



**STANSE**fabrikken

# SUSTAINABILITY REPORT 2023



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## SUSTAINABILITY AT THE GROUP

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## Dear Stakeholders,

I am pleased to present our company's sustainability report for the year 2023. This report provides an overview of our performance in key sustainability areas, including environmental, social, and economic performance.

I am proud to say that we have made significant progress in our sustainability journey over the past year. Our efforts to reduce greenhouse gas emissions and energy consumption have resulted in significant energy savings, and we have implemented a comprehensive recycling program that has helped to reduce our environmental impact.

However, we also recognise that there are areas where we need to improve. We have identified several important issues and have developed a plan of action to address them, i.e.:

- Reduce our environmental footprint by increasing efficiency and increasing renewable energy solutions through technology and innovation.
- Close the loop through sustainable production and consumption in the design and use of materials.
- Build a stronger workforce by investing in employee safety and competence building.



***We are committed to continuing enhancing our sustainability performance and meeting the expectations of our stakeholders.***



We are also committed to continuing to enhance our sustainability performance and to meet the expectations of our stakeholders.

We value the feedback and cooperation with our stakeholders, and we are committed to continued engagement and transparency. We believe that sustainability is not only good for the planet, but also good for our business, and we are confident that our ambitions and continued efforts towards Sustainable Development will drive the long-term value for both our stakeholders and our company.

Thank you for your continued support and engagement.

Sincerely,

**Jon R. Westby**  
Managing Director/CEO  
Stafa Industrier AS



# ABOUT THIS REPORT

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This Stansefabrikken Group (hereinafter - the Group) Sustainability Report (hereinafter - Sustainability Report), providing an overview of the Group's sustainability performance, is published for the period from 1 January until 31 December 2023. The sustainability report is an annual review of our performance and achievements in our operations' environmental, social and governance (ESG) areas. Before writing this report, we conducted a double materiality assessment and successfully identified our key impact areas, which are reviewed in greater detail in this document. This is our first published Sustainability Report.

The Sustainability Report and double materiality assessment have been prepared in consultation with external experts and present the best available information at publication. We will aim to increase the granularity of data provided in the report over the following years. The Sustainability Report is reviewed and approved by the Group's CEO.

Questions and feedback for this report and the Group's overall sustainability activities can be inquired via [stafa@stansefabrikken.no](mailto:stafa@stansefabrikken.no).



# ABOUT THE GROUP

Stansefabrikken Group is a Norwegian group of manufacturing and sales companies in Scandinavia, Germany and Lithuania. Stafa Industrier AS is the mother company of a group of companies primarily offering services and products from sheet metal. The subsidiaries consist of:

- Stansefabrikken Products (SFP), Stansefabrikken Home (SFH) and Stansefabrikken Fredrikstad (SFF) in Norway
- Stansefabrikken Ukmerge (SFU), Stansefabrikken Automotive (SFA) and Ukmerge Industrial Park (UPP) in Lithuania
- 2 sales offices in Sweden (SFS) and Germany (SFG)

## Our operations

### Sub-contracting

Years of experience as a sub-supplier of various sheet metal products to multiple different industries:

- CNC punching
- Bending
- Welding
- Laser cutting
- Powder coating
- Product development
- Assembling

### Automotive

Mass producer of stamped, welded and assembled parts from sheet metal for the European automotive sector.

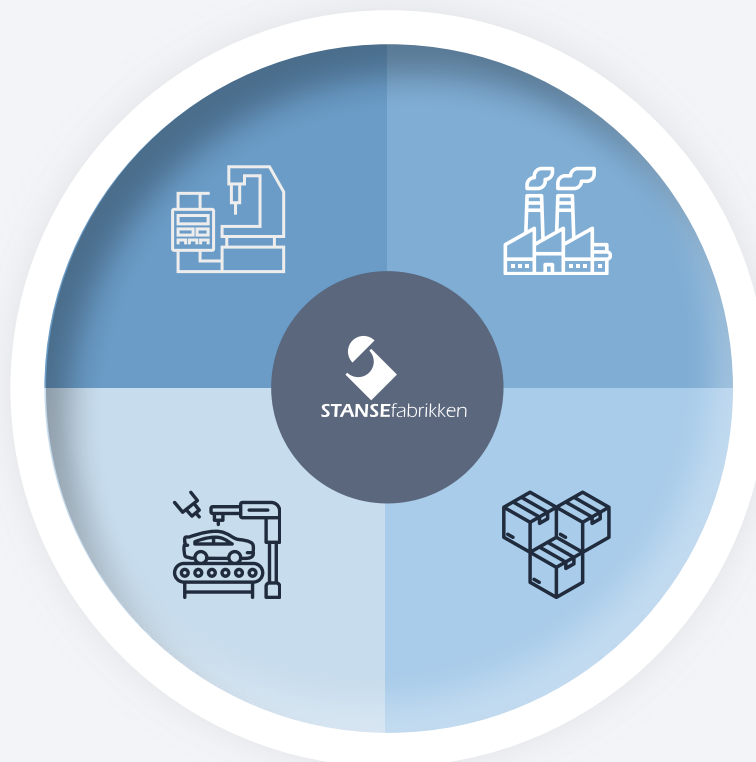
### Real estate

An industrial park in Lithuania

- 26 000 m<sup>2</sup> building area
- 127 000 m<sup>2</sup> land area
  - 10 500 m<sup>2</sup> under development
- Full range of in-house services

### Products

The leading supplier of distribution & post boxes, electrical & industrial cabinets and complete electrical switchboards in Norway.



More information about our group of companies is provided on our [website](#).

