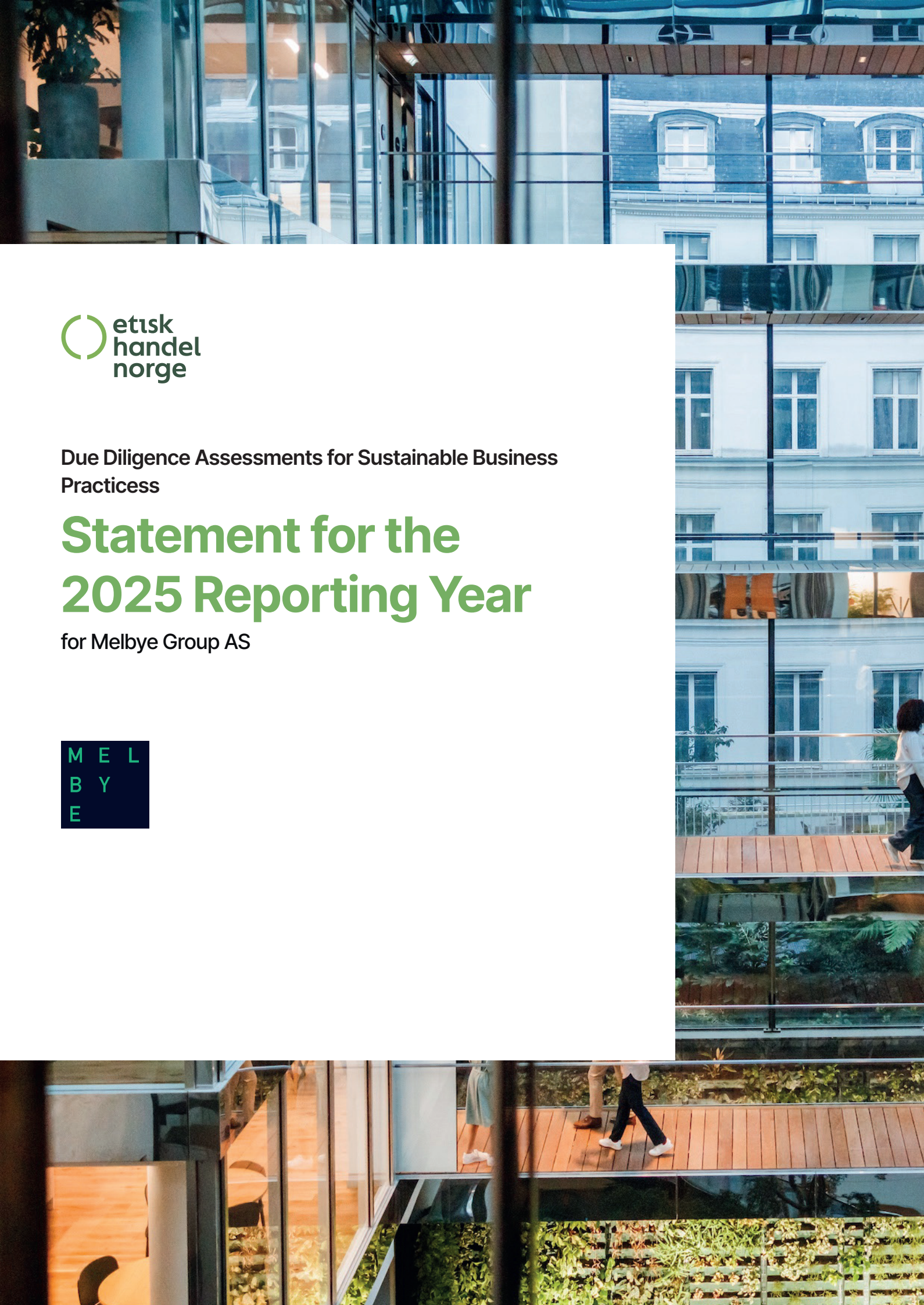




Due Diligence Assessments for Sustainable Business Practicess

Statement for the 2025 Reporting Year

for Melbye Group AS





UN SUSTAINABLE DEVELOPMENT GOALS

To the Readers of This Report

Businesses, public sector, and organizations have significant influence on people, society, the environment, climate, and animals. Companies contribute to development, innovation, and improved living conditions, but their activities also involve risk and real harm. This gives companies a key role in achieving the UN Sustainable Development Goals and the Paris Agreement's 1.5 degree target. This is best achieved through collaboration.

Ethical Trade Norway is a member organization and multi stakeholder initiative involving businesses, trade unions, employer organizations, civil society, and the public sector. Together, we address the complex challenges in global supply chains that no single company can solve alone.

Transparency, accountability, and continuous improvement are fundamental to this work. This member report can be used as a disclosure under the Norwegian Transparency Act, but it also covers broader topics such as climate, environment, and anti-corruption. Our framework is based on the UN Guiding Principles on Business and Human Rights and the OECD (Due Diligence Model for Responsible Business Conduct) — internationally recognized standards forming the basis for Ethical Trade Norway's 13 principles for sustainable business practices. These principles cover human rights, decent work, environment/climate, animal welfare, and anti-corruption.

All members of Ethical Trade Norway are required to conduct risk based due diligence assessments and report annually on progress. Companies at our "Basic" quality level meet the Transparency Act's requirements for due diligence disclosures. Members may also strive for the "Implementer" level and, from 2026, the "Leader" level.

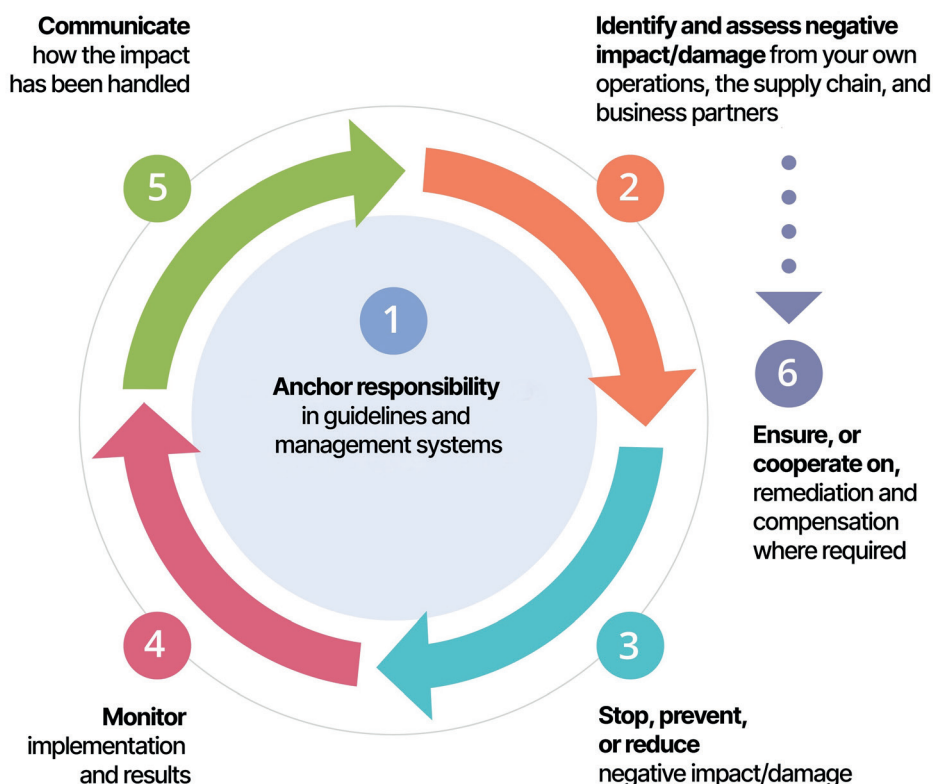
Good due diligence is not about being "risk free," but about being transparent and systematic: identifying risks, preventing and reducing negative impacts, communicating openly about how they are handled, and — where necessary — contributing to remediation.

Heidi Furustøl
Daglig leder
Etisk handel Norge

Due diligence assessments

This report is based on the UN Guiding Principles on Business and Human Rights and the OECD Due Diligence Model for Responsible Business Conduct.

The model consists of six steps describing how companies can work toward more responsible and sustainable business practices. Being strong in due diligence does not mean a company has no negative impact on people, society, or the environment — but that it is open and honest about challenges and handles them responsibly in dialogue with stakeholders.



Foreword from the CEO

At Melbye Group, we live by our vision: "The smartest solutions, for the benefit of everyone." This applies not only to our co-workers, customers, and partners, but also reflects a broader responsibility toward society, the environment, and people.

We are committed to contributing to a more sustainable world by following three core sustainability ambitions:

- To be an attractive, safe, and inclusive workplace
- To contribute to innovative solutions that reduce negative climate and environmental impact
- To be an open and transparent actor in sustainability

As a company with both local and international presence, we aim to be a serious and responsible supplier in all our markets. We uphold strict standards for responsible trade, sustainable business practices, and ethical guidelines, in addition to high product quality. We take our sustainability commitments seriously and ensure that our operations align with the UN Sustainable Development Goals and Ethical Trade Norway's principles. Our partners are also evaluated according to these guidelines.

