

Onninen's work related to the Transparency Act

The Transparency Act

Onninen AS is covered by the Transparency Act, and pursuant to Section 5 of the Transparency Act, we hereby provide an account of how Onninen AS has worked with the Transparency Act in the year 2023. The content is approved by management and the board.

According to the Transparency Act, a statement must at least contain information about:

- a. a general description of the company's organisation, area of operation, policies and procedures for dealing with actual and potential negative impacts on fundamental human rights and decent working conditions;*
- b. information about actual negative consequences and material risk of negative consequences that the enterprise has uncovered through its due diligence assessments*
- c. information about measures that the enterprise has taken or plans to implement to stop actual negative consequences or limit material risks of negative consequences, and the result or expected results of those measures.*

*a. General description of Onninen AS's **organization and area of operation**, guidelines and routines for dealing with actual and potential negative consequences for fundamental human rights and decent working conditions*

Address headquarters

Høgslundveien 49, 2020 Skedsmokorset

Number of employees in 2023

There is 399 employees in Norway as at 31.12.23.

Email address for questions about this statement

apenhetsloven@onninen.no

Organization and structure

Onninen AS in Norway is part of the Finnish Kesko Group. Kesko Group Building and Technical Trade operates in seven countries: Finland, Sweden, Norway, Estonia, Latvia, Lithuania and Poland. Sales take place in direct dialogue with the customer through a network of stores (expresser), e-commerce and digital services.

The head of Kesko in Norway is Hilde Kristoffersen (she is the CEO of Onninen AS and Byggmakker Handel AS)

Onninen is headed by COO/Director of Onninen AS, Jørn-Are Bergh, who is part of the Group Management Group and reports to the CEO.



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
DEDEE3D58B5F49C9959F7F99C23612A6

Responsibility for HR, Quality & Sustainability at Kesko Norway is led by the Director of HR, Quality & Sustainability who is part of the Group Management team and reports to the CEO. The Environmental and Sustainability Manager has the operational responsibility for implementing the work related to the Transparency Act and reports to the Director of HR, Quality and Sustainability.

The work is organized in a working group with employees from Commerce with support from the legal department.

Information about the work is updated to employees on the www.onninen.no/apenhetsloven and workplace (digital communication platform within Onninen)

Significant activities at head office include:

Purchasing, warehousing, marketing, sales, and distribution of products in the category electrical equipment including cable, low-current materials, lighting, heating, tools, and fasteners, as well as services and expertise in this to the professional market (B2B) in Norway

Significant operations in Express stores include:

Sales and warehousing of products in the category electrical equipment including cable, low-current materials, lighting, heating, tools, and fasteners as well as services and expertise in this to the professional market (B2B)

Purchases made shall not be an obstacle to ethical trade or contribute to an unnecessary environmental impact.

As part of Onninen's environmental policy, the company will identify and evaluate environmental aspects of its own activities and their impact, using its position in the customer interface to influence green responsibility.

Onninen's head office and all expresses are certified according to ISO 14001^[1].

*a. General description of Onninen AS's organization and area of operation, guidelines, and **routines** for **dealing with potential negative consequences for fundamental human rights and decent working conditions***

Foundation for the work under the Act in internal guidelines and routines

The sustainability manager to Kesko in Norway is responsible for following up the work with the Transparency Act in cooperation with a working group consisting of Commerce leaders, category managers. The group consults with legal counsel in Kesko as needed.

The working group's overall routine is that it works in line with the 6 steps that follow from the due diligence process towards suppliers. In addition, any mitigation measures to avoid negative impacts must be routinely assessed during the process. The first measure will be preventive efforts to counteract negative consequences before the damage occurs. Measure number two will be assessing the necessary mitigation of an injury that has occurred. The last measure will be to stop the damage if possible, or to break the cooperation with the supplier. All 3 types of measures will depend on the outcome of our mapping in line with step 2 of 6 of the due diligence assessments.



This file is sealed with a digital signature. The seal is a guarantee for the authenticity of the document.