# KEY FACTS



400+

EMPLOYEES



38+

YEARS



27 000

SQ. M. OF FACILITIES  
RENTED BY  
STANSEFABRIKKEN GROUP



60

MLN. EUR  
TURNOVER



9

COMPANIES



5 600

HOURS OF  
TRAINING



# SUSTAINABILITY AT THE GROUP



# SUSTAINABILITY GOVERNANCE

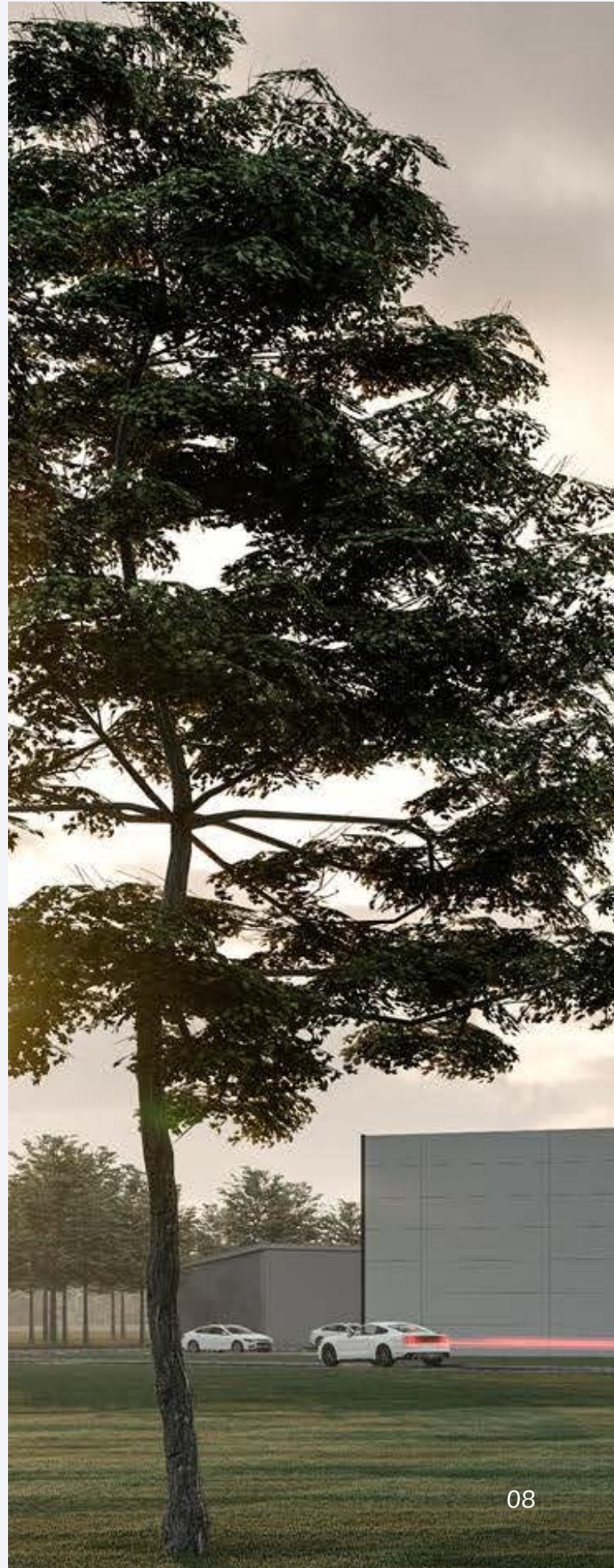
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At Stansefabrikken Group, the oversight of environmental, social, and economic impacts is centralised at the highest corporate management level. A dedicated team comprising top-level managers from essential departments across each company within the Group is assembled to actively manage sustainability in their day-to-day operations. This approach ensures that the Group adheres to the highest international standards and regulations, facilitating a unified and well-coordinated sustainability reporting process. Additionally, ESG advisors have been appointed specifically for Norway, Sweden, Germany, and Lithuania to provide targeted guidance in these regions.

In case of an adverse sustainability impact, Stansefabrikken will follow the Group's established procedures to examine the infringement. The company will then promptly report the issue to both management and the relevant authorities and commit to rectifying and/or mitigating the harm caused. If there is no predefined internal procedure for a particular situation, the Group will align its actions with legal mandates.

## Key policies and principles

- Document for cooperation with suppliers and customers
- Supplier quality assurance manual
- GDPR Policy
- Ethics Code of Conduct Policy
- Health Environment and Safety Policy
- Tone of voice
- The Transparency Act
- Media Policy and Guidelines