Through clear goals and practical accountability, we strengthen the core values that define Melbye: Team Spirit, Professionalism, and Innovation. We believe in a sustainable future and are committed to being a leading actor in shaping it.



Hege Nordahl
CEO Melbye Group AS

Key information about the company and supply chain

Key information about the business

Name

Melbye Group AS

Head Office

Prost Stabels vei 22

Main Brands, products and services

Trading company delivering products and smart system solutions within the energy, infrastructure, and installation segments.

Company structure

As of 31 December 2025, the Melbye Group consists of Melbye Group AS as the parent company and the subsidiaries Melbye AS, Melbye Sverige AB, Melbye Ltd, and Melbye Oy. The companies operate in the energy, installation and infrastructure markets with import and resale of products, system solutions, training, production and service. The head office is located in Lillestrøm, and the Group operates in Norway, Sweden, Denmark, Finland, and England through wholly owned subsidiaries.

Turnover in 2025 (NOK)

724 100 000

Number and employees

88

Covered by the Transparency Act?

Yes

Significant organizational changes since the previous reporting period

Management has worked actively throughout the year to operationalize sustainability goals in line with the company's strategy and action plan. In 2025, Melbye launched — as the first actor in the Nordics — a line made from recycled aluminum. Through targeted work with suppliers, three different line alternatives were developed, each with environmental and climate benefits. The Group has also invested significantly in environmental documentation and third party verified EPDs, strengthening our market position.

From 2026, Melbye will be subject to the EU's new CBAM regulation, making the sustainability work carried out essential for future competitiveness.

A sustainability report for 2025 has been prepared and is available on our website. The report provides a comprehensive overview of Melbye's work on environmental, social, and governance topics.

The Group has completed ISO certification according to ISO 14001:2015 and ISO 9001:2015, and both Melbye AS and Melbye Sverige AB are now certified.

The company's activities impact the external environment mainly through products, supply chain, transport, and travel.

The Board has been closely involved in sustainability work throughout the year and emphasizes that sustainability is a critical strategic priority — not only for compliance but also for competitiveness.

In 2025, Melbye AS received new leadership. In January, Kristin Melsnes stepped in as interim CEO after seven years on the Board. In October, Hege Nordahl assumed the role of CEO. She came from the position as Head of Transmission & Regional Grid, Product, Strategy, Growth, and Innovation, with extensive leadership experience from the energy and industrial sectors, including McKinsey & Company and Hydro.

Operationally, the company continued adjusting inventory and securing profitability. The Group maintains a proactive and dynamic approach to supplier development and focuses on meeting customer needs efficiently and with high quality. The Board expects continued positive development in revenue and profitability in the coming year.

Name and title of contact person for the report

Per Løberg Eriksen - Sustainability Manager

Email address of contact person for the report

ple@melbye.no

Information about supply chain

General description of the procurement model

The Melbye Group consists of the parent company and subsidiaries operating in the energy, installation, and infrastructure markets. Departments for Sourcing, Sustainability, Product, and Procurement work across all companies and locations. Buyers are responsible for procurement categories within their segments and follow a defined order handling process.

Supplier selection, negotiation, contracting, and follow up are led by Product and the respective product managers. All new suppliers must be qualified according to internal routines, with shared responsibility between Product and the sourcing team in Asia.

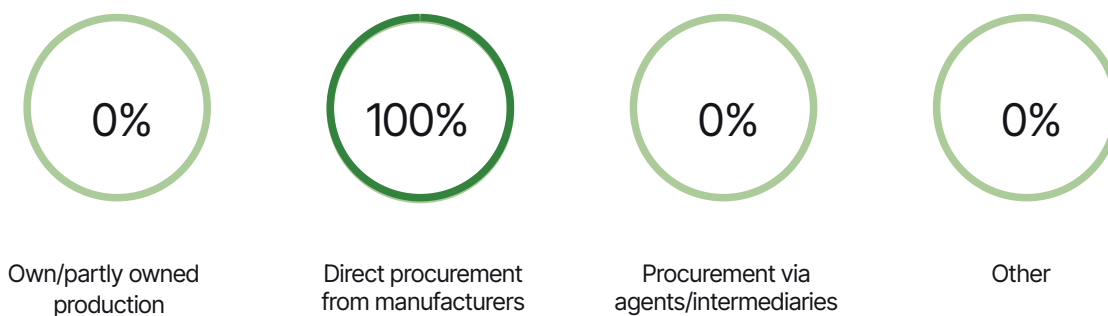
Number of suppliers in 2025

168

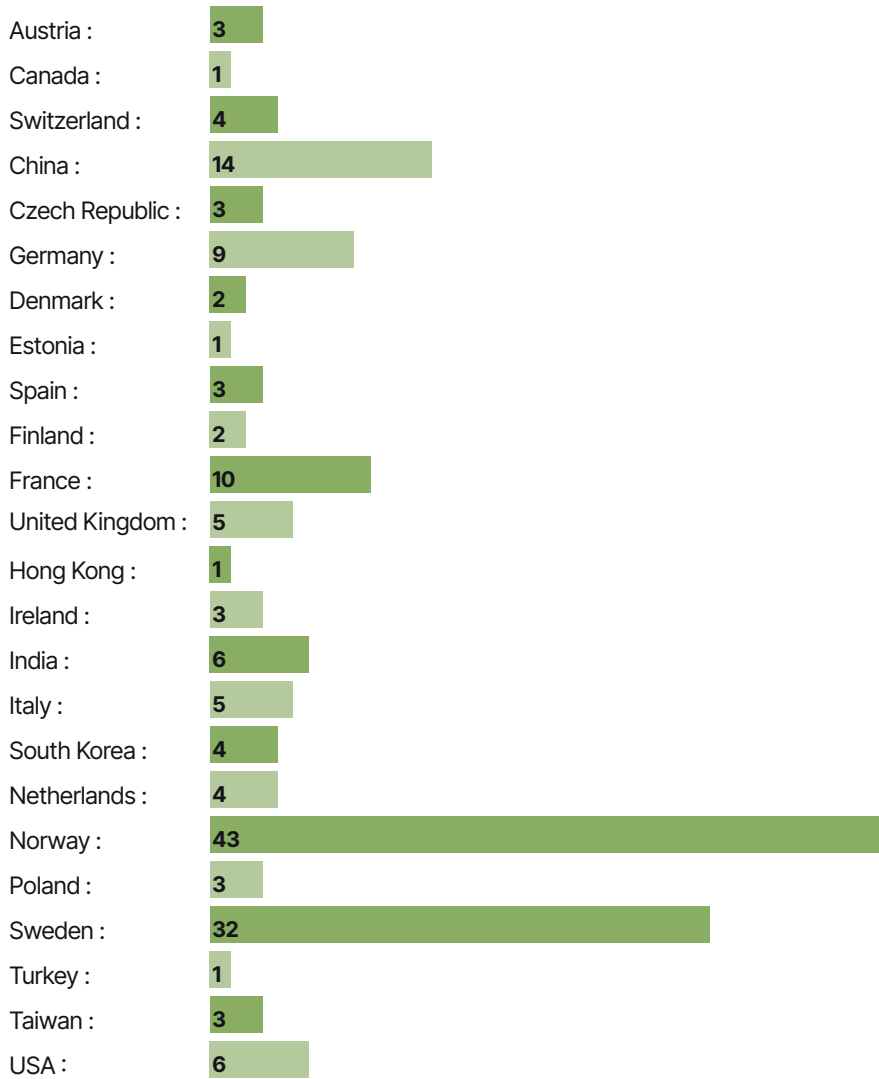
Comment on the number of suppliers

The number is based on the suppliers we made purchases from in 2025.

Chart: Type of procurement / supplier relationship



Melbye primarily purchases finished products manufactured by external suppliers.



We buy from many parts of the world. The overview shows the number of suppliers per country that we collaborate with and purchase from.

Number of workers at first tier suppliers

35 970

Comment on the number of workers

Based on previously collected data from our ESG survey of the supply chain. The response includes full time, part time, casual, temporary, agency workers, and apprentices/trainees

Key raw materials and geography

HDPE (High Density Polyethylene)	UAE China Germany Finland India South Korea
Aluminium	UAE China India
Steel	Austria China India South Korea Netherlands
Aramid Yarn	Austria China India South Korea Netherlands
Optical Fiber	Austria China India South Korea Netherlands
Kopper	China Finland India
Plastic	China India Turkey

Melbye's product portfolio is broad, and supply chains are often long. The list shows the most significant raw materials used in major product categories.

