



