

# Greenbit Energy AS

The Norwegian Transparency Act  
2022

# Table of contents

1. The Norwegian Transparency Act
2. Methods
3. The Greenbit group
  - a. Introduction to the group
  - b. Introduction to business activities and value chain
  - c. Routines and procedures
4. Due Diligence
  - a. Account of Due Diligence for directly affected subsidiaries
    - a. Blue Energy AS
    - b. Eco- 1 Bioenergi AS
    - c. AS Nordic Fuel Supply
5. Findings and targets

# The Norwegian Transparency Act

## Introduction

The Act shall promote enterprises' respect for fundamental human rights and decent working conditions in connection with the production of goods and the provision of services and ensure the public has access to information about how businesses deal with negative consequences for fundamental human rights and decent working conditions.

By fundamental human rights it is meant the internationally recognized human rights that are enshrined, among other places, in the International Covenant on Economic, Social and Cultural Rights of 1966, the International Covenant on Civil and Political Rights of 1966 and the ILO's core conventions on fundamental principles and rights at work. Decent working conditions means work that safeguards fundamental human rights and health, environment and safety in the workplace, and that provides a living wage. By supply chain it is meant any party in the chain of suppliers and sub-contractors that supplies or produces goods, services or other input factors included in an enterprise's delivery of services or production of goods from the raw material stage to a finished product. By business partner it is meant any party that supplies goods or services directly to the enterprise, but that is not part of the supply chain.

The enterprises' must carry out Due Diligence assessments in line with the OECD's guidelines for multinational companies. The Due Diligence assessments must be carried out regularly and be in relation to the size and nature of the business, context within which the business takes place, and the severity of and the likelihood of negative consequences for fundamental human rights and decent working conditions. The businesses must publish an account of the Due Diligence assessments. The statement must be made easily available on the company's website, or be easily accessible. In the annual report, the companies must state where the report is available. The report must be updated and published by 30 June each year and otherwise in the event of significant changes in the business's risk assessments. It must be signed in accordance with the rules in Section 3-5 of the Accounting Act.

For more information, please visit: <https://lovdata.no/dokument/NLE/lov/2021-06-18-99>

# Methods

The methodology used to answer the requirements in the Transparency Act follows the OECD's guidelines for Due Diligence for multinational enterprises in accordance with § 47 in the Norwegian Transparency Act. The method is based on a four-step model that contains the following components and activities:

1. Embedment of responsibility
  - a. Embedment in the board and management
  - b. Embedment into policies and management systems
2. Due Diligence
  - a. Analysis of the enterprise' suppliers and value chain in accordance with the OECD guidelines
  - b. Due Diligence assessment with representatives from the enterprise to identify areas of improvement
3. Prioritize and prevent
  - a. Prioritize areas of improvement and selected suppliers to follow up
  - b. Identify measures to prevent, reduce or avoid negative impact
4. Prepare KPI and report
  - a. Prepare KPI for measurement and surveillance over time
  - b. Finalise report on the Norwegian Transparency Act for the enterprise

The data used is the enterprise' supplier register, supplier transactions as well as global risk indicators\* for violations of human rights, violations of decent working conditions, violations of economic and tax legislation and the maturity of national environmental policy. The analysis further looks at current guidelines, routines and procedures the Company has in place to be able to map, carry out, measure, evaluate and follow up potential negative impacts for the Company, suppliers and business relationships.

\*Global Slavery Index(2018), Global Rights Index(2022), Human Rights Guidance Tool(2014), Human Freedom Index(2021), Corruption Perceptions Index(2021), The World Strength of legal rights index(2019), Worldwide Governance Indicators (2023).

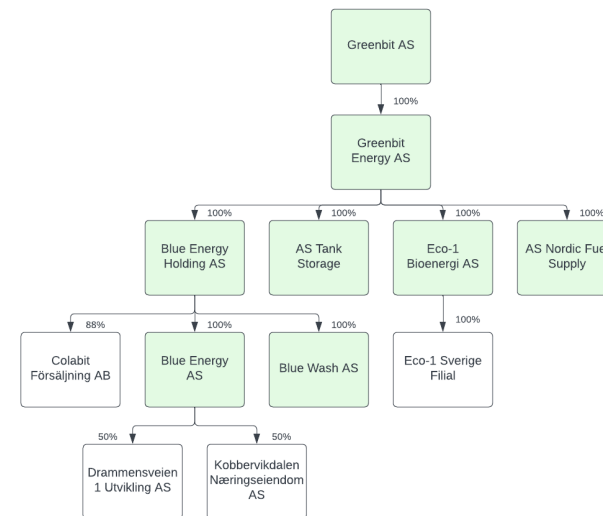
# The Greenbit group

## Introduction to the group

Greenbit is a leading Scandinavian group within the sale, storage and distribution of fuel and biofuel for the private and business markets in Norway and Sweden. The company was formed through the merger of two leading fuel and renewable fuel companies – AS Greencube Innovation from Norway and Colabit Försäljning Group AB from Sweden. The group is structured similar to the figure on the right, where companies marked in green are companies that have been included in the due diligence assessment for 2022, referred to as the Greenbit group. Greenbit AS and Greenbit Energy AS are affected by the Transparency Act through the merger rule with their subsidiaries. AS Nordic Fuel Supply, Eco- 1 Bioenergi AS and Blue Energy AS are directly affected by the Transparency Act as individual entities.