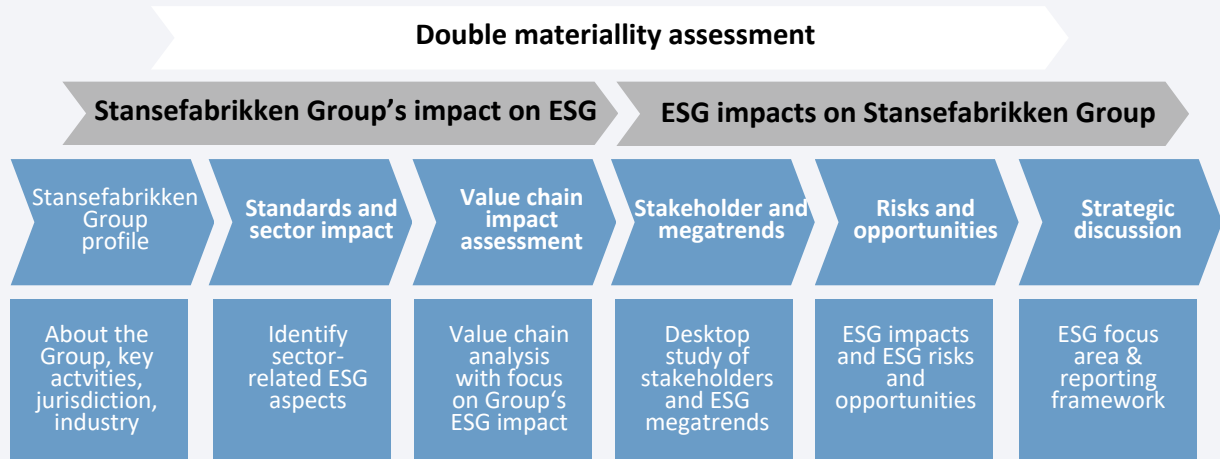




# DOUBLE MATERIALITY ASSESSMENT

In 2022, we conducted our first double materiality analysis based on the European sustainability reporting standards under the Corporate Sustainability Reporting Directive (CSRD), which lays the foundation for Stansfabrikken Group sustainability reporting.

A double materiality assessment evaluates how environmental, social, and governance (ESG) factors affect a company's financial performance (financial materiality) and the impact of the company's activities on society and the environment (impact materiality).



The results of the double materiality analysis summarised later in this report will form a basis for our Group's sustainability strategy and reporting.

Key steps taken in assessing materiality:

- **Reviewing sector-specific topics.** We reviewed the topics of interest to companies in our sector and identified sustainability topics suggested by widely used international standards and regulations (incl. SASB, EU Taxonomy regulation).
- **Determining the severity of impacts.** As a second step, we mapped our Group's positive and negative environmental, social and governance (ESG) impacts across the value chain.
- **Assessing the views and expectations of stakeholders.** We identified our key stakeholder groups and conducted a desktop study, including an analysis of the main ESG megatrends affecting stakeholders' current and future concerns.
- **Identifying risks and opportunities.** At this stage, the Group also discussed the main risks and opportunities related to sustainability and the potential financial impact on Group companies.

## Impacts across the value chain:



# STAKEHOLDER ASSESSMENT

Continuous engagement with stakeholders, assessing and responding to their expectations, is crucial for the Group's success in ensuring sustainable operations.

We identify our stakeholders as those individuals/organisations with interests that are affected or could be affected, positively or negatively, by the Group's activities and through its value chain, as well as users of our sustainability reporting.

Uncovering impacts and expectations from our stakeholders enables us to map significant risks and opportunities that influence, or are likely to influence, the future cash flows and, therefore, the enterprise value of the Stansefabrikken Group.

Specifically for the double materiality assessment, we conducted an internal survey of our employees and a desktop study, summarising key findings further.

The concerns and topics of interest for each stakeholder group:

- **Customers:** information on ESG, with a focus on CO2 emissions and evaluation of environmental impacts through a life cycle assessment (LCA).
- **Employees:** the importance of sustainability and skill development in attracting future talent.
- **Regulators:** new requirements and reporting on ESG impacts.
- **Banks:** integrating and managing ESG risks and opportunities in our business strategy.
- **Suppliers:** the importance of ongoing contact with suppliers and horizontal collaboration across the supply chain (peers and competitors) to be a relevant actor in the industry.
- **Owners and investors:** sustainability in relation to economic performance, supply chain management, use of raw materials and recycling.
- **Local communities:** the importance of reliable local value creation with sustainable material, water and waste handling practices.



# POTENTIAL IMPACTS, RISKS AND OPPORTUNITIES

The following table summarises the findings of the double materiality assessment: potential environmental and social impacts as well as possible financial risks and opportunities to our Group.

The material and essential impacts determine the focus areas of our sustainability strategy and allow us to identify regulatory requirements for our sustainability reporting.

 Environment	 Risk	 Positive
 Social	 Opportunity	 Negative
 Governance	--- Materiality threshold	

## POTENTIAL ENVIRONMENTAL & SOCIAL MATERIALITY

## POSSIBLE FINANCIAL MATERIALITY

<ul style="list-style-type: none"> <li>  Climate change; Scope 3 GHG emissions</li> <li>  Climate change; Energy &amp; Scope 2 GHG emissions</li> <li>  Resource use &amp; circular economy; Resource inflow/outflows</li> </ul>	Essential	<ul style="list-style-type: none"> <li>  Loss of revenue if customer requirements for ESG documentation and expectations are not achieved</li> <li>  Increased costs and market uncertainties due to geopolitics (e.g. supply chain disruption, price volatility)</li> <li>  Invest in renewable energy to save costs long-term and meet demands for low-emission production</li> <li>  Maintain revenue by fulfilling customer requirements on ESG performance</li> </ul>
<ul style="list-style-type: none"> <li>  Pollution; Air, water, soil &amp; hazardous substances</li> <li>  Climate change; Scope 1 GHG emissions</li> <li>  Own workforce; Health &amp; safety</li> <li>  Own workforce; Diversity, equality &amp; inclusion</li> <li>  Own workforce; Training &amp; skills development</li> <li>  Consumers &amp; end-users; Health &amp; safety</li> </ul>	Material	<ul style="list-style-type: none"> <li>  In general, possible labour shortages due to a lack of skilled workers</li> <li>  Increased costs for more sustainable raw materials in the short term</li> <li>  New revenue streams via low-emission product development, potentially via stakeholder collaborations</li> <li>  Maintain and attract customers by implementing green building practices for offices and factories</li> <li>  Invest in training programs to attract, develop and retain skilled workers</li> </ul>
<ul style="list-style-type: none"> <li>  Water &amp; marine resources;</li> <li>  Water consumption/ discharge;</li> <li>  Biodiversity &amp; ecosystems; Land change</li> <li>  Workers in the value chain; Health &amp; safety Business conduct; Relationships within supply chain</li> </ul>	Important	<ul style="list-style-type: none"> <li>  Lack of access to capital due to poor ESG performance</li> <li>  Loss of revenue due to climate change (e.g. floods, wildfires) impacting operations and supply chains</li> <li>  Increase stakeholder confidence through transparency in financial and ESG disclosure</li> <li>  More favourable financial terms due to strong ESG performance and/or sustainable product development</li> <li>  Design products with circularity in mind to meet future demands, potentially via stakeholder collaborations</li> </ul>

