# Statement under the Transparency Act

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## Introduction

This statement is published in accordance with the requirements of the Transparency Act and covers the operations of EverZinc Norway AS (EverZinc). The statement describes how EverZinc assesses, prevents and reduces the risk of violations of fundamental human rights and decent working conditions related to its operations and through its supply chain and business partners. The period covered is July 1st to December 31st 2022.

## Who we are and how we are organized

EverZinc Norway AS has since 1. June 2022 has been 100% owned by an American hedge fund, Aterian and the Dutch group EverZinc BV. In Norway, we are a typical export company, with an export share of 98%. Our largest markets are in Europe. The turnover for 2022 was NOK 490 million. The company has 50 employees.

The head office, with several central functions, is located in Belgium. Group functions include finance, sales, purchasing, IT and legal services. The purchasing department in Belgium is responsible for negotiating contracts with suppliers outside the Nordic region, while EverZinc Norway works directly with suppliers and agents in the Nordic region.

**What we are doing?**

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## EverZinc is a scrap zinc (secondary zinc) recycling company. Its operation consists in converting secondary zinc into high-quality fine zinc powder and zinc oxide. Fine zinc powder, which is our main product, is used by paint manufacturers in the manufacture of rust-preventing paints. Zinc oxide is also used in paints and in rubber and fiberglass production.

Secondary zinc accounts for about 99% of raw materials. Pure zinc is only used in special cases, such as when starting up furnaces. The scrap metal received by the company, also contains metals other than zinc. EverZinc's business is to extract as much zinc as possible from the scrap metal and at the same time, as part of the process, extract lead and iron as separate by-products. This is done by means of a distillation process in the special Larvik furnaces which characterize the company.

Secondary zinc used as a raw material in production, comes largely from the galvanizing industry; The raw materials from this industry are so-called hard zinc and zinc ash. EverZinc also uses secondary zinc directly from a zinc plant in Odda. In addition to this, some "old zinc" and anodes from the recycling industry are also used.

The process of producing high-grade zinc results in two main products, zinc oxide (ZnO) and Fine Zinc Powder (FZP). In the process, by-products arise and are re-sold. The products are delivered in big bags, paper bags or in special packaging such as buckets and platters. As mentioned, the main products are used for rust-protective paints, and for the tire industry, ceramics and fiberglass. Our customers are mainly outside Norway, and the goods are collected by external carriers with which the Group has agreements, or in some cases, by carriers with whom the Customer has entered into an agreement on its own initiative.

**Our routines and guidelines**

At EverZinc, we are conscious of our responsibility to help safeguard and respect human rights and decent working conditions. We strive to be transparent and work continuously to improve our internal policies and routines.

EverZinc's Global Code of Conduct is a framework that specifies what constitutes responsible conduct and that as an employee of EverZinc, one should always strive to exercise good judgment, care and consideration in our daily work. Our principles include compliance with laws, integrity, diversity and inclusion, preventing harassment and discrimination, and protecting human rights. Furthermore, it includes how we expect our employees to behave towards customers and suppliers.

EverZinc has its own purchasing routines applicable to Norway, with associated procedures for supplier evaluations. The latter ensures that suppliers are evaluated on the basis of criteria related to quality, the external environment and the working environment.

# Due diligence and risk of negative consequences

EverZinc supports the UN Guiding Principles on Responsible Work and the OECD Guidelines for Multinational Enterprises' Due Diligence Approach. We recognize the need for processes in order to identify, prevent, mitigate and account for how these processes may impact fundamental human rights and decent working conditions. EverZinc recognizes that this is an continuous process, as risks can change over time in line with operational changes and external influences.

## Own business

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In our opinion, the risk of human rights violations and decent working conditions in our operations is particularly associated with HSE risk. The activities are covered by the Major Accident Regulations on the basis that zinc powder and zinc oxide have toxic properties for aquatic organisms. However, risk analyses show that the flammable and explosive properties of zinc powder pose the greatest risk. Our overall goal is to prioritize safety and avoid accidents. For this reason, we work systematically to avoid incidents which may develop into a major adverse event or major accident. An Industrial Defence has been established for reinforced fire protection at the company. The Industrial Defence is established in accordance with Section 2 of the Industrial Protection Regulations and consists of a total of 32 people. Of these, 20 are trained to cover the areas of fire and acute pollution, and two people cover medical service.

