

2023

Annual statement on sustainability,  
social responsibility, transparency,  
and modern slavery

CAMB

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# Introduction from the Chief Executive Officer

## At Cambi,

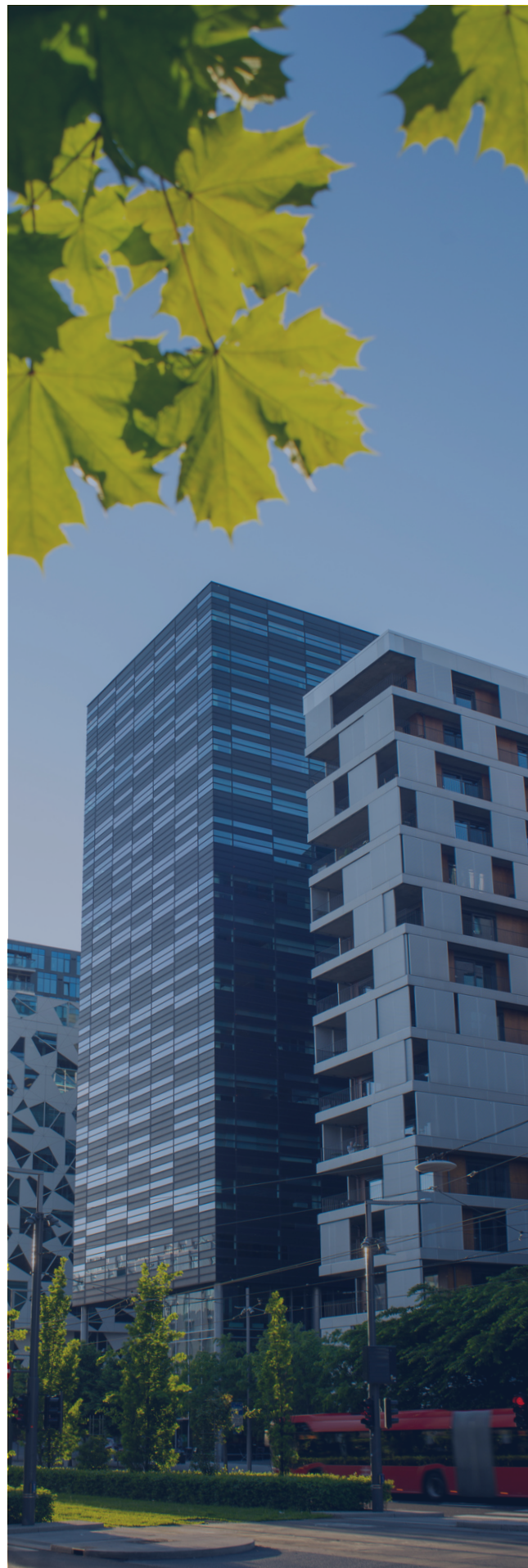
our mission extends beyond reliable, sustainable technologies and solutions for cities and industries, transforming their organic waste streams into valuable bioresources. It also encompasses a firm commitment to transparency, respect for human rights and transparency in everything we do.

Cambi's technologies, notably the thermal hydrolysis process, are at the forefront of environmentally friendly waste treatment, enhancing biogas production and enabling the recovery of nutrients. Grønn Vekst, under Cambi's banner, has made significant strides in developing sustainable soil products that offer an alternative to peat, further cementing Cambi's role in the circular economy. With a legacy spanning over three decades, Cambi's innovation ethos propels our solutions in adherence to the EU Taxonomy principles and the evolving landscape of local, national, and global sustainability goals.

Our journey of developing and deploying globally scalable, effective, low-carbon technology and solutions is powered by our employees' creativity, expertise, and ethical standards and by an extensive network of carefully selected partners. We take great pride in our diverse and skilled workforce and are dedicated to upholding fair work practices and fundamental human rights throughout our operations.

As a global entity with manufacturing operations in the UK and construction and maintenance activities worldwide, Cambi recognises the potential risks of illicit and unethical practices within its supply chain. Cambi's adherence to the Norwegian Transparency Act and the UK Modern Slavery Act underpins our rigorous efforts to ensure that our suppliers and partners are not only informed but fully aligned with our legal obligations and our ethical stance against modern slavery and human trafficking and in pursuit of decent working conditions.

Cambi enforces a stringent zero-tolerance policy against corruption and expects its suppliers, contractors, and partners to uphold similar ethical standards. The corporate Code of Conduct, publicly accessible on our website, details policies on these issues and establishes clear guidelines for conducting business. Our comprehensive integrity due diligence (IDD) process for new and existing suppliers and business partners ensures alignment with our ethical standards. This ongoing evaluation is a testament to our commitment to continuous improvement.







Installing a third THP reactor in Hengelo, the Netherlands

The commitment to integrity infuses every aspect of Cambi's business, from technological development to sourcing and manufacturing. We are expanding role-specific training for personnel involved in the supply chain, site operations, and commissioning at all locations, as well as addressing a wide range of ethical concerns, including health, safety, all forms of discrimination, harassment, and human rights. These initiatives are part of a broader effort to identify, mitigate, and address any risks or negative impacts within our supply chain.

The Cambi headquarters' achievement of the ISO 45001:2018 certification in 2023 acknowledges our dedication to preventing work-related injuries and providing safe and healthy workplaces. The certification endorses Cambi's well-balanced management systems and the active participation of management and employees in identifying and controlling health and safety risks, reducing the potential for injuries and accidents, aiding legislative compliance, and improving overall performance.

