

# Transparency Act Report

HG Handel AS - 2022

---

Account of due diligence assessments, HG Handel AS, Norwegian  
Register of Business Enterprises NO 964 388 970 MVA.



## Table of contents

1.	The 2022 Transparency Act Report.....	3
1.1	Introduction.....	3
1.2	Contact Information .....	3
1.3	Obligation to report .....	3
2.	The company's activities .....	4
2.1	Organisation and area of operations .....	4
2.2	Internal guidelines .....	5
2.3	Objectives and progress.....	5
2.3.1	Overall goal and progress .....	5
2.3.2	Goals for the coming year .....	6
3.	The due diligence assessment.....	7
3.1	Introduction to the company's due diligence focus .....	7
3.2	Supply chain and business partners.....	7
3.3	Prioritisation of own operations and suppliers/business relationships .....	8
3.3.1	Own operations .....	8
3.3.2	Suppliers and business partners.....	8
3.4	Overview of the company's due diligence methodology .....	9
3.4.1	Due diligence methodology related to external suppliers and business partners .....	9
3.4.2	Methodology used in due diligence of subcontractors to priority first tier supplier, Elkjøp Nordic AS .....	10
3.4.3	Due diligence methodology related to the company's own operations.....	11
3.5	Due diligence of the company's products/services.....	11
1.	The company's activity at its own stores .....	11
3.5.1	Product and services provided by Elkjøp Nordic AS.....	11
3.5.2	Assessment of the chain's subcontractors and business partners.....	13
3.5.3	Evaluation of the risk assessments carried out by Elkjøp Nordic AS regarding the chain's subcontractors.....	18
1.	Overview – risk assessments related to suppliers and business partners .....	18
1.	The result of the verification of the authenticity .....	18
4.	Measures to stop, prevent or limit negative consequences.....	19
5.	Monitoring of measures – implementation and results.....	19
6.	Communication with affected stakeholders and licensees.....	19
7.	Recovery and indemnification .....	19
8.	Appendices.....	21
8.1	Appendix 1 Procedures for anchoring work with the Transparency Act in HG Handel AS .....	21

# 1. The 2022 Transparency Act Report

## 1.1 Introduction

HG Handel AS shall annually conduct due diligence assessments in accordance with the Transparency Act and publish an account of the assessments.

The purpose of the Transparency Act is to promote companies' respect for fundamental human rights and decent working conditions.

This report accounts for the company's duty to report on the due diligence assessments conducted for 2022. The report also describes the measures assessed and implemented to reduce the risk of potentially negative impact from the company's activities and business relationships on fundamental human rights and decent working conditions.

## 1.2 Contact Information

Please direct any inquiries related to the report to:

HG Handel AS

Managing Director, Ingar Teigene

E-mail: [ingar.teigene@elkjop.no](mailto:ingar.teigene@elkjop.no)

## 1.3 Obligation to report

The company is headquartered at Raffelneset 6, Hareid, Norway.

On the balance sheet date, the company had sales revenues of NOK. 484.013.081,-, balance sheet sum of NOK 154.642.856,- and employed 73,66 full-time equivalents. The company is therefore obligated to report.

