

NKT Cable Group A/S (NKT) modern slavery statement 2022

NKT is committed to preventing slavery and human trafficking occurring in any of its business activities, as well as seeking to ensure that our supply chains are also free from such practices.

NKT Cables Group A/S is a global company providing power cable solutions contributing to the transition to renewable energy and is employing approximately 4,500 people in more than 15 countries. Our production sites are located in Sweden, Denmark, Germany, Poland, Czech Republic, Norway and the UK. The parent company NKT A/S, with head office in Broendby, Denmark, realized a revenue of EUR 2.1 billion in 2022.

The key supply chains of NKT involve material for the cable systems (metals and plastic) sourced from primary Europe and South America and the use of service providers primary from Europe during the installation of the cable systems.

This statement is applicable for all entities reporting as part of NKT Cables Group A/S.

The statement provides an overview of NKT's policies and due diligence processes relating to the risk of modern slavery and should be regarded as complementary to the NKT Sustainability Report for 2022.

Policies and Governance

NKT adheres to the principles of human rights and a global mindset and responsible business conduct are key to how we do business. NKT is committed to ensure that employees are treated fairly, respectfully and equally. Our commitment to responsible business practices includes giving our employees fair and equal employment and labour conditions everywhere we operate. We comply with applicable labour and employment legislation in all our locations, and we are committed to implementing and enforcing the necessary processes, rules and policies to support sustainable corporate governance and to ensure that modern slavery and trafficking does not occur. The Code of Conduct defines the fundamental principles of conduct in NKT in relation to employees, business

partners (including agents, distributors, suppliers, customers etc.) and the public. NKT refrains from practices potentially causing risks of forced or involuntary labour, human trafficking and other practices defined as 'modern slavery' and implemented through the Code of Conduct.

Code of Conduct:

- Puts corporate values into practice
- Provides clear expectations for how business is conducted
- Sets out expectations towards business partners
- Serves as a guide for ethical decision-making
- Expresses commitment to accountability and to promoting integrity
- Protects NKT business operations and reputation

Compliance with the Code of Conduct is mandatory for all employees and violations are not tolerated. Additionally, it is expected from business partners to comply with the standards and principles outlined in the Code of Conduct when performing work related to or on behalf of NKT.

The Code of Conduct is an integral part of the NKT compliance program which is driven by the NKT Compliance function. The Compliance Board, oversees the initiatives contained in the compliance program. Ultimate supervision is performed by the Audit Committee on behalf of the Board of Directors for NKT A/S.

NKT whistleblower hotline

NKT is committed to a culture of openness and honesty and takes full responsibility for its actions. Employees and business partners are urged to report any concerns arising from their daily work or their collaboration with NKT. To support this, NKT operates a whistleblower hotline for the use of both employees and external stakeholders to report unethical or suspected unlawful behavior. Awareness of the hotline is raised on an ongoing basis, and NKT has a strict policy whereby

whistleblowers can choose anonymity to eliminate risk of retaliation for raising a concern or reporting suspected misconduct in good faith.

NKT takes all allegations of human right violations in connection with business conduct, operations or partnerships seriously. Concerns can be reported anonymously via the whistleblower hotline which is available globally. This enables people to raise concerns on all human rights issues, including human trafficking, forced or involuntary labour, child labour, and actions harming persons, their livelihood or property, related to NKT's operations, suppliers, contractors, third-party agents and other business partners with a direct link to the company.

Fair pay

In our commitment to ensure that modern slavery or trafficking does not occur, NKT aims to ensure that all employees are remunerated fairly and in accordance with applicable legislation, and that employees with the same job scope and qualifications, who are in the same country, have equal terms and conditions in terms of compensation, benefits, and career opportunities, regardless of their nationality, gender, sexual orientation, religion and immigration status.

NKT allows employees to unionize and promotes good collaboration with unions and workers councils. NKT follows the procedures and compensation regulation set out by the collective bargaining agreements entered into with the unions.

Recruitment

To avoid that modern slavery or trafficking takes place, NKT has well-documented, standardized recruitment processes that ensures fairness and transparency in all recruitments. Further, all employees receive an employment agreement that clearly indicates the employees' rights, responsibilities, and conditions of employment including salary, benefits, working hours and other labour conditions.