We have a very broad product portfolio. The manufacturers we purchase from therefore use a wide range of input factors, and the supply chains are often long. The list shows some of the largest input factors and materials that recur in our major product purchases. This is based on our risk mapping work as well as our knowledge of our own value chain.

Supplier to the public sector:

Yes

Goals and Progress

Process goals and progress in 2025

1

Goal : Conduct a new risk assessment of all suppliers in 2025.

Status : Completed according to plan. The assessment was carried out based on the four largest procurement categories and covers all first tier suppliers for 2025.

2

Goal : Close non conformities and improve suppliers so that we have fewer suppliers on action plans.

Status : Completed. Melbye conducted seven full audit visits and seven unannounced audit visits in 2025, with all non conformities followed up closely. There have been fewer suppliers on action plans than before, and these are followed up individually.

3

Goal : Continue carrying out planned and unplanned supplier visits. Planned: 2 visits per year per supplier in high risk countries.

Status : Supplier visits were carried out based on opportunity and capacity. Melbye conducted seven physical audit visits in 2025 — four in India and three in China. In addition, we conducted seven unannounced audits in the same countries. To achieve our own target of two visits per year per supplier in high risk countries, the scope will need some adjustment going forward.

4

Goal : Report in accordance with CSRD.

Status : The measure has not been carried out due to changes in the scope of CSRD, including adjusted threshold values. We are closely monitoring developments in EU legislation and, based on this, have assessed that CSRD reporting is currently not required.

Process goals for the coming year

- 1 Review and quality assure our internal audit protocol for potential improvements. This should also include input from an external party.
- 2 Carry out six planned supplier visits with full audits in 2026 at suppliers in China and South Korea.
- 3 Develop a long term plan for following up our own practices and routines related to responsible purchasing practices.
- 4 Prepare an internal process description for our work with due diligence assessments, and review all relevant foundational documents to ensure a holistic approach within the company.
- 5 Work toward achieving Ethical Trade Norway's quality level "Gjennomfører"



1

Embedding sustainability in the company

Anchoring responsibility related to sustainable business practices in the company involves having strategies, plans, relevant policies, and guidelines for due diligence that are approved by management. These should cover the entire company, as well as the company's supply chain and business relationships. Effective management systems for implementation are essential for success, and due diligence work should be an integrated part of the company's business operations. Clear expectations from top management, along with clear allocation of responsibility within the company for implementing the various parts of due diligence, are important. Everyone involved must know what they are expected to do. Transparency about the company's commitments, the challenges it faces, and how these are handled is crucial.

1.A Policy for our own company

1.A.1 Link to publicly available policy for our own company

Policy in Norwegian:https://melbye.no/Catalogs/Annet/Code%20of%20Conduct_NO.pdf. Policy in English:https://melbye.no/Catalogs/Annet/Code%20of%20Conduct_EN_060225.pdf

1.A.2 What does the company publicly state about its commitments to respect people, animals, society, and the environment?

We aim to be an attractive, inclusive, and safe workplace. We will contribute to good solutions that reduce climate and environmental impact, and we will be an open and transparent actor within sustainability. At Melbye, our goal is to be a responsible business partner, taking our share of responsibility by requiring compliance from suppliers and collaborating on improvements. Melbye considers responsible business conduct a prerequisite for sustainable development, meaning that today's generation can meet its needs without compromising the ability of future generations to meet theirs.

1.A.3 How has the policy for our own company been developed and anchored?

The Code of Conduct, which contains our policy for our own company and requirements for our suppliers, was developed in 2021. It is based on Ethical Trade Norway's version, with some adjustments in wording, structure, and content. It is available in Norwegian, Swedish, and English. Our Code of Conduct has been approved by the Board of Melbye Group. All employees, as well as contracted suppliers, have been informed about our Code of Conduct. Suppliers must sign the Code of Conduct before the start of an agreement and prior to deliveries. The internal Code of Conduct was approved by the Board of Melbye Group during the first half of 2025.

The policy for our own company applies to all companies within Melbye Group AS and is publicly available on all our websites: Melbye.no, Melbye.se, Melbye.fi, and Melbyefiber.com.

1.B Organization and internal communication

1.B.1 How is the work on due diligence organised in the company, and how is it anchored in internal guidelines and routines?

Sustainability strategy is an important part of our business strategy and covers the areas where we can make a meaningful difference. Our values—Innovation, Team Spirit, and Professionalism—are reflected in this work.

The CEO, together with the Board, holds the main responsibility for sustainability in the company. The Sustainability Manager acts as the subject matter lead and has the operational responsibility for driving the sustainability work forward, including due diligence, across the organisation. Sustainability is a cross cutting factor in all areas of the company, and we therefore work actively to operationalise various sustainability topics within relevant departments and projects. This helps ensure ownership and promotes a holistic approach to sustainability throughout the business.

Status and progress on the action plan, including goals and measures, are followed up twice a year by the CEO and the Sustainability Manager. Results are reviewed continuously. Representatives from various departments have contributed to the development of the strategy, and everyone in the company shares responsibility for achieving the goals.

Our sustainability work is anchored in our sustainability strategy, which focuses on three main areas:

- 1) Contributing to better solutions that reduce climate and environmental impact. This includes reducing the company's negative environmental footprint and obtaining environmental documentation for the products we sell.
- 2) Being an attractive, safe, and inclusive workplace, by prioritising HSE, well being, and equality, as well as strengthening employees' sustainability competence.
- 3) Being an open and transparent actor within sustainability. Sustainability should be an integrated part of our daily operations, and we aim to be a responsible business partner with well established processes for safeguarding the supply chain.

1.B.2 How the importance of the company's due diligence work is clarified and communicated to employees?

The Sustainability Manager holds the operational and overall responsibility for due diligence work on behalf of the Group.

All employees must, as part of the onboarding process, complete a course provided by Ethical Trade Norway. Internal, in person training for specific employee groups will be considered when needed to ensure sufficient competence and involvement among relevant staff in this priority area. We also want the procurement department and product managers to be actively involved in the work, as they follow up suppliers in their daily operations.

Internal communication and collaboration are key to engaging and involving all employees in our sustainability agenda. Employees are regularly informed about relevant sustainability topics and activities through our intranet, as well as through all hands meetings and departmental meetings. The CEO and the Board hold regular meetings with relevant managers, project leaders, and employees involved in sustainability related projects. We strive for a cross functional and integrated approach in all our sustainability practices.

1.B.3 How the company ensures that relevant employees have sufficient competence to carry out due diligence work?

All new employees receive an introduction to sustainability as part of the company's onboarding process. In addition, regular updates are shared through the intranet on relevant sustainability topics and upcoming webinars that employees may choose to attend. Employees who work directly with due diligence assessments receive further training through the Sustainability Manager, as well as by participating in courses and seminars offered by Ethical Trade Norway.

Selected employees also take part in meetings, courses, and other relevant forums—either independently or together with the Sustainability Manager. Strengthening competence in this area will be a particular focus in 2026.

1.C Plans and resources

1.C.1 How the company's commitments to respect people, society, animals, and the environment are anchored in strategies and action plans?

People, society, and the environment are central pillars of our sustainability strategy, which in turn forms a key foundation of Melbye Group's overall corporate strategy going forward. This begins with our slogan, "The smartest solutions, for the benefit of all," which includes employees, customers, and partners—and importantly, the people, communities, and environments across the entire value chain that we influence through our operations. These commitments are integrated into our strategic objectives and supported by activities outlined in the organisation's sustainability action plan. Our approach to due diligence is a core element of the strategic objective of being a "Responsible business partner" in our overarching strategy.

1.C.2 How strategies and plans for sustainable business practices are followed up by management and the board?

The sustainability action plan (annual cycle) is reviewed and evaluated twice a year by the CEO, the Chief Supply Chain Officer, and the Sustainability Manager. During these reviews, status updates are provided, priorities are set, responsibilities are allocated, and implementation is planned. The group also follows fixed intervals for execution and reporting. Results are presented to senior management annually. In addition, relevant sustainability topics are discussed in Melbye's various departmental meetings to ensure progress toward our strategic focus areas and goals. The Sustainability Manager reports on the development of the sustainability agenda to the executive management team and the board, and presents plans, activities, and results to the board at least once a year.

1.D Partnerships and collaboration with suppliers and business partners

1.D.1 How the company communicates the importance of sustainable business practices to suppliers and business partners?

Responsibility is a core component of all new cooperation agreements and contracts, in addition to Melbye's Code of Conduct, which is available on our website: <https://catalogues.melbye.com/link/445993/>. The Code of Conduct is attached to all new and existing agreements and forms the foundation for all further work on responsibility and sustainability with our suppliers. It is implemented as a mandatory element in all supplier contracts.

We also apply minimum criteria related to responsibility and sustainability that all suppliers must meet before they can be approved in our systems.

Sustainability and responsible business conduct are followed up in all annual and/or major meetings with suppliers. This is a fixed agenda item, carried out by the Sustainability Manager or the Product Manager.

