



# Rolls Royce Electrical Norway AS Guiding Principles on Human Rights and Working Conditions

June 2025



# 1 About the document

## 1.1 Governance in Rolls-Royce Electrical Norway AS

Rolls-Royce Electrical Norway AS' governance framework consists of a hierarchy of governing documents designed to ensure a consistent and comprehensive approach. This document is part of Rolls-Royce Electrical Norway AS' governance framework.

## 1.2 Guiding Principles on Human Rights and Working Conditions

The Guiding Principles on Human Rights and Working Conditions ("Guiding Principles") is a concise document that outlines an overall direction for the work within a specific area. This document describes the overarching guidelines and principles, as well as roles, authority, and responsibilities by defining who is responsible for the activities within the scope of the policy.

## 1.3 Document information

Type:	Guiding Principles on Human Rights and Working Conditions ("Guiding Principles")
Area:	Act relating to enterprises' transparency and work on fundamental human rights and decent working conditions ("Transparency Act").
Version:	1.1
Owner:	Sigurd Øvrebø
Approved date:	26.06.2025
Approved by:	The Board of Directors in Rolls-Royce Electrical Norway AS

## 2 Scope

The Guiding Principles encompass measures against violations of fundamental human rights and decent working conditions at Rolls-Royce Electrical Norway AS across geography and operational lines. The Guiding Principles have an organization-wide approach and apply to all employees of Rolls-Royce Electrical Norway AS.

The Guiding Principles are based on the Transparency Act related to enterprises' transparency and work on fundamental human rights and decent working conditions (hereinafter referred to as the "Transparency Act"), effective from July 1, 2022, and are valid from the approval date. They outline the overarching principles and guidelines, including the authority, roles, and responsibilities related to the measures related to fundamental human rights and decent working conditions.

### 2.1 Purpose

It is Rolls-Royce Electrical Norway AS policy to prohibit and actively prevent/mitigate violations of fundamental human rights and decent working conditions. The enterprise has established a plan to actively prevent/mitigate violations of the Transparency Act and has implemented procedures for due diligence assessments, supplier measures, internal controls, and reporting.

All employees are required to respond to suspicions or confirmed instances of violations regarding fundamental human rights and decent working conditions.

### 2.2 Misconduct

Rolls-Royce Electrical Norway AS' suppliers and business partners ("Suppliers") are crucial to the ability to conduct our business. Rolls-Royce Electrical Norway AS desires that our business partners are trustful and transparent, and that our Suppliers share Rolls-Royce Electrical Norway AS' stance on ethics and compliance.

Rolls-Royce Electrical Norway AS wants to reduce the risk of acquiring services or products from Suppliers who:

- Do not comply with relevant national legislation in the countries where the Supplier operates.
- Do not respect or comply with internationally recognized human rights and labor rights, including but not limited to the ILO Convention on:
  - The right to freedom of association and collective bargaining.
  - Forced labor
  - Child labor
  - Prohibition of discrimination and harassment
  - Employment conditions

- Working hours
- Do not maintain a safe working environment in accordance with applicable laws and do not adhere to best practices in health and safety
- Do not act ethically, responsibly, fairly, and professionally.
- Contribute to corruption and undue influence.
- Contribute to money laundering, terrorist financing, and tax evasion.
- Do not uphold fundamental privacy rights.
- Are sanctioned entities according to Norwegian legislation.

Rolls-Royce Electrical Norway AS has Suppliers in all industries and segments. All potential and established supplier relationships are assessed on a case-by-case basis. Rolls-Royce Electrical Norway AS will stay informed about industries at risk.

## 3 Purpose

### 3.1 General purpose

The Transparency Act aims to promote enterprises' respect for fundamental human rights and decent working conditions, and to ensure public access to information. The Act imposes a duty on Rolls-Royce Electrical Norway AS to provide information and to conduct due diligence assessments, among other obligations. It also requires the company to make information regarding these matters—and the efforts it undertakes to ensure compliance—available to the public.

The general purpose of Rolls-Royce Electrical Norway AS' Guiding Principles involving the Transparency Act is to provide guidelines and principles for the establishment, implementation, improvement, and monitoring the compliance efforts. The Guiding Principles aim to clarify roles and responsibilities associated with this work, including those related to both automated and manual procedures. This document provides a high-level description of the enterprise's measures, including the guidelines and principles applicable to its governance, as well as the organizational structure to ensure compliance.