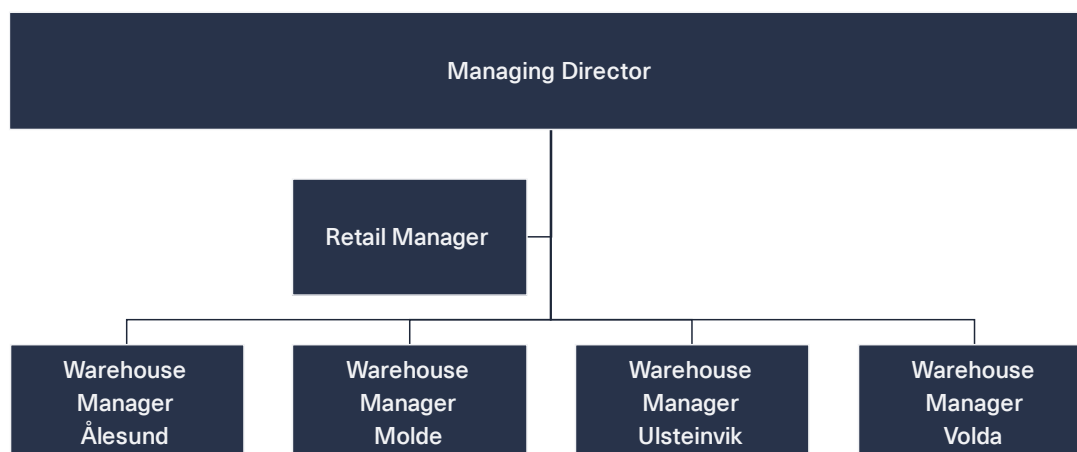
## 2. The company's activities

### 2.1 Organisation and area of operations

HG Handel AS operates in sales of consumer electronics. The company is 100% owned by Hareid Elektriske AS.

The company had sales revenues of NOK. 484.013.081 in 2022. The profit for the year after tax was NOK 15.9 million.

Organisation as of 31.12.22:



The company had an average of 73.66 full-time employees in 2022.

HG Handel AS operates four stores as a franchisee in Elkjøp, the Nordic's largest consumer electronics retailer. HG Handel AS operates as part of the Elkjøp concept and the company's daily operations are part of Elkjøp in terms of product portfolio, processes, methodology, marketing, purchasing and management systems.

The company's four stores are all located in the county of Møre og Romsdal, Norway:

- Volda
- Ulsteinvik
- Ålesund
- Molde

## 2.2 Internal guidelines

The company has its own routines for anchoring work on human rights and decent working conditions, see "Routines for anchoring the work on the Transparency Act for HG Handel AS" attached to this report. The routine includes the company's work to meet the requirements set out in the Transparency Act.

The company's procedures have been endorsed and adopted by the company's Board of Directors on 29.06.23. The routine is communicated to the company's employees and is available on the company's intranet site. The company conducts regular courses on the Transparency Act and the company's routines related to the Act.

The procedure describes how the company conducts its due diligence and assessment of measures. The procedures also contain information about the company's whistleblowing channels, which are intended to help uncover negative consequences for fundamental human rights and decent working conditions related to the company's activities, and how such information is followed up.

## 2.3 Objectives and progress

### 2.3.1 Overall goal and progress

The company works continuously to assess risks associated with its activities and the use of business partners (direct suppliers and other business partners). Furthermore, the company works continuously to implement measures to achieve the goals set by the company. See sections 3 and 4 of the report for information on the work done for the reporting year.

### 2.3.2 Goals for the coming year

Specific targets for the coming year:

Objective	Status
We will further develop our due diligence assessment on the basis of the experience gained during the first reporting period	In progress
We will raise the competence internally in our company when it comes to sustainability and responsible purchasing practices	In progress
We will expand the due diligence assessment to include some of the larger subcontractors to first-tier suppliers	In progress
We will further develop our due diligence assessment on the basis of the experience gained during the first reporting period	In progress
We will improve the internal competence when it comes to sustainability and responsible purchasing practices.	In progress

### 3. The due diligence assessment

#### 3.1 Introduction to the company's due diligence focus

HG Handel AS continuously assesses the risk of negative consequences for fundamental human rights and decent working conditions related to the company's business activities. The company continuously investigates human rights violations and violations of decent working conditions related to the company's activities.

#### 3.2 Supply chain and business partners

The company had commercial relationships with 214 first-tier suppliers in the reporting year. The Company's suppliers are located in the following countries/geographical areas:

Country/geographical area:	Number of suppliers
Norway	22
Finland	3

The company has commercial relationships with 144 business partners in its reporting year. The company's business partners are located in the following countries/geographical regions:

Country/geographical area:	Number of business partners
Norway	227
Sweden	12
Finland	1

### 3.3 Prioritisation of own operations and suppliers/business relationships

In the due diligence assessment for 2022, HG Handel AS has chosen to do the following prioritisation of which parts of our own operations and which suppliers/business relationships have been included in the assessment:

#### 3.3.1 Own operations

For its own operations, HG Handel AS has chosen to concentrate its due diligence assessment on the degree or risk of injury to workers' health or safety.

