

Norwegian Transparency Act Statement 2022

Steni Group AS

Index

01	Background	3
02	About STENI	3
03	Grievance mechanisms	4
04	Supplier Due Diligence process	4
05	Due Diligence findings	6
06	Way forward	7
07	Summary	8

01 Background

STENI has committed to conduct our business in accordance with the UN's guiding principles for business and human rights. STENI's approach to human rights is included in our Ethical Guidelines and Ethical Guidelines for Suppliers of Steni. STENI respect all internationally recognized human rights, including those enshrined in the Universal Declaration of Human Rights, the UN Convention on Civil and Political Rights, the UN Convention on Economic, Social and Cultural Rights as well as the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights in working life and current standards within international humanitarian law.

This statement constitutes STENI's account for the financial year 2022 as required by the Act.

02 About STENI

STENI is a Norwegian manufacturer of high-quality facade panels, established in 1965. STENI's Head office and factory are located in Lardal in Vestfold and engages in production and sales of stone composite facade panels, foundation wall panels and building panels with accessories – primarily to the B2B market. STENI has subsidiaries in Sweden, Denmark and Finland and distributors in several countries in Europe, the Middle East, and North America. The number of employees is around 100.

Our operations are covered by the Transparency Act, and we do therefore regularly carry out due diligence assessments by surveying human rights and working conditions in our value chain, including suppliers and other business partners.

STENI's priority UN Sustainable Development Goals:



03 Grievance mechanisms

STENI is committed to conducting business with the highest ethical standards and according to applicable laws, rules and regulations. For this reason, we encourage all customers, partners as well as our own employees to always report any suspected fraudulent or unethical behaviour by STENI or its employees.

This procedure is intended solely for reporting suspected misconduct or irregularities, such as fraudulent, inappropriate, dishonest, illegal or negligent activity or behaviour, and should not be used for customer complaints or to report on issues related to personal disputes.

04 Supplier Due Diligence process

Our Ethical Guidelines for Suppliers of STENI AS, which is aligned with our Ethical Guidelines and the UN Global Compact, sets the standard for how we expect our suppliers to act. It is not enough that our suppliers abide by the laws and regulations in the countries where they operate. We expect them to proactively move beyond compliance.

Suppliers mapping

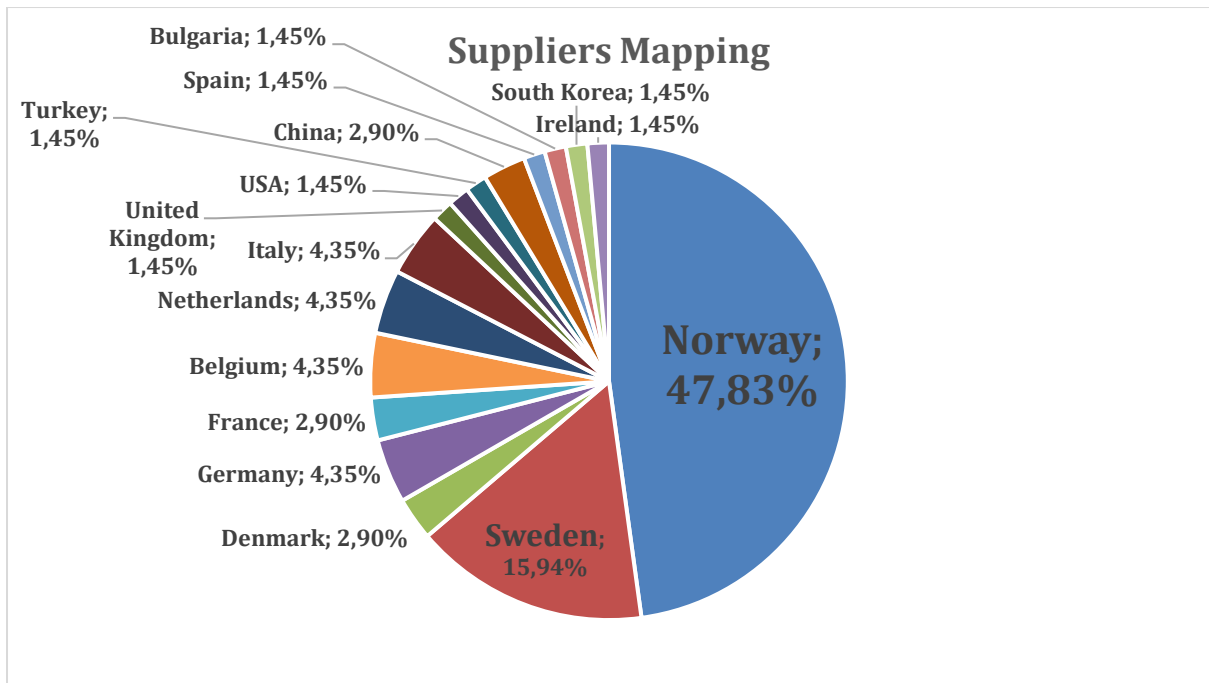
In our work with due diligence assessment, we have adopted Transparency Gate; a cloud-based portal for handling Due Diligence assessments in accordance with the Transparency Act and international legislation. Via this portal, individuals can request information about our products/services and suppliers. This is called information requirements.

