

2022

CODE OF CONDUCT AND SUSTAINABILITY POLICY



RECSiLICON

1. INTRODUCTION

This Code of Conduct and Sustainability Policy (this “Policy” or “Code of Conduct”) for REC Silicon ASA (“REC Silicon” or the “Company”) describes the desired aspirations and perceptions of the Company and all of its subsidiaries. The Policy describes our values and our approach to our stakeholders, which includes our employees, customers, partners, suppliers, and local communities. Moreover, it represents our sustainable business policy and is an integral part of our sustainability efforts.

REC Silicon’s ambition is to operate in an ethical manner based on legally sound business practices in all respects. This Policy establishes the guidelines for the Company’s daily conduct in a number of important areas, including caring for our people, society, and the environment. The Policy applies to all employees in all countries.

REC Silicon’s purpose is stated in its Articles of Association, which reads “the development and sale of products and services related to renewable energy sources”. It is therefore our obligation to ensure that we integrate sustainability in all we do so that we contribute to the energy transition with a minimal environmental footprint.

2. WHO WE ARE AND WHAT WE DO

REC Silicon is a leading producer of advanced silicon materials, supplying high-purity polysilicon and silicon gases to the solar and electronics industries worldwide. We combine over 40 years’ experience and best-in-class proprietary technology to deliver on customer expectations.

Our two US based plants have a capacity of around 20,000 MT high-purity polysilicon. REC Silicon is listed on the Euronext Oslo Stock Exchange under the ticker RECSI.

REC Silicon produces electronic grade polysilicon, an essential component of the microchips produced by the semiconductor industry. Microchips are key enablers in the digitalization and electrification of society and therefore in the transition to a carbon neutral society. REC Silicon’s solar grade polysilicon is the key component of photovoltaic solar panels and therefore essential in the renewable energy transition. Finally, silicon gases are gaining traction as key components in the development of new technologies for battery energy storage among other critical uses in the semiconductor and solar industries.

3. OUR VALUES AND GOALS

REC Silicon supports the UN Sustainable Development Goals (SDGs) and believes it has the potential to deliver meaningful positive impact on SDG 7 – Affordable and Clean Energy and SDG 13 – Climate Action. At the same time, we recognize our responsibility to minimize the impact our operations have on our people and on society, working towards SDG 6 – Clean Water and Sanitation, SDG 12 – Responsible Consumption and Production and SDG 15 – Life on Land. We also aim to contribute to society through SDG 5 – Gender Equality and SDG 8 – Decent Work and Economic Growth.

These ambitions are summarized into six clear focus areas that guide us in our operations:

FOCUS AREAS AND THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS



SAFETY	ENERGY	WATER	ENVIRONMENT	EQUAL TREATMENT AND HUMAN RIGHTS	GOVERNANCE
<ul style="list-style-type: none"> • Health and safety of personnel • Safety in production • Safety of products • Safety in supply chain 	<ul style="list-style-type: none"> • Energy use and mix • Energy emissions • Energy supply 	<ul style="list-style-type: none"> • Water use • Water discharge 	<ul style="list-style-type: none"> • Waste production • Waste treatment • Waste recycling • Raw materials sourcing • Emissions to air • Biodiversity 	<ul style="list-style-type: none"> • Gender equality • Human rights • Community interaction 	<ul style="list-style-type: none"> • Anti-corruption • Whistleblower • Accountability • Transparency • Stewardship

4. OUR APPROACH TO HUMAN RIGHTS

REC Silicon believes that we need to empower and connect people and technology and that our business and our people should make a positive impact on society. Achieving this aim takes commitment, perseverance, and dedication at all levels of the Organization.

REC Silicon supports and acknowledge internationally recognised human and labor rights standards as set out in:

- The International Bill of Human Rights;
- The United Nations Guiding Principles on Business and Human Rights;
- The ten principles of the UN Global Compact;
- The OECD Guidelines for Multinational Enterprises; and
- The International Labour Organisation Declaration on Fundamental Principles and Rights at Work.

Our commitment to comply with these standards is expressed in this Code of Conduct and is integrated into other fundamental documents of the Company's internal regulatory system.