#### 3.3.2 Suppliers and business partners

HG Handel AS is a franchisee in the Elkjøp chain. 88.2% of the purchases the company makes are deliveries from Elkjøp Nordic AS. HG Handel AS has chosen to prioritise due diligence assessments of Elkjøp Nordic AS, which means that due diligence has been carried out in connection with 88.2% of the total purchasing volume.

HG Handel AS has chosen to limit its own mapping to the first-tier supplier in this first round of reporting.

With regard to subcontractors to the main supplier, HG Handel AS has chosen to base the due diligence assessments of product suppliers on the work done in and through Elkjøp Nordic AS. However, HG Handel AS has conducted its own review of the due diligence assessments and follow-up measures carried out by Elkjøp Nordic AS.

In addition to the assessment made by the supplier on the basis of delivered volume, the company has also mapped the countries in which the other suppliers operate (see section 3.2). This mapping revealed that none of the suppliers operates in countries with high risk of human rights violations and decent working conditions (systematic violations) according to the ITUC (International Trade Union Confederation) survey for 2022. Against this background, no further mapping has been carried out of the other suppliers and business associates with lower volumes.



## 3.4 Overview of the company's due diligence methodology

### 3.4.1 Due diligence methodology related to external suppliers and business partners

During the risk mapping, HG Handel AS has used a digital platform developed by Ignite Procurement AS. The platform simplifies the implementation of due diligence in line with the requirements of the Transparency Act.

The particular steps in the assessment:

1. Based on supplier data obtained from accounting data, order confirmations and internal ERP systems, a complete overview of the company's first-tier suppliers and business partners is created. The list of first-tier suppliers is updated continuously.
2. Supplier information is enriched through third-party collaboration with professional providers of company information. Suppliers' information and financial data such as industry codes (NACE) is obtained through the digital platform.
3. Through steps 1 and 2, the company gets an overview of first-tier suppliers, business partners and other known subcontractors, with associated supplier information.
4. Using the platform's built-in risk evaluation tool, an initial risk classification of the company's first-tier suppliers, business partners and other known subcontractors is generated based on geography and industry. The risk set to "high", "medium" or "low" based on potential negative impact on fundamental human rights and decent working conditions.
5. As part of the risk mapping, the company has distributed custom questionnaires to obtain additional information, documentation and certifications from a defined set of first-tier suppliers, business partners and other known subcontractors.

6. Based on the findings in paragraphs 4 and 6, the company assesses what measures should be taken to investigate potential negative impacts on fundamental human rights and decent working conditions. The company has implemented measures where the severity and probability of injury are greatest and where the company has the best chance to enable positive development. Prioritisations are linked to the company's affiliation with and responsibility for the risk, and must be proportionate to the size, nature and context of the business.
  
7. The company has involved stakeholders, suppliers and business partners in implementing the measures.

Supply chain analyses have been prepared based on supplier data, the outcome of the risk assessment and information obtained from the supply chain. Section 3.5 below provides a more detailed description of the information collected and the detailed risk evaluation of the prioritised suppliers.

Factors relevant for the due diligence assessment of the company's activities and business relationships:

1. The company's operational context
2. The company's business model
3. The company's position in the supply chain
4. Type of products and services

### 3.4.2 Methodology used in due diligence of subcontractors to priority first tier supplier, Elkjøp Nordic AS

With regard to subcontractors to the main supplier Elkjøp Nordic AS, HG Handel AS has chosen to base its due diligence assessments on the work done by Elkjøp Nordic AS. However, HG Handel AS has conducted its own review of the due diligence assessments and follow-up measures carried out by Elkjøp Nordic AS.

