. Analysis

The WRU shall assess their contents and carry out a preliminary screening, promptly detecting, where possible, the groundless, defamatory and/or offensive reports. In such instances, the WRU shall immediately file the report. Moreover, the WRU, in the event of circumstantial reports, shall ask the whistleblower to provide more information.

2. Investigation

The investigation process mainly aims at confirming the truthfulness of the information under investigation. It provides a precise description of the ascertained facts, through audit procedures and objective investigation techniques. Access to specific information (e.g. documents and e-mails), even if stored in devices that are corporate assets (e.g. PC, phones and external HD), is permitted in some cases and violates privacy at the same time in other contexts.

3. Assessment and final outcome

For each investigation, the WRU shall prepare a final report which includes at least ascertained facts, collected facts and causes and shortcomings that allowed the reported situation to occur.

If the report is grounded, the WRU shall activate the relevant governance bodies and/or control bodies to carry out the most appropriate mitigation measures, which include:

- Amendments to the CJV procedures;
- Amendments to the organisational structures, processes and/or supporting corporate tools;
- Return or require the restitution of any potential improper benefit;



- Disciplinary measures in respect of employees;
- Measures against the 3rd parties (e.g. termination of contracts, partnership agreements, etc.)

The Project Director is responsible for the execution of the disciplinary measures and the action plan submitted by the WRU, except in cases where the Project Director is directly involved in the reporting. In such cases, it is the Executive Committee that is responsible for such actions.

4. Filing

The WRU shall file all documentation. It shall provide results to the Project Director and the CJV Steering Committee on an annual basis, by preparing and presenting a summary report that contains the following information:

- The number of whistleblowing reports received;
- The number of whistleblowing reports substantiated;
- A breakdown of the reports by category; and
- The status or outcome of the reports.

We guarantee that we will not disclose the whistleblower's identity. Maximum confidentiality is guaranteed with respect to individuals and facts included in the report, and, for this purpose, are employed appropriate communication methods suitable of safeguarding the identity and the honorability of the people mentioned in the report, avoiding, in any case, communication of data acquired to third parties not involved in handling whistleblower's reports.



3 Risk Assessment

3.1 Identification and Prioritisation of Risks

To conduct a step-by-step risk assessment, we decided to approach from at the high-level to an in-depth level from an overall risk mapping, which is categorisation of suppliers by their intrinsic risks. Then we prioritise suppliers based on severity of risks. After finding out the high-risk group, we will conduct a in-depth risk assessment to mitigate the risks. And finally, we conduct mitigation activities such as due diligence and proper measure for the finding.

To map our overall risks, we have conducted categorization of suppliers we are confronting and considering the nature of our business they have been categorised by 9 types of suppliers.

1. Own workforce
2. Construction and installation
3. Key materials
4. Construction equipment
5. Field surveys and tests
6. Staffing and professional services
7. Facility management
8. Office supplies and general equipment
9. Software

After categorisation of suppliers, to understand each risk in detail, we have analysed information of 9 types of risks each as follows:

| Category | Risk information |
|-------------------------------|---|
| Own workforce | The construction industry is at risk of social dumping and work-related crime, as well as HSE risks such as work accidents. |
| Construction and installation | In several professions within construction, migrant workers are subject to social dumping. |
| Key materials | The raw material extraction phase poses the highest risks, such as forced labour and child labour in extraction of metals and minerals. |



| | |
|---------------------------------------|---|
| Construction equipment | Construction equipment can consist of heavy machinery, vehicles, and consist of metals and electronic components, which are considered by DFØ (The Norwegian Agency of Public and Financial Management) to be high risk product categories. |
| Field surveys and tests | Field surveys and tests can be considered as professional services and have lower risk of human rights and labour violations. |
| Staffing and professional services | Low risk of human rights and labour violation within professional services such as accounting, legal, tax, engineering etc. |
| Facility management | Facility management can involve services such as maintenance, construction and renovations. There are risks associated to this category, such as frequent use of temporary/hired workers who are subject to labour rights violations in Norway. |
| Office supplies and general equipment | Office supplies, furniture, cars and IT-hardware are all on DFØ's High Risk list of product categories with systematic documented high risk of human rights abuse occurring in the supply chain, meaning the value chain from raw material extraction to component production until finishing assembly. |
| Software | The Softwar-as-a-Service (SaaS) sector potentially gives rise to human rights violations regarding privacy infringement of end-users and employees. |

