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1. Purpose

The purpose of this document is to set the direction for Elkem's sustainability-related work, and to support employees and managers in making strategic decisions and carrying out their daily work. Elkem shall work to limit its negative impact on the environment and its stakeholders, and act as a responsible company throughout its value chain. Elkem shall provide advanced material solutions shaping a better and more sustainable future, adding value to our stakeholders globally. Elkem shall approach this work from a perspective of continuous improvement.

Within environmental, social and governance (ESG), Elkem shall both identify issues which are impacting Elkem, and issues where Elkem is impacting the environment and its stakeholders (defined as double materiality). Elkem shall strive to reduce its negative impact and capitalise on opportunities that are identified.

With this policy Elkem is committed to strive for a sustainable use of natural resources and handling of waste and pollution, land use and biodiversity. We shall comply with all applicable legal and other requirements related to this. We shall work systematically to continuously improve our sustainability performance and our related working processes. We shall define objectives and targets for the Main topics (see below) and assure the availability of information and resources to meet these. We will engage with relevant stakeholders and assume our societal and environmental responsibilities and strive to reinforce our leadership position.

We acknowledge that social and governance aspects are integral parts of sustainability, but these topics are addressed in other governing documents including but not limited to Elkem's Code of conduct, Governance policy, HSE policy, Human Rights program, and Anti-Corruption Compliance program, and the Code of Conduct for Elkem's business partners.

The Sustainability policy is anchored in Elkem's Governance policy.

2. Scope

This Sustainability Policy applies to all employees, including temporary personnel, and directors in Elkem ASA and subsidiaries, corporate affiliates, and joint ventures that are majority owned or controlled by Elkem (individually and collectively), commonly referred to as "Elkem" or "Group".

Elkem's activities are organised in a business structure consisting of Divisions, Functions, and other units. Each Division is organised in plants, sales offices and other units reporting to the respective Division management. For the purposes of this policy, these organisational units will be commonly referred to as "Units". The same term will be used to refer to units organised in and / or reporting to a Function.

Local regulations shall prevail if their requirements are more stringent than the provisions in this Policy.

3. Measure and Report

Elkem will measure and disclose our greenhouse gas (GHG) emissions, climate-related risks, other relevant indicators related to energy management, water and resource management, waste management, and biodiversity. Elkem will also report on opportunities related to sustainability topics and strive for continuous improvement in our reporting. We will accurately and transparently report our environmental performance and progress on an annual basis.

4. Risk Management

All Elkem divisions and units, and other applicable legal entities, shall:

- 1) Conduct an assessment to identify potential risks related to their environmental impact that occur within the operation's area of influence and assess the materiality of these risks to the operation, environment and affected communities. This includes physical, transitional, and reputational risks and considers direct, indirect, and cumulative impacts. If production sites are expanded, new production methods result in major changes to the site, or material changes to the regulatory framework are implemented, a new assessment

should be done. These risks should also be considered as part of the due diligence of mergers and acquisitions.

- 2) Adhere to the requirements stated in GRP-CPL-PRO-02 Elkem's Human rights program, when considering potential impacts on local communities.
- 3) When performing due diligence within Mergers and Acquisitions (M&A) processes, follow the requirements of 1) and 2).

5. Main topics

5.1 Greenhouse Gas Emission Reduction

Elkem will set emission reduction targets in line with the goals of the Paris Agreement, and Elkem is committed to reaching net zero emissions by 2050. These targets will be designed to mitigate climate change and limit global temperature rise. We will regularly assess our progress towards these targets and take necessary actions to achieve them. Elkem's direct GHG emissions (scope 1) are mainly related to use of carbon materials as reduction agents in the smelting processes. Elkem will strive to reduce its fossil emissions by converting to bio-based reduction agents and work towards solutions to reduce fossil carbon intensity in the production of silicon and silicon alloys.

Elkem is committed to research and development of technologies and production methods that reduce the GHG emissions and the carbon footprint of our products.

5.2 Energy Efficiency and Renewable Energy

Elkem will prioritise energy efficiency in our operations by implementing energy management systems, conducting regular energy audits, and investing in energy-efficient technologies. We will strive to reduce our energy intensity and associated carbon emissions.

Elkem energy mix has a high share of renewable energy, and we will seek to increase this further. We will evaluate opportunities to generate renewable energy on-site and procure renewable energy from external sources whenever feasible and economically viable.

5.3 Biodiversity Stewardship and Conservation

Elkem will actively work to conserve and enhance biodiversity in our operations. We will assess the potential impacts of our operations on biodiversity and implement measures to minimise negative effects. We will promote responsible land and water stewardship.

Elkem sources wood, wood waste and other biocarbons (such as charcoal) and use this as chemical component in the production of silicon and silicon alloys. Elkem is committed to sustainable and ethical sourcing of biocarbon in accordance with international standards, and we are committed in our contribution to eliminate deforestation and the conversion of natural ecosystems, and to adhere to best practices for soils and peatlands.