- 👤 - Workers in the value chain; Human rights & labour practices
- 👤 - Affected communities; Communities' economic, social & cultural rights

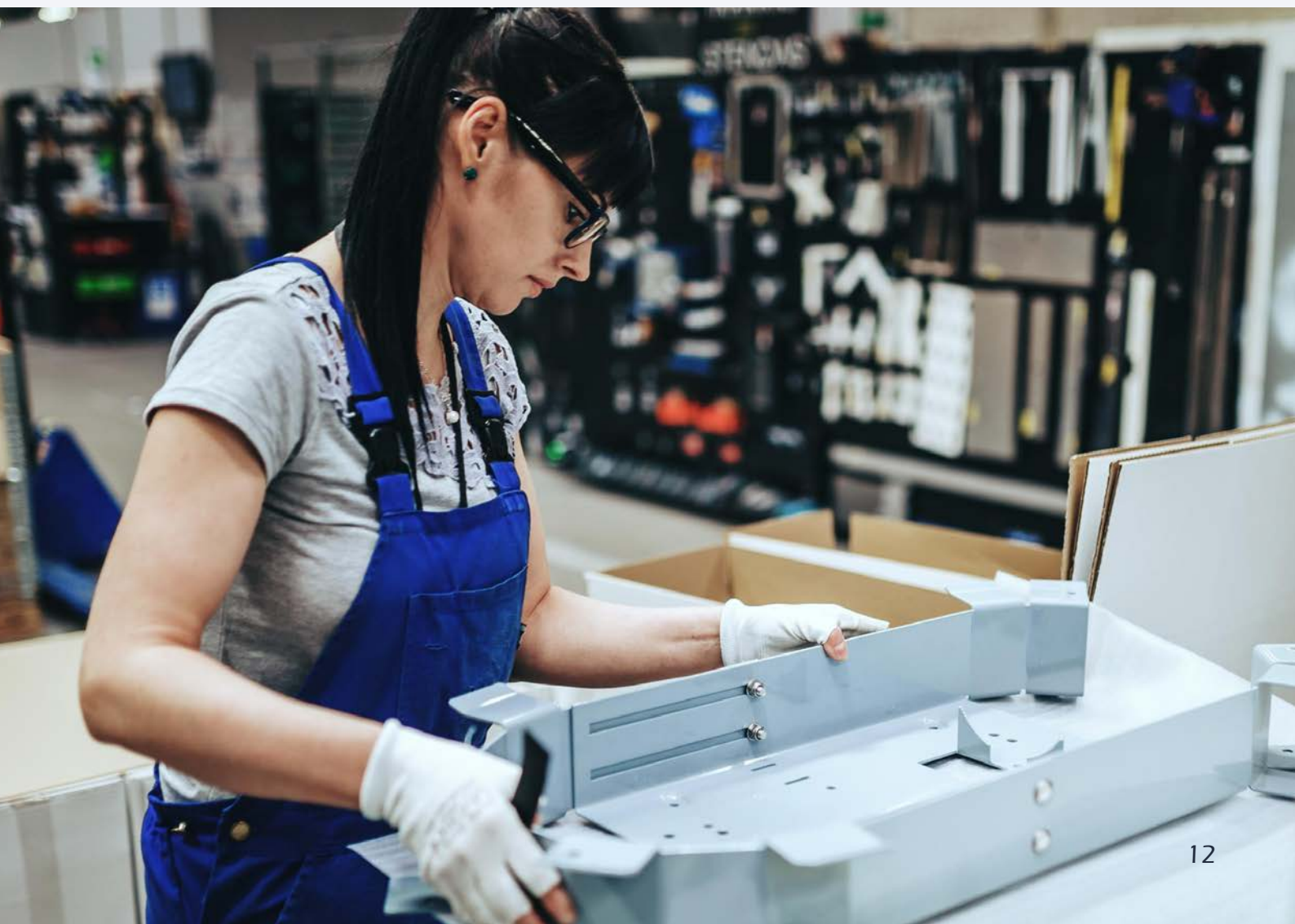
Informative

- 🌿 ! Loss of revenue if customer preferences for sustainable products are not achieved
- 👤 ! Lack of employee training can lead to hazardous health and safety situations and potential fines
- 👤 ! Failure to attract and retain future workforce if operations are not sustainable
- 🌿💡 Reduce the weight of metals used in products to save costs
- 🏛️💡 Utilize technology advances to optimise ESG disclosure requirements

- 🏛️ - Business conduct; Corruption & bribery
- 👤 - Consumers and end-users; Privacy

Minimal

- 👤 ! Increased cost to ensure regulatory compliance with increased safety and hazardous materials management
- 👤 ! Negative impacts on local communities (e.g. noise, pollution, etc.) could affect the social license to operate
- 👤💡 Attract talent by offering 'green jobs' to tackle climate change and meet societal demands







# SUSTAINABILITY FOCUS AREAS

The double materiality assessment has allowed us to determine 3 sustainability focus areas covering operations, products and employees. These areas align with four Sustainable Development Goals (SDGs) where we can make the most significant

contributions through our activities. The SDGs set by the United Nations are a universal direction for global economic, social and environmental development up to 2030.