By mapping the value chain, it will give us an overview of whether there is, or is a risk that human rights violations or indecent working conditions may occur. By carrying out due diligence assessments, we can stop, prevent, or limit negative consequences that can be linked directly or indirectly to our business.

We carry out assessments of all our suppliers twice a year. Based on their feedback, we can uncover risks and set up measures to reduce risks or remove negative consequences. The measures are followed up, to see if suppliers meet our requirements. In case of a risk is identified, a formal process will be initiated to determine the appropriate course of action. We believe that the best outcome will be achieved by engaging in dialogues with our suppliers, and termination of agreement is our last resort.

Via this portal, all our suppliers and partners can also respond to our survey.

Next page's pie chart illustrates the distribution of STENI's suppliers across various countries. It showcases the percentages of suppliers in each country, providing a visual representation of the geographical spread of our supplier network.



Based on the percentages of STENI's suppliers in different countries, it is evident that a significant portion of the suppliers are in Europe and Scandinavia. Norway accounts for the largest percentage of suppliers at 47.83%, followed by Sweden at 15.94%. This distribution indicates a concentration of suppliers in regions where the country's human rights index is generally considered good.

It is commendable that STENI's suppliers are primarily located in countries with favourable human rights conditions, as it aligns with the objectives of the Norwegian Transparency Act. This distribution reflects a conscious effort to work with suppliers operating in regions known for their commitment to human rights and responsible practices.

The distribution of STENI's suppliers across different countries shows a predominant presence in Europe and Scandinavia, where the country's human rights index is generally favourable. While the percentages of suppliers in China and Turkey are relatively small, their higher country human rights index suggests the need for careful attention to potential human rights concerns within those jurisdictions. STENI's commitment to evaluating due diligence scores across all suppliers, regardless of location, demonstrates its dedication to responsible practices and compliance with the Norwegian Transparency Act.

Information requirements

Anyone can request information about our business and value chain. People can request information anonymously or by name, and everyone must receive feedback within 21 days.

Inquiries received

All inquiries we receive are answered within 21 days, and all conditions are checked to detect violations.