The whistleblower channel, open through an impartial third party, continues to facilitate reporting on concerns and ensures a quick, confidential, and fair assessment of all issues reported by any stakeholder.

This statement reaffirms Cambi's commitment to sustainability, preventing corruption, combating modern slavery and human trafficking, and promoting a culture of fairness and dignity within our operations and supply chains. It presents our efforts along these dimensions as a continued pledge to our core values of sustainability, social responsibility, transparency, and respect for human rights in compliance with the UK Modern Slavery Act and the Norwegian Accounting and Transparency Acts, covering the period 1 January to 31 December 2023. It includes Cambi ASA and all entities under its control.

**Cambi's Board of Directors approved the statement on 16 April 2024.**

**Eirik Fadnes**

Chief Executive Officer, Cambi



# Business structure and supply chain

## Organisation

Cambi is a medium-sized multinational enterprise specialising in technology and solutions to enhance the treatment of wastewater solids and organic wastes, primarily for sizeable municipal biogas facilities. Cambi has established a portfolio of proven and proprietary technologies alongside robust marketing, sales, and servicing capabilities.

At the end of 2023, Cambi had successfully sold its thermal hydrolysis process (THP) systems to 88 different sites spanning 27 countries on six continents, with the capacity to service 118 million people. Many of the sites receive ongoing support from Cambi's services team.

Cambi is publicly traded on Oslo's Euronext Growth stock exchange under the ticker symbol CAMBI. Quarterly and annual reports are available at [cambi.com](https://www.cambi.com). Revenue in 2023 was NOK 977 million.

Headquartered in Asker, near Oslo, Norway, Cambi has subsidiaries in the UK, USA, China, South Korea, Singapore, Denmark, France, Spain, and Germany. These subsidiaries are pivotal in managing regional sales, project implementation, and operational support. The manufacturing hub is situated in Congleton, UK, with the headquarters housing all other essential business functions. Procurement is primarily coordinated from Norway and the UK, with exceptions for local content requirements and office management.

Cambi also owns Grønn Vekst, Norway's largest producer of sustainable soil products. Grønn Vekst sources garden waste and biosolids from Norwegian municipalities, mixes these resources with stone meal as a sand substitute, nutrients, and other residual materials at more than 25 locations throughout the country, and produces and commercialises high-quality compost and alternatives to peat-based soils.

In 2023, Grønn Vekst delivered more than 250,000 tonnes of soil and opened a bagging facility with an annual capacity to produce 2 million soil bags for retail buyers.

Cambi's Chief Executive Officer is responsible for the company's commitment to health and safety and upholding decent working conditions, respect for fundamental human rights, and rigorous modern slavery due diligence, with assistance from the Chief Operating Officer. The commitment is operationalised through the dedicated efforts of the Chief People & Culture, the Project Managers, the Senior Quality Manager and the procurement team. The Board of Directors, which includes an employee-elected director, engages in proactive oversight as part of Cambi's participatory approach to corporate governance.

In Norway, Cambi is a member of the Federation of Norwegian Industries (Norsk Industri) and the National Confederation of Norwegian Enterprises (NHO). These affiliations ensure Cambi's alignment with industry-leading practices in protecting human rights and ensuring decent working conditions, effectively mitigating risks associated with slavery and human trafficking. Although Cambi does not have union representation or collective bargaining, it supports the right of all employees to affiliate with workers' associations, promoting an inclusive and supportive work environment.



Grønn Vekst's recently opened soil bagging line



Original equipment produced at the manufacturing facility in Congleton, UK is prepared to be shipped to clients throughout the world

## Supply chain

Cambi produces and supplies the equipment for its patented thermal hydrolysis process systems from its manufacturing workshop in Congleton, UK. Stainless steel, predominantly procured from British suppliers, is the primary material for the leading products, including pressure vessels, piping, and other components. Manufacturing requires standard utilities such as natural gas, electricity, and water. Most workshop staff are full-time employees engaged directly with Cambi under permanent contracts.

For ancillary components like boilers, dewatering equipment, pumps, valves, wiring, sensors, and instruments, Cambi partners with reputable global suppliers, maintaining a policy of non-exclusivity for sourcing specific parts. Ancillaries from certain suppliers are specially engineered to enhance the performance and durability of Cambi's thermal hydrolysis process.

Cambi's products, designed mainly according to European and American standards and delivered in modules, are preassembled onto skids or in containers for transportation via ship, train, or truck to their destinations. Cambi typically supports the installation and commissioning process, collaborating with construction companies overseeing broader project scopes awarded through public tenders by municipal water utilities.

Construction companies, often international contractors known for managing large-scale projects, mostly serve as Cambi's direct clients. Smaller projects might engage national, regional, or local construction firms.

The ultimate beneficiaries, or end clients, are usually the water or wastewater utility companies, generally municipality-owned, though some operate under private ownership or management in certain jurisdictions.

Cambi frequently provides services directly to the water utility company or their appointed operator during the operational phase. Cambi's site services teams work at clients' sites, often collaborating with ancillary equipment and parts suppliers. Modernisation projects and maintenance activities may be partially outsourced to specialised local companies.

Cambi Operations Ltd, the UK-based services organisation located in Congleton, renewed in 2023 its Principal Contractor certification from the UK Contractors Health & Safety Assessment scheme (CHAS). This certification confirms Cambi's adherence to CHAS standards across various domains, including health and safety, environmental management, quality, and ethical business practices such as equal opportunities and anti-bribery and anti-corruption measures. All pertinent staff participate in regular safety training and, where applicable, possess the Site Management Safety Training Scheme (SMSTS) certification.