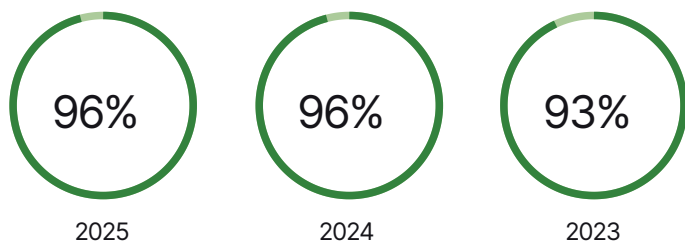
All supplier visits conducted by Melbye place strong emphasis on responsibility and sustainability, with dedicated checkpoints related to human rights, decent working conditions, quality, and the environment. We use two complementary approaches for supplier follow up:

Suppliers first complete a self evaluation (Self assessment) based on defined criteria. We then conduct an on site supplier visit (Physical audit) to review the self assessment and verify whether the supplier meets the criteria based on our observations.

This is followed by unannounced visits. Any deviations or breaches are addressed through Melbye's improvement plans, which are developed individually for each supplier.

Indicator

Share of the company's suppliers that have accepted the supplier code of conduct



Code of Conduct must be accepted and signed for all new contractual agreements.

1.E Experiences and changes

1.E.1 Experiences the company has gained in its work with sustainable business practices during the reporting year, and what has changed as a result?

The work on sustainability in general, and responsible business conduct in particular, continues to generate strong internal engagement. The overall level of knowledge on these topics still requires further strengthening.

During 2025 we observed:

- A consistently strong and clear sustainability focus across the organisation, anchored in top management.
- A well established structure for conducting due diligence assessments.
- Increased emphasis on risk mapping based on both procurement value and country risk.

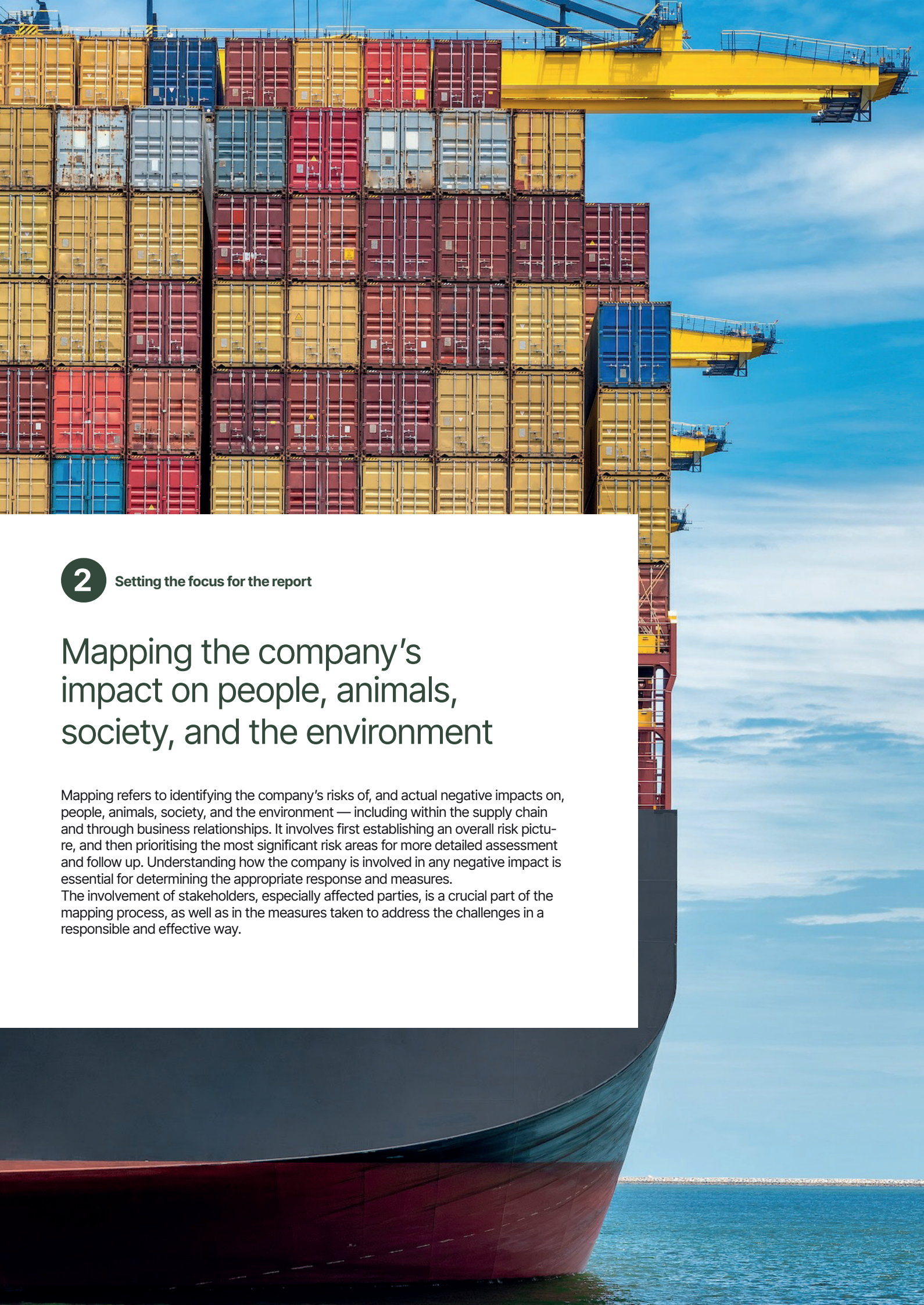
In 2024 we used ESG surveys for the supply chain through the system provider CEMAsys Supply Chain Control. This was introduced to obtain more systematic and detailed information about both suppliers and subcontractors. In 2025 we discontinued the use of this system, as the experience showed that it did not fit our working methods and processes optimally. We see a need to explore alternative ways of collecting equivalent information from our suppliers.

Among our suppliers—and in the industry more broadly—we observe a growing understanding of sustainability topics, although there remains significant room for improvement.

Despite the Omnibus directive and reduced ambitions at EU level, we continue to experience increasing expectations regarding our sustainability work, particularly from our customers. We continue to report Scope 1 and 2 emissions in our sustainability report and are continuously evaluating measures to reduce emissions. We also have an ongoing internal project to map emissions in Scope 3. Although we have encountered several challenges, we remain committed to our ambitions.

Work on product level environmental data and EPDs (Environmental Product Declarations) is also progressing and will remain a key focus area going forward. In 2025 we developed 17 new EPDs for products we procure.

In 2025 we also decided to pause our work on CSRD, as previously mentioned.



2

Setting the focus for the report

Mapping the company's impact on people, animals, society, and the environment

Mapping refers to identifying the company's risks of, and actual negative impacts on, people, animals, society, and the environment — including within the supply chain and through business relationships. It involves first establishing an overall risk picture, and then prioritising the most significant risk areas for more detailed assessment and follow up. Understanding how the company is involved in any negative impact is essential for determining the appropriate response and measures.

The involvement of stakeholders, especially affected parties, is a crucial part of the mapping process, as well as in the measures taken to address the challenges in a responsible and effective way.

2.A Mapping and prioritisation

PRIORITISED NEGATIVE IMPACT/HARM ON PEOPLE, ANIMALS, SOCIETY, AND THE ENVIRONMENT

Prioritising one or more risk areas based on severity does not mean that some risks are more important than others, nor that the company ignores other risks. It simply means that the areas with the greatest potential negative impact are addressed first. Mapping and prioritisation is a continuous process.

2.A.1 List the prioritised risks for potential and/or actual negative impacts on people, animals, society, and the environment

Prioritised risk	Related topic	Geography
Risk of breaches of health and safety at the workplace.	Health, Safety and Environment (HSE)	China India South Korea Turkey
Risk of modern forced labour.	Forced labour	China India Turkey
Risk of lack of freedom of association and collective bargaining.	Freedom of association and collective bargaining	China Hong Kong India South Korea Turkey
Risk of excessive overtime and lack of living wages.	Wages, Working hours Geography	China Hong Kong India Turkey
Risk of discrimination at production sites.	Discrimination	China India Turkey

Our risk assessment shows where the highest risk is linked to the various parameters in each country we trade with. Our priorities are based on this assessment, where country risk is the determining factor. Going forward, we will also work more systematically with the risks associated with our different product categories. We rely on an updated risk assessment carried out with support from Ethical Trade Norway in 2025. Our purchasing patterns have not changed significantly since the previous assessment, and several of the previously identified risk areas are still considered relevant.