## The Chosen Partner

Focus area	<p><b>Increase efficiency and renewable energy solutions</b> through technology and innovation</p>	<p><b>Close the loop through sustainable production and consumption</b> in the design and use of materials**</p>	<p><b>Invest in employee safety and competence building</b> through continuous improvement</p>	
Target*	<p><i>Carbon neutrality across operations (Scope 1 and 2) by 2030 and reduce overall carbon emissions by 45% during the same period.</i></p>	<p><i>Achieve an advanced level in Sustainable procurement field by 2030, as measured by the EcoVadis sustainability scorecard.</i></p>	<p><i>Achieve an advanced level in Labor &amp; Human Rights and Ethics field by 2030, as measured by the EcoVadis sustainability scorecard.</i></p>	
Key activities	<ul style="list-style-type: none"> <li>Invest in energy efficient machinery, equipment, process optimisation and upgrades to building systems</li> <li>Utilize renewable energy certificates and on-site potential for local generation</li> <li>Reduce scope 1, 2 and 3 greenhouse gas emissions</li> </ul>	<ul style="list-style-type: none"> <li>Increase focus on circular economy through reduction, reuse and recycling of materials and packaging</li> <li>Complete Environmental Product Declarations (EPDs) through life cycle assessments (LCAs) to calculate the environmental impact of products</li> <li>Collaborate with suppliers to ensure sustainable production of materials</li> </ul>	<ul style="list-style-type: none"> <li>Deliver employee training to increase competence and skills in the workforce</li> <li>Ensure skilled labour through cooperation with educational institutions and industry networks</li> <li>Strengthen health and safety procedures in operations</li> </ul>	
Contribution to SDGs	  <p>Sub-targets 7.2 &amp; 7.3, 13.2</p>	 <p>Sub-targets 12.2 &amp; 12.5</p>	 <p>Sub-target 8.2</p>	
Foundation	Reporting & transparency	Digitalisation	Supply chain management	Cooperation

**Notes:** \*Targets will be revisited during the strategy-setting process for 2027.

\*\*Stansfabrikken Group can impact material management within ~30-40% of their income originating from today's production

# ENVIRONMENTAL IMPACT



## Climate change and energy consumption

As a player in the manufacturing industry, we pay particular attention to the topics of climate change and energy consumption, renewable energy, and the reduction of our GHG emissions.

We consistently work to increase energy efficiency and implement renewable energy solutions through technology and innovative approaches across all our business units in Norway, Lithuania, Sweden, and Germany.

Responding to demands from both customers and public authorities, we strive for environmentally better solutions and do everything within our means to reduce and offset emissions across the entire value chain.

Climate change is a major concern for us, presenting both sustainability opportunities and risks. In alignment with our corporate commitment to environmental sustainability, we have undertaken a series of projects to enhance energy efficiency, adopt green energy solutions, and reduce CO2 emissions.

***Our Group's key strategic activity within this topic is to ensure investment in energy efficient machinery, equipment, process optimisation and upgrades to building systems (1a).***

**To mitigate the impacts of climate change on our business and facilitate seamless adaptation processes, we focus on a range of measurable actions:**

- We are relocating our Norwegian operations to a new, BREEAM-certified, 3700 m<sup>2</sup> facility in Sarpsborg, Norway. This transition from a building constructed in 1923 is expected in the first quarter of 2024. Additionally, we will install solar panels with a capacity to produce 350 MWh.
- The new production premises of 5600 m<sup>2</sup>, which will be completed in 2024 in Ukmerge for Stansefabrikken Ukmerge, focus on energy-efficient and sustainable solutions in line with the [UN's Sustainable Development Goals](#). Among other things, the premises are environmentally certified according to the BREEAM standard as 'Very good'.
- We demolished several old buildings with old chemical tanks containing underground hazardous substances at the Ukmerge Industrial Park. This process was completed to comply with current legal environmental standards. Furthermore, we established an underground natural water monitoring system to maintain water quality.
- For the past four years, we have initiated a program at the Ukmerge Industrial Park that offers complimentary electric car charging stations for the community and our employees. We plan to maintain the continuation of this initiative free of charge.

# CLIMATE CHANGE

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- In 2023, Stansefabrikken Ukmerge, in collaboration with Ukmerge pramonės parkas, successfully installed a heat recovery system to repurpose the heat generated from compressed air. This innovative system converts the heat into hot water, primarily used to warm baths in the powder coating line. The introduction of the heat recovery system will make a significant contribution in creating a cleaner environment. It achieves this by reducing gas consumption by an equivalent of 264 MWh annually and lowering the total energy consumption in the factory.
- Stansefabrikken Products initiated in 2023 together with DSV a transition from road based to a combination of railroad, ferry, and electric transportation which will result in a considerable reduction of CO<sub>2</sub> emission and achieving 36% reduction in 2024 for Stansefabrikken Products for all transport of goods from Lithuania. By embracing a multimodal approach, this partnership not only demonstrates a commitment to sustainability but also showcases innovative solutions to address environmental challenges in the logistics sector.
- To increase energy efficiency, the group have installed LED lights across all business units.
- The R&D project ‘Smart tooling’ in Stansefabrikken Automotive has been put in place to reduce the scrap rate, increase efficiency and to improve the quality.
- Stansefabrikken Products has acquired an ECO-Lighthouse certificate, ensuring the company demonstrates a commitment to environmental sustainability.
- Stansefabrikken Products has received an Energy-saving report from Energiverket and have been focusing on the report’s action list provided. 130 solar panels were installed in 2023 with a yearly production of 49 MWh.
- Stansefabrikken Ukmerge has implemented an air conditioning system that enables the company to lower indoor temperatures by 1-1.5°C, ensuring both air quality and energy efficiency. In 2023, solar panels capable of producing 550 MWh were installed.
- The production area lighting systems, which includes motion detection sensors, have been split into different work zones, allowing employees to only turn on the light in the areas needed.
- Air curtains have been implemented on factory gates to increase energy efficiency.