For projects where Cambi assumes a broader contractual role or operates as a turnkey supplier for anaerobic digestion or thermal hydrolysis plants, procurement activities expand accordingly, with non-core scope and construction tasks typically outsourced.





Loading peat-free soil from Grønn Vekst on ship for long-distance delivery in Norway

## Grønn Vekst

Grønn Vekst is an asset-light organisation. Its upstream business delivers organic waste recycling services to Norway's municipalities and water, waste, and wastewater utility companies. The contracts are typically awarded through public tenders for up to four years, including extension options. Executing such contracts involves collecting garden and food waste from municipal collection points and biosolids from wastewater treatment plants. These resources are transported by truck or train to more than 25 soil production sites, typically collocated with construction material quarries. Transportation is usually contracted locally.

At the soil production sites, Grønn Vekst oversees composting and mixes different ingredients to make various grades of soil.

Most of the output is bulk soil used in infrastructure, construction, and soil restoration projects. Bulk soil is usually collected by the construction companies by truck directly from production sites, underscoring Grønn Vekst's commitment to efficiency and sustainability within its supply chain operations.

Various soil products with different textures and nutrient compositions, LECA and bark are delivered to retail buyers by truck or packed in soil bags at the company's new bagging facility near Kristiansand and sold through garden supply stores, supermarkets and similar retail chains. Grønn Vekst's employees typically work full-time and travel extensively to oversee the partnership with quarries, soil production, logistics operations, and sales.



Soil production at the Støleheia recycling facility near Kristiansand, Norway



# Sustainability and social responsibility

## A legacy of sustainability

Cambi firmly believes that keeping within the Earth's ecological limits, particularly the planetary boundaries for biogeochemical flows, climate, and land-system change, is essential for sustainable human development. Founded in 1992, when the Brundtland Commission's definition of sustainable development underscored the importance of meeting present needs without compromising future generations, the company has always been guided by sustainability in its continuous product development and global commercialisation efforts.

By delivering innovative technology and solutions for maximum resource recovery from wastewater solids and organic and mineral waste streams, the company enables cities and industries to reduce their environmental footprint and boost their

circular economies reliably and affordably. Cambi's business is aligned with the EU Taxonomy. It contributes to 8 of the UN's 17 Sustainable Development Goals, 11 of the 169 related targets and 13 of the 231 unique indicators across the water-energy-food nexus.

Through participation in many of the water sector's dialogue fora at global, regional, national, and local levels, Cambi seeks to be a global thought leader on reducing the carbon footprint of wastewater solids management and advancing towards circular economies with net-zero emissions. In Norway, Grønn Vekst assumes a similar role in reducing reliance on carbon-intensive, peat-based soils and moving to high-quality, sustainable, circular alternatives.



Large Cambi THP system in operation at Xiaohongmen wastewater treatment plant in Beijing, China



## Innovations in technology, products, and solutions for a sustainable future

Cambi's commitment to sustainability is deeply embedded in its continuous innovation and development of technologies, products, and solutions that address the immediate needs of waste management. It follows a principle of maximum economic resource recovery for the long-term health of our planet. Investments in innovation mainly seek to enhance the efficiency of thermal hydrolysis process (THP) technologies and develop new sustainable soil products.

### Advancing the thermal hydrolysis process technology

Recognising the importance of reducing the environmental footprint of its solutions, Cambi has embarked on a path of continuous improvement aimed at decreasing the energy and material intensity of its steam-based process. Efforts have been concentrated on optimising the THP systems' energy efficiency and processing capacity, directly improving the business case for adopting the technology at more sites.

Over time, learning from experience and with better product engineering, adjusted process setpoints and improvements to heat recovery have brought significant reductions in energy intensity, making more of the surplus energy produced by the system available for other uses. With the recent introduction of models E and H, which increase embodied steel use but maximise the process energy efficiency for clients drying the final biosolids product and markets with high energy prices, Cambi is coming close to the thermodynamic optimum for steam demand in its process.

Reliability and availability have also been focal points, with enhancements designed to ensure continuous operation and minimal downtime. Some improvements are credited to original equipment manufacturers supplying Cambi with boilers, centrifuges, and consumables such as pumps and valves. Cambi also continuously optimises its hardware and software.



Second level of a state-of-the-art, standardised THP system



Illustration of Cambi Plug & Go, a complete modular THP plant

The recently introduced model S reduces downtime during annual maintenance stops to 48 hours for clients where service interruption is unacceptable, avoiding installing a backup THP system and saving costs and embodied emissions. Subject to an upgrade, the system can also operate as a model E, with maximum energy efficiency. Model P aims to do away with pumps and instead uses pressure differences to move the feedstock through the process, potentially reducing energy demand further, increasing reliability and uptime, and eliminating these consumables and their associated financial and environmental cost.

Material intensity is another area of focus for Cambi, with ongoing efforts to cut down on the materials required for manufacturing and maintaining the THP systems. With careful purchasing and by implementing designs that ensure long life and durability, Cambi is making strides towards reducing the material footprint of its manufacturing processes and the technology itself.

## Rewriting the soil ingredients list

Grønn Vekst is at the forefront of product innovation, creating sustainable soil blends catering to diverse agricultural and horticultural needs. By carefully adjusting the ingredients and proportions, Grønn Vekst has developed and continues to create optimal soil products for various uses, from large-scale agriculture to home gardening. These efforts are underpinned by a commitment to healthier soils, plants, and people, focusing on replacing peat with compost and resources recovered from large organic and mineral waste streams.