JUSTIFICATION FOR WHY THESE CHALLENGES ARE PRIORITISED AS THE MOST SIGNIFICANT FOR PEOPLE, ANIMALS, SOCIETY, AND THE ENVIRONMENT

2.A.2 Description of how risks were identified, prioritised, and assessed:

a) the company's routines for mapping and identifying risk, and how that risk was identified and prioritised b) any parts of the business that are not covered in the assessment (product groups, own products, departments or similar) and why c) how information was collected, which sources were used, and which stakeholders were involved d) whether any areas have been identified where information is lacking to assess risk, and how you plan to obtain more information about this

a) Company routines for mapping and identifying risk, and how the risks were prioritised A full review of the risk assessment is conducted at least every two years. In 2025 the assessment was updated, and all first tier suppliers were evaluated based on country risk. Countries with a country risk score of 2.3 or higher in Ethical Trade Norway's risk assessment tool were prioritised for further follow up. In addition, risk topics scoring 3 or higher were prioritised for additional measures. These priorities form the basis for supplier follow up and the implementation of improvement measures in the supply chain. New suppliers are assessed on an ongoing basis and added to the follow up list when relevant, in addition to the standard onboarding routine for new suppliers.

b) Parts of the business not covered in the assessment and why All first tier suppliers are included in the updated risk assessment. Previously identified salient risks largely fall within the existing main categories of prioritised risk, and the company has therefore retained the internal purchasing categories already in use.

Corruption is a known risk in several supplier countries, including Turkey, India, and China. The company maintains its earlier assessment that the ability to directly influence this risk is limited. However, strict and absolute anti corruption requirements are included in the Code of Conduct. For this reason, corruption is not currently prioritised as a separate risk area for further measures, even though country level corruption risk is high in some supplier countries.

The same applies to environmental and climate related risks, which are not included as a separate prioritised risk category in this overview. These topics are instead followed closely through the company's own environmental and climate work, both internally and in the supply chain. Measures to reduce environmental impact and emissions are assessed continuously as part of the broader sustainability and ethical trade agenda.

c) We use, as mentioned, Ethical Trade Norway's risk assessment tool as the basis for our overall risk assessment. This tool is based on recognised international indexes and data sources.:

Global Slavery Index: Provides country estimates on modern slavery based on extensive surveys and vulnerability analyses.

ITUC Global Rights Index: Ranks countries according to their level of respect for workers' rights, particularly freedom of association and the right to collective bargaining.

Freedom House Index: Assesses political rights and civil liberties in countries based on expert analysis and field data.

World Bank – Children in employment: Collects data on child labour through household surveys from international organisations and national statistical agencies.

UNICEF – Child labour: Based on international surveys measuring the prevalence and extent of child labour.

Human Development Index (HDI): Measures a country's development level through indicators for health, education and income.

Gender Inequality Index (GII): Measures gender inequality based on reproductive health, empowerment and participation in the labour market.

Global Gender Gap Index: Compares gender disparities in economy, education, health and political participation.

WageIndicator: Shows the gap between statutory minimum wage and calculated living wage based on cost of living.

Corruption Perceptions Index: Ranks countries according to perceived levels of public sector corruption based on multiple independent data sources.

In addition to these quantitative sources, qualitative tools such as **CSR Risk Checker** and **DFØ's high risk list** are used. Information from supplier visits and audit checklists is also used to identify specific areas requiring closer follow up.

d) The current risk assessment does not yet include potential new suppliers, suppliers whose first tier is located in low risk countries, or suppliers further down the supply chain. Suppliers assessed as having higher risk are prioritised for continued follow up, including document reviews and on site visits. In the next assessment cycle, the company aims to expand the scope to include second tier suppliers where possible, and to strengthen the evaluation of product specific risks.

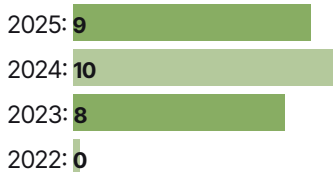
Indicator

Share of suppliers in high risk supply chains that have been assessed



A complete risk assessment has been carried out for all our suppliers. Every supplier from whom we made purchases in 2025 has been evaluated based on country level risk. Of this group, 29 suppliers were selected for more detailed risk assessment and analysis. The table in section 2.A.1.

Breaches/non conformities uncovered during our own visits



This includes both minor and more critical non conformities related to topics such as HSE, environmental requirements (particularly life cycle assessments (LCA) and environmental product declarations (EPD)), as well as wage payments. A total of 14 supplier audits were conducted in 2025, and we consider the non conformities a shared responsibility. All findings are followed up with individual corrective action plans for the suppliers concerned

OTHER NEGATIVE IMPACT/DAMAGE

2.A.3 Other risks of negative impact on people, animals, society, and the environment that were identified but not prioritised, and how they are managed

We source from manufacturers whose production processes can at times be extensive or rely to varying degrees on machinery. As a result, health, safety and working conditions, as well as working hours and wage practices, remain important focus areas for our suppliers and their workers in 2025.

Both corruption risk and environmental and climate related risks are covered in our Code of Conduct, which all suppliers are required to sign. In addition, our audit checklists include dedicated items on financial management and several environmental aspects, such as life cycle assessments (LCA) and environmental product declarations (EPD). We also prepare our own climate accounts and follow these topics closely.



3 Handling of prioritised impact

Stopping, preventing or reducing negative impact

Stopping, preventing or reducing harm refers to managing the findings from the risk assessment in an appropriate way. The company's most significant negative impacts on people, animals, society and the environment are prioritised first. This does not mean that other risks are insignificant or left unaddressed. How the company is involved is central to determining the right measures. Actual negative impact or harm that the company causes or contributes to must be stopped, prevented and reduced. Companies that are directly linked to negative impact must use their influence to ensure that business partners (e.g., suppliers) stop, prevent and reduce such impact. This involves developing and implementing plans and routines for managing risk and may require changes to internal policies and management systems. Effective handling of negative impact on people, animals, society and the environment is an essential contribution to the UN Sustainable Development Goals.

3.A Stopping, preventing or reducing

3.A.1 Describe the goals and status of the measures the company has implemented to reduce prioritised risk

	Risk of breaches of HSE at the workplace
Overall goal :	Prevent and address HSE breaches
Status :	Ongoing
Goal for the reporting year:	<p>Identify possible or potential breaches through supplier visits and/or unannounced visits (Unannounced Visit) of suppliers according to the visit plan, which includes carrying out physical supplier visits (Physical Audit) with verification of the supplier's own self assessment (Self-Assessment) in high risk countries. Continue unannounced visits (Unannounced Visit) as part of our visit plan.</p> <p>Focus on reviewing the Code of Conduct in meetings with suppliers to make them aware of our expectations and jointly identify areas for improvement. This applies to suppliers in general, but is given particular emphasis for suppliers in China, India, South Korea and Turkey.</p> <p>In 2025 we have continued to prioritise suppliers in China and India, as this is where most of our prioritised suppliers are located.</p>

Describe implemented or planned measures:

Risks of breaches are checked regularly during supplier visits. Non conformities are reported immediately and quickly addressed with the respective supplier to implement measures according to the action plan. This is followed up by the product manager. We have planned supplier visits in China and South Korea in 2026, where this will also be a key focus.

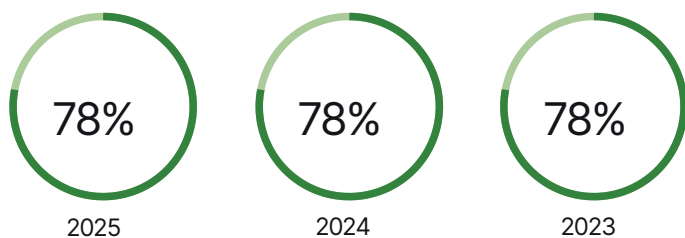
Describe actual or expected results of the measure, as well as goals and activities for the coming reporting year:

The overall goal is to reduce the risk of harm to people in production. The focus on the Code of Conduct aims to make our suppliers more aware of the risks. We are already experiencing strengthened dialogue and cooperation with suppliers, and we also aim to see a gradual reduction in the number or severity of non conformities among prioritised suppliers over time.

The goal of physical supplier visits (Physical Audit) and unannounced visits (Unannounced Visit) in high risk countries according to the visit plan is to ensure that we are able to visit all suppliers prioritised in our mapping within a three year period. The goal is also to ensure a better basis for risk based prioritisation and further follow up in the supply chain going forward.

Indicator

Suppliers with an HSE system



55 (78%) of a total of 70 suppliers have a management system for health, environment and safety based on data from our ESG survey of the supply chain from 2024. No corresponding survey was carried out in 2025.

	Risk of modern forced labour
Overall goal :	Prevent and address the use of modern forced labour
Status :	Ongoing
Goals for the reporting year :	<p>Identify possible or potential breaches through supplier visits and/or unannounced visits (Self-Assessment) of suppliers according to the visit plan, which includes carrying out physical supplier visits (Physical Audit) with verification of the supplier's own self assessment (Self-Assessment) in high risk countries.</p> <p>Continue unannounced visits (Self-Assessment) as part of our visit plan.</p>

Describe implemented or planned measures:

Risks of breaches are checked regularly during supplier visits. Non conformities are reported immediately and quickly addressed with the respective supplier to implement measures according to the action plan. This is followed by the product manager. No breaches related directly to this risk have been uncovered during any supplier visits so far.