The group owns and operates Eco- 1 Bioenergi AS, which is one of Norway's leading specialists in renewable fuels. In September 2017, the group acquired the self-service fuel chain St1 Automat Norge AS with its 39 fuel stations in eastern Norway, which now go by the name Automat 1. The Automat 1 stations in Norway are operated under a trademark license by Blue Energy AS. The group has 140 fuel stations in Norway and Sweden under the brands Eco-1, Automat 1 and Colabit. Further, the group has 5 fuel terminals in Norway and Sweden. The fuel terminals in Norway are operated by the company AS Tank Storage.

Sustainable operations and influence are focus areas in the Greenbit group. The companies actively contribute to the green shift by replacing fossil fuels with renewable energy in already existing infrastructure. The group has an ambition to be climate neutral by 2030. Eco-1 Bioenergi AS is Eco-Lighthouse certified.



# The Greenbit group

## **Introduction to business activities and value chain**

The main activities of the group are the purchase and sale of liquid fuel and biofuel oil without further processing. The companies in the group have a joint purchasing department that is responsible for procurement and negotiates on behalf of the companies. The group's suppliers largely consist of long-term cooperative and contractual relationships. The group makes its largest purchases in direct contact with the manufacturer and/or through a trader as an intermediary between the companies and the manufacturer. As part of the companies' quality management, there is a requirement for information on the country of origin for the product and/or raw material.

Transport plays an important role of the companies' value chain, from which purchased petroleum products are often transported by tankers to Europe and further to the group's terminals in Norway. From the terminals, the products are primarily transported by road to the customers. In case of sea transport engaged by the companies, there is a requirement for environmental reasons not to use vessels older than 20 years.

## **Routines and procedures**

In the Greenbit group, there are formalized routines and guidelines that address elements of the Transparency Act. Here, reference is made primarily to the board resolution in Greenbit Energy AS on compliance with the Transparency Act and the OECD's guidelines for basic human rights and decent working conditions, which have been communicated- and is applicable throughout the organization.

Furthermore, the group has a pre-qualification procedure that is used in the initial phase of new collaborations in all companies. In the supplier qualification routine, documentation is requested on the supplier's company structure, environmental certifications, product information, as well as questions related to ethics and sanctions. The group has taken steps to avoid trading with suppliers who can be directly or indirectly linked to countries on the EU's sanctions list. For outgoing deliveries, the group has delivery agreements with information about the company's obligations, delivery and product. In connection with the work on the Transparency Act, the existing procedures and guidelines have been revised to better cover, explore, assess and support fundamental human rights and decent working conditions.

In 2023, the group will focus on updating existing routines, as well as drawing up management principles for supplier qualification.

# Due Diligence

## Account of the Due Diligence process

The Greenbit group has carried out a due diligence assessment in accordance with § 4 of the Transparency Act and account of the due diligence assessment in accordance with § 5.

The group has carried out analysis of suppliers in 2022 against global risk indicators on human rights, working conditions, climate and environment, as well as corruption. All group companies' suppliers in the Norwegian part of the group are included in the supplier analysis. Out of a total of 452 suppliers, one supplier comes from a high-risk country (Malta) and two suppliers come from countries with medium risk of violations of basic human rights and decent working conditions (The United Arab Emirates and Spain). The most significant suppliers who account for 80% of total purchases per company are prioritized for the due diligence assessment in addition to suppliers from countries with medium and high risk of violations of basic human rights and decent working conditions. Companies within the Greenbit group and companies that supply mercantile services (The Norwegian Tax Administration, municipal services, etc.) have not been prioritized to undergo due diligence in 2022. A total of 19 suppliers have been prioritized for the due diligence assessment for 2022, of which six are joint suppliers that are used by several companies in the group.

Due to the group's organisation, the due diligence assessment has been carried out at group level, as the companies in the group have a joint purchasing department, and several of the suppliers are used across companies. The companies in the Greenbit group operate within the same industry, and will thus work together in handling actual and preventing potential negative consequences in their respective value chains. The account of due diligence for the affected companies should be seen in the light of the group's joint report for the Transparency Act in 2022.