By rewriting the soil ingredients list, as illustrated by experiments described in the annual report, with gypsum and seaweed in 2023, ultimately, Grønn Vekst aims to improve soil texture and water retention and provide essential nutrients, supporting the growth of robust plants and crops without relying on synthetic fertilisers.

## Enabling net zero carbon emissions

Cambi's THP technology has a significant environmental impact, increasing biogas production, improving biosolids dewatering, and producing high-quality biosolids suitable for land application and thermal processes. These advances support the reduction of greenhouse gas emissions. Independent studies conclude that THP is the most carbon-efficient method for treating wastewater solids in medium to large-scale plants due to the combined contribution of several factors.

## Digester efficiency

One of the key advantages of Cambi's THP technology is its ability to triple digester throughput compared to traditional digestion methods. This efficiency gain means that new treatment facilities can be designed with significantly smaller digester capacities, approximately one-third the size of conventional systems. This reduction in physical infrastructure directly translates to lower embodied carbon, as less construction material is required. For existing (brownfield) sites, the technology allows for more intensive use of current digesters, avoiding the need for expansion and enabling the treatment of additional or more challenging feedstocks without constructing new facilities.

## Biosolids dewatering

Cambi's THP also enhances the dewatering process, reducing the volume of the final biosolids product by up to 50%. This reduction directly impacts greenhouse gas emissions by halving the need for transportation, whether for landfilling, incineration, or land application. The increased dryness of biosolids destined for incineration means less fuel consumption during the process. When these high-quality biosolids are used as a soil improver, their improved dewatering properties can facilitate transport to closer application sites, further reducing the carbon footprint.



## Biogas production

Cambi's patented THP technology enhances the efficiency and effectiveness of the hydrolysis step in the anaerobic digestion process, thereby boosting biogas production by up to 40%. Most of this additional biogas can be used as a renewable energy source, replacing fossil fuels and consequently reducing the operational carbon footprint of wastewater treatment plants. Moreover, the enhanced treatment process results in biosolids with lower volatile solids content, which reduces methane emissions, a potent greenhouse gas, when these biosolids are stored or applied to land.



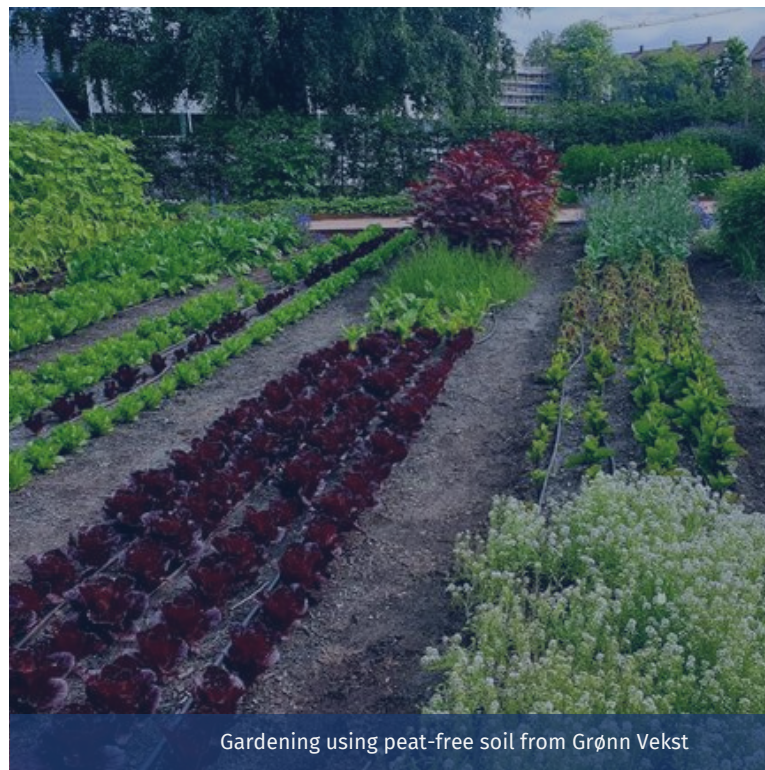
Biogas balloon at Cardiff wastewater treatment plant, UK

## Nutrient-rich soil improvers

Finally, the process yields high-quality and nutrient-rich biosolids suitable for land application as soil improvers or organic fertilisers. Recycling biosolids to land is a carbon-fixing method. These biosolids can also substitute synthetic fertilisers, typically produced using fossil fuels, further reducing greenhouse gas emissions.

## Low-carbon soil products

Soil products from Grønn Vekst serve as substitutes for peat-based soils. While peat is plentiful in Norway, it is also a significant carbon sink. Its use in soil production results in the emission of substantial amounts of methane into the atmosphere. The soils produced by Grønn Vekst help preserve Norway's peat bogs and offer a superior, low-carbon option to traditional soil, suitable for various uses.



Gardening using peat-free soil from Grønn Vekst

An increasing number of municipalities, utility companies, and private enterprises are committing to achieve net-zero emissions. The reputable water industry magazine Global Water Intelligence reports that a minimum of 87 water and wastewater utilities, which provide services to over 255 million individuals, have established climate neutrality goals. Cambi counts 15 of these water utilities among its clients and is working to develop projects with an additional 18.



## Boosting local circular economies

"Wastewater" and "organic waste" denote an outdated terminology from linear economies with large environmental externalities and scarcely do justice to the substantial material flows generated by human activities. With ever more stringent climate and resource recovery regulations, linear business models have become expensive burdens. Municipalities and industries around the globe are increasingly recognising the potential of these material flows as valuable bioresources in the form of biogas or soil enhancers. Cambi's innovative technologies and solutions capitalise on these underutilised resources, facilitating their safe and effective repurposing.