## Group total energy consumption

Measuring units, MWh	2022	2023
Total energy used, of which:	6443	6026
Electricity on prem. generated (solar pannels)	0	581
Energy purchased by green certificate	2463	1830

### Analysis of energy consumption

In our commitment to sustainability and efficient energy use, the group has made significant strides between 2022 and 2023.

Our total energy consumption saw a notable reduction, decreasing by 6.47% from 6443 MWh in 2022 to 6026 MWh in 2023. This decrease reflects our ongoing efforts to enhance operational efficiency and reduce our environmental footprint.

A key milestone in 2023 was the introduction of on-site solar panels, contributing 581 MWh to our energy mix, marking a pivotal step towards renewable energy solutions.

As a result, the proportion of green energy within our total energy consumption increased from 38.23% in 2022 to 40.01% in 2023. These efforts are part of our broader sustainability strategy.

Total non-renewable energy consumption decreased by 365 MWh to 3,615 MWh, primarily due to a reduction in natural gas usage.

## Information on the energy consumption:

Measuring unitis, MWh	2022	2023
Total energy consumption from non-renewable sources	3980	3615
Coal and coal products	0	0
Crude oil and petroleum products	0	0
Natural gas	2674	2365
Other non-renewable sources	0	0
Consumption from nuclear products	0	0
Purchased or acquired electricity, heat, steam, and cooling from non-renewable sources	1306	1250
Total energy consumption from renewable sources	2463	2411
Fuel consumption from renewable sources	0	0
Purchased or acquired electricity, heat, steam, and cooling from renewable sources	2463	1830
Consumption of self-generated non-fuel renewable energy	0	581

## Renewable energy

A key strategic activity for our Group is leveraging renewable energy certificates and tapping into on-site potential for local energy generation across all our operations. We have so far ensured that the energy used at the Group's sites is now mainly sourced from renewable sources. At the Ukmerge Industrial Park site, the company purchases green energy from Elektrum. All new premises are also run on 100% green energy, with solar panels and other operational efficiency solutions contributing to lower energy needs and, therefore, a reduced environmental footprint.

### Share of renewable energy:

Measuring units, %	2022	2023
Share of renewable energy	38,2	40,0

**Note:** used calculation methods: total renewable energy divided by total energy consumption.

### Share of energy consumption from renewable energy certificates:

Measuring units, %	2022	2023
Share of energy consumption from renewable energy certificates	38,2	30,4

**Note:** used calculation methods: total renewable energy certificates divided by total energy consumption.

### Share of energy consumption from on-site renewable energy:

Measuring units, %	2022	2023
Share of energy consumption from on-site renewable energy	0	9,6

**Note:** used calculation methods: on-site renewable energy divided by total energy consumption.

## GHG emissions

We, as a Group, are committed in lowering our overall Scope 1, 2, and 3 greenhouse gas (GHG) emissions. Through GHG reporting, we assess our production facilities and other operations to pinpoint areas requiring the most attention and focus. For the second year, we have calculated our Scope 1 and 2 emissions, and we have plans to measure Scope 3 emissions will be shown in the 2024 report. The base year for all CO<sub>2</sub> calculations is 2022.

### GHG emissions:

Measuring units, t CO <sub>2</sub> eq.	2022	2023
Scope 1 (direct)	770	671
Scope 2 (indirect) <sup>1</sup>	221	217

**Note:** <sup>1</sup>Calculated using the location-based method.

# RESOURCE USE & CIRCULAR ECONOMY

Another key focus for the Group's activities is ensuring sustainable resource use and implementing circular economy principles across our value chain. We aim to close the loop through sustainable production and consumption in the design and use of material stages. As a key strategic activity, we have identified the need to increase focus on circular economy through reduction, reuse and recycling of materials and packaging (2a).

Stansefabrikken Ukmerge and Stansefabrikken Automotive are also ISO 14001:2015 certified, which sets out the criteria for an internal Environmental Management System.

Stansefabrikken Products is Eco-Lighthouse certified, which is Norway's leading certificate for businesses that want to document and improve their environmental efforts.

## Waste generated in operations by group in 2023:

Measuring units, tCO2e	2022	2023
Total waste	100	126
Waste material	98	125
Waste water	2	1



# SOCIAL IMPACT



# OWN WORKFORCE

In our commitment to social responsibility, we at Stansefabrikken Group prioritise employee training and occupational health and safety as key sustainability considerations. Given the heightened geopolitical risks, rapid technological advancements, and ongoing demographic shifts, we must secure and maintain a future-ready workforce. This involves forging educational partnerships, implementing robust training and development initiatives, and ensuring our health and safety policies follow the most recent protocols.

We have identified 2 main objectives in 2023 when it comes to our own workforce:

- Providing employee training to increase competence and skills in the workforce.
- Ensuring skilled labour through cooperation with educational institutions and industry networks.