In section 3.5.3, HG Handel AS has provided a description of the due diligence assessments and follow-up measures carried out through Elkjøp Nordic AS, including a description of the methodology Elkjøp Nordic AS has used in its due diligence assessments.

### 3.4.3 Due diligence methodology related to the company's own operations

When assessing due diligence related to the degree of injury or risk of injury to workers' health or safety associated with installation assignments at shipyards, the company has mapped and analysed its own HSE reports regarding reported accidents and incidents among its own employees.

## 3.5 Due diligence of the company's products/services

The following provides a more detailed account of any significant risk of negative consequences for human rights and decent working conditions identified through the company's due diligence assessments. The report also covers any confirmed violations of human rights and decent working conditions.

### 1. The company's activity at its own stores

HG Handel AS assesses the risk of negative consequences for human rights and decent working conditions as minor based on recognised standards for risk assessment of industrial risk, geographical risk and social risk based on industry, operational context and position in the supply chain, cf. methodology described in section 3.4.1. Nevertheless, the company has chosen to conduct due diligence assessments of its own operations related to the degree or risk of injury to employees' health or safety. The risk of injury to the health or safety of employees is followed up through the company's HSE routines, which describe both preventive measures and routines in the event of personal injury. HSE training is mandatory for all employees and takes place and is documented digitally in Elkjøp Academy.

During the reporting period, no injuries were uncovered or reported in HG Handel AS.

Taking into account the size of the company's activity and the extent and degree of injuries recorded, the risk of injury to the health or safety of employees associated with work in the company's stores is considered to be very low.

### 3.5.1 Product and services provided by Elkjøp Nordic AS

HG Handel AS has conducted due diligence assessments in connection with the deliveries from Elkjøp Nordic AS.

When mapping and assessing risk, the methodology as described in section 3.4.1 has been used. The following initial risk assessments have been made:

#### Industry risk:

The assessment of industrial risk is based on the European Bank of Reconstruction and Development's index that links social risk to NACE codes.

The supplier is registered with NACE code 46.4 (Wholesale of electrical household appliances and machinery). The deliveries are considered to have a low risk of negative impact on the environment, low risk of negative impact on social conditions, which results in an overall low industrial risk.

#### Geographical risk:

Assessment of risk based on the ITUC index of probability of internationally recognised collective labour rights being upheld by governments and employers in different countries. The methodology is rooted in standard fundamental rights in the workplace, in particular the right to freedom of association, the right to collective bargaining and the right to strike.

The deliveries from Elkjøp Nordic AS are considered to have a low risk of negative impact on standard fundamental rights according to the ITUC index based on geographical risk.

#### Social risk:

Assessment of risk built on Ignite score based on quantification and compilation of industrial risk and geographic risk.

The deliveries Elkjøp Nordic AS are considered to have a low overall social risk.

#### Own risk assessment:

In addition to initial assessments of Elkjøp Nordic AS, industrial risk, geographical risk and social risk, HG Handel AS has conducted its own additional risk assessment based on its own investigations through close dialogue and close cooperation in and throughout the chain. In the due diligence assessment, HG Handel AS has focused on certifications (management system for social responsibility), and compliance with regulations for working environment and HSE, various guidelines for safeguarding human rights and basic working conditions, transparency etc. and the chain's routines and assessments related to these conditions.

Based on HG Handel AS's own risk assessment, deliveries from Elkjøp Nordic AS is considered to have a low risk of negative impact on fundamental human rights and decent working conditions.

### 3.5.2 Assessment of the chain's subcontractors and business partners

HG Handel AS has not conducted its own due diligence assessment of subcontractors to the first supplier. HG Handel AS has chosen to base the due diligence assessments of product suppliers on the work done in and through Elkjøp Nordic AS.

The following provides a description of the main features of the due diligence and follow-up measures carried out through Elkjøp Nordic AS.

