

Supply Chain Due Diligence Report

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1. Purpose of the Due Diligence Assessment

The purpose is to identify, prevent, mitigate, and account for how we handle actual and potential negative impacts of our own operations, supply chain, and customers related to:

- Respecting human rights
- Upholding workers' rights
- Avoiding corruption and bribery
- Preserving the environment

2. Implementation/Guiding Documents

We follow the Organization for Economic Co-operation and Development (OECD) guidelines for responsible business conduct, along with OECD's guidance on due diligence. Other references we adhere to include:

- United Nations Guiding Principles on Business and Human Rights (UNGPR)
- UN's 10 Principles for Responsible Business
- UN Sustainable Development Goals

3. SVAFAS Stavanger Valve & Fitting AS

SVAFAS Stavanger Valve & Fitting AS (doing business as Swagelok Norway) has been an authorized Swagelok sales and service center since 1975. We supply a variety of industries with the fluid system products, services, and support needed to maintain reliable operations. Customers become more effective and efficient thanks to a broad range of high-quality components as well as services such as training, design and assembly, system analyses and other onsite services, complete subsystems, and e-commerce, among others. Our headquarters is in Stavanger, and we have a sales office in Porsgrunn. There are currently 29 associates working at these locations.

Swagelok Norway acknowledges and works to uphold human rights, workers' rights, and the environment. We follow the UN's principles for responsible business, the UN Global Compact, which is based on ten principles covering human rights, labor standards, the environment, and anti-corruption. These principles are incorporated into our Code of Conduct, Labor and Human Rights Policy, Health and Safety policy and our supplier code of ethics. Our customers and suppliers are expected to work according to these principles. We are certified by BSI for ISO 9001:2015 and are currently implementing ISO 14001 with a planned certification in October 2023. We will also start to implement ISO 45001 this year with planned certification in Q2-Q3 2024.

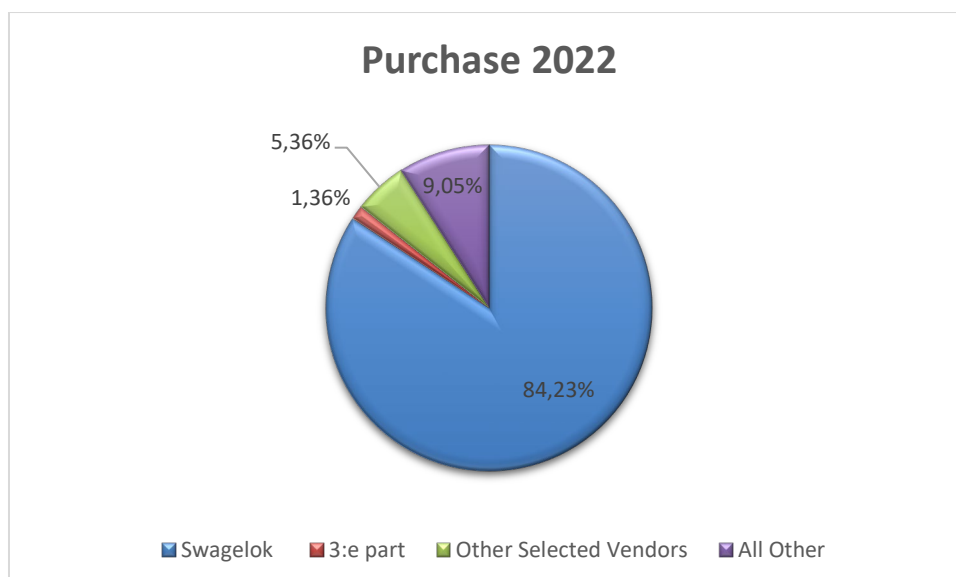
4. Supply Chain

As a distributor, we are part of a well-managed supply chain. Our largest supplier operates from the USA, and the system for deliveries has been incorporated based on experience gained over many years. We use other suppliers in a smaller scale from different countries. Our suppliers are located in USA, Norway, Sweden, Czech Republic, Denmark and Germany. All our suppliers have a system in place to operate in accordance with UN principles for responsible business. The suppliers we have chosen for the due diligence assessment are based on the following criteria.

- Suppliers of goods
- Suppliers of services

Goods are mainly procured from our main supplier and sub suppliers (that produce parts that are labeled and approved by the main supplier). This category makes up 84.23% of our total purchases in 2022, where the main supplier alone makes up 70.53% of the total procurement for the year 2022.

The suppliers of services that are included are the top 9 suppliers based on size and amount. This makes up 5.36% of the total procurement made in 2022.



5. Customers

Swagelok Norway is an authorized Swagelok sales and service center with our own sales territory (Norway) where we distribute our products.

Our customers are primarily Norwegian industries, and we can divide the sales we do into three main sectors:

- | | |
|---------------------------------------|-------|
| • Oil and Gas | 73,3% |
| • Clean Energy | 14,4% |
| • Other (R&D, Fishing Industry, etc.) | 12.3% |

Our customers are well-known Norwegian companies that respect human rights and adhere to the UN's principles of responsible business.