### 3.2 Risk-based approach

The enterprise's efforts for complying under the Transparency Act shall be based on a risk-based approach. This entails that Rolls-Royce Electrical Norway AS must identify and assess an overview of the supply chains and business partners and assess adverse impacts of fundamental human rights and decent working conditions within its own operations, throughout the supply chain, and among other business partners.

Accordingly, a prioritization list shall be developed and formally adopted, identifying the areas with the highest risk. Risk assessments shall then be conducted in accordance with this list.

Supplier-related measures shall be tailored to the areas where due diligence assessments indicate the greatest risk of fundamental human rights violations and breaches of decent working conditions. The results of the due diligence assessments shall be presented to the Board of Directors upon completion or update.

Rolls-Royce Electrical Norway AS shall carry out risk and due diligence assessments on an annual basis and report the outcomes to the Board of Directors.

## 4 Definitions

### 4.1 Fundamental human rights

Fundamental human rights mean the internationally recognised human rights that are enshrined, among other places, in the International Covenant on Economic, Social and Cultural Rights of 1966, the International Covenant on Civil and Political Rights of 1966 and the ILO's core conventions on fundamental principles and rights at work.

### 4.2 Decent working conditions

Decent working conditions means work that safeguard fundamental human rights pursuant to section 4.1 above and health, safety and environment in the workplace, and that provides a living wage.

### 4.3 Supply chain

Supply chain means any party in the chain of suppliers and sub-contractors that supplies or produces goods, services or other input factors included in an enterprise's delivery of services or production of goods from the raw material stage to a finished product.

### 4.4 Business partner

Business partner means any party that supplies goods or services directly to the enterprise, but that is not part of the supply chain.

## 5 General guidelines and principles

### 5.1 General information

The Transparency Act came into effect on July 1, 2022. The Transparency Act promotes due diligence assessments in line with the OECD Guidelines for Multinational Enterprises and the OECD Due Diligence Guidance for Responsible Business Conduct. According to these guidelines, companies are expected to operate in accordance with local laws and norms, as well as assessing, preventing, and addressing violations of fundamental human rights and decent working conditions, environmental harm, and bribery resulting from their own operations, as well as those of Suppliers. Violating the Transparency Act constitutes both an operational and compliance risk.

A risk-based approach and due diligence assessments are necessary for Rolls-Royce Electrical Norway AS to ensure that measures to prevent violations of human rights and decent working conditions align with the identified risks. This entails allocating resources efficiently, with greater attention given to the most significant risks.

The risk assessment provides the foundation for implementing necessary and targeted measures to comply with current and future legal requirements. The purpose is to assess the risk of Rolls-Royce Electrical Norway AS being implicated in fundamental human rights violations and violations of decent working conditions, and to take actions to minimize this risk.

The risk of the violation of fundamental human rights and decent working conditions associated with new suppliers should be assessed before entering into a Supplier relationship, enabling the implementation of adequate risk mitigation measures.

## 6 Measures pursuant to the Transparency Act

### 6.1 Integration in the Board of Directors

The Board of Directors shall adopt these Guiding Principles and delegate authority to adopt a plan outlining how Rolls-Royce Electrical Norway AS will conduct due diligence assessments, encompassing its supply chains and business partners.

### 6.2 Guidelines

Rolls-Royce Electrical Norway AS shall establish and maintain adequate and documented policies that define the company's approach to safeguarding fundamental human rights and decent working conditions across its operations and supply chain, including but not limited to the following principles and commitments:

- Set guidelines on how Rolls-Royce Electrical Norway AS will address fundamental human rights and decent working conditions
- Create a supplier code of conduct in accordance with the Transparency Act
- Updating existing guidelines in line with the Transparency Act requirements, including other guidelines for supplier requirements.
- Internally communicating these guidelines within Rolls-Royce Electrical Norway AS

### **6.3 Due diligence assessment plan**

Rolls-Royce Electrical Norway AS shall prepare how the enterprise will conduct due diligence assessments, including its supply chains and business partners.

### **6.4 Due diligence assessments**

Rolls-Royce Electrical Norway AS shall conduct due diligence assessments for fundamental human rights and decent working conditions, following the OECD Guidelines for Multinational Enterprises. This involves obtaining an overview of internal conditions within the enterprise, as well as surveying supplier chains and other business partners.