However, HG Handel AS has conducted its own review and assessment of the due diligence and follow-up measures carried out through Elkjøp Nordic AS. Finally, the Company's assessment is commented on under this clause 3.5.3.

#### Focus on responsible supply chain:

Elkjøp focuses on promoting ethical trade in the supply chain. Supply chains in the electronics industry are often long and complex, in order for a supplier to produce a product, raw materials and components are sourced from a variety of subcontractors from different countries. It is part of Elkjøp's sustainability strategy to do what Elkjøp can to influence players in these complex supply chains to take responsibility for ensuring basic human rights and decent working conditions for everyone involved. As part of this, Elkjøp cooperates with its suppliers, and requires acceptable control systems from those that have a direct impact on the supply chain.

#### Approach:

Elkjøp uses the OECD model for due diligence assessments for responsible business conduct. The model has six steps that describe how companies should work towards more responsible and sustainable business practices. Elkjøp strives for positive due diligence but is aware that the business can have a negative impact on people, society and the environment. Elkjøp is committed to being open and honest about challenges in the supply chain and handles this in the best possible way in collaboration with its stakeholders.

### Requirements and expectations of suppliers and business partners:

Elkjøp requires that all suppliers follow Elkjøp's standards and guidelines or that the supplier follows equivalent standards as part of their management system, to ensure responsible purchasing. Since there is a known industrial risk of human rights violations and violations of labour rights, both in the extraction of minerals used in the products as well as during production in the factories, Elkjøp has adapted its guidelines accordingly. Elkjøp therefore requires, among other things, that conflict minerals are purchased from suppliers on the "Responsible Minerals Initiative (RMI) Conformant Smelter & Refin Lists" and that the rights of workers in the factories must be safeguarded in accordance with applicable international conventions.

One of Elkjøp's focus areas is to ensure that as many of our suppliers as possible are certified through the international certification company EcoVadis. EcoVadis evaluates its supplier's environmental, ethical and social responsibility performance.

If Elkjøp becomes aware of a serious breach in its supply chain, Elkjøp investigates how the supplier will ensure that the breach is corrected and provides support if required. In the event of repeated serious violations, termination of the cooperation is considered.

Elkjøp has 273 suppliers and products originating from 62 countries. Most of Elkjøp's suppliers are registered in Sweden, Norway, the Netherlands, Finland, Denmark and Germany. 90% of revenue comes from products sourced from the following ten countries: China (56%), Poland (8.2%), Vietnam (8%), Hungary (4.9%), Germany (3.5%), Malaysia (2.3%), Slovakia (2.2%), Turkey (1.6%), Italy (1.6%) and Slovenia (0.8%). Elkjøp also has indirect business partners, which are mainly registered in the Nordic region.

### Risk mapping:

In its due diligence assessment, Elkjøp has focused on risk assessing the supply chain and identifying areas where there is potential for human rights and violations of workers' rights. For brand suppliers, Elkjøp has focused on tier 1 (Elkjøp's direct supply base), for Elkjøp's own brand suppliers and licensed brand suppliers, tier 2 suppliers where there are specific risks related to safety (batteries and gas components) are also covered. For indirect procurement, the focus is mainly on high-risk tier 1 suppliers, with the exception of distribution services in the Nordic region, where both Elkjøp's partners and their subcontractors are covered.

Risk assessments are carried out at product group level (i.e. headphones, loudspeakers, telephones) or at service level type (i.e. transportation, contract workers), in order to identify the risk of human rights violations and poor working conditions. Inherent risk is assessed according to the following risk factors:

1. Country of manufacture
2. Whether conflict minerals are used in the products
3. Whether hazardous chemicals are used in production
4. Whether there are other conditions that are dangerous to health and safety
5. What impact we have within this product category
6. Other known industry factors

Country risk assessment is based on a model that includes information from two reports published on an annual basis, the List of Goods Produced by Child Labor or Forced Labor and the Trafficking in Persons Report, issued by the U.S. Bureau of International Labor Affairs and the U.S. Department of State. According to the risk model, China, Malaysia and Vietnam have a high risk, Turkey is considered medium risk, while Germany, Poland, Hungary, Slovenia, Slovakia and Italy are considered to have a low risk of human rights violations. Elkjøp has suppliers and business partners in all the countries mentioned.