To manage risks in effective manner, we have prioritised 9 categories of suppliers identified in the previous step, based on the scope (How many people could be affected by the adverse impact?), scale (How serious would the adverse impacts be for the victim?) and remediability (Will remedy restore the victim to the same or equivalent position before the harm?).

Combining likelihood of risk occurrence to the severities, we created risk prioritisation matrix as follows:



| | | | | |
|-----------------|--------|--------------------------------|-----------------------------------|---------------------------------|
| Severity | High | | | High risk Priority 1 |
| | Medium | | Medium risk Priority 2 | |
| | Low | Low risk Priority 3 | | |
| | | Low | Medium | High |
| | | Likelihood | | |

Based on various discussion sessions and internal surveys, we have mapped our 9 risk categories into 3 risk groups.

- High risk group
 - ① Key Materials, ② Construction and installation, ③ Construction equipment
- Medium risk group
 - ① Field surveys and tests, ② Office supplies and general equipment, ③ Facility management, ④ Staffing and professional services
- Low risk group: ① Own workforce, ② Software

For the High risk group suppliers, it shall be done a in-depth risk assessment, however, considering that selection of suppliers for those items will start from the 2nd half of 2023, the in-depth risk assessment for those items will start in line with the schedule.

3.2 Risk Assessment System & Process

Since we are implementing overall risk mitigation measures, here we specify a risk assessment system & process covers the Construction and Installation risk category.

Social Compliance

As a first point of contact with the contractor or supplier, we use the system HMSreg. Through this system we perform the onboarding of the relevant contractor or supplier, based on the level of the contract chain.

Each contractor or supplier has a set of 15 different documents to be uploaded to the system, before approval is given to start their work. Of these 15 documents, 10 of them will provide we with relevant information to further perform an assessment of the contractor or supplier. From this assessment we will then decide if a further inspection



or audit is necessary.

HMSreg is handled by the HSE department, with support from CSR and contract department. The onboarding of each contractor and supplier is performed through HMSreg.

The assessment of each contractor and supplier is performed in Excel. The assessment has a set of 26 different categories that will give us the possibility to assess the company thoroughly. The assessment will give an indicator of a Low, Medium, and High outcome. Green, yellow and red for visualization.

The categories are amongst others based on company information such as tax, organization set up, number of employees, number of foreign employees, number of employees travelling or living abroad and use of agencies. There are other categories based on collective agreements, working hour agreements and the number of sub-sub-contractors or contract helpers.

The assessment will be updated regularly, the first update is performed by CSR recourses and then updated in meetings concerning the topic. Meetings such as CSR meeting for us, and CSR meeting with our client. These meetings can affect the assessment based on information received in these meetings.

Based on the assessment, we will then perform inspections if necessary. These inspections and audits will be performed in the manner below:

- Wages and working conditions audit
- Accommodation inspections
- Company based audit
- The right to use agencies
- Evaluation of workplans and progress plans

When performing this type of inspection and audits, we have produced a set of checklists to use for the appropriate audit.

When performing an audit of wages and working conditions, we will perform this in HMSreg with a checklist through the system. The use of HMSreg helps keep personal information guarded and secured, one point of contact through HMSreg and not through email, the advantage to pick workers based on performed hours and degree. And a pre performed report after the audit is finished.



When performing an inspection of accommodation this is performed through a checklist in word, based on the information of the accommodation in advance, but this inspection is performed physically at the elected accommodation.

The rest of the audits and inspections are under the process of being prepared.