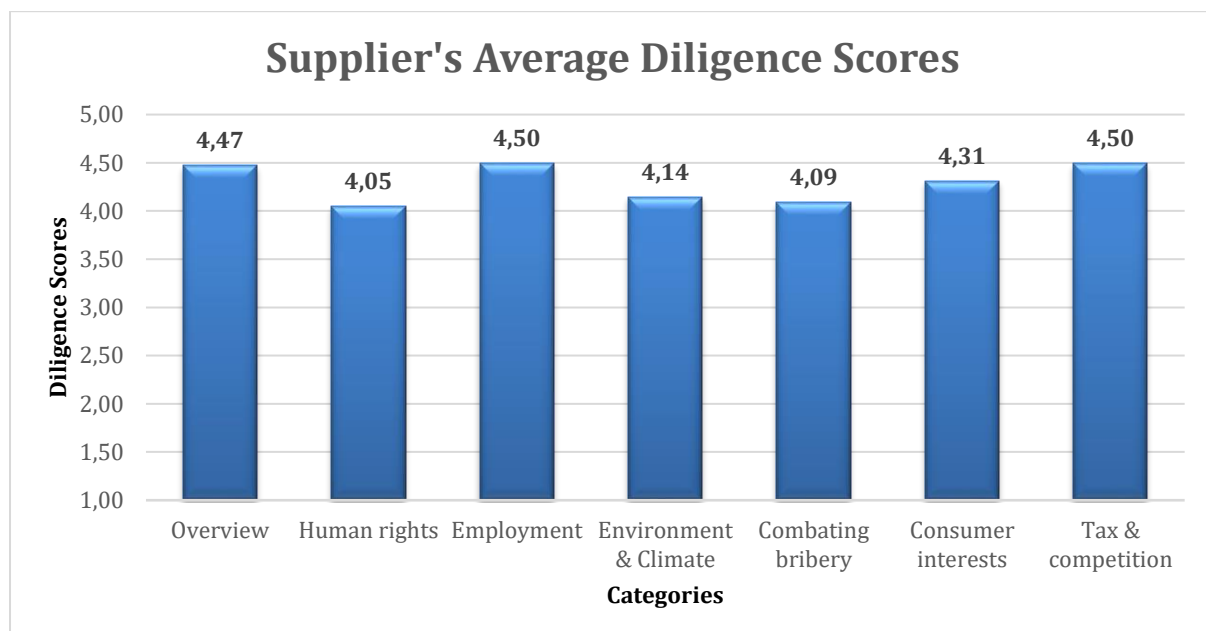
Report relationship

Anyone can report conditions that contravene human rights and decent working conditions, and we will investigate reports that come in to see if any violations have occurred.

05 Due Diligence findings

The due diligence questions were based on OECDs guidelines, and responses were obtained from a total of 48 suppliers. Out of these, 35 suppliers achieved a due diligence score of more than 80%. This indicates a strong commitment to responsible practices and compliance with the OECD guidelines. These suppliers demonstrate a proactive approach to addressing various aspects such as business sustainability, human rights, employment practices, environment, and climate impact, combating bribery, consumer interests, and tax and competition.

Below is the average diligence scores for all suppliers (next page).



On the other hand, there are 13 suppliers whose due diligence scores range from 14% to 80%. These suppliers, however, have a limited financial impact on STENI's operations. They mainly consist of trading suppliers, leasing companies, transport providers, and IT companies. These suppliers have indicated that certain categories of questions within the due diligence assessment are not applicable to their specific business operations. As a result, their scores might be lower due to the omission of categories that are not relevant to their scope of activities.

This distinction highlights that the lower due diligence scores of these 13 suppliers should be interpreted with consideration to their specific roles and responsibilities within STENI's supply chain. While their scores may be comparatively lower, their overall impact on STENI's

financials is minimal. It is essential to recognize that different types of suppliers may have varying levels of relevance to the due diligence assessment, and their scores should be evaluated accordingly.

Most suppliers (35 out of 48) have demonstrated a strong commitment to responsible practices, achieving a due diligence score of higher than 80%. The remaining 13 suppliers, comprising trading suppliers, leasing companies, transport providers, and IT companies, have lower scores. However, their limited financial impact on STENI's operations and their explanation regarding the inapplicability of certain categories within the assessment justify their lower scores. This information provides valuable insights into the distribution of due diligence scores among STENI's suppliers and their respective contexts within the supply chain.