## Employee training

Investing in employee safety and competence building is vital for Stansefabrikken Group. We encourage continuous improvement in this field through various forms of training and development programs.

In 2024, we plan to review and update training program management procedures for employees.

### Average number of training hours per person for employees, by employee category and by gender in 2023

Employee category	Average number of hours / person
Administration	28
Workers	8
Women	8
Men	16

### Percentage (%) of employees participating in regular performance and career development reviews in 2023

33

Stansefabrikken Group also provides trainee programs for graduates. In cooperation with Ukmerge Technology and Business School, various programs are currently available for college students and graduates. In 2023, 0,5 % of all hires at Stansefabrikken were trainees.

## Health and safety

When addressing health and safety concerns, our primary focus is placed on the protection of employees with robust employment contracts, equitable salaries and favourable conditions such as paid overtime. The focus on health, environment, safety and proper working conditions is also in line with our corporate culture, thus, we expect our partners to have a proven track record of managing health and safety properly when it comes to these matters. Leveraging well-established local networks, we possess access to a highly qualified workforce. We stand ready to provide support in efficient recruitment processes for our tenants, ensuring the establishment of a healthy and safe environment for workers.

In 2023, 8 work-related injuries occurred at work, which were fully investigated. All incidents were defined as minor incidents. Extensive preventive measures and obligations are in place to prevent the recurrence of such events. We follow our internal Health, Environment, and Safety Policy, which is accessible to all Stansefabrikken employees. Stansefabrikken Ukmerge and Stansefabrikken Automotive have obtained ISO 45001 certificates, and we strictly adhere to the procedures outlined in the certification requirements. This ensures a stable system for managing and preventing work-related injuries.

In 2024, we plan to review and create a new incident management and reporting system.

<b>Number recordable work-related injuries</b>	8
<b>Lost time injury (LTI) frequency rate for direct workforce</b>	11,7
<b>Lost time injury (LTI) severity rate for direct workforce</b>	0,2

**Calculation method used:**

Lost time injury (LTI) frequency rate for direct workforce - (total number of lost time injury events) x 1,000,000 / total hours worked company wide  
 Lost time injury (LTI) severity rate for direct workforce - (number of days lost due to injuries) x 1,000 / total hours worked

In 2023, all employees were covered by compulsory health insurance. Additionally, 77,4% of our employees were covered by health and safety management system ISO45001:2018.



## Diversity and inclusion

Stansfabrikken Group recruits under the principles of equality, fairness and transparency for all candidates. Our Equal Opportunities Policy underscores our commitment to non-discrimination based on factors such as race, gender, nationality, political or religious beliefs, health, sexual orientation, identity, disability, or any other personal characteristic not directly relevant to the job duties. Recruitment and selection are determined solely by a person's qualifications and criteria directly related to the work in the respective position. In all cases, the primary consideration is the ability to perform the job effectively.

In addition, the following policies are also in place to ensure a fair, equal and transparent environment for all employees at the Group companies:

- Handling, Bullying and Harassment Routine Norway
- Tone of Voice Guidelines
- Anti-Harassment Policy

An internal whistleblowing channel is also in place to report any cases related to discrimination and/or harassment at work. There were no such cases reported during the reporting period.

## Gender distribution at the top management

	SFP	SFH	SFF	SFI	SFU	SFS	SFG	SFA	UPP	Group
Management										
Male	6	1	1	4	7	1	1	5	1	<b>27</b>
Female	1	0	0	0	2	0	0	2	1	<b>6</b>
Total	7	1	1	4	9	1	1	7	2	<b>33</b>

## Board members

Male	2	3	2	5	3	1	1	3	2	<b>22</b>
Female	1	1	0	0	2	0	0	1	2	<b>7</b>
Total	3	4	2	5	5	1	1	4	4	<b>29</b>

## Human rights

Stansefabrikken Group activities are guided by universally accepted human rights principles and support the United Nations Global Compact on workers' rights and human rights. Our commitment to human rights protection is outlined in our Ethics Code of Conduct Policy. Furthermore, we adhere to [The Transparency Act](#), a law promoting business transparency and upholding basic human rights and decent working conditions.

## Non-discrimination

We do not tolerate any discrimination in the work environment or any insults based on age, race, gender, sexual orientation or identity, disability or any other personal characteristic not directly related to the job duties. There were no incidents of discrimination in the Group during the reporting period.

## Human rights in the supply chain

We have not identified any supplier companies or activities in our supply chain where there is a risk of forced or compulsory labour, child labour, and/or where young people are forced to perform hazardous work. Additionally, we have not identified any cases of violation of workers' rights to freedom of association or collective bargaining in supplier companies.

## Local community support

Supporting and building mutually beneficial relationships with local communities is important for Stansefabrikken Group. Our activities and development shape the quality of life within communities and their environment, and we aspire to make meaningful contributions in the most impactful manner possible.

Some examples include:

- Sponsoring Ukmerge Technology and Business School by providing equipment, relevant materials and knowledge-sharing sessions.
- Financial support to Ukmerge animal shelter Klajunas.
- Supporting the Norwegian Childhood Cancer Society's annual event and raising funds to fight against childhood cancer.





# GOVERNANCE AREA



# VALUE CHAIN DUE DILIGENCE

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Some of the environmental and social impacts of the Stansefabrikken Group depend on our suppliers. We act according to legal requirements in the areas of ethics, environmental and social responsibility and seek to work with suppliers that are consistent with our values. The minimum standards we expect all suppliers to meet and ideally exceed are defined in our Document for Cooperation with Suppliers and Customers. We engage with suppliers for both market research and market consultancy purposes.

