



ALLWEILER® AS



Statement on Due Diligence Assessments under the Norwegian Transparency Act for Allweiler AS, 2024

Introduction

This report describes how Allweiler AS continuously and methodically works to map, identify, and manage risks and potential negative consequences for human rights and decent working conditions that Allweiler AS may cause or contribute to. It explains how Allweiler AS works to continuously assess and minimize the risk of negative consequences by implementing measures to stop, prevent, and mitigate these at the workplace and in the markets where we operate or deliver products. The purpose of this report is to provide the public with insight into the findings of Allweiler AS in the due diligence assessments we have conducted and the measures that have been implemented.

General Information about the Company

Allweiler AS (VAT ID: 919 674 237) was established in 1971, currently employs 34 people in Norway, and is a part of the Allweiler Group which has headquarters in Germany, which is wholly owned by CIRCOR Group. Allweiler AS supplies pumps and related equipment to the marine industry, shipping, and offshore sectors. We service all installed Allweiler products with spare parts, replacement pumps, and maintenance.

Allweiler in Norway does not have its own production of any articles but assembles, customizes, and prepares products for final installation at customer sites in its own workshop in Hvalstad, Norway. Allweiler is a value-adding company that both imports and exports goods and services, whether it be physical products or services such as upgrades or maintenance of existing pumps or systems at our customers' sites.

Allweiler has two factories in Europe and two factories in Asia. Allweiler AS imports goods from three of these factories, namely from India and Germany. In addition, Allweiler imports goods from several third-party suppliers abroad, but most external suppliers (outside the Allweiler Group) are located in Norway. Our customer base consists of both Norwegian and international customers with deliveries domestically and worldwide.

Allweiler AS Commitment to Fulfilling the Law on Human Rights and Decent Working Conditions

The CIRCOR Group's Human Rights Policy, and thereby Allweiler AS's Human Rights Policy, outlines the company's commitment to respecting and promoting human rights in the workplace for its employees and within its operations and business relationships. The guidelines specify the fundamental obligations of the organization and how the company complies with legal and regulatory requirements in the various countries where it operates.

Key elements of the policy include:

- The company's commitment to international human rights frameworks, including the UN Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, and the Ten Principles of the United Nations Global Compact.
- A commitment to non-discrimination and equality, providing equal opportunities and treatment for all employees regardless of race, gender, religion, or other status.
- Offering and ensuring a workplace free from harassment, discrimination, and unsafe conditions.
- Prohibition of child labor and forced labor in any form.
- Promoting fair compensation and regulation of working hours in accordance with local laws and international standards.
- Conducting regular training for employees on human rights issues and related company policies.
- A reporting mechanism that investigates reports of violations, potential violations, as well as takes mitigation steps in response to complaints.

Allweiler strives to ensure that the scope of this policy applies to all employees, contractors, suppliers, and business partners. Adhering to the highest ethical standards is a paramount Company objective and it proactively seeks to foster a culture of respect for human rights throughout its operations and supply chain. The Human Rights Policy of the CIRCOR Group and Allweiler AS serves as the company's commitment to promoting human rights and acting with integrity every day.

Allweiler's Work on Sustainability

Allweiler AS depends on the production of physical products and the transportation of goods, which we consider to be the main drivers of our climate impact. The Allweiler Group is working centrally to find savings in both water consumption, energy consumption, and to reduce energy-intensive materials as input factors in the production of our products. Allweiler AS continuously works to reduce our carbon footprint wherever possible.

The Allweiler Group has established global and local goals to reduce pollution and environmentally harmful materials in production. Allweiler AS works to minimize pollution by sorting all categories of

waste. We have entered into agreements with transport companies that offer the most environmentally friendly options for transport. The company has a standing directive that we should always strive to use sea and land modes of transport where possible, with a specific goal to reduce air freight/express freight by 20% compared to the previous fiscal year. Allweiler AS has also requested packaging manufacturers to provide environmentally friendly alternatives to the current packaging material, especially the use of plastic in palletted goods packaging.