Biosolids are rich in nitrogen and phosphorus, the main components of synthetic fertilisers, and can be used on land following local regulations. Their abundance of micronutrients, including copper, iron, and zinc, makes them valuable soil enhancers or organic fertilisers. The biosolids produced through Cambi's thermal hydrolysis process are easy to store, stack, load, tip, and apply to land, serving as superior organic fertilisers or soil enhancers which farmers favour. Compared to traditional fertilisers, they bolster soil health and reduce nutrient runoff into aquatic ecosystems. Several municipalities have used thermal hydrolysis to transition from the incineration of biosolids to their beneficial use on land, thus conserving vital nutrients.

Circularity is also at the heart of Grønn Vekst's operational model. The company blends biosolids and garden waste with a quarry-derived stone meal, creating innovative soil mixes. These products, intended for both construction and retail markets, are peat-free and sand-free, addressing the shortage of sand, a non-renewable resource, and reducing the exploitation of peatlands, which are crucial carbon sinks. Grønn Vekst also explores opportunities to repurpose other organic and mineral waste streams into soil production.

## Positive impact on local communities

Cambi improves local living environments by reducing pathogen levels and odours in sewage sludge, thus addressing community concerns around sludge treatment facilities and biosolids land application.

### Enhancing the well-being of local communities

Following thermal hydrolysis treatment before anaerobic digestion, biosolids from wastewater treatment plants become free from pathogens and adopt a more natural, earthy scent. THP significantly outperforms traditional sludge treatment methods in addressing health risks and neutralising unpleasant smells, which are significant concerns for communities near sludge treatment sites or areas where biosolids are applied. Furthermore, because the volume of biosolids produced through thermal hydrolysis is up to 50% less than that of conventional treatments, the number of truck trips required for transport is similarly reduced, lessening traffic and noise for residents.

Grønn Vekst positively contributes to the communities where it operates by supplying various superior soil products for use in construction, municipal projects, and home gardening throughout Norway.

### Affordable and sustainable public services

Urban local administrations strive to manage the essential services of waste management and sanitation, funded through public fees, in ways that offer the best economic and environmental outcomes. Cambi's solutions present a compelling proposition that fully aligns with these goals. The thermal hydrolysis process is net energy positive while significantly lowering the operational costs of handling biosolids, presenting an attractive case for investment. Cambi's technology also reduces the required investment for new digesters by increasing throughput, hence decreasing the necessary digester tank capacity to as little as one third.



This reduction leads to a quicker return on investment. Thermal hydrolysis is often the technology with the lowest total cost across the lifespan of wastewater treatment assets.

## Acting with integrity and respect for human rights

Cambi commits to the highest ethical standards, integrity in operations, and the provision of stable employment and lifelong learning opportunities for its diverse and talented workforce. As a responsible participant in the global society, Cambi recognises the importance of transparency, honesty, and accountability, communicating its value proposition fairly and factually and adopting a zero-tolerance policy towards illegal and unethical business practices.

Cambi's Code of Conduct prohibits fraud, bribery, harassment, and corrupt practices, underpinning every aspect of its operations. This policy applies universally across Cambi ASA, its subsidiaries, and affiliates, including all employees, directors, and representatives worldwide, internally and in interactions with partners, clients, and the communities it serves. Employees will not be demoted, penalised, or suffer any negative consequences for refusing to participate in bribery, even if this refusal results in lost business opportunities for the company.

Cambi extends its ethical commitments to its business partners and third parties, insisting on shared integrity, ethics, and compliance values. Cambi ensures its partners uphold these standards through rigorous IDD and continuous monitoring, reinforcing a collective commitment to ethical business practices.

Cambi's management system embeds these ethical principles into its operational and quality management processes. The management system provides a holistic approach to sustainability, quality, and integrity, ensuring that Cambi's solutions advance environmental goals and contribute positively to the ethical business landscape.



**CAMBI**

## Code of Conduct



# Policies and procedures

## about sustainability, modern slavery, human trafficking, decent working conditions and fundamental human rights

Cambi is advancing the transition towards sustainable communities with technology and solutions for efficient feedstock processing at biogas facilities, particularly in the water sector. The foundation of Cambi's success and future aspirations lies in its diverse and skilled workforce. Emphasising personal growth, employee welfare, and team engagement is pivotal for Cambi to achieve its strategic goals and remain the world's leading provider of thermal hydrolysis technology.

In this context, employment at Cambi is based on mutual consent, with employees freely agreeing to their roles and retaining the right to terminate their employment given reasonable notice. Cambi strictly prohibits worker-paid recruitment fees, forced, bonded, and involuntary prison labour, including confiscating workers' original identification documents, compulsory overtime, and child labour across all its operations and subsidiaries. The company upholds its employees' freedom of personal movement and association, provided such activities do not interfere with their professional responsibilities or Cambi's business interests. Employee privacy is respected in full compliance with all relevant laws and regulations, underscored by a commitment to integrity in all actions.

Cambi maintains a quality management system accredited to ISO 9001:2015 and ISO 14001:2015 standards and the newly achieved ISO 45001:2018 certification. The company's published policies on quality, environmental protection, equity and diversity, health and safety, and information security, together with the Code of Conduct, set clear expectations for employees, suppliers, contractors, and business partners concerning ethical conduct, health and safety, and human rights.