We also perform a strict value chain due diligence process. When it comes to suppliers, all requirements for such due diligence are described in our [Transparency Act](#) and Supplier Quality Assurance Manual.

Stafa Industrier AS v / CFO Olav Jegtvolden who is responsible for ensuring that the company complies with current requirements in the Norwegian Freedom of Information Act.

## Transparency Act

The Norwegian Transparency Act (“Åpenhetsloven”) shall promote companies' respect for human rights and decent working conditions, as well as ensure the public's access to information. This applies to all companies within the Stansefabrikken Group.

We regularly carry out due diligence assessments by mapping human rights conditions in our value chain, including those of our suppliers and other business partners. By mapping the value chain, we are able to identify potential risks. Due diligence assessments allow us stop, prevent or limit negative consequences that can be linked directly or indirectly to our business.

In the event of a breach of guidelines, the board has adopted the following procedures:

- Closer follow-up of the suppliers
- Communicating our guidelines
- Considering renegotiation of the contract
- Terminating the contract/collaboration

Other measures may include factory visits, assessing alternative suppliers, setting stricter minimum requirements, etc.

## Reporting

Anyone can report cases that contravene human rights and decent working conditions. Such cases will be carefully investigated and reports shall be provided should any violations have occurred. Such cases can be reported via digital [Transparency Gate portal](#).

Anyone can also request information about our business and value chain. This can be done via digital [Transparency Gate portal](#).

## Negative consequences and risks

In our work to map and analyze risks, we have mapped over 130 suppliers and partners.

During the reporting period, we have not received information about possible negative consequences.

## Business ethics

As we strive to comply with global best practices in transparency and compliance, we are focused on managing corruption risks and preventing the emergence of corrupt practices. The Company has an Ethics Code of Conduct Policy, which aims to eliminate the causes and conditions of corruption in the Company, to establish an effective anti-corruption system, and to foster an attitude of intolerance towards corruption.

To date, our policies and procedures has been proved effective, as during the reporting period there were no recorded incidents of non-compliance with laws and regulations, including no confirmed incidents of corruption.

## GDPR Policy

The Group pays particular attention to the protection of personal data and compliance with the EU General Data Protection Regulation (GDPR). Successful management of the personal data protection impacts and risks depends on the Group and on our partners/suppliers - data processors - to whom we place stringent technical and organisational requirements. The Group's GDPR Policy is in place to further ensure compliance amongst the employees and partners/suppliers.



## Advancing our ESG journey

While 2022 and 2023 were the years to evaluate our impact in key environmental, social and governance (ESG) areas, in 2024 we are planning an even more consistent journey towards sustainability.

Having our first Sustainability report as a baseline from which we measure our progress we will review and expand our disclosures to bring even more clarity about our impact.

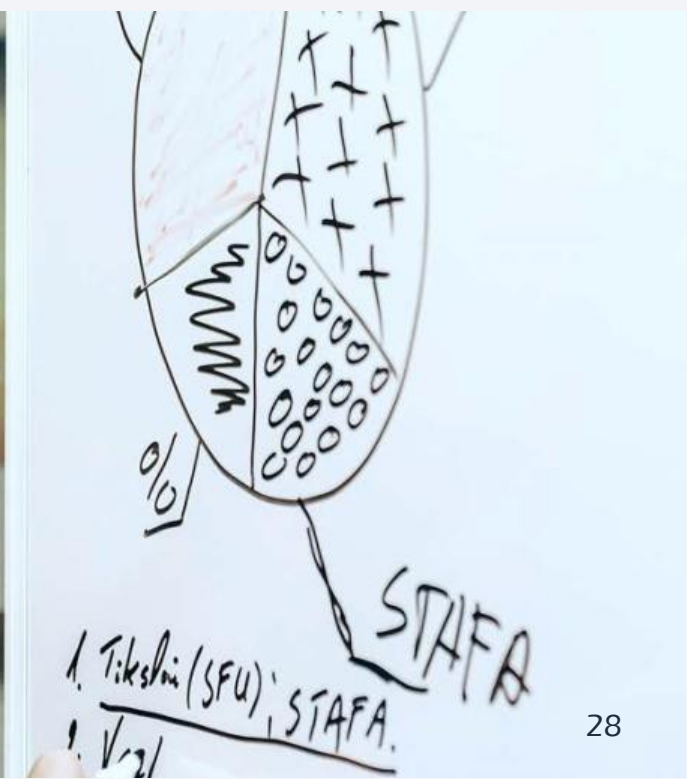
With our corporate responsibility efforts, we aim to continue working on our strategic priorities for environmental, social, and governance (ESG) impact. Our progress towards achieving strategic sustainability goals in each area will be covered in our Sustainability report for 2024.

This will be released in 2025 and will follow widely accepted global standards. We will then seek for a third party audit for our Sustainability report.

We have decided to implement the EcoVadis system, the world's leading provider of business sustainability ratings, into our operations. This marks a significant step in our commitment to sustainability, joining a network of over 130,000 rated companies.

Stansefabrikken Ukmerge, leading the initiative within our group, has achieved a 'Good' rating with a score of 49 out of 100. Accompanying our score, EcoVadis provided a set of 54 tailored recommendations designed to guide us towards reaching an 'Advanced' level, defined by scores ranging from 65 to 84.

We view these recommendations as valuable insights that will shape our strategies and actions moving forward, driving us towards higher standards of sustainability and operational excellence.





**STANSE**fabrikken

For further information regarding Stansesfabrikken's sustainability strategy or report, please contact [stafa@stansesfabrikken.no](mailto:stafa@stansesfabrikken.no)