# Due Diligence

## **Blue Energy AS**

Blue Energy has carried out analysis of suppliers in 2022 against global risk indicators on human rights, working conditions, climate and environment, as well as corruption. Out of a total of 203 suppliers, none of the suppliers come from a high-risk country, four suppliers are prioritized for due diligence assessment for 2022. As part of the due diligence assessment, the Company has carried out a risk assessment of the prioritized suppliers. One supplier is assessed as medium risk for violations of basic human rights and decent working conditions in the tier one. Correspondingly, one supplier is assessed as high risk and one supplier is assessed as medium risk for negative events in the value chain beyond the tier one. The assessments are based on industry risk, degree of insight into the value chain beyond the tier one, as well as the country of origin of the products at raw material level.

## **Eco- 1 Bioenergi AS**

Eco- 1 Bioenergi AS has carried out analysis of suppliers in 2022 against global risk indicators on human rights, working conditions, climate and environment, as well as corruption. Out of a total of 174 suppliers, none of the suppliers come from a high-risk country and two suppliers come from countries with medium risk of violations of basic human rights and decent working conditions (The United Arab Emirates and Spain). 14 suppliers are prioritized for due diligence assessment for 2022. As part of the due diligence assessment, the Company has carried out a risk assessment of the prioritized suppliers. One supplier is assessed as high risk and five suppliers are assessed as medium risk for violations of basic human rights and decent working conditions in the tier one. Correspondingly, 11 suppliers are assessed as high risk and one supplier is assessed as medium risk for negative events in the value chain beyond the tier one. The assessments are based on industry risk, degree of insight into the value chain beyond the tier one, as well as the country of origin of the products at raw material level.

## **AS Nordic Fuel Supply**

AS Nordic Fuel Supply has carried out analysis of suppliers in 2022 against global risk indicators on human rights, working conditions, climate and environment, as well as corruption. Out of a total of 18 suppliers, none of the suppliers come from a country with high or medium risk of violations of basic human rights and decent working conditions. Two suppliers have been prioritized for due diligence assessment for 2022. As part of the due diligence assessment, the Company has carried out a risk assessment of the prioritized suppliers. One supplier is assessed as having a medium risk of violating basic human rights and decent working conditions in the tier one. Correspondingly, two suppliers are assessed as having high risk for negative events in the value chain beyond the tier one. The assessments are based on industry risk, degree of insight into the value chain beyond the tier one, as well as the country of origin of the products at raw material level.



# Due Diligence

## Findings and targets

The companies in the Greenbit group have no knowledge of any actual potential or negative consequences in their value chain.

At group level, there are two additional foreign suppliers from Switzerland and Malta that have been prioritized for the due diligence assessment. Both suppliers belong to AS Tank Storage which is not directly affected in the group by the Transparency Act. Both suppliers are rated high risk in the tier one of the value chain due to limited knowledge of these suppliers and industry specific risk factors. The Maltese supplier is a tanker and was connected to the group via third party that organizes transport on the group's behalf. In such cases, needs are communicated and organized through an international maritime transport platform. As it concerns a one-off supplier, the group will not take action directly against the supplier. During 2023, the group will establish a dialogue with the organizer (third party) in order to gain insight into which control is carried out in connection with the selection of carriers on the platform. The group will further assess the need to impose its own requirements on carriers engaged by third parties in the future.

The companies in the Greenbit group will in 2023 establish a dialogue with several of their most important suppliers, based on risk assessments as described in this report. During 2023, the group will send a supplier declaration to 10 of its most important suppliers, and a target has been established that 100% of new suppliers must sign a supplier declaration before establishing a partnership. Furthermore, in 2023 the group will work on the establishment and implementation of routines for supplier evaluation of existing and new suppliers. At group level, a target has been established that 100% of new suppliers who are expected to have significant strategic importance for the group (contract value over NOK 5,000,000) must undergo supplier qualification prior to entering into a partnership and regardless of company affiliation. For AS Nordic Fuel Supply, the corresponding threshold value for supplier qualification is a contract value over NOK 500,000. The objective has been established to capture significant suppliers at both company and group level.

No further measures are sought for 2023.

# The Greenbit group

For further information on the Norwegian Transparency act in Greenbit Energy AS and the Greenbit group, please contact:

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The report is read and approved by board members of directly affected companies:

Greenbit Energy AS:









Chairperson	Jon Erik Brøndmo
Board member	Magnus Nyfjäll
Board member	Ola Røthe

Blue Energy AS, Eco-1 Bioenergi AS and AS Nordic Fuel Supply:

Chairperson	Magnus Nyfjäll
Board member	Christoffer Bull

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## Underskrivere

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  <b>Ola Røthe</b> 9578-5997-4-297867 29.06.2023 15.50	  <b>Jon Erik Brøndmo</b> 9578-5999-4-1098229 29.06.2023 22.36

## Dokumenter i transaksjonen

Rapport - Åpenhetsloven - Greenbit Energy AS.pdf

[Dette dokumentet](#)



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