Since the risk is high and extremely serious, we will also continuously consider participating in various forums and working groups on this topic to ensure the best possible understanding of dialogue and cooperation with suppliers regarding the risk.

Describe actual or expected results of the measure, as well as goals and activities for the coming reporting year:

Reducing the risk of forced labour among people in production is the overall goal. However, we also know that much of this risk, especially in China, is linked to structural systems that can be difficult to detect and reduce. It will therefore be important for us to obtain information also outside of dialogue with suppliers and from other local stakeholders going forward.

The focus on the Code of Conduct aims to make our suppliers aware of the risk and our need for dialogue on the topic.

Continue with physical supplier visits (Physical Audit) and unannounced visits (Unannounced Visit) in high risk countries according to plans. In our visit plan for 2026, we will visit suppliers in China and South Korea, where this risk is high, and it will naturally be a central part of our focus.

	Risk of lacking opportunity for unionization and collective bargaining
Overall goal :	Prevent and address violations of the right for employees to unionize and engage in collective bargaining
Status :	Ongoing
Goals for the reporting year :	<p>Identify possible or potential breaches through supplier visits and/or unannounced visits (Unannounced Visit) of suppliers according to the visit plan. We seek to understand how we, through these visits, can contribute and collaborate with our suppliers to reduce the risk of violations in this area. However, this risk is in several cases systematised, and in the Chinese context also prohibited by law. This affects both our objectives and our approach to the topic.</p> <p>Carry out physical supplier visits (Physical Audit) with verification of the supplier's own self assessment (Self Assessment) in high risk countries.</p> <p>Continue unannounced visits (Unannounced Visit) as part of our visit plan. This risk is high in China, Hong Kong, India, South Korea and Turkey, and China and South Korea are included in our visit plan for 2026.</p> <p>Focus on Code of Conduct.</p>

Describe implemented or planned measures :

Risks of breaches are checked regularly during supplier visits. Non conformities are reported immediately and quickly addressed with the respective supplier to implement measures according to the action plan. This is followed up by the product manager. No breaches have been uncovered during any supplier visits so far, but we also know that such violations may occur without being visible in our assessments.

Since this risk applies to several of our sourcing countries, we will seek to increase the competence of our employees on the topic so that we have sufficient understanding and capability to follow up with our suppliers in this area. How this can be done in practice will be part of our work in 2026.

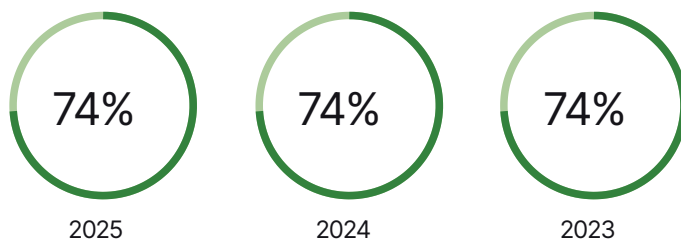
Describe actual or expected results of the measure, as well as goals and activities for the coming reporting year :

The overall goal is to reduce the risk of employees lacking the opportunity to unionize and engage in collective bargaining.

We expect that the focus on the Code of Conduct will contribute to increased awareness among our first tier suppliers/producers, which in turn can open important conversations and opportunities for improvement.

Indicator

Suppliers with a policy or procedures to safeguard employees' right to unionize and engage in collective bargaining



52 (74.3%) of a total of 70 suppliers have a policy or procedures in place to safeguard employees' right to unionize and engage in collective bargaining, based on data from our 2024 ESG survey of the supply chain. No corresponding survey was carried out in 2025.

	Risk of excessive use of overtime and lack of a living wage
Overall goal :	Prevent and address breaches related to excessive overtime and incorrect wage payments.
Status :	Ongoing
Goals for the reporting year :	<p>Identify possible or potential breaches through supplier visits and/or unannounced visits (Self-Assessment) of suppliers according to the visit plan.</p> <p>Continue unannounced visits (Self-Assessment) as part of our visit plan for suppliers in high risk countries.</p> <p>Several suppliers have previously been on an action plan due to non compliance with minimum wage requirements. No new deviations were found among suppliers in 2025, but earlier measures on this topic have been followed up in 2025 and will remain a particular focus in our dialogue with suppliers in 2026.</p>

Describe implemented or planned measures :

Risks of breaches are checked regularly during supplier visits. Non conformities are reported immediately and quickly addressed with the respective supplier to implement measures according to the action plan. This is followed up by the product manager. Breaches in this area have been uncovered, and action plans have been implemented continuously. Since this risk is greatest in countries such as China and India, we hope to follow it up during our supplier visits planned for 2026.

We will also work to identify the need for internal training and analyze whether our own purchasing practices may contribute to some of the excessive overtime we occasionally uncover. Furthermore, we will review the content of our own checklists and assess whether this topic is covered sufficiently.

Describe actual or expected results of the measure, as well as goals and activities for the coming reporting year :

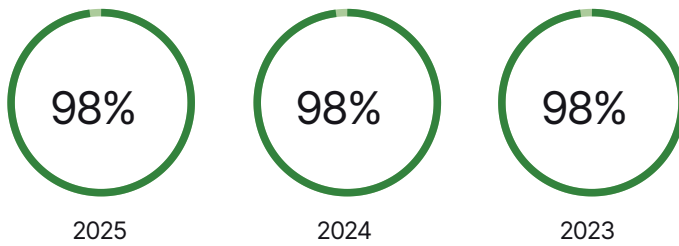
The overall goal is to reduce the risk of excessive overtime and incorrect wage payments, and to ensure minimum wages in line with legal requirements as a baseline.

We expect that the focus on the Code of Conduct will contribute to greater awareness and understanding among our suppliers.

Continuing with physical supplier visits (Physical Audit) and unannounced visits (Self-Assessment) in high risk countries according to plan is expected to continue giving us increased insight into where we should place additional effort. We aim to see a gradual reduction in the number or severity of non conformities among prioritized suppliers over time, as well as to ensure a better basis for risk based prioritization and further follow up.

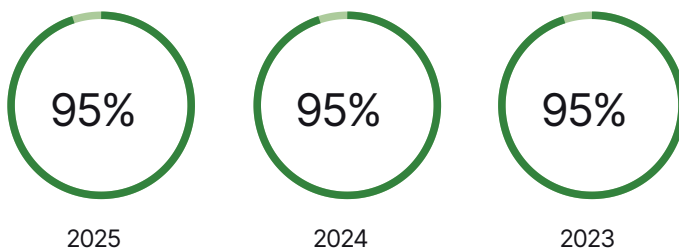
Indicator

Suppliers confirming minimum wages in line with local laws



68 (98.55%) of a total of 70 suppliers confirm minimum wages in accordance with local laws, based on data from our 2024 ESG survey of the supply chain. No corresponding survey was carried out in 2025.

Suppliers who confirm overtime payment in accordance with local



67 (95.61%) of a total of 70 suppliers confirm overtime payment in accordance with local laws, based on data from our 2024 ESG survey of the supply chain. No corresponding survey was carried out in 2025.

	Risk of discrimination at the production site
Overall goal :	Prevent and address discrimination of employees at the production site.
Status :	Ongoing
Goals for the reporting year :	<p>Identify possible or potential breaches through supplier visits and/or unannounced visits (Unannounced Visit) of suppliers according to the visit plan.</p> <p>Conduct unannounced visits (Unannounced Visit) at several of our suppliers.</p> <p>Maintain focus on the Code of Conduct.</p>

Describe implemented or planned measures :

Risks of breaches are checked regularly during supplier visits. Non conformities are reported immediately and quickly addressed with the respective supplier to implement measures according to the action plan. This is followed up by the product manager. No breaches specifically related to this risk have been uncovered during supplier visits so far. We nevertheless want to maintain focus on this area, as we know the risk is high at a country level in China, India, and Turkey.

We will also review the content of our own checklists and assess whether this topic is covered sufficiently, and whether our questions are well suited to identifying this risk at the workplaces.

Describe actual or expected results of the measure, as well as goals and activities for the coming reporting year :

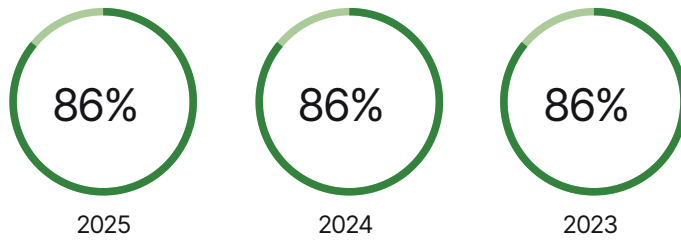
The overall goal is to reduce the risk of discrimination in our supply chain.