The company also focuses on risk prevention to avoid injuries. Measures carried out in 2022 include three safety inspections, three working environment committee meetings, weekly safety rounds, as well as various HSE projects in Operation department.

Reducing internal and external noise is also a focus area for the company. EverZinc wants to keep the noise impact towards the surroundings at the lowest possible level. Noise charts for the company show that the sound pressure level has remained at a steady level over the past three years. No noise complaints from neighbours have been recorded in 2022.

EverZinc is a member of the Federation of Norwegian Industries' environmental responsibility program, Responsible Care. Affiliated companies commit to transparency and continuous improvements in health, safety and environment (HSE). EverZinc is certified according to ISO 9001, ISO 14001 and ISO 45001. Furthermore, we have been an "inclusive working life" business since 2012. The main goal of this agreement is to create space for everyone who can and wants to work.

## Our business relationships

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Our business is to recycle zinc and the majority of our suppliers are companies that supply scrap zinc. In addition to this, we buy small amounts of pure zinc, primary zinc, for use in our furnaces. Scrap zinc comes primarily from the electroplating industry in the Nordic countries and the rest of Europe. The member companies of Nordic Galvanizers constitute important suppliers of hard zinc and ash. Primary zinc is purchased from the zinc plant in Odda (Boliden Odda).

There are not many other input materials we need in the recycling process, however ferrophosphorus, FeP, used for flux-purposes, is important for the operation of the furnaces. Furthermore, packaging and transport will be part of our delivery, and thus also be included in our supplier portfolio.

Good supplier relationships are important to EverZinc, and we have built up our supplier portfolio over time. Several of our suppliers have been our business associate for decades.

Most of them are located in the Nordic countries. Some suppliers are located elsewhere in Europe and a few are located in the United States.

We recognize that there may be a risk of human rights violations and decent working conditions in our supply chains and will prioritize identifying these, including where materials are produced and how we can work to reduce risk in our supply chain. We recognize that we have greater control and ability to influence risks associated with suppliers with whom we have direct contact, than impacting workers and communities down our supply chain. Appropriate measures will be implemented in line with our influence.

Several of our suppliers are members of Norwegian industry's environmental responsibility program, Responsible Care, like us. This means that all aspects of the business must be run in a manner protecting health, ensuring the safety of employees, suppliers, customers, users, neighbours and the general public.

Our local business partners provide traditional goods and services, such as office equipment and maintenance. We consider that the risk for violation of human rights and decent working conditions among our local business partners are low.

## Actual negative consequences

## To date, EverZinc's due diligence has not revealed any actual negative consequences, either in our own operations or among our business partners.

## If and when EverZinc is made aware of any actual adverse impacts, the Company will take corrective action, consequently prioritizing preventive actions.

# Complaint and whistleblowing mechanisms

## EverZinc has an internal procedure for whistleblowing of censurable conditions that applies to the entire Group. The procedure is available through our quality system, together with a link to our whistleblowing channel. EverZinc has an electronic whistleblowing channel that is available to both external and internal at everzinc.com. The channel enables anonymous whistleblowing.

# Our responsible path into the future

The work to comply with the Transparency Act is a continuous effort for improvement. At EverZinc, we have initiated a scheme for further work to formalize preventive systems and uncovered controls for identifying and managing the risk of violations of decent working conditions and fundamental human rights in our own operations, supply chains and among our business partners.

In the autumn of 2023, EverZinc will do a deep dive into its suppliers and business partners, and in this regard, carry out a risk assessment in cooperation with an external party. The risk assessment is based in particular on DFØ's list of high-risk products and common industries with a duty to provide information and follow up for business partners. Business partners within high-risk industries are indicated as high risk in the risk mapping, and services and/or products with a similar risk profile have also been designated as high or medium risk. For suppliers, the risk map also includes the risk associated with extraction/processing of raw materials and condition of production for materials, products and tools used in the supply chain.

Based on the risk assessment described above, EverZinc will define appropriate follow-up measures to stop, prevent or reduce the risk of human rights violations and decent working conditions in our supply chains and with our business partners. As part of this work, EverZinc will take a closer look at how internal processes and routines can be improved and implemented within the Group, and how we can use a whistleblowing channel or other grievance mechanism to uncover possible negative consequences.

Based on our initial assessment of our business relationships, we assess that there may be risk of breaches in our supply chain. We will prioritize the work mapping our supply chains in order to get an overview of where and how our materials are extracted.