Identifying risks

Human rights and modern slavery risks come in many forms, are prevalent across different geographies, and materialize in a number of ways. NKT seeks to understand the most salient potential human rights and modern slavery risks for the utilities and electricity sector in which it operates, and works with its partners and suppliers continuously to identify and prevent

occurrences. NKT has a low risk of human rights issues and modern slavery in its direct operations due to its adherence to the law of each country we operate in and robust due diligence of recruitment and operating standards. However, there is a potential risk in NKT's supply chain.

The salient human rights and modern slavery risks NKT looks out for are:

- Working people on construction sites and vessels. Low skilled, low paid workers are more likely to be vulnerable to exploitation, and more likely to be recruited through a third party and from overseas, including from countries with a high risk of human rights violations and modern slavery, they are therefore vulnerable to exploitation.
- Working people in the supply chains of assets NKT procures such as metals, may be sourced from geographical areas with a high risk of modern slavery, or are created from raw materials sourced from high-risk countries and are in high-risk industries.
- There is less transparency in the upstream supply chain when sourcing materials from suppliers with multiple sub-suppliers.

Due diligence in the supply chain

It is central to NKT to ensure supply chain risks are addressed accordingly. Especially when working with partners where the direct control of working conditions and recruitment practices are limited. All suppliers with a contractual agreement are as a minimum required to follow the Code of Conduct and refrain from modern slavery as outlined in this statement.

Monitoring of the supply chain is prioritized according to a risk-based approach. This means that the follow-up efforts are focused on those suppliers that are assessed to be at heightened risk of having adverse impacts within the areas covered by the code.

In NKT, the supplier due diligence approach includes supplier qualification, compliance and financial risk review and supplier audits. As part of the qualification process, suppliers complete a self-assessment questionnaire on their incorporation of parameters related to health, safety, quality, human rights, climate and environment. Suppliers are also required to confirm compliance with NKT's Code of Conduct.

For the compliance risk review, a screening and

monitoring tool is used to check suppliers against sanction lists, watchlists and blacklists, politically exposed persons (PEP) and adverse media, etc. If the report shows that a supplier is non-compliant, the scope of the cooperation must be reviewed and documented to the NKT Compliance function. Furthermore, the financial stability of the supplier is evaluated.

The supplier due diligence is valid for two years and then needs to be re-performed. In addition, NKT Group Procurement conducts an annual supplier risk assessment, including if the supplier operates out of a high-risk country. The outcome of the supplier risk assessment feeds into supplier segmentation and re-evaluation. The supplier information is assured through an on-site supplier audit.

Furthermore, NKT uses the Conflict Minerals Reporting Template (CMRT) provided by the Responsible Minerals Initiative to increase transparency in respect of the smelters and refiners used in the supply chain to ensure the smelters and refiners used are conformant.

Training

Throughout 2022, focus was maintained on ensuring an effective level of compliance training across the organization, placing specific emphasis on employees working in high-risk areas. The training involved both face-to-face sessions and e-learning modules and covered the Code of Conduct, anti-bribery and anti-corruption, data privacy, competition law, trade sanctions and the whistleblower hotline.

Monitoring of our due diligence processes

We use the following key performance indicator (KPI) to monitor how effective we have been in ensuring that slavery and human trafficking is not taking place in any part of our business or supply chains:

- Number of suppliers that have signed the NKT Code of Conduct.

Further steps

NKT will continuously work on improving the risk mapping by assessing and addressing risks relating to human rights and labour terms and conditions within NKT operations and the supply chain. We have processes in place that ensure that we always follow applicable labour legislation and our Code of Conduct. Further, we are implementing a risk overview for human

and labour rights based on geographical location, type of activity and supplier type, thus integrating human rights due diligence in the operational activities. This will further integrate sustainability requirements in supplier assessments and our due diligence processes.

This statement was approved by the Board of Directors of NKT Cables Group AS. in their capacity as principal governing body of NKT Cables Group A/S on 22 February 2023.



Alexander Kara
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NKT Cables Group A/S
President and CEO NKT A/S