The company encourages all employees and stakeholders to voice any concerns, including harassment, isolation, intimidation, discrimination,

threats of violence, or discrimination based on gender, culture, race, sexual orientation, or any other dimensions of personal, social, or role identity. Employee engagement surveys are conducted regularly to continuously improve the work environment. A confidential whistleblower channel managed by an independent firm ensures prompt, discreet, and equitable evaluation of all reports, guaranteeing access to justice, remedy, and compensation.

Compensation practices at Cambi are fair and punctual, with all team members receiving regular, timely wages. The company is committed to promoting skill development through annual competence assessments (people dialogues) and planning, striving for internal equity across various dimensions, including location, department, and gender. Management actively discusses fair compensation and yearly salary reviews, with pay variances reflecting the nature of job responsibilities, market conditions, and individual experience levels.

With English as Cambi's primary language of business, all relevant codes and policies are accessible in English on the company's transparency webpage and within its quality system software. All employees and most business partners have professional knowledge of English. Grønn Vekst operates primarily in Norwegian.

Integrity due diligence is integral to Cambi's operational and procurement protocols, routinely conducted for all new suppliers, business partners, and third-party representatives to ensure ethical and transparent business engagements across the supply chain. A transparency chain software facilitates the identification of potential risks in areas such as human rights, health and safety, and supplier management.

The reassessment of existing suppliers and business partners against the IDD criteria is ongoing, with some resistance from both large suppliers, citing their policies and statements as proof of compliance, and smaller entities hesitant to fulfil detailed information requests.

Despite these challenges, Cambi remains engaged in constructive dialogue, and is prepared to end business relationships with any suppliers who persistently refuse to adhere to the company's transparency standards and procedures.



# Human rights risk assessment and due diligence processes

Cambi employs comprehensive risk management strategies to pinpoint, evaluate, and diminish various risks, encompassing financial uncertainties, ethical considerations, market dynamics, technological advancements, operational challenges, and governance responsibilities. The company ensures a proactive approach to risk mitigation through rigorous risk assessments and independent internal audits, as described in the board of directors' report.

This chapter delineates potential risks associated with modern slavery, human trafficking, improper working conditions, and violations of fundamental human rights within Cambi's own business and the value chain. Risk evaluations are conducted to gauge the probability of these risks becoming realities, with Cambi applying its influence to avert such outcomes. The likelihood of risk manifestation is predominantly influenced by the legal and regulatory framework of the countries involved and the specific nature of activities within the value chain. Cambi's capacity to exert influence is primarily determined by its role and level of control within each business relationship.

## Types of risks

Cambi distinguishes in its due diligence process between the following types of risks of human rights violations in its value chain:

- Risks to the freedom of movement and to choose and terminate employment
- Risks to freedom of association and being paid less than fair wages
- Risks to the respect for work-life balance with no sustained or unpaid compulsory overtime
- Risks to health and safety, including lack of suitable routines and protective equipment
- Risks of discrimination, harassment or violence, as opposed to inclusive and safe work environments
- Risks related to the access to remedy, compensation, and justice
- Risks to privacy





Cambi has mapped 88 business partners and 186 tier-1 suppliers in its supply chain. All have received a detailed questionnaire, and Cambi has also conducted independent assessments against pre-defined criteria. The assessments focus on areas where human rights abuses might be most probable, considering the volume and category of spend, length of supplier relationship, availability of alternative suppliers, public knowledge about past abuses or significant gaps in knowledge.

Cambi strongly encourages all business partners and suppliers to address the identified issues thoroughly and as a matter of priority, clearly communicating its expectation to see progress within reasonable time and its commitment to follow up.

Cambi has not identified any risks concerning PEP (Politically Exposed Persons) or RCA (Relatives and Close Associates), nor any risks involving personal data transfer outside the European Union/ European Economic Area. As of this statement's publication date, none of the issues were of such nature to warrant severance of the business relationship.

The issues identified are presented below under three categories: country, business partner, and supply chain risks.

## Country risks

The risk assessments always include the locations where Cambi's workforce is stationed, regions involved in sourcing equipment, parts, or raw materials, and areas where Cambi is committed to installing thermal hydrolysis systems or providing related services during asset operation. They draw on insights from the latest Global Slavery Index and the International Trade Union Confederation's Global Rights Index for 2023.

Cambi predominantly operates within jurisdictions considered low risk concerning human rights abuses, with a significant portion of its sourcing conducted within Northern Europe. There are no identified supply chain activities in countries under any of the current sanction regimes. Within the wider supply chain, beyond tier-1 suppliers, Cambi has identified smaller activities and therefore moderate risks in Turkmenistan, Morocco, China (Guangdong province), Kosovo, Brazil, Mexico, Thailand, and Greece.

One supplier with business in Russia before 2022 maintains buildings and a small local presence, but no international flow of goods or services. A transport provider used in 2023 as an emergency courier has operations in Belarus that are entirely unrelated to Cambi's business.

## Business partner risks

Cambi's assessment of the 88 mapped business partners has revealed the following risks in their approach to safeguarding the environment, human rights and decent working conditions:

- One business partner has conducted an internal investigation involving allegations of economic crime. The case was dismissed.
- 15 business partners either do not have a senior person responsible for labour and human rights or lack policies and procedures regarding forced or child labour, physical dignity, compensation and retirement.
- Three business partners do not have a senior person responsible for health and safety.
- Four business partners do not have formal health and safety policies or suitable processes in place, or do not provide all employees with appropriate health and safety training.
- Five business partners have not appointed a management representative with responsibility for assuring compliance with laws, regulations, and codes.
- 13 business partners either lack policies or procedures in some aspect of ethics, business integrity, anti-corruption etc. or do not provide business integrity training for all employees.
- Eight business partners do not have a senior person responsible for environmental management.
- Five business partners do not have a formal environmental policy covering all their services, including a commitment to legal compliance and continuous improvement in environmental performance.
- 15% of business partners lack compliance procedures regarding some aspects of managing their own supply chains.