6. Country Assessment and Supplier Assessment

Topic	Scale	Year	Norway	Sweden	Czech Republic	Denmark	Germany	USA
Global Rights Index (1 is best)	1-5	2022	1	1	2	1	1	4
Global Slavery Index	Low -high	2021	Low	Low	Low	Low	Low	Low
Corruption Level (100 is best)	0-100	2022	84	83	56	90	79	69
Gender Equality (0 is best)	1-0	2022	0,016	0,023	0,120	0,013	0,073	0,179
Democracy Index (10 is best)	1-10	2022	9,8	9,5	8,0	9,3	8,8	7,9
Gender Equality in Workspace	Percentage	2022	48,8	47,4	44,4	47,1	46,7	46,4
Civil Rights (1 is best)	7-1	2021	1	1	1	1	1	2

Sources for Assessment

Link	What is measured
ITUC GRI – Home (globalrightsindex.org)	Each year we rate countries depending on their compliance with collective labor rights and document violations by governments and employers of internationally recognized rights
World title (walkfree.org)	The index provides a country-by-country ranking of the number of people in modern slavery, as well as an analysis of the actions governments are taking to respond, and the factors that make people vulnerable.
Korrupsjon (fn.no)	The index shows the degree of corruption in the country as perceived by businesspeople, academics, and risk analysts.
GII – Likestilling (fn.no)	An index that captures gender imbalances in health, empowerment, and economic activity.
Demokratiindeksen (fn.no)	The index measures the level of democracy.
Likest. i arbeidslivet (fn.no)	The indicator shows the percentage of women in the total labor market.
Sivile rettigheter (fn.no)	The statistics show how well citizens' civil rights are fulfilled in a country. Examples of civil rights include freedom of speech, freedom of religion, and the right to privacy.

We have also done a risk assessment based on documented internal policies, measurements, and procedures we have collected from the suppliers.

- Supplier 1-5 are suppliers of goods.
- Supplier 10-18 are suppliers of services.
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The areas we look at are Sustainability compliance, Labor rights, Human rights (Hr), Health and safety (Hs) and anti-bribery and corruption.

Risk area	S	L	Hr	Hs	A	Sum
Supplier 1	1	1	2	1	1	6
Supplier 10	1	1	1	1	1	5
Supplier 11	1	1	1	1	1	5
Supplier 12	1	1	1	1	1	5
Supplier 13	1	1	1	1	1	5
Supplier 14	1	1	1	1	1	5
Supplier 15	2	2	2	2	1	9
Supplier 16	1	1	1	1	1	5
Supplier 17	1	1	1	1	1	5
Supplier 18	1	1	1	1	1	5
Supplier 2	1	1	1	1	1	5
Supplier 3	1	1	1	1	1	5
Supplier 4	1	1	1	1	1	5
Supplier 5	1	1	1	1	1	5

As shown in the table our suppliers have a good system for handling the different topics. The rating is from 1-5, where 1 is best.

7. Our Impact

We are a distributor of Swagelok products and are therefore committed to comply to our main supplier by using and working in accordance with their supply chain system. We are communicating with them daily regarding requirements and expectations in our region, and the cooperation with them is good.

We also have requirements from our customers locally regarding human rights, environment, and sustainability. We do follow the national and local laws regarding these topics.

We do engage business to a sector that contributes to CO2 emissions that has a negative impact on the environment. There is still a need for this type of energy, and as long as this is relevant, we will contribute to do business in this market. The products we provide to the market are long lasting and sustainable. The use of our products and services contribute to a safer workplace, less emissions, less maintenance, fewer repairs and replacements. Swagelok has a lifetime warranty on the products.

We have an increased focus on the clean energy market, and we will continue to focus on this for the future. We are growing in this market, so this is a continued goal for us.

9. Actions

We are currently implementing ISO 14001 with a planned audit on October 26th, 2023. We are also implementing ISO 45001, with planned audit Q2 – Q3 2024. These certifications are part of our strategy to become a business that handles sustainability seriously and systematically. We are positive that these standards will help us reach our goals.

We are in continuous dialogue with our suppliers regarding sustainability and want to increase the focus on the topic. We are part of a sustainability group among other Swagelok distributorships located in Europe. This helps us to stay updated on the topic, and also gives us the opportunity to make an impact in our supply chain.

We will continue to require our suppliers to confirm their adherence to the UN's principles for responsible business, and we expect our customers to do the same. We will continue to do business with local suppliers to support our community.

We have full transparency about our work to ensure fundamental human rights and decent working conditions. Our Code of Conduct, Labor and Human Rights Policy, Health and Safety policy and our Supplier Code of Ethics, can be requested by sending a request to sustainability@svafas.no.

To be able to monitor our supply chain we will continue to conduct annual due diligence assessments. This to be able to detect and identify possible risks. If you have any questions regarding this report, please email sustainability@svafas.no.