There are a few suppliers who did not respond to the due diligence questions. Here is a summary of the responses received from these suppliers:

- a) **US Supplier:** The supplier based in the US stated that they are already following their local guidelines and regulations related to human rights. They assured that they abide by these rules and regulations. Although they did not provide specific answers to the due diligence questions, they emphasized their compliance with the existing human rights guidelines and regulations in their jurisdiction.
- b) **Norwegian and Swedish Suppliers:** Some suppliers located in Norway and Sweden declined to answer the due diligence questions directly. Instead, they sent their own human rights policies and ethical guidelines to demonstrate their commitment to responsible practices. They informed us that, based on their company policies, they do not respond to such inquiries from suppliers. They provided their internal policies to showcase their dedication to human rights and ethical conduct.

06 Way forward

STENI recognizes the importance of continuous efforts to minimize or eliminate human rights violations in its supply chain, as well as reducing and eliminating possible negative consequences. In line with this commitment, STENI has outlined several steps it will take in the future:

1. **Strengthening Due Diligence:** STENI will continue to prioritize due diligence in its supplier selection and evaluation processes. This includes regularly assessing the due diligence scores of suppliers based on the OECD guidelines. By maintaining a rigorous evaluation system, STENI can identify and address any potential human rights violations or negative consequences within the supply chain promptly.
2. **Enhanced Supplier Engagement:** STENI will foster closer partnerships with suppliers to promote responsible practices. This will involve actively engaging with suppliers to ensure they understand and adhere to STENI's expectations regarding human rights and ethical conduct. STENI will encourage open dialogue, exchange best

practices, and provide support and guidance to help suppliers improve their due diligence performance.

3. **Supply Chain Transparency:** STENI will strive for increased transparency throughout its supply chain. This will involve encouraging suppliers to provide greater visibility into their own supply chains and ensuring transparency regarding sourcing origins and potential risks. By sharing information and collaborating with suppliers, STENI can collectively work towards identifying and addressing any human rights concerns or negative consequences in the supply chain.
4. **Education and Training:** STENI recognizes the importance of education and training in promoting responsible practices. All STENI employees are required to complete an annual course of our Ethical guidelines to ensure adequate awareness and knowledge of our ethical principles including human rights. STENI will invest in training programs to enhance supplier awareness and understanding of human rights issues and their impact on the supply chain. By empowering suppliers with the knowledge and tools to identify and address potential violations, STENI aims to create a culture of compliance and continuous improvement throughout the supply chain.
5. **Collaboration with Stakeholders:** STENI will actively collaborate with relevant stakeholders, including industry organizations, NGOs, and governmental bodies, to stay informed about emerging best practices and regulatory developments. By participating in multi-stakeholder initiatives and sharing knowledge, STENI can contribute to industry-wide efforts aimed at minimizing human rights violations and negative consequences in supply chains.
6. **Periodic Review and Improvement:** STENI is committed to regularly reviewing and improving its policies, processes, and due diligence procedures. By conducting periodic assessments and audits, STENI can identify areas for enhancement and adjust its strategies accordingly. This approach ensures that STENI's efforts to minimize human rights violations and negative consequences in the supply chain remain relevant and effective over time.

07 Summary

STENI will continue to prioritize responsible practices and address human rights concerns in its supply chain. Through strengthened due diligence, supplier engagement, supply chain transparency, education and training, collaboration with stakeholders, and periodic review and improvement, STENI is dedicated to minimizing or eliminating human rights violations and reducing and eliminating potential negative consequences. By taking these proactive measures, STENI strives to create a responsible and sustainable supply chain in line with the objectives of the Norwegian Transparency Act.

It is The Board of Steni Group AS that is responsible for ensuring that the business complies with the current requirements of the Transparency Act. The work on the due diligence assessments was approved by The Board on Monday 19 June 2023.

Signatures to the Norwegian Transparency Act Statement for the year 2022

Steinsholt, Norway, 19 June 2023

Carl Fürstenbach
Chairman

Tom Arne Rønning
Board Member

Harald Lausund
Board Member

Pål Vindheim
Board Member

Simen Hannevold
Board Member

Sofia Nyrén
Board Member

Geir Olav Farstad
CEO