

RECSILICON

# Transparency Act Statement 2023

# Advancing Materials, Advancing Technology

REC Silicon is a global leader in silane-based, high-purity silicon materials.

With two U.S.-based manufacturing facilities and sales support offices in both Asia and the United States, REC Silicon is leading energy and technology providers worldwide in shaping the future with advanced silicon materials.



## Introduction

REC Silicon ASA (“the Company”) is a global leader in silane-based, high-purity silicon materials to the solar and electronics industries.

REC Silicon operates manufacturing facilities in Moses Lake, Washington and Butte, Montana in the USA. The Company’s sales and marketing activities for solar grade polysilicon, silicon gases and specialty gases are carried out in China, Japan, Korea, Taiwan, and in the United States.

REC Silicon commits to internationally recognized human and labor rights standards, including:

- The International Bill of Human Rights
- The UN Guiding Principles on Business and Human Rights
- The OECD Guidelines for Multinational Enterprises
- The ILO Declaration on Fundamental Principles and Rights at Work
- The US National Labor Relations Act (NLRA)

The standards are further integrated into other fundamental documents of the Company’s internal regulatory system.

REC Silicon requires its suppliers and business partners to share the same commitment.

This statement has been prepared in accordance with section 5 of the Transparency Act and summarizes the approach taken by REC Silicon to conduct due diligence on human rights and decent working conditions (together referred to as “human rights”) within its own operations and supply chain, in accordance with section 4 of the Transparency Act and in line with the OECD Guidelines for Multinational Enterprises.

## Governance and oversight

The Board of Directors have the overall responsibility for REC Silicon’s human rights due diligence. The Audit Committee is responsible for the review of sustainability risks as part of the overall risk framework for REC Silicon, with the main findings forwarded to the Board for general consideration and any required action. The Audit Committee also has the responsibility for non-financial reporting, which includes reporting pursuant to the Transparency Act.

REC Silicon has a dedicated supply chain management team responsible for the operationalisation of supply chain management and human rights due diligence.

## Policies

REC Silicon’s commitment to human rights is anchored in Section 4, “Our approach to human rights”, in our Code of Conduct and Sustainability Policy, available on <https://recsilicon.com/investor-relations/corporate-governance/>. This policy is distributed across the organization. It was last approved by the board of directors of the Company on 15 November 2022. The Company’s explicit commitment to respect human rights extends to all employees, third-party personnel and suppliers.

A specific Business Partner Code of Conduct was established in 2023 as part of a supply chain due diligence project. This Code makes explicit requirements for suppliers and business partners, based on the same principles as REC Silicon’s own Code of Conduct and Sustainability Policy. The Business Partner Code of Conduct is available on <https://recsilicon.com/investor-relations/corporate-governance/>.

## Actions and action plans

REC Silicon follows the OECD Guidelines for Multinational Enterprises when conducting human rights due diligence:

1. Embed responsible business conduct into policies and management systems;
2. Identify and assess adverse impacts;
3. Cease, prevent or mitigate impacts;
4. Track implementation and results of actions and plans;
5. Communicate how impacts are addressed, and;
6. Provide for or cooperate in remediation when appropriate

### 2023 Progress

The Company started its human rights due diligence work in 2023, focusing on steps 1 and 2 with the following targets for the year:

- Develop a Supplier Code of Conduct;
- Continue to communicate our human rights policy internally and externally, including to business partners;
- Continue mapping our supply chain and our business partners to better understand the human rights impacts within them; and
- Continue to anchor human rights due diligence within our operations

All these steps were completed during the year.

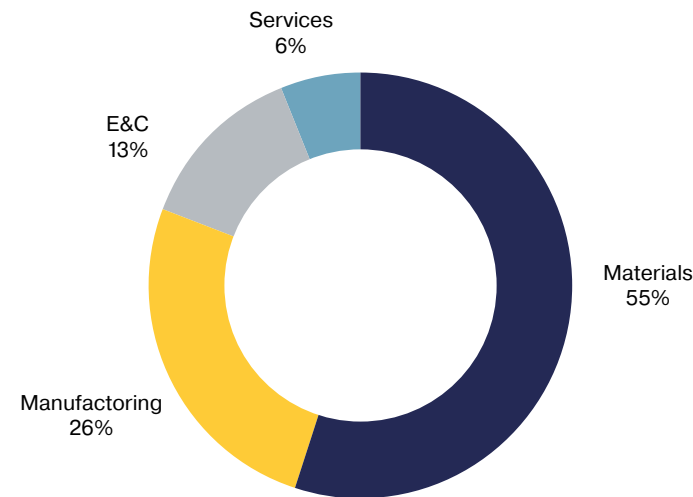
### Business Partner Code of Conduct

The Business Partner Code of Conduct was finalised during the fourth quarter 2023 and started being disseminated to our suppliers and vendors towards the end of the year, as the first step in engaging with the supply chain on human rights risks.