To determine the residual risk, suppliers are assessed based on knowledge of established control systems, EcoVadis scores and experience from factory visits or other interactions with the supplier. Suppliers who account for 75% of Elkjøp's resale goods are covered in this year's assessment. The assessments include product purchases for Elkjøp's repair centres and stores in the Nordic region, including franchises.

**Risk management:**

#### **Risks associated with products**

: There are two factors that influence the risk of human and labour rights violations in the electronic product supply chain:

##### **1. Use of conflict minerals**

The majority of the products sold by Elkjøp contain one or more conflict minerals; exceptions are related to the SDA and kitchen categories. It is a known fact that the extraction of these minerals can be linked to human rights violations and the financing of armed militias. When Elkjøp assesses the risk associated with different product types in its due diligence assessments, conflict minerals are the single most important factor that

increases the risk of serious human rights violations in the supply chain for Elkjøp's products.

## 2. Working conditions in the country of production

Electronic products are manufactured in countries where there are known violations of the ILO Convention's requirements for working conditions and workers' rights. In addition, the use of hazardous chemicals in production can be a health risk for factory workers.

During the reporting period, non-conformities related to indicators of modern slavery have been identified in the supply chain of one of Elkjøp's brand suppliers. This is followed up as part of Elkjøp's supplier dialogue.

Elkjøp has followed up with suppliers related to the report released in 2020, "Uyghurs for Sale: Re-education, Forced Labor, and Surveillance Outside Xinjiang." This report documented that Uyghurs worked under forced labor in several Chinese factories, including factories that are part of the electronic goods supply chain. Elkjøp will continue to address the risks associated with forced labour in the future by participating in supplier dialogue.

### **Risk associated with services:**

In addition to the risk associated with Elkjøp's products, Elkjøp has assessed risk related to the services the chain buys. Elkjøp has identified risks related to industries such as cleaning, waste management, contract workers and transport. In these industries, there may be violations of workers' rights, such as low pay, compulsory overtime and lack of employment contracts. In addition, exploitation of vulnerable groups may be a risk factor.

During the reporting period, Elkjøp has identified violations of workers' rights within the chain's transport and distribution services. Elkjøp has worked closely with the supplier to rectify the breach, and also follows up the management of subcontractors for this supplier.

### **Risks associated with the chain's own brands:**

Sandström, Swordfish, Advent, ADX, Arkitekt, Goji, I want it, Logik and Matsui are Elkjøp's own brands. In addition, Elkjøp has some products that they produce in collaboration with Acer and Kenwood. The chain currently cooperates with 85 suppliers with production facilities in China, Turkey, Taiwan and Slovenia. Elkjøp's parent company, Curry's Plc, manages production through its Hong Kong office. Elkjøp is aware that there may be a risk of violating employee rights in China, Turkey and Taiwan. More information on how the chain in which we manage modern slavery risks is available on the company's website.



When Elkjøp enters into an agreement with a company that will produce the chain's own brands, Elkjøp states that workers' rights are in line with current international conventions. Elkjøp also conducts factory visits and audits, where they check whether the requirements that have been set are being complied with, throughout the supplier relationship. A total of 78 audits were carried out during the reporting period. During the reporting period, no violations have been reported.

Epoq is Elkjøp's own kitchen series, and elements of the Epoq kitchens are mainly produced in Europe. Wood and stone are key materials. There is a risk of violations of human and labour rights in both the timber industry and the stone industry. Purchasing stone from certain African countries as well as India is considered high risk. To avoid this risk, Elkjøp does not offer products from these countries. The use of chemicals can also pose a risk to workers during production. This is one of the main reasons why the chain focuses on Svane-certified kitchens. Elkjøp is also strict on requirements for its suppliers when it comes to the use of chemicals. Elkjøp also has access to social audits conducted by other companies in the industry for many of the factories that produce the chain's kitchen range, which provides further insight into potential issues within the supply chain.

