

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 2022. 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 2022

Approx. 390 employees in Norway.

Email address for questions about this statement

apenhetsloven@onninen.no

Organization and structure

Onninen AS in Norway is part of the Finnish K-group, Kesko including the K-Group building and technical trade (BTT) division. BTT operates in eight countries: Finland, Sweden, Norway, Estonia, Latvia, Lithuania, Poland and Belarus. Sales take place in direct dialogue with the customer, 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 Bygghandel AS in addition to the chair of the board of Bygghandel CF)

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.

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.



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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 (internal "collaboration platform" in 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 14001¹.

*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

On the first of December 2021, Kesko hired Norway dedicated sustainability manager responsible for following up the Transparency Act in Kesko in Norway. An intern working group e was established in Onninen AS, which together will work to follow up the various steps related to due diligence that follow from the Act². A due diligence assessment must be understood as a process or a working method for mapping, preventing, explaining, and following up how an enterprise handles actual and potential negative consequences of its activities. The members of the working group consist of Commerce leaders, category managers, and sustainability managers. In addition, the group consults with legal counsel as needed. There is also an exchange of expertise between Onninen and Bygghjelp employees related to the work.

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

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

² Step 6: Anchoring (Step 1), kartlegg risk (trinn2), take action (trinn3), follow up on the measures (trinn4), communicate with stakeholders (trinn5), gjenopprett (trinn6))



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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.

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 ³ethical guidelines aimed at our suppliers where the purpose is to highlight the requirements⁴ that follow from the law⁵. The guidelines are included in the main agreements with suppliers from 2022 onwards and commit the suppliers. In addition, all suppliers must commit to the Kesko Group Code of Conduct⁶. 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 working to promote sustainable trade and promoting governance and control in global supply chains with emphasis on the follow-up of social responsibility. Kesko Group is a member and participates in Amfori BSCI and is committed to acting and promoting compliance with the Amfori BSCI Code of Conduct in its own supply chains. In contract with Kesko in Norway, suppliers are obliged to follow the Amfori BSCI Code of Conduct. The contractual clause applies to both direct suppliers located in risk countries and suppliers located in Norway or the EU such as purchasing raw materials or products of suppliers located in a risk country).

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 in the event of negative consequences

Onninen has routines for whistleblowing internally, as well as an external whistleblowing channel available for external and internal. The latter whistleblowing channel enables anonymous whistleblowing and anonymous dialogue with whistleblowers. We want 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 a working environment committee where matters can be raised with the management of Onninen.

Anyone can contact Onninen on apenhetsloven@onninen.no. In addition, our suppliers are obliged to inform Onninen of adverse conditions that violate the contractual terms.

³ [Onninen_policy_Etisk_Hand_Kopi.pdf\(ctfassets.net\)](#)

⁴ <https://www.onninen.no/apenhetsloven>

⁵ <https://lovdata.no/dokument/NL/lov/2021-06-18-99>

⁶ <https://www.kesko.fi/no/k-code-of-conduct/samarbeidspartner/vi-respekterer-menneskerettighetene/>



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

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

Kesko Group conducts due diligence and applies Amfori BSCI to this, which is in line with step two of the due diligence assessment. Due diligence work includes follow-up of negative risks associated with direct suppliers located in risk countries. Onninen purchases from direct suppliers located in China who are considered a risk country as well as intermediaries/importers located in Norway or EU.

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 these 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. It was decided, in consultation with Kesko Group, to include the 5 in order to ensure the work of the Act's due diligence assessments.

In addition to direct suppliers in risk countries, Onninen purchases from intermediary suppliers/importers located in Norway or EU. It was already known that some intermediary suppliers make their own purchases of raw materials or products from risk countries. An initial survey of intermediary suppliers was therefore carried out, where it was concluded that the most significant are producing or purchasing products or raw materials from China, Sri Lanka, and India.

It was decided in 2022 that fifty intermediary suppliers would be further investigated through an ESG survey⁷ in the first quarter of 2023 in partnership with Cemasys (www.cemasys.com). The survey will map Onninen's risk exposure by examining how intermediary suppliers work with the Transparency Act. Thereafter, priority will be given to which suppliers are followed up more closely.

*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 2022 by direct suppliers located in risk countries

The results of Kesko Group Amfori BSCI audits in 2022 of manufacturers/suppliers' factories in risk countries are set out in Kesko Group's annual report⁸ on page 80.

- The majority of negative conditions arose related to working hours, as well as social management systems at the factories.
- 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 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.

⁷ Environmental, Social and Governance (ESG)

⁸ <https://www.kesko.fi/annual-reports>



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- 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 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 2022, Kesko Group ended cooperation with 11 (2021: 15) factories in various risk countries when agreement with factory management was not reached related to claims for corrective action at the factories.

Onninen AS has not uncovered actual negative violations of human rights or decent working conditions at its intermediary suppliers in 2022. This does not mean that Onninen AS excludes the possibility of negative conditions. The conclusion is due to the fact that the work on due diligence, across different product categories in Onninen AS, started in 2022 as a result of the introduction of the Transparency Act on 1 July 2022. As the work develops further in 2023, there will be a risk that Onninen AS may discover negative conditions. The ESG survey to be conducted in 2023 will provide us with more information that will enable Onninen to investigate further.

As of 31.12.2022, Onninen has no information about measures that the business has implemented or plans to implement to stop actual negative consequences, results, or expected results of these measures. This is because due diligence work across different product categories started in 2022. As the work progresses in 2023, Onninen will be able to provide more information about planned or implemented measures.

Berger, 30th of June 2023
The Board of Onninen AS

Jorma Rauhala
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



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