### Mapping of supply chain human rights risks

A supply chain mapping project was completed in the second half of the year. The mapping covered large and important suppliers, equating to approximately 70% of annual vendor volumes and covering about 50 suppliers across the following industries:

Supply chain industries mapped

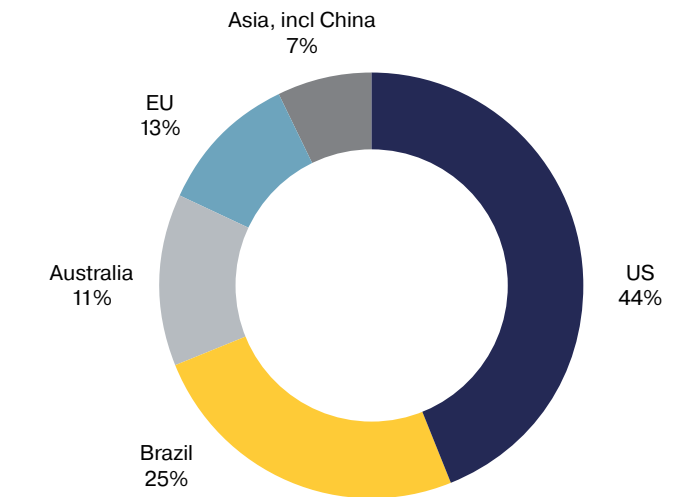


The human rights risks were assessed based on the following parameters:

- Availability of collective bargaining and freedom of association
- Risk of child and forced labor
- Risk of discrimination
- Risk of inadequate wages
- Risk of corruption and bribery

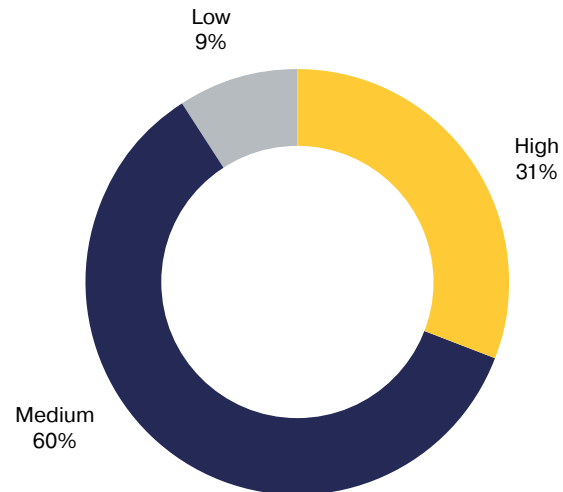
The parameters were, as far as possible, evaluated on a country-by-country basis based on the primary source of production of products and services procured. The geographical exposure of REC Silicon's supply chain is as follows:

Supply chain geography



Overall, the human rights risk was assessed as medium for the Company as a whole, with the risk distribution as follows (no part of the supply chain was considered as having “very high” or “moderate” risk):

Human rights risk distribution



The key human rights risks identified were:

1. The absence of collective bargaining and freedom of association
2. Risk of corruption and bribery
3. Risk of inadequate wages.

The risks are generally found to be high among the providers of metallurgical grade silicon (MGS), the chief raw material for REC Silicon’s products. This is a critical material for the Company.

Based on the conclusions of the mapping, a strategy has been established to engage with the suppliers representing the highest risks, as well as those regarded as the most critical to REC Silicon’s operations.

During the year, REC Silicon also established a whistleblower reporting system for employees and business partners, including the supply chain, to report any concerns regarding human rights, business ethics and personal integrity anonymously. The system is operated by a third party.

#### Actions and plans for 2024

The efforts during 2024 will focus on step 3 in the OECD Guidelines, namely to “cease, prevent or mitigate impacts” and include:

- Requiring the sign-off of the Business Partner Code of Conduct from the large and important suppliers covered in the supply chain mapping project
- Requiring high risk suppliers to provide documentation on key risks, such as collective bargaining and freedom of association, child or forced labor, discrimination in the workforce, wages, as well as a statement of their position on corruption and bribery.
- Requiring all high-risk suppliers to commit to annual self-assessments on human rights risks.

#### The 2024 targets are the following:

1. Sign-off of the Business Partner Code of Conduct from the top 50 spend suppliers (representing approximately USD 100m in annual vendor volume)
2. Obtain key documentation on human rights risks from the major MGS supplier
3. Completion of self-assessments on human rights risks from the major MGS supplier and from major suppliers based in Asia and China

Based on the results obtained from the above, REC Silicon will further assess the need for any steps to be taken to cease, prevent or mitigate impacts through engaging directly with affected suppliers. Options to source products or services from elsewhere will also be evaluated to potentially reduce the Company’s exposure to human rights risks.

Going forward, REC Silicon will be evaluating various software solutions to make assessments, engagement and follow-up more efficient both for the Company and for the suppliers. This is to enhance the tracking of the implementation of any efforts and their results.

Lysaker, June 21, 2024  
Board of Directors

*Document is signed electronically*

Tae Won Jun  
Chairman of the Board

Jooyong Chung  
Deputy Chair

Dr. Renate Oberhoffer-Fritz  
Member of the Board

Vivian Bertseka  
Member of the Board

Robert Neuhauser  
Member of the Board

Kurt Levens  
President and CEO

# RECSiLICON

**REC Silicon ASA**

Lysaker Torg 5, 3 etg.  
PO Box 63  
1324 Lysaker  
Norway

Phone +47 407 24 086

**About REC Silicon**

REC Silicon is a global leader in silane based high purity silicon materials. We combine 40 years experience and best-in-class proprietary technology to deliver on customer expectations. Our two U.S. based plants have a combined production capacity of more than 30,000 MT of high purity silane gas. Our Signature Silane® based products are used in everyday quality of life technologies, emerging technologies, cutting edge power and memory devices, high-voltage transmission, as well as renewables. REC Silicon is headquartered in Lysaker, Norway and listed on the Oslo stock exchange under the ticker: RECSI.

For more information, go to: [www.recsilicon.com](http://www.recsilicon.com)

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