## Supply chain risks

Cambi has a reasonable overview of its network, encompassing tier-1 suppliers, direct clients, predominantly construction firms, and end clients, usually municipal water utility companies. Many tier-1 suppliers are organisations with which Cambi has established relationships over several years. For Grønn Vekst, additional key business partner categories are the quarries where soil production occurs and transportation companies.

Cambi's assessment of the 186 mapped tier-1 suppliers has identified the following low to moderate risks, which are being followed up:

### Labour and human rights

- Three tier-1 suppliers, or one of their executives, directors or managers have been cited for violations of human rights or fair working conditions laws, resulting in monetary penalties and/ or formal corrective action in the past three years. All are based in the UK.
- Three tier-1 suppliers from Norway, Germany and the UK purchase and manage minerals from conflict areas as a component in products they deliver.
- 31 tier-1 suppliers lack formal policies and procedures regarding forced labour, child labour, equality, discrimination, compensation or another area of labour and human rights.
- 17 tier-1 suppliers do not have a senior person responsible for labour and human rights.

### Business integrity

- Two tier-1 suppliers have conducted internal investigations involving allegations of economic crime.
- 34 tier-1 suppliers either lack policies or procedures regarding some aspect of business integrity, or they do not have a compliance programme, or they do not provide integrity training for all employees.
- 12 tier-1 suppliers do not have one or more individuals appointed as compliance officers.

### Environment

- Six tier-1 suppliers do not currently have any measures in place to reduce their environmental impact and carbon footprint.



### Health and safety

- One strategic supplier has been served with a written caution or enforcement order relating to health, safety, and environment (HSE) in the past three years.
- Five tier-1 suppliers do not have formal health and safety policies, processes or procedures in place.
- Five tier-1 suppliers do not have a senior person responsible for health and safety.

### Supplier management

- 24% of tier-1 suppliers currently lack compliance procedures in one or more aspects of managing their own supply chains.

Following its strategic withdrawal from pursuing thermal hydrolysis projects with an ownership stake and involvement throughout the assets' lifetime, the potential risks associated with future partners in joint ventures and special purpose vehicles or under private-public partnerships have diminished considerably. Cambi never had such projects in operation.

Within the organisation, the company distinguishes between office and sales activities, manufacturing, and project execution, each with its own set of risks of human rights violations. Risk management follows a holistic approach, but Cambi sets to provide role-specific training, as described in the chapter on capacity building.

The endeavour to gain insights into tier-2 suppliers and entities further upstream in the supply chain continues, relying on a gradually expanded adoption of transparent practices within Cambi's supply chain.





## Leverage

Cambi refrains from granting exclusivity to any company in its business transactions and exercises caution when selecting business partners for each project, adhering to established due diligence processes. As part of its procurement procedures, Cambi conducts evaluations of potential new suppliers and contractors against a set of defined criteria before engagement, with a significant emphasis on business ethics and human rights.

Leverage is highest within Cambi's organisation and towards the company's expanding network of third-party representatives worldwide. Cambi's Code of Conduct, policies, procedures, training, management and board oversight, and regular follow-up provide a solid framework for ensuring that human rights violations never occur in the company.

Cambi generally collaborates with suppliers of equipment and parts known for their reputable standing, situated in countries recognised for robust human and workers' rights protections. The company clarifies from the outset its expectations for ethical business practices with all new business partners and service providers, which must abide by the Code of Conduct. Supplier performance is under constant review, as detailed above. Cambi maintains the right to terminate relationships with suppliers that consistently fail to align with these standards despite receiving warnings and opportunities to rectify their practices.

Some suppliers, much larger than Cambi by turnover, have refused to engage in IDD efforts, referring to their own policies. Here, Cambi has little to no leverage. Other suppliers have declined to reveal details of their own supply chain, claiming commercial confidentiality. Again, Cambi's influence is somewhat limited if a medium-sized supplier does not wish to engage.

Cambi's primary clients include construction companies that win public tenders in the water and biogas sectors. In most countries, these companies must submit proof of compliance with regulations related to human rights and decent working conditions as part of the tender process. The end clients are typically municipal or private entities with public service obligations accompanied by strict operational scrutiny. Cambi generally has low leverage downstream of its value chain but reserves the right to cease business relationships should it identify human rights abuses that it cannot mitigate.

An area of risk that requires improvement is that current supplier and business partner onboarding, as well as IDD processes remain rather standalone and rely on training, vigilance and manual intervention in the procurement process. Efforts are underway to bridge knowledge gaps and refine the due diligence process, as detailed in the chapter on continuous improvement.



## Measurement and effectiveness

As an internationally operating entity with a complex supply chain, Cambi is potentially susceptible to risks associated with human or labour rights infringements. Despite this, the likelihood of Cambi's involvement in such violations remains relatively low. As of 2023, the management reports no knowledge or indication of any infringements occurring within the year. No actual adverse impacts or significant risks have been identified.

Cambi's corporate management system articulates clear objectives that cover crucial aspects of its operations. The system facilitates regular reporting on key performance indicators (KPIs) to the board. Some of the findings are public in the quarterly and annual reports.