#### **Risk related to Elkjøp's own operations:**

Elkjøp considers the risk associated with its own operation of shops, administration, repair centres and department stores to be low. The company has systems in place to ensure that working conditions are up to standards and that human rights are respected. The company has a solid recruitment process that covers all locations. The process ensures that employment is freely chosen, that there are no minors and that employees receive a living wage. Elkjøp practises freedom of association and the right to tariff settlement is respected. During the reporting period, the number of stores unionized in Norway increased from 7 to 9. At the end of 2022, an equality and inclusion policy was communicated to all employees.

#### **Supplier development:**

An important part of Elkjøp's work with responsible sourcing is to ensure that the company uses the most effective measures possible to influence the supply chain. To achieve this, Elkjøp does most where they have the most influence, such as when they produce their own brands or buy services such as transport. At the same time, Elkjøp also contributes to setting requirements for ethical trade further down the value chain where production takes place. Therefore, Elkjøp also sets requirements for ethical and responsible value chains when negotiating with major brand suppliers.

Measures and further plan:

Reference is made to Elkjøp's account of due diligence in its entirety on elkjop.no for an overview of implemented measures and further plan for risk management.

### 3.5.3 Evaluation of the risk assessments carried out by Elkjøp Nordic AS regarding the chain's subcontractors

HG Handel AS has conducted its own review and assessment of the due diligence and follow-up measures carried out through Elkjøp Nordic AS. In HG Handel AS's opinion, the due diligence assessments of the chain's subcontractors and business partners is thorough and of high quality. Elkjøp has a clear focus, strategy and action plan to ensure fundamental human rights and decent working conditions for everyone involved in the supply chain. Against this background, HG Handel AS is comfortable with the risk and management of the risk associated with the chain's subcontractors.

#### 1. Overview – risk assessments related to suppliers and business partners

Supplier/Business Partner	Country	NACE	Risk Assessment			
			Industry	Sosial	Geographical	Own assessment
Elkjøp Nordic AS	Norway	46.4	Low	Low	Low	Low

### 3.6 The result of the verification of the authenticity

HG Handel AS's due diligence assessment, which is limited to first-tier suppliers, has not revealed violations of human rights/decent working conditions or significant risk of human rights/decent working conditions violations in the reporting year.

HG Handel AS is a franchisee in the Elkjøp chain. The results of Elkjøp's due diligence assessments and measures to prevent consequences are partly referred to in point 3.5.2 of the report. The report is available in its entirety on elkjop.no.

## 4. Measures to stop, prevent or limit negative consequences

The company has not uncovered identified violations of human rights/decent working conditions or significant risk of human rights/decent working conditions violations in the reporting year and has therefore not implemented its own measures. However, HG Handel AS is involved in the measures implemented by the Elkjøp chain to the extent relevant to the company.

## 5. Monitoring of measures – implementation and results

We work continuously to monitor the implementation of the measures implemented by the Elkjøp chain and the results these entail, and work to further develop routines for monitoring the implementation and results of planned and implemented risk-reducing measures.

## 6. Communication with affected stakeholders and licensees

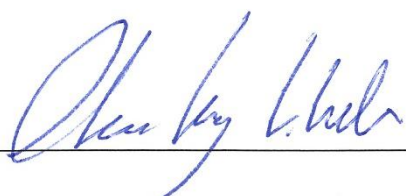
The company has not uncovered violations of human rights or decent working conditions in the reporting year in its own due diligence assessments. Nor has the company disclosed a material risk of breach/negative consequences as mentioned.

With regard to the uncovered risk identified by the Elkjøp chain, the company has engaged in a close dialogue and uses this dialogue actively to strengthen its own work on mapping and monitoring the results of relevant measures and further work on due diligence

## 7. Recovery and indemnification

The company has not uncovered cases requiring recovery or indemnification during the reporting year.