Rolls-Royce Electrical Norway AS shall assess the severity and scope of the risk of violations of fundamental human rights and decent working conditions across all divisions, including internal operations, supply chains, and other business relationships.

Rolls-Royce Electrical Norway AS shall prioritize the areas of highest risk and commence subsequent due diligence assessments within those areas.

### **6.5 Identify and assess adverse impacts**

Rolls-Royce Electrical Norway AS shall identify all actual and potential adverse impacts related to fundamental human rights and decent working conditions. The assessment shall encompass both Rolls-Royce Electrical Norway AS and impacts directly linked to products and services through supply chains and business partners.

### **6.6 Risk analysis**

Rolls-Royce Electrical Norway AS shall carry out a risk assessment on possible violations on fundamental human rights and decent working conditions in various parts of Rolls-Royce Electrical Norway AS both internally, as well as supply chains and business partners.

Rolls-Royce Electrical Norway AS shall prioritize areas where the risk is highest and continue assessing due diligence within these areas through the company's risk assessment, and decide its risk acceptance.

## 6.7 Appropriate measures

Rolls-Royce Electrical Norway AS shall implement suitable measures to halt, prevent, or limit adverse impacts based on Rolls-Royce Electrical Norway AS's prioritizations and assessments following the company's mapping and risk assessment process. The company shall monitor the implementation and results of the measures, initiating any necessary further actions and follow-up.

## 6.8 Duty to provide information

Rolls-Royce Electrical Norway AS is obligated to establish a routine for handling requests for information regarding how Rolls-Royce Electrical Norway AS complies with the Transparency Act and manages actual and potential consequences as identified in the company's due diligence assessments, in accordance with Section 4 of the Transparency Act. The routine must be established from the law's effective date on July 1, 2022.

Rolls-Royce Electrical Norway AS must be able to respond to written requests for information in a responsible manner, allocate accountability internally processing the requests, and respond within the 3-week deadline stipulated in Section 6 of the Transparency Act.

Requests for information shall be directed to the following email address: [rren-logistics@rolls-royce-electrical.com](mailto:rren-logistics@rolls-royce-electrical.com). The requests will be forwarded to the Transparency Officer for further processing:

## 6.9 Publish an account of due diligence

Rolls-Royce Electrical Norway AS shall publish an account of due diligence at <https://www.rolls-royce.com/sustainability>. In addition, the account shall be made easily accessible on the enterprise's website and may form part of the account on social responsibility pursuant to Section 3-3 (c) of the Accounting Act. The enterprise shall in annual reports inform of where the account can be accessed.

The account shall be updated and published no later than the 30<sup>th</sup> of June each year and otherwise in case of significant changes to the enterprise's risk assessments.

# 7 Roles and accountability

## 7.1 Board of Directors

The Board of Directors shall oversee efforts to ensure compliance with fundamental human rights and decent working conditions. Compliance with the Transparency Act must be anchored in management, and the CEO shall appoint an individual with operational responsibility for monitoring this work.



## 7.2 Chief Executive Officer (CEO)

The CEO of Rolls-Royce Electrical Norway AS holds the overall responsibility for compliance with the Transparency Act, including the enterprise's risk assessment and the due diligence assessments. The CEO shall ensure that the enterprise has the necessary tools to comply with the act and shall prioritize the allocation of resources to areas where the risk of violations of the Transparency Act is highest. The CEO Director may delegate operational responsibility to the Transparency Officer.

## 7.3 Transparency officer

The Transparency Officer holds operational responsibility for ensuring that Rolls-Royce Electrical Norway AS implements measures to comply with the Transparency Act, including its due diligence assessments. The Transparency Officer also holds overarching responsibility for ensuring that Rolls-Royce Electrical Norway AS maintains appropriate guidelines and procedures to ensure compliance with the Transparency Act. The Transparency Officer reports annually to the company's board of directors, and if needed, regarding progress on the implementation of compliance measures.

# 8 Updates and further reporting

The Transparency Officer shall report to the Board of Directors at a minimum on an annual basis, or upon the Board's request. The Transparency Officer shall provide reports that are sufficient to enable the Board to evaluate potential risks concerning fundamental human rights and decent working conditions.