Our people are the fundamental factor for the success of the Company. We aim for a working environment free from any form of discrimination or abuse, in which we respect and support each other to fully develop our potential. Therefore, we:

- Treat everyone who works for REC Silicon with fairness, respect, and dignity;
- Provide a working environment free from any form of discrimination, abuse, harassment or intimidation by or towards our employees or others affected by our operations;
- Commit to the elimination of discrimination based on gender, race, ethnical background, sexual orientation, age, political beliefs, marital status, or any other status;
- Refuse all forms of child labor, human trafficking, modern slavery and compulsory or forced labor;
- Respect the freedom of association and collective bargaining, as defined by the National Labor Relations Act (NLRA);
- Respect employees' rights to freedom of opinion and expression, freedom of thought, conscience, and religion;
- Provide fair working conditions in accordance with all applicable legislation to our employees; and
- Provide training to ensure our employees conduct business ethically, honestly and in compliance with all applicable laws and regulations.

We require our suppliers and business partners to share our commitment. Suppliers shall ensure that they abide with all human rights and are required to follow all security practices and ensure sufficient human rights training of their staff.

5. OUR APPROACH TO HEALTH AND SAFETY

REC Silicon puts safety first and follows the strategy that all accidents, injuries, and occupational illnesses are preventable. The target is zero harm to employees, contractors, customers, and members of the public.

We aim for every activity to be carried out safely and securely and to comply with the highest international health, safety and security standards and the prevailing laws and regulations everywhere we operate. We aim for continuous improvement and empower all organizational levels to implement a management approach based on the principles of precaution, prevention, protection, and risk management.

Specifically, we:

- Manage safety hazards through proper design, engineering practices, administrative controls, and safe work practices;
- Provide personal protective equipment and educational materials about the risks to any associated hazards that cannot be controlled by the above means;
- Provide continuous safety training;
- Require employees to report any and all safety concerns;
- Provide on-site emergency response teams and off-site back up response teams;
- Conduct regular safe job analyses and hazard recognition audits; and
- Provide visible safety information throughout our facilities and maintain updated logs visible to all employees.

Procedures and systems are in place to prevent, manage, track, and report all occupational injuries and illnesses. All significant injuries and illnesses are to be investigated to reduce recurrence.

We report and communicate workplace safety and health to all employees in a monthly safety meeting. This meeting provides updated information to our employees and a platform for them to raise any concerns. The processing of such concerns shall be documented and addressed in the subsequent safety meeting.

We require our suppliers and business partners to share the same commitment. We monitor our suppliers' safety records annually to ensure that safe work practices are strictly adhered to and that all measures to ensure a safe and healthy work environment for their employees are taken. Suppliers shall be able to provide records upon the request of REC Silicon.

6. PROTECTING THE ENVIRONMENT

REC Silicon's operations result in air and water emissions and produce significant volumes of waste. We are obligated to operate within environmental permits as specified by national and/or local regulations and use third party certifications to document our performance.

To achieve our goals, we:

- Ensure that all required environmental permits are obtained, maintained, and kept current;
- Reduce waste of all types at the source or by practices wherever possible and consider modifications, substitution, conservations, recycling and re-using of materials to reduce potential harm to the environment;
- Identify chemicals and other potentially hazardous materials to ensure their safe handling, movement, storage, use and disposal;
- Employ a systematic approach to identify, manage, and track air emissions, storm water management and waste management;
- Follow all regulatory requirements and investigate all violations; and
- Maintain close relations and constant dialogue with the local communities and authorities where we operate to ensure that any concerns are raised and that the impact of our operations on the local communities and environment are minimized.

We require our suppliers and business partners to share the same commitment. Suppliers shall ensure that they follow all security practices and ensure their staff are trained in accordance with their policies.

7. CLIMATE ACTION

REC Silicon's goal is to further the positive contribution from renewable solar energy and from the electrification of society. This includes minimizing the energy payback time of our products through reducing the carbon footprint of our own production and to develop products that can enable the transition to a carbon neutral future.

Specifically, we aim to:

- Reduce the carbon intensity of our polysilicon production through adopting energy efficient production methods;
- Increase the use of renewable energy in our production processes;
- Source raw materials from suppliers using low-carbon production methods;
- Reduce waste at all stages in production and ensure that as much as possible of our waste is recycled or re-used; and
- Seek ways to reduce the use of fossil fuels and energy consumption at all levels of our operations.

REC Silicon commits to set targets for and to track and document all energy consumption and greenhouse gas emissions and to make this information publicly available. We collaborate actively with our suppliers and business partners to ensure that efforts are made to reduce the carbon intensity of our value chains and that there is transparency in the reporting of carbon emissions.

