

The Transparency Act

This report contains an account of our due diligence within labor and human rights and is according to The Transparency Act that entered into force on 1st of July 2022.

About Company Egil Eng & Co AS

Our mission in the Norwegian market is to offer our customers mechanical and hydraulic components in addition to hydraulic systems. The hydraulic systems can include electronics for start, stop and control of systems. Our trademark has always been to offer good service to the customers.

Basis for human and labor rights work

Our group wide Code of Conduct and Supplier Code of Conduct are the basis of our work within labor and human rights. Our Code of Conduct summarizes how we all should act in order to run our business in an ethically, socially and environmentally sound way. The codes cover all employees as well as how we expect our suppliers and other business partners to act. We do not accept any actions that breach the Code of Conduct. The code is based on the UN's Global Compact, the ILO's core conventions, UN's Universal Declaration of Human Rights and the OECD's guidelines for multinational companies, competition legislation and anti-corruption regulations. The codes are reviewed once a year by our group board. The codes are available on our website here: www.egileng.no.

As a business in Norway, we follow Norwegian laws and regulations that are the pillars of our work within health, environment and safety.

We encourage employees, suppliers and other business partners to report relationships or incidents that may conflict with the Group's Code of Conduct to their immediate company contact person or to higher management. If for any reason the person is unable to approach these individuals, the Group's anonymous whistle-blower procedures are to be followed. There is more information and possibility to report at www.egileng.no

There will be no penalty or other negative consequences for people who provide information in good faith and in line with the aims of the Code of Conduct.

Process for risk assessment

To identify what labor and human rights negative impact and risks our company is related to and which of these are material, we have done a risk analysis. The risk analysis is reviewed each year.

To analyze risks internally and in our value chain we use a geographic, industry, company and product specific perspective. See more detail of the perspectives below:

Our identified material negative impact and risks

On a general level our analysis shows a low risk and impact on human and labor rights. The below demonstrates areas of interest that the analysis highlighted together with relevant actions.

Internally Based:

- Assembly; We have all our assembly in our own facility under our own control. The risk is related to the personnel, but this is considered Low Risk as we control this ourselves.
- Stock; We control our stock ourselves. The stock is located together with main office.
- Staff; Our staff acceptable behavior is described in our Staff Regulation. We have a Zero Tolerance for sexual, religious or color discrimination. All shall have equal rights and be treated equal.
- Our company has a dedicated Health, Environment and safety responsible.

Product specific

- Our products are manufactured in steel, aluminum and plastic. All raw materials are from within USA or EU. Machining and manufacturing are done in USA or EU.

Geography and market specific

- 98% of our customers are from within Norway. Remaining are companies that have moved their Spare Part business closer to their home market.
- It is all considered low risk regarding labor and human rights.

Supply chain and Product specific

- Suppliers; This is considered Low Risk according to our risk analysis tool from Kodiak. 80% of our supplier is registered and followed up in Kodiak with own or signed Addtech C.O.C.
- Transportation; 98% of our transportation is truck based. All transportation is done by companies based within EU following EU standards and regulations.
- To meet negative impact and risks within our supply chain we follow up our suppliers of transport services based on the regulations in *Supervisory responsibility § 6*
- If cases where labor and human rights have been violated are identified, either in our company or in our supply chain, the process for an eventual remediation shall be commenced.
- None of our products contains minerals of conflict (3TG).

Our work to cease, prevent and reduce our material impact and risks

To meet internal negative impact and risks we constantly work on improving information and communication related to business ethics.

Every year we have an employee satisfaction survey that among others asks specific questions about the work environment and discrimination and harassment. These questions are reviewed and relevant actions taken if required.

Our whistle blower system allows for incidents that are not according to our Code of Conduct to be reported anonymously. All reports submitted are handled confidentially and professionally by an internal council in our group.

Our reporting

As a part of our business development plans and our groups annual report we yearly measure and report KPIs regarding labor and human rights and following up on actions. To follow up internally we measure sick leave, accidents, gender and age equality, employee survey and whistle blower cases. For the supply chain we have KPIs within whistle blower cases, share of purchasing volume that is a) signed supplier code of conducts, b) assessed in Kodiak and c) audited based on sustainability.

These KPIs are audited by a third party following the framework of auditors limited assurance.