We expect that the focus on the Code of Conduct will contribute to increased awareness and understanding of the issue among our suppliers.

Continuing with physical supplier visits (Physical Audit) and unannounced visits (Unannounced Visit) in high risk countries according to plan will help ensure that we, through spot checks, are able to uncover the extent of this risk among our suppliers.

Indicator

Suppliers with measures in place to prevent discrimination



58 (86.57%) of a total of 70 suppliers have measures in place aimed at preventing discrimination, based on data from our 2024 ESG survey of the supply chain. No corresponding survey was carried out in 2025.

3.B Other measures to address the risk of negative impact/harm

3.B.1 Reduction of nature and environmental impact?

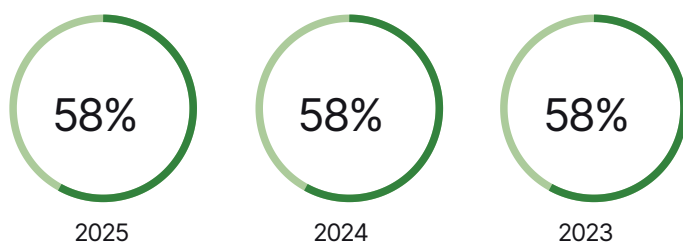
We work actively with our suppliers to reduce the amount of packaging in the supply chain, both in terms of product packaging and transport packaging. This includes requirements for the type and quantity of packaging used.

In parallel, we focus on packaging reduction in our own operations, including package optimization, increased use of recycled materials, and reuse of packaging.

In addition, we collaborate with suppliers on life cycle assessments (LCA) and environmental product declarations (EPD) for selected products. This provides better insight into the climate and environmental impact of products throughout their entire life cycle, and enables us to identify areas for improvement, set more precise requirements, and offer more documented and sustainable solutions to our customers.

Indicator

Share of suppliers using recycled plastic in their packaging



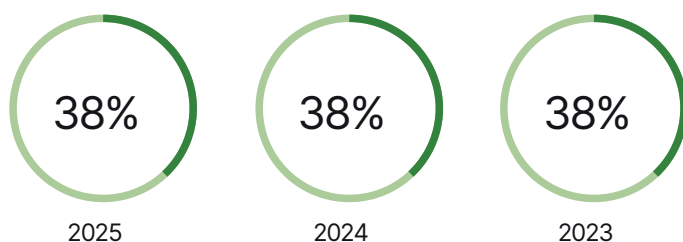
41 (58.47%) of a total of 70 suppliers use recycled plastic in their packaging, based on data from our 2024 ESG survey of the supply chain. No corresponding survey was carried out in 2025.

3.B.2 Reduction of greenhouse gas emissions

For 2025, we have reported CO₂ emissions within Scope 1, 2, and partially Scope 3, in accordance with the GHG Protocol. These data are available in our sustainability progress report on our website. New targets for Scope 1 and 2 were established in 2024, in line with the requirements of the SBTi.

Indicator

Share of suppliers that measure their greenhouse gas emissions



27 (38.5%) of a total of 70 suppliers measure their greenhouse gas emissions, based on data from our 2024 ESG survey of the supply chain. No corresponding survey was carried out in 2025.

Melbye's mapped climate emissions in tCO₂e, total emissions Scope 1–3 (location based)



Figures for 2025 are not yet available but will be included as part of our sustainability report.

3.B.3 Adaptation of our own purchasing practices

Risk management is owned and overseen by the Sustainability Manager. Measures are assessed jointly between the sustainability and sourcing departments, but are largely administered and implemented by sourcing, and in some cases by product managers.

We also maintain a clear focus on the importance of our own purchasing practices and how these may influence conditions in the supply chain. Responsible purchasing practices are a key prerequisite for preventing negative impacts on people, society, and the environment.

In 2023, we therefore conducted a course in responsible purchasing practices for the entire sourcing department and all product managers. We will continuously assess the need for further competence development in this area. New employees are also offered the opportunity to participate in Ethical Trade Norway's open course on the topic as part of their onboarding.

3.B.4 Selection of products and certifications

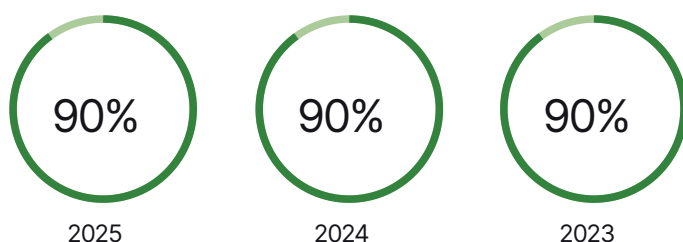
All suppliers are followed up, with a primary focus on those with high risk. For these suppliers, we require a Self Assessment, a physical supplier visit (Physical Audit), and verification of the Self Assessment to check whether the supplier meets the criteria based on our own observations and review of documentation—such as ISO 9001, ISO 14001 certificates and/or equivalent.

We collaborate with our suppliers to promote more environmentally friendly products. This includes increasing the use of circular solutions and documenting the climate and environmental footprint of products. We place particular emphasis on requesting documentation, especially Environmental Product Declarations (EPD). This ensures that suppliers are aware of and actively working to make their products more sustainable.

In 2024, Melbye developed several of its own EPDs in collaboration with suppliers and has now built internal competence in EPD and EPD development. This work is carried out in cooperation with OneClick LCA and enables us to engage more deeply in dialogue with our suppliers on this topic and contribute to shared improvements.

Indicator

Suppliers with a quality management system (e.g., ISO)



62 (89.86%) of a total of 70 suppliers have a quality management system (e.g., ISO), based on data from our 2024 ESG survey of the supply chain. No corresponding survey was carried out in 2025.

3.B.5 Actively supporting freedom of association and collective bargaining, or—where this is not permitted by supporting other forms of democratically elected worker representation

We have a clear policy for our own operations and guidelines for our suppliers that support freedom of association and collective bargaining, or—where legislation does not allow this—other forms of democratically elected

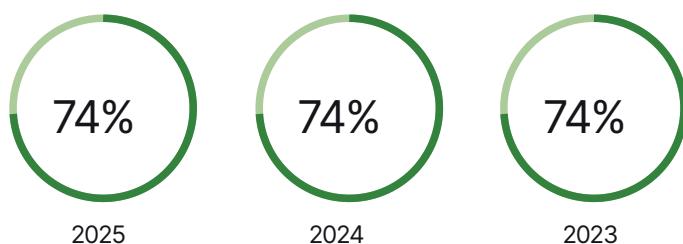
worker representation. This is a key requirement in our Supplier Code of Conduct.

These requirements are addressed and monitored through both Self Assessments and supplier visits. Together with our ongoing due diligence processes, this is also a fixed item on the agenda at our annual supplier meetings.

In 2023, employees from the sustainability and sourcing departments participated in a seminar on worker representation in Chinese supply chains, organised by Ethical Trade Norway, to strengthen competence and dialogue with suppliers. Ethical Trade Norway has also established a dedicated member forum on supplier follow up in China, where this is a central topic. We assess participation on an ongoing basis.

Indicator

Suppliers with a policy or procedures to safeguard employees' right to unionize and engage in collective bargaining



52 (74.3%) of a total of 70 suppliers have a policy or procedures in place to safeguard employees' right to unionize and engage in collective bargaining, based on data from our 2024 ESG survey of the supply chain. No corresponding survey was carried out in 2025.

3.B.6 Contribution to development, capacity building and training internally and for suppliers and workers in the supply chain

All new employees at Melbye receive an introductory session with the Sustainability Manager. In 2025, the organization continues to prioritize competence building, particularly within EPDs and environmental documentation. In addition, we maintain regular dialogue with suppliers to develop new, more environmentally friendly alternatives within the product portfolio.

Melbye has for many years maintained close cooperation with our suppliers through meetings and visits. In 2024, Melbye developed and third party verified our first EPDs, and in 2025 we have continued to place strong emphasis on developing additional EPDs. If you want this section harmonized stylistically with the rest of your ESG report, I can refine the tone further.

Indicator

Number of new employees who have completed an onboarding session on sustainability



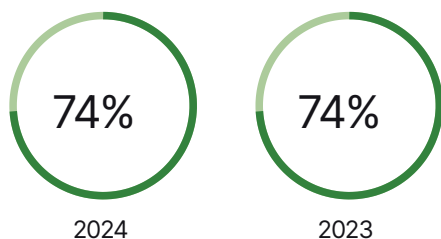
3.B.7 Combating corruption and bribery in our own operations and in the supply

We know that this is a significant challenge in several of the countries we source from (see responses under 2.A.1 and 2.A.2).

We set clear requirements on anti corruption and the prohibition of bribery both in our policy for our own operations and in our supplier guidelines. The policy outlines clear expectations for ethical behaviour, corruption, and the handling of conflicts of interest. Through Self Assessments, supplier meetings, and supplier visits, we work to ensure that suppliers understand these requirements and that measures are followed up systematically.