Allweiler's Work on Internal Risk Assessment and Follow-up

To assess internal risks that may affect working conditions at the workplace, Allweiler AS uses an annual employee survey conducted by an external provider. We also conduct a semi-annual safety representative inspection that provides information on general observations and deviations. Additionally, monthly HSE (Health, Safety, and Environment) inspections are carried out in the building.

The annual employee survey is anonymous, includes everyone in the company, and provides management with a good overview of what works well and what works less well regarding equipment, safety, communication, follow-up from the immediate supervisor, etc. This allows management to discuss, evaluate, and implement measures to enhance employees' perception of their role in the company, engagement, and job satisfaction. This survey applies to all employees across the CIRCOR Group, including our own factories in Germany and India, as well as other CIRCOR companies from which we also import products.

The safety representative inspection reveals whether employees need ergonomic equipment, whether there is a need for noise-reducing measures between offices, and generally whether the most important criteria for a good workplace are met by the employer. Necessary equipment is acquired based on the results of this inspection.

The monthly HSE inspection ensures that physical HSE requirements are met, such as fire safety, necessary marking of zones and areas where chemicals, machinery, forklifts, and other equipment representing a risk are present, as well as checking for damage to the building or electrical system. If deficiencies or damages are found, they are documented, and the HSE officer initiates the process of implementing corrective measures.

Allweiler AS offers and requires employees to participate in regular training in HSE, first aid, and tool and machine handling in the workshop.

Reporting channels

Allweiler has several channels where employees can report deviations.

A whistleblowing routine for critical matters has been developed, as required by law, following the Norwegian Labour Inspection Authority's template. This ensures that employees know where to find information on how to report a matter, regardless of its nature.

CIRCOR Group has its own hotline that all employees can call anonymously if there is something that needs to be reported to a unit other than Allweiler AS, where the employee is not comfortable addressing it with their immediate or senior manager.

Risk Assessment of Suppliers and Partners

Suppliers of mainly physical products are critical to Allweiler operations, and therefore we consider the risk of negative consequences with suppliers to be very high. It is essential to conduct a thorough survey with a broad selection of our suppliers.

Allweiler AS uses a third party survey system to help assess the risk of negative consequences with our suppliers, both domestic and international. Allweiler AS has used this system to create a relevant survey as a basis for the due diligence assessment concerning suppliers of goods and services. The risk analysis used for the survey considered which external suppliers Allweiler AS conducts the most business with, which supplier industries have the highest risk of human rights violations based on experience and existing knowledge, and which countries the suppliers operate from or have production in.

This selection process resulted in a total of 29 suppliers out of around 500 in total, representing most of the supplier categories we have. Of these 29 suppliers, 22 are Norwegian companies, and 7 are foreign companies. Suppliers were asked to respond to the Allweiler survey, which included 20 essential questions focusing on the following areas:

- Human Rights
- Employment
- Environment & Climate
- Anti-Corruption

They were also asked to provide documentation relevant to the questions where applicable (e.g., ISO certifications).

Additionally, the CIRCOR GROUP and the Allweiler Group centrally in Germany are working on developing a risk analysis for Allweiler globally and meeting the requirements of the German Due Diligence Supply Chain Act (GDDSCA), which aligns more closely with OECD guidelines and requires stricter reporting than what the Norwegian Transparency Act requires. Allweiler AS will be part of this report as we use many of the same suppliers as other units in the Allweiler Group.

Allweiler plans to send out a new due diligence survey in August/September to the remaining suppliers who did not respond to the last survey. This will be based on the OECD's template for due diligence assessments.

Allweiler AS is in the process of creating a specific Supplier Code of Conduct, which the company will require all new external suppliers to sign in advance, and all existing suppliers to sign as soon as possible, to minimize risk in our collaboration with them and ensure that we do not use suppliers who cannot meet our requirements as a responsible company that works for human rights and decent working conditions. This Supplier Code of Conduct is planned to be ready by Q1 2025.