Hareid, 29.06.23



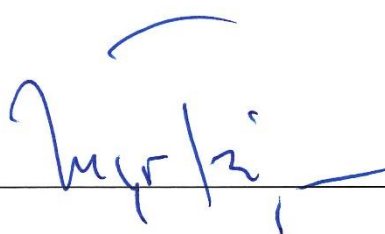
Olav Haug Vikebakk  
Chairman of the Board



Stian Erik Bjåstad  
Board Member



Øyvind Halkjelsvik  
Board Member



Ingar Ieigene  
Managing Director

## 8. Appendices

### 8.1 Appendix 1

#### Procedures for anchoring work with the Transparency Act in HG Handel AS

##### 1. Introduction

The purpose of the Transparency Act is to promote companies' respect for fundamental human rights and decent working conditions in connection with production of goods and provision of services.

In addition, the Transparency Act is intended to ensure public access to information about how businesses deal with negative consequences for fundamental human rights and decent working conditions.

This procedure describes how HG Handel AS anchors and works with due diligence in line with the provisions of the Transparency Act.

##### 2. Anchoring

The Board of Directors determines HG Handel AS's routines for the work to be performed and the allocation of responsibility for the work to be carried out to meet the requirements of the Transparency Act.

##### 3. Board review and audit

The Board of Directors of HG Handel AS shall review the company's procedures regularly. The managing director plans for this and presents the routines and any changes to these to the board.

The managing director shall once a year review the work carried out by HG Handel AS, findings made, measures implemented, etc. The annual review is a matter of briefing for the board.

The managing director shall assess whether there is a need for the board's involvement in matters related to the Transparency Act beyond the annual review.

#### 4. Annual reporting

The Board of Directors approves the annual report on HG Handel AS 's due diligence assessments and the results thereof, including their publication. The deadline for publication is at the same time as the company's annual report or no later than 30 June each year.

#### 5. Due diligence

HG Handel AS shall annually conduct due diligence related to our activities. This means that we must carry out investigations that are reasonable and relevant if we are to uncover possible consequences of or risks of violations of fundamental human rights or decent working conditions.

Due diligence must be carried out for our own activity, our suppliers' activities and our business partners' activities.

Due diligence must be carried out for all of our products and services.

#### 6. Possible actions

Findings through due diligence shall lead to an assessment of measures that may be relevant to implement. The measures shall be suited to prevent actual violations of fundamental human rights or decent working conditions, or to reduce the risk of such violations taking place.

The effect of the measures will be evaluated.

#### 7. Whistleblowing channels

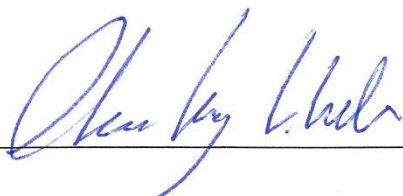
HG Handel AS will establish a system for reporting violations of fundamental human rights and decent working conditions. The system shall give its own employees, suppliers and business partners' employees and the general public the opportunity to report incidents.

#### 8. Information and training

HG Handel AS shall ensure that information about our work in accordance with the Transparency Act is available to its own employees, suppliers and business partners' employees and the general public. The information must be adapted to external stakeholders and own employees.

HG Handel AS shall regularly train its own employees in the Transparency Act and the company's routines and work in accordance with the law. Participation must be documented.

Hareid, 29.06.23



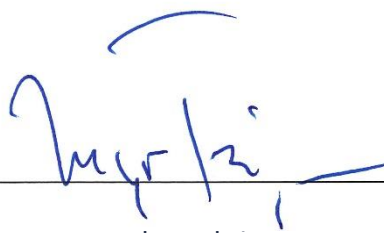
Olav Haug Vikebakk  
Chairman of the Board



Stian Erik Bjåstad  
Board Member



Øyvind Halkjelsvik  
Board Member



Ingar I eigene  
Managing Director