

Norwegian Transparency Act Report

TP Nordic AS

part of

Axel Johnson International

June 2023

Introduction

TP Nordic is a Norwegian transmissions, motor and gear distributor established in 2006. Since autumn 2021 TP Nordic is part of the business area Power Transmission Solutions within Axcel Johnson International. We have 14 employees and are located just north of Bergen mainly supplying OEM machine builders, and we also have a strong presence in MRO market.

Our Transparency Act report provides public access to information about how we work to respect fundamental human rights and promote decent working conditions within our own operations and throughout our value chain.

We do this by:

Embedding accountability in our guidelines

Our CEO is ultimately responsible for embedding our corporate governance policy and guidelines. Within the business area Power Transmission Solutions management team, we have a full-time sustainability manager who is part of Axcel Johnsons International Group level sustainability management team that is responsible for the content of sustainability related governing documents, coordination, internal advisory, and sustainability reporting. The team is led by the Chief Sustainability Officer who is a member of the Axcel Johnson International Management Team.

TP Nordic AS performed a human rights impact assessment in 2023. The risks identified are presented below. It highlighted risks of negative impacts on human rights, including decent working conditions, health and safety, environment, data privacy and trade compliance.

Our own business operations

The main risk identified for our own operations (employees at the office and workshop/warehouse) are:

- Health and safety (for example stress, risk for heavy lifts and exposure to hazardous chemicals)
- Discrimination
- Data Privacy

As an employer, we have a responsibility to work preventively to reduce the risks of being exposed to threats and violence at work, and to offer a good working environment. Therefore, we work continuously to provide a safe and healthy working environment, with equal opportunities and a non-discriminating culture, a sustainable work-life balance, in an ongoing dialogue with our employees. To evaluate it, we have initiated an annual third-party managed employee survey covering, among other things, employee engagement, organizational and social work environment, leadership, and management. The outcome of the employee survey is analysed and forms the basis of our action plans for continuous improvements.

Our Code of Ethics is a guideline for ethical sound behaviour for all employees in the everyday work that all employees are required to sign and abide by.

We have a whistleblowing system available to both employees and the public. Cases can be reported anonymously and there is no retaliation for raising concerns in good faith. The whistleblowing service is managed by an external party and is open 24/7: <https://report.whistleb.com/en/axinter>

During the year 2023, we will provide sustainability training for our employees.

For risks related to right to privacy, we are aware of the risks in handling our employees' and customers' personal data. For customers we only encounter names and business email addresses to contact people, but for employees we handle more sensitive data such as for example payroll, bank account numbers, contact information, CV: s, absence from work, goals and performance reviews etc. To strengthen our data privacy work internally, we have hired an IT Manager starting in June 2023 to manage our IT security including handling of sensitive data. He will be responsible for collaboration with Axel Johnson International IT department.

Our supply chain

The main human rights risks identified in our supply chain are:

- Child labour
- Forced labour
- Health and Safety
- Working hours and wages
- Freedom of association
- Hazardous chemicals
- Pollution to air and water

The responsibility for implementing Sustainable supplier management is defined in the Sustainability in Supply chain Guideline.

Risk assessment:

Risk of supply chain human rights violations and indecent working conditions is conducted annually. We have some suppliers in China which is defined as a high-risk country. Therefore, this part of our supply chain is prioritized for Code of Conduct audits.

Implementing measures against negative consequences:

We work systematically to enhance sustainability in the supply chain, focusing on the identified high-risk suppliers. According to our internal guideline, suppliers are required to sign the Code of Conduct that includes requirements on suppliers regarding health and safety, labour and human rights, environment and business Ethics.

The Code of Conduct includes a requirement for the suppliers to place similar requirements in their supply chain. It also gives us the right to follow up on compliance with the requirement, and the right to terminate the contract in case of severe non-compliance.

To follow up and report on supplier Code of Conduct Compliance during manufacturing of our products in Asia, Axel Johnson International has a local sourcing office in Ningbo, China. By having local presence, we can review and systematically work for a responsible production, improve working conditions and human rights. For more about how we work with sustainability and our Code of Conduct please visit: <https://www.axinter.com/what-we-do/business-development/focus-on-sustainability/>

As we joined Axel Johnson International late 2021, we are still in the process of implementing the Code of Conduct with our supply base, starting with suppliers in high-risk countries.

The purpose with our sustainability supply chain program is to develop and constantly improve the sustainability performance throughout the value chain. It is not our intention to terminate any business relationship with any supplier, instead, if the supplier is found to be non-compliant with the requirements in the Code of Conduct, we request that a plan for how to reach compliance is developed and shared within an agreed timeframe. We will however not conduct business with a supplier if compliance with the terms of the Code of Conduct is deemed impossible. Failure by the supplier to permit us the right to verify compliance with the Code of Conduct or to rectify identified major non-compliances within the agreed timeframe is regarded as a material breach of the Code of Conduct. As a result, we are entitled to terminate the contractual relationship with the supplier.

Our products

The sale of our products to the wrong hands could contribute to Illegal military operations or war crimes, global terrorism and human rights violations, or corruption.

To prevent these risks, and to comply with applicable trade sanctions and with relevant export control laws and regulations we have implemented a trade sanction screening tool¹, and a process of risk assessing and screening of customers prior to sale, as well as an internal ban of sales to high-risk countries. The list of high-risk countries has been developed in collaboration with our legal partner and is updated on a regular basis.

If you require further documentation from us regarding the Norwegian Transparency Act, please contact us at the following email address: tom.freddy.haaberg@tpnordic.no

We are obliged to respond in writing within 3 weeks to all inquiries.

Tom Freddy Haaberg

¹ The Dow Jones RiskCenter platform, a database that consists of accurate and comprehensive global coverage of high-risk individuals and entities which allows us to make decisions on our third-party risk management.