Allweiler Group uses an End User Statement (EUS) that must be stamped and signed by the end customer (not the distributor or partner) in all cases where there is uncertainty about who the end customer is or whether the customer is sanctioned according to the screening tools we use.

CIRCOR Group and Allweiler Group regularly update a list of Countries of Concern and inform all about what is required to sell products and services to a country that is not approved for normal trade.

CIRCOR Group and Allweiler Group follow all EU, US, UK and other applicable sanctions against Russia, both regarding the import and procurement of materials or products and when selling products or services to customers who are Russian or may have a connection to Russia.

Findings of Risks among Suppliers

A total of 11 Norwegian and 2 foreign companies responded to the survey. The management in Allweiler has gone through all the answers that have come in. In general, there are many answers that create a positive impression. Many suppliers share the same values, views, and attitudes as Allweiler AS and are either ISO certified or subject to Norwegian or EU legislation, which in turn ensures a low risk of negative consequences.

On the other hand, there were some companies that did not convince in their answers and where several red flags appeared. After a review, the management of Allweiler AS decided that either a follow-up of the supplier on these issues or termination of the collaboration was necessary.

Measures

Of the 11 Norwegian suppliers who responded to our survey, there were three suppliers that Allweiler was not satisfied with. One of these did not confirm that their subcontractors do not employ children or contribute to child labor, and another did not confirm that they apply the precautionary principle where there is a risk of harm to health, environment, or safety. These issues were due to misunderstandings and possible errors in the responses, and we were assured that this was not the case for both suppliers.

For the third Norwegian supplier who did not provide satisfactory answers, there were several critical questions that were rejected by the management, and Allweiler decided to terminate the collaboration with this company. This supplier is in the transportation sector, and Allweiler has several alternative transport/forwarder providers to rely on.

Of the two foreign suppliers, there was one company that did not satisfactorily answer a couple of questions regarding HSE (Health, Safety, and Environment) requirements and child labor. After a follow-up conversation by Allweiler managing director, the supplier assured us that it was a misunderstanding and incorrect answers in areas where Allweiler deemed the responses unsatisfactory. Therefore, it was decided that we would continue the collaboration with this supplier.

Allweiler AS has also discussed internally what the process should be if a supplier fails to meet our requirements or cannot confirm that they are working in line with the Transparency Act. It is expected that a specific Supplier Code of Conduct will be ready in Q1 2025, which will serve as a guideline for follow-up and requirements for further work with new and existing suppliers. Allweiler AS will continue to perform risk assessments and due diligence assessments in line with the requirements of the Transparency Act and the German Due Diligence Supply Chain Act, which also places requirements on some of our customers.

Overall Summary and Plan for Further Work

The Transparency Act requires Allweiler AS to document and report on risks and measures implemented with its business partners to minimize these risks. Allweiler AS has conducted a risk

assessment of all suppliers, focusing on suppliers who deliver physical products. We have chosen to concentrate on this segment as it represents most of our deliveries, both domestic and international. We have received many good responses and will continue to follow up with those suppliers who have not yet responded.

The work with the Transparency Act and suppliers is an ongoing and long-term task that Allweiler AS takes very seriously. We will regularly update the public and those who inquire about our activities related to this work, and we will provide answers to all inquiries made to us through the company's contact form on our website. The company's findings and measures are publicly available and free to read by anyone.

Date of signature: 8/14/2024

Sign. Signed by:
Michael Gaiser
8A542C4E1C5A42A...

Michael Gaiser, Board member

Allweiler AS

Date of signature: 8/14/2024

Sign. Signiert von:
Daniel Stirpe
F84A572FE52D44F...

Daniel Stirpe, Chairman of the Board

Allweiler AS