5.4 Water and Resource Management

Elkem acknowledge that our operations are dependent on water and other natural resources. Elkem will actively manage our water usage and other natural resources. We will seek to reduce water consumption, implement water recycling systems, and adopt responsible water stewardship practices. Additionally, we will promote efficient use of other resources and explore innovative technologies to minimize resource consumption.

Water is a key input in the production of silicones, but also as a cooling agent in the production of silicon alloys. Water is used for cleaning equipment, emergency preparedness, and Elkem employees should have access to



safely managed water, sanitation, and hygiene (WASH). Elkem is also indirectly dependent on water through its reliance on renewable hydropower.

Elkem is committed to prevent, minimise, and control pollution to water sources, fresh water and oceans, and land, and we will work to reduce our use and phase-out if feasible hazardous substances. Elkem is committed to reduce its water withdrawal and consumption.

5.5 Waste Management

Elkem will implement comprehensive waste management practices that prioritise waste reduction, reuse, recycling, and responsible disposal and limit the waste sent to landfills to a minimum. We will minimise the generation of hazardous waste and promote safe handling and disposal of waste materials. We will actively seek opportunities for waste valorisation and explore circular economy approaches in waste management.

5.6 Circular economy

Elkem will strive to minimize waste generation and promote the principles of a circular economy. We will implement waste reduction and recycling programs, explore opportunities for resource recovery, and prioritise sustainable material sourcing. We will also consider the life cycle impacts of our products and aim for durability, reusability, and recyclability.

5.7 Supply Chain Management and Stakeholder Engagement

Elkem will collaborate with our suppliers and partners to promote sustainable practices throughout the supply chain. We will engage with suppliers to encourage GHG emissions reduction, responsible resource management, and ethical practices. We will also prioritise suppliers who demonstrate a commitment to sustainability. Sustainability performance shall be a criterion we consider when we design, invest and procure.

Elkem will engage with employees, contractors, suppliers, shareholders, and other stakeholders to raise awareness about sustainability issues and encourage their participation in sustainable practices. We will foster an organisational culture that values environmental stewardship and provides opportunities for education and engagement.

We will support and engage in relevant initiatives, partnerships, and policy advocacy aimed at addressing climate change, biodiversity loss, waste management, promoting sustainable development, and advancing the global sustainability agenda.

6. Roles and responsibilities

All Elkem employees are responsible for adhering to this policy, and sustainable business practices are integrated in Elkem's operations. Specific responsibility is organised accordingly:

Policy owner is responsible for designing appropriate internal controls and necessary procedures to ensure compliance with the requirements set out in this policy.

Unit managers are responsible for implementing the requirements set out in this policy and associated procedures.

The **Board's Audit Committee** has the overall responsibility for Elkem's ESG reporting, in line with best practice development.

ESG steering committee (ESG SC) has the overall responsibility to drive and monitor improvement activities related to sustainability.

Environmental working group lead the day-to-day environmental improvement work, and the **ESG Office** coordinate reporting.

Elkem has a **process owner** structure to facilitate and coordinate the ESG work in corporate support functions in the line organisation.

7. Definitions and abbreviations

Acronyms/Definitions	Description
Double materiality	Elkem shall both identify issues which are impacting Elkem, and issues where Elkem is impacting the environment and its stakeholders
GHG emissions	Greenhous gas emissions
Paris Agreement	The Paris Agreement (French: Accord de Paris), often referred to as the Paris Accords or the Paris Climate Accords, is an international treaty on climate change. Adopted in 2015, the agreement covers climate change mitigation, adaptation, and finance. The Paris Agreement's long-term temperature goal is to keep the rise in mean global temperature to well below 2 °C (3.6 °F) above pre-industrial levels, and preferably limit the increase to 1.5 °C (2.7 °F), recognizing that this would substantially reduce the effects of climate change. Emissions should be reduced as soon as possible and reach net-zero by the middle of the 21st century.
ESG	Environmental, social and governance. Categorisation of sustainability related topics.

8. Deviation handling and approval

All requests of exception/deviation from this Sustainability Policy shall be processed by the ESG Steering Committee. The applicant for exception must receive acceptance of the exception in writing by document owner before the activity is performed. The ESG Steering Committee is responsible for maintaining appropriate documentation of approved policy deviations.

9. References

Document number	Document title
GRP-GOV-COC-00	Code of conduct
GRP-GOV-POL-00	Governance policy
GRP-CPL-POL-00	Compliance policy
GRP-EHS-POL-00	HSE policy
GRP-CPL-PRO-02	Human rights program
GRP-CPL-PRO-03	Anti-corruption compliance program
GRP-CPL-PRO-10-01	Code of conduct for Elkem's business partners

9.1 Revision log

Rev. nr.	Date	Changes	Written by	Approved by
R01	27.06.2023	First edition	ESG Manager	ESG Committee