Indicator

Suppliers that provide employees with training or information on internal anti corruption guidelines



51 (73.91%) of a total of 70 suppliers provide employees with training or information on internal anti corruption guidelines, based on data from our 2024 ESG survey of the supply chain. No corresponding survey was carried out in 2025.

3.B.8 Other relevant information on how you work to reduce, prevent, and manage negative impact

Close cooperation with our suppliers over many years has created a solid foundation for maintaining good communication and transparency on these topics.

A man with short brown hair, wearing blue safety glasses, is looking down and to the right. He is in a factory or industrial setting, with large windows and machinery visible in the background. The lighting is bright, coming from the windows above.

4

Monitoring of implementation and results

Monitoring implementation and results involves assessing the effectiveness of the systems and actions taken at each stage of the due diligence process, and shows whether the company is conducting sound due diligence practices. The company must have structures and routines in place to capture and critically evaluate its own conclusions, priorities, and measures implemented as part of the due diligence work. This includes questions such as whether the identification and prioritization of the most severe negative impacts have been carried out in a professionally robust and credible manner that reflects actual conditions. It also involves assessing whether the measures to stop, prevent, and/or reduce the company's negative impact or harm are working as intended, and whether harm has been remedied where relevant. These considerations apply both to measures carried out by the company itself and those implemented by or in collaboration with others. The insights gained through the company's due diligence work are used to improve processes and outcomes going forward.

4.A Monitoring and evaluation

4.A.1 Describe a) who is responsible for monitoring the effect and results of implemented measures and how this is carried out in practice, and b) who is responsible for evaluating the due diligence work and how this is carried out in practice.

Sourcing is responsible for implementing measures (with corresponding action plans) to address identified non conformities or breaches, and for ensuring that these measures are carried out within a reasonable timeframe and with the intended effect. Follow up takes place during the next scheduled supplier visit.

Through close dialogue with suppliers and the person responsible in the sourcing team, sourcing ensures that corrective actions in the supply chain are implemented in practice. Sourcing reports on the status of corrective actions to the Sustainability Manager. The sustainability function is responsible for monitoring and reporting on the measures initiated, and for communicating progress to management, in close collaboration with sourcing.

Activities in line with the action plan are reviewed and assessed semi annually through meetings with relevant managers and the sustainability team. We aim to establish measurable KPIs within this area during 2026.

Indicator

Number of action plans



Total number of action plans initiated during the year. One action plan may include several non conformities or breaches.

4.A.2 Describe how you substantiate and/or measure the effect of measures to reduce risk

The annual risk assessment, including data collection, is carried out through meetings with Product Managers and others who work directly with suppliers, and in some cases with the suppliers themselves. Additional insights—such as findings from supplier visits and/or unannounced visits—are also used. This forms the basis for follow up of selected suppliers through follow up meetings, visits, and other improvement measures.

Information on which suppliers have recently been audited, as well as where breaches or non conformities have been identified, is communicated internally within the organisation. The overall work on risk mapping is reported externally once a year through this disclosure on our website.

In addition, the status and progress of the action plan, including goals and measures, are reviewed twice a year by the CEO, the Chief Supply Chain Officer, and the Sustainability Manager. Taken together, these measures make it possible to assess both whether requirements are being implemented by suppliers and how risk is actually being reduced in the supply chain over time.



5

Communication of how negative impact/harm has been addressed

Good external communication about a company's due diligence work for responsible business conduct must be grounded in concrete activities and results. The company should publicly communicate relevant governance documents related to due diligence, such as policies, guidelines, processes, and activities connected to identifying and addressing the company's actual and potential negative impacts on people, animals, society, and the environment. Communication should include how risks have been identified and managed, as well as the effects achieved through the measures and activities implemented. Under Section 4 of the Transparency Act, companies covered by the legislation must publish an annual statement on their due diligence assessments.



5.A. External communication

5.A.1 Describe how the company communicates with affected stakeholders about the handling of negative impact/harm

Our policy and Code of Conduct are publicly available on our website and outline the guidelines for suppliers, including our principles for responsible business conduct. These cover fundamental requirements related to human and labour rights, anti corruption, animal welfare, and the environment.

Information about our work on sustainability, climate, and climate reporting is available on our website: melbye.no/sustainability. Information about our due diligence work and risk assessments can be found under our strategic objective "Responsible business partner" on our website.

Priority suppliers are followed up through supplier visits, meetings, and other activities. Suppliers are assessed against our Code of Conduct and our supplier visit checklists, which Melbye has developed over time.

5.A.2 Describe how the company communicates publicly about its work on identifying and addressing negative impact/harm

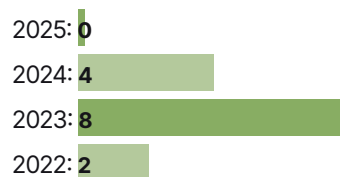
Information about our role as a responsible business partner, as well as the annual report on our due diligence work prepared in collaboration with Ethical Trade Norway, is available on our website. On <https://melbye.no/sustainability>, we also publish information about our sustainability responsibilities, ambitions, and goals, as well as Melbye's Sustainability Report for 2024.

5.A.3 Describe the company's routine for handling and responding to external enquiries related to the information requirement under the Transparency Act

We have a formal routine, aligned with our management system, that defines how and by whom enquiries related to the Transparency Act are handled. All enquiries related to the Transparency Act are answered by the Sustainability Manager for Melbye Group AS, using the shared address: sustainability@melbye.com.

Indicator

Number of enquiries under the Transparency Act



There have been no enquiries under the Transparency Act this year, but all enquiries are answered in accordance with our internal routine and within the deadlines set by the Act.



6

Restoration where required

When a company has identified that it has caused or contributed to harm to people, animals, society, or the environment, the harm must be addressed by ensuring restoration or by cooperating on restoration. Restoration may involve financial compensation, other forms of remediation, or a public apology, or it may involve correcting the harm in another appropriate way. It also includes ensuring access to grievance mechanisms for workers and/or local communities so that concerns can be raised and addressed



6.A Restoration

6.A.1 Describe the company's policy for restoration in cases of negative consequences

As part of our internal policy, we are committed to "reducing or, if necessary, stopping negative impact, and seeking to restore any harm caused." In cases where we are not directly responsible for the harm, the policy clarifies that "where the supplier is responsible for the negative impact or harm, the supplier is also responsible for restoration."

At the same time, we acknowledge our own responsibility under the OECD Guidelines for Due Diligence, which state that companies are expected to prevent and mitigate negative impacts in the supply chain even when the primary responsibility lies with the supplier.

For restoring identified negative impacts, we use action plans that are followed up by the responsible Product Manager. So far, the deviations identified have not required more extensive procedures than standard remediation measures, such as payment of wages below the minimum level (a case from 2024). The action plans ensure systematic follow up of deviations and provide suppliers with support to correct the issues.

Describe any cases of restoration during the reporting period

In 2025, no cases requiring restoration were identified.

All minor deviations discovered during 2025 were identified during supplier visits and/or unannounced visits, where production sites were physically inspected and internal documentation reviewed by Melbye's own sourcing staff. In all cases, action plans with deadlines for corrective measures were established and are being followed up by our sourcing team.

6.B Ensuring access to grievance mechanisms

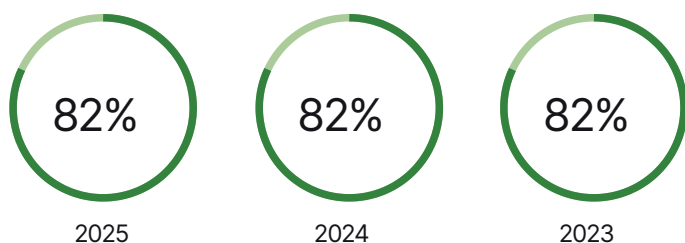
6.B.1 Describe what the company does to ensure that employees and other stakeholders, especially affected workers and local communities, have access to whistleblowing channels and grievance mechanisms

Melbye has always prioritised open, constructive, and long term cooperation with our suppliers. Information about our internal whistleblowing procedures is available on our intranet, which all employees can access. Employees may report concerns via email or regular mail to an independent third party that ensures anonymity.

Our external whistleblowing channel is an email link, also directed to an independent third party to guarantee anonymity. The external whistleblowing procedure is communicated on our website. Reports must be submitted in a responsible manner, normally in writing, and must be factually substantiated. Link to our external whistleblowing procedures: <https://melbye.no/sustainability/whistleblowing>

Indicator

Suppliers that confirm they have their own whistleblowing channel



57 (82.61%) of 70 suppliers confirm that they have their own whistleblowing channel, based on data from our 2024 ESG survey of the supply chain. No corresponding survey was carried out in 2025.

Contact information:

Melbye Group AS
Per Løberg Eriksen - Sustainability Manager
ple@melbye.no