Document ID:
DEDEE3D58B5F49C9959F7F99C23612A6

Foundation for guidelines and routines

As a result of the 6 steps that follow from due diligence in the Transparency Act and in line with step 1, Onninen has updated its own internal policy ("policy") and ^[2]ethical guidelines aimed at our suppliers where the purpose is to highlight the requirements^[3] that follow from the law^[4]. The guidelines are included in the main agreements with suppliers from 2022 onwards. In addition, all suppliers must commit to the Kesko Group Code of Conduct^[5]. In the agreements with suppliers, there are minimum requirements related to several conditions, including the environment, fundamental human rights and decent working conditions.

Kesko Group's requirement for Amfori BSCI principles - rooted in routines and guidelines

The Kesko Group sets requirements for itself and for suppliers to follow the Amfori BSCI's (Amfori Business Social Compliance Initiative) values and principles or equivalent. Amfori BSCI is an international organization assisting companies in environmental, social and governance performance of their supply chains. Kesko Group is a member of Amfori BSCI and is committed to act and promote compliance with the Amfori BSCI Code of Conduct within Kesko supply chains. In a contract with Kesko in Norway, suppliers have to follow the Amfori BSCI Code of Conduct. Contractual obligations apply to both direct suppliers in risk countries and intermediate suppliers located in Norway or the EU.

The Kesko Group conducts due diligence and follow-up of adverse conditions through audit and certification systems. Amfori BSCI audits are preferred when working conditions at factories in risk countries are to be assessed. The Kesko Group accepts other audit systems and certifications for corporate social responsibility if the criteria underlying the audits correspond to the requirements of an Amfori BSCI audit and the audit is performed by an independent third party. Audits and certifications are used to assess the safety of working conditions in production, the wages and working hours of employees, employees' rights to freedom of association and the right to collective bargaining. The use of children or forced labor is prohibited.

Routines for whistleblowing channels and complaint mechanisms if negative consequences

Onninen has a whistleblowing channel available, both for external and internal sources. The latter whistleblowing channel is anonymous. Onninen wants to have a low threshold for employees to speak up and encourage reporting of unacceptable conditions.

In accordance with the Working Environment Act, Onninen employee representatives have formalized a working environment committee where issues of concern can be raised with the management of Onninen.

Anyone may contact Onninen on apenhetsloven@onninen.no. In addition, suppliers to Onninen are obliged to inform in the event of negative conditions that violate contract terms

*b. Information about actual negative consequences **and material risk of negative consequences** that the enterprise has uncovered through its due diligence assessments*



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
DEDEE3D58B5F49C9959F7F99C23612A6

Mapping of risk; negative impact on people, society and the environment

Kesko Group conducts due diligence and applies Amfori BSCI tools do this on direct risk suppliers. Due diligence work includes follow-up of negative risks associated with direct suppliers, located in risk countries. Onninen purchases from direct suppliers mainly located in China. China is considered a risk country.

In addition, Onninen purchases from intermediaries/importers located in Norway and EU. Norway and EU are not considered as high risk, but sub-suppliers to intermediaries/importers might be.

In 2022, as a first step in Onninen AS's due diligence work and in line with the Transparency Act (introduced on 1 July 2022), Onninen conducted an overall risk mapping of its own supply chain. The number of direct suppliers to Onninen Norway located in a risk country was surveyed, and it was determined whether the risk suppliers were followed up during Kesko Group's work under the Amfori BSCI.

It was concluded that 15 direct suppliers to Onninen were located in China, 5 of which were not followed up by Kesko Group during the Amfori BSCI. In 2023, all suppliers were included under Amfori BSCI except for one supplier located in Serbia. The latter will be incorporated under Amfori or equivalent during 2024.

In addition to direct suppliers in risk countries, Onninen buys from intermediary suppliers/importers located in Norway and the EU. In 2022, an overall survey of intermediary suppliers was carried out, where it was concluded that suppliers have made purchases from risk countries. Some also have their own production in risk countries.