For monitoring and ensuring decent working conditions, the upholding of fundamental human rights, and the prevention of modern slavery and human trafficking, Cambi employs the following performance indicators:

- eNPS (employee net promoter score) gathered through anonymous employee satisfaction surveys.
- Minor and reportable injuries within the company's operations, with quarterly updates.

- NCRs (non-conformity reports) related to health and safety, including the efficiency of resolution times.
- Gender distribution within the board, management, and organisation is reported annually.
- The gender pay gap is reported yearly as a ratio between the average salaries of male and female employees within executive management and other categories containing at least five individuals of each gender.
- Excessive overtime is monitored and avoided continuously by line managers.
- Customer satisfaction surveys are scored for each project implementation and service delivery.
- Instances of whistleblower cases concerning human rights issues.

Management remains committed to periodically reviewing and potentially refining the performance measurement framework. This proactive approach ensures these measures' continued relevance and effectiveness and the advancement of Cambi's objectives concerning modern slavery, decent work conditions, and the protection of fundamental human rights.



# Training and capacity building

Capacity building is essential to Cambi's approach to compliance, business ethics, and sound corporate governance. To foster an environment of ethical vigilance, Cambi provides all managers and employees with comprehensive integrity, anti-bribery and anti-corruption training, equipping them to handle potential ethical dilemmas and to act as stewards of Cambi's values in every decision and action.

Training is organised as a combination of online learning modules and classroom or live video sessions in collaboration with an experienced external partner. Management, commercial, and procurement team members have the highest exposure to such risks and are prioritised accordingly.

Cambi also requires participation in the training sessions for third-party representatives. Managers are further trained to manage whistleblowing cases effectively, ensuring that concerns are addressed promptly and fairly.

All employees also receive quality management training, including a thorough review of the Code of Conduct, during onboarding and repeatedly at intervals defined based on a risk assessment for each type of position in the company.

Health and safety reviews, fire drills, and first aid training are carried out at least yearly and are in line with local regulations in each place of business.

Cambi continuously updates its training materials and evaluates its training approach regularly.



# Achievements in the reporting period

In 2023, Cambi set out to:

Action communicated in the previous statement	Achievement status in the reporting period
<p>Complete the integrity due diligence, assess all existing business partners and tier-1 suppliers against pre-defined criteria using Cambi's standard questionnaire, and use the findings to identify further necessary actions for the coming years.</p>	<p>Partly achieved. Cambi encounters pushback from large suppliers, citing their policies, and smaller entities hesitant to fulfil detailed information requests. Despite these challenges, Cambi remains engaged in constructive dialogue with all business partners.</p>
<p>Provide the annual Code of Conduct training to all new employees and third-party representatives and role-specific training for supply chain, site, and commissioning personnel.</p>	<p>Annual training was conducted in person in March, including for many third-party representatives. Preparations were made for role-specific training starting in 2024.</p>
<p>Translate the Code of Conduct into the languages of countries with significant business and high human rights risk rankings.</p>	<p>Started with translating to Spanish, the primary language other than English spoken in most countries where Cambi is conducting business.</p>
<p>Incorporate specific compliance clauses in Cambi's general conditions of purchase, referring specifically to the Norwegian Transparency Act and the UK Modern Slavery Act.</p>	<p>Achieved</p>
<p>Develop a specific policy on modern slavery and fundamental human rights</p>	<p>Cambi prioritised obtaining the ISO 45001:2018 certification and developing an equity and diversity policy. Postponed to 2024.</p>





# Plans for continuous improvement

Cambi recognises that its dedication to creating sustainable value for shareholders and society is intricately linked to its ability to guarantee fair and respectful treatment of workers throughout the entire value chain. The management is committed to offering decent and competitive working conditions for all its employees and continuously improving its thorough risk management framework. This framework is designed to prevent human trafficking, as well as other violations of human and labour rights, across the value chain.

## As part of its commitment to continuous improvement, in 2024, Cambi plans to:

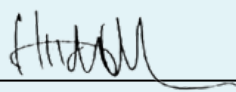
- Revisit risk acceptance and adequate compliance documentation in supply chain integrity checks.
- Introduce an automated purchase order system that enforces the IDD routines and enables project and purchasing managers to carry out IDD in day-to-day tasks.
- Continue its efforts to complete the integrity due diligence through dialogue with tier-1 suppliers, including Grønn Vekst, and to pass the IDD questionnaire down the value chain, particularly to tier-2 suppliers.
- Develop alternative pathways to gaining adequate oversight where Cambi has insufficient leverage or alternatives to switch suppliers.
- Introduce role-specific training for supply chain, site, and commissioning personnel.
- Continue translating the Code of Conduct into additional languages from countries with significant business and high human rights risk rankings.
- Conduct a comprehensive review and incorporate specific human rights compliance clauses in all of Cambi's term sheets and contracts.
- Develop additional KPIs for tracking supply chain compliance with Cambi's expectations regarding fundamental human rights.
- Develop a specific policy on modern slavery and fundamental human rights.

## The Board of Directors and CEO of Cambi ASA

Asker, 16 April 2024



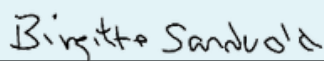
**Per Audun Lillebø**  
Chairman of the Board



**Andreas Mørk**  
Board member



**Vibecke Hverven**  
Board member



**Birgitte Judith Sandvold**  
Board member



**Ragnhild Lund-Johansen**  
Board member  
elected by the employees



**Eirik Fadnes**  
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