If there are discovered any deviations in the audit, we will command the contractor or supplier to align with the requirements & regulations, and if necessary, back date mitigations for any deviations.

In a case where the deviations are serious and in detail seem to be performed outside of our scope of work, we have the possibility to inform third parties who work solely of this topic in Norway. Such as "Politiets A-krim, Skatteetaten, Arbeidstilsynet og Fair play bygg".

Another important part of the assessment is to be aligned with updates within law and regulations, but also through news articles that can affect us in any matter.

With updates of laws and regulations the CSR resource has a subscription through lovdata.no, arbeidstilsynet.no and contact with our union NAF.

For updates of news articles this is through bygg.no and any other news agency, but also the articles published by the Norwegian labour inspector.

All these updates are saved in the working file, attached to the assessment.



4 Risk Mitigation

In this section, we cover predominantly the Construction and installation supplier category's risks.

4.1 Mitigation Plan

Through the social compliance work, we will be able to detect this type of topics through the following channels:

- Whistleblower
- Dalux system, by registered RUH (Non-conformities or complaints)
- Emails/ complaints from environment
- Information from third parties who have dialogue with us, such as NAF (norsk arbeidsmandforbund), fair play bygg & anlegg, tax authorities, Polities A-krim

When gathering this type of information from other parties the information can affect the assessment given of a company in the social compliance assessment.

By this case we can perform measures based on a new assessment or risk.

We can take measures to prevent, limit or stop such negative consequences. This of course depends on the severance of the consequence or deviation.

We have the possibility both by contract requirements and law to command the following:

- Direct changes in working conditions
- Salary adjustments
- Adjustments to accommodation and living conditions
- Limits in the contract chains and use of agencies
- Direct stop in the contract chains and use of agencies
- Reject the use of a contractor
- Contract adjustments both for workers and sub contractors/suppliers
- Requirements for supplier of materials

These types of measures need to be based on direct information and possibly an audit performed by us.



The requirements of Compliance and Code of Ethics have been included as an annex in agreements with suppliers.

Moreover, relevant clauses of this Act will be added to the contract document templates in order that suppliers comply with the Act and further requests of our audit.

In case we are noticed or informed that a material risk is detected, we are planning to conduct our own due diligence or a 3rd party due diligence.

4.2 Detected Risks and Mitigation Results

So far, we have not detected direct deviations based on social compliance.

But we have detected indications of negative consequences for social compliance for certain contractors, these are negative consequences based on the following information:

- Companies with tax arrears
- Breach in working hour agreements
- The use of sub-contractors in a chain longer than accepted
- Applications to use sub-contractors that do not contain the correct technical competence
- Missing or lower conditions based on the attached collective agreements

We have applied different measures to stop or limit these direct negative consequences, they are as listed below:

- Limitation in the use of a sub-contractor
- Rejection to use a certain sub-contractor
- Rejection to use a certain supplier
- Changes applied to the given working hour agreements

Additional information from the contractor on how they align their work directly to the correct collective agreement.

Due to the nature of our business, we have confronted concerns regarding HSE from the community. We are having regular meetings with community members to share our construction plan, hearing opinions from the community and trying to reflect on the



opinions as much as possible.

One example of this action is that we detected vulnerabilities of safety of living from our construction work, after having thorough conversations with several families who were affected by the work, finally we had agreed to moving them to safer places.

5 Conclusion

The findings from our due diligence indicate that we generally operate within a high-risk environment regarding negative impacts on fundamental human rights and decent working conditions due to the nature of the industry we are in. However, that is why we have implemented a thorough suppliers screening process and have conducted a risk assessment for our suppliers and business partners. So far, because we are in an early phase of the project, we have found zero of our tier 1 suppliers which violate human rights and working conditions. However, we are going to develop our risk management system to a higher level in line with the project progress in the future.

Inquiries about how we work with human rights should be addressed in writing to us by e-mail: communication@slcgv.no. The request will be processed and answered within three weeks of receipt of the information request.

Øygarden, 30 June 2023

FCC Construcción

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