In 2023, it was decided to conduct a more in-depth ESG survey of suppliers which represent more than 95% of Onninen's turnover. The survey want to better understand Onninen's risk exposure to intermediary suppliers in the Nordics and the EU, as well as insight into how the suppliers work with the Transparency Act and their compliance. The survey also look into how suppliers work to reduce their own climate and environmental impact.

*c. Information about **measures that the enterprise has implemented, or plans to implement, to stop actual negative consequences or limit material risks of negative consequences, and the result, or expected results, of those measures.***

The results of Amfori BSCI audits in 2023 by direct suppliers located in risk countries

The results of Kesko Group Amfori BSCI audits in 2023 of manufacturers/suppliers' factories in risk countries are set out in Kesko Group's annual report^[6] on page 76-77.

- The majority of negative conditions arose related to working hours, as well as social management systems at the factories.
- The audit process during Amfori BSCI requires negative findings to be restored with corrective action, in addition to monitoring after corrective action has been taken.
- Kesko Group in collaboration with Onninen, has uncovered some negative conditions at certain direct suppliers. Kesko Group undertakes measures via Kesko's own representation in China to close deviations and carry out audits and factory visits.
- In accordance with the Amfori BSCI, a full audit is carried out at factories every two years where all topics under the audit protocol are reviewed. If a factory receives an audit result of



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
DEDEE3D58B5F49C9959F7F99C23612A6

C, D or E, a follow-up audit is required within 12 months of the previous audit to follow up on whether measures and corrections, targeting adverse factors identified in the previous audit, have had an effect.

- Kesko does not terminate its cooperation with a supplier that undertakes to resolve the complaints specified in the audits. If change does not manifest itself after follow-up audit within 12 months, Kesko may terminate the supplier relationship.
- In 2023, Kesko Group ended cooperation with 10 (2022: 11) factories in various risk countries when agreement with factory management was not reached related to claims for corrective action at the factories.

In 2023, Onninen has not uncovered actual negative violations of human rights or decent working conditions in our cooperation with intermediary suppliers, but it has been concluded Onninen faces a risk of violations of certain human rights due to the country of origin of selected products.

None of the suppliers which replied to our ESG survey, which was started in 2023 together with CEMASYS, provided information about any negative conditions within their company or their own supply chain. At the same time, Onninen experience that the responses from our suppliers' varies in quality. In addition, we know from experience with our direct suppliers that there is a risk for negative impact.

Onninen AS wants to know more about how selected suppliers handle risk and any measures, whether mitigating, limiting, or actions aimed at stopping negative impacts. Based on the ESG survey, analysis, and review of responses from suppliers, Onninen will further examine selected suppliers in more detail, focusing on measures used to reduce negative impacts in the value chain.

Onninen AS shall not sell goods from Russia and Belarus.

Onninen AS does not engage in direct trade or collaboration with suppliers in Israel.

As of 31.12.23, Kesko Group has through amfori BSCI followed up with audits and site visits to reduce the potential for negative impact at a few of Onninen's direct suppliers. Regarding Onninen's intermediary suppliers Onninen has not discovered or received information about negative conditions in the value chain.

^[1] [Environment and quality | Onninen AS](#)

^[2] [Onninen_policy_Etisk_Hand_Kopi.pdf\(ctfassets.net\)](#)

^[3] <https://www.onninen.no/apenhetsloven>

^[4] <https://lovdata.no/dokument/NL/lov/2021-06-18-99>

^[5] [K Code of Conduct \(kesko.fi\)](#)

^[6] <https://www.kesko.fi/annual-reports>



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
DEDEE3D58B5F49C9959F7F99C23612A6

Berger, 20th of June 2024
The Board of Onninen AS

Sami Petri Kiiski
Chairman of the Board

Anu Aulikki Myyryläinen
Member of the Board

Mia Maria Kaitaharju
Member of the Board

Lumi-Sirkku Johanna Vikiö
Member of the Board

Katrine R. Gaare
Member of the Board

Anne H. Bunes
Member of the Board

Morten Olav Olsen
Member of the Board

Hilde M. Kristoffersen
General Manager



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
DEDEE3D58B5F49C9959F7F99C23612A6