8. ANTI-CORRUPTION AND BRIBERY

REC Silicon supports the ten principles of the UN Global Compact and the OECD Guidelines for Multinational Enterprises and is subject to the US Foreign Corrupt Practices Act.

We have zero tolerance for any form of corruption, without exception. We have adopted rules and controls to prevent and combat the risk of corruption in the performance of our activities.

As a result, we:

- Do not offer, promise, or accept, under any circumstances, economic advantages, or other utilities in order to improperly expedite, favor, or facilitate the performance of an activity;
- Expressly prohibit facilitation payments;
- Do not offer or accept, under any circumstances, gifts or hospitality that could be interpreted by an impartial, third-party observer as exceeding normal commercial practices or professional courtesy, or however aimed at improperly influencing a decision or activity;
- Ascertain the ethical and reputational reliability of our potential business partners by preliminarily checking our counterparts and by asking them to undertake and share our anti-corruption principles;
- Undertake supply chain audits to ensure compliance with our standards on ethical business conduct, as well as on human rights; and
- Immediately inform our manager or the Compliance Officer of any suspicious situation occurs.

Non-compliance will be treated as a serious violation and a disciplinary matter. Employees shall be protected against any sanctions from REC Silicon or any representative of the Company for refusing to participate in any action that is or can be perceived as corruption, bribery, or facilitation payment.

9. GOVERNANCE

REC Silicon endorses to the Code of Practice of the Norwegian Corporate Governance Board (NUES) and publishes a review of the alignment with NUES in its Annual Report. We set high standards of integrity and believe that a sound business must be based on value-based management and clear guidelines on ethics and sustainability. We create value by supporting a competitive market, operating fairly, and fighting illegal practices.

We promote and support active dialogue and cooperation with international, national, and local authorities and institutions. Therefore, we:

- Avoid declaring, persuading, or encouraging false or intentionally misleading statements to authorities and institutions;
- Maintain relationships with authorities and institutions only within the limits of our function's competence and, in any case, we act only if authorized;
- Refrain from making contributions to political and central trade union parties, movements, committees, and organizations; and
- Refrain from misusing our Company name in personal interactions with political parties, movements, and committees.

REC Silicon investigates all potential integrity concerns and cooperates fully with the relevant authorities.

We avoid conflicts of interest and practices related to the commission or participation in fraud. We accurately maintain Company accounting and protect and carefully use information and personal data to which we have access.

Based on our Risk Management System (RMS), we contribute to spreading a culture of risk management and control that allows us to run our business in a healthy, correct, and responsible manner.

Our people shall protect and promote the interests of the Company by taking objective decisions and avoiding, wherever possible, any situation where conflicts of interest may arise, acting in compliance with the Code of Conduct in all cases.

We define a conflict of interest as a situation where behaviors or decisions, in the context of the working activity, may create an immediate or deferred advantage for our people, their family or others

with whom there is a close personal and business relationship, and which may interfere with the ability to make a decision or to carry out impartial assessments in the interest of REC Silicon.

We protect the Company's confidential information and intellectual property with written agreements with third parties to ensure the correct management, internal and external, of all such confidential information, which, if improperly disclosed, can undermine corporate competitiveness and damage corporate reputation.

Promotion and dissemination of this Policy is made available to all stakeholders and may be retrieved on REC Silicon's website and intranet. This Policy is delivered to all of REC Silicon's employees upon hiring and will be disseminated when updates or changes occur.

REC Silicon has a whistle-blower service, and all employees have a right and duty to report any violations of the principles of this Code of Conduct. Information shared through the whistle-blower process will be shared only with those who have a need to know and will be kept confidential within the enforcement of this Code of Conduct. If the concern is in relation to finance or accounting, that information may need to be shared with the audit committee of the Board of Directors. Our employees should always feel free to express fears or draw attention to actions with possible ethical implications. REC Silicon will not tolerate, under any circumstances, any form of retaliation against any person who has raised concerns in good faith and in no case will take or threaten any adverse action or discrimination of any kind against those who report wrongdoings or express concerns regarding ethical issues.

This Code of Conduct is approved by the Board of Directors of REC Silicon. Any amendments must be approved by the Board of Directors based on the Chief Executive Officer's recommendations.

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About REC Silicon

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For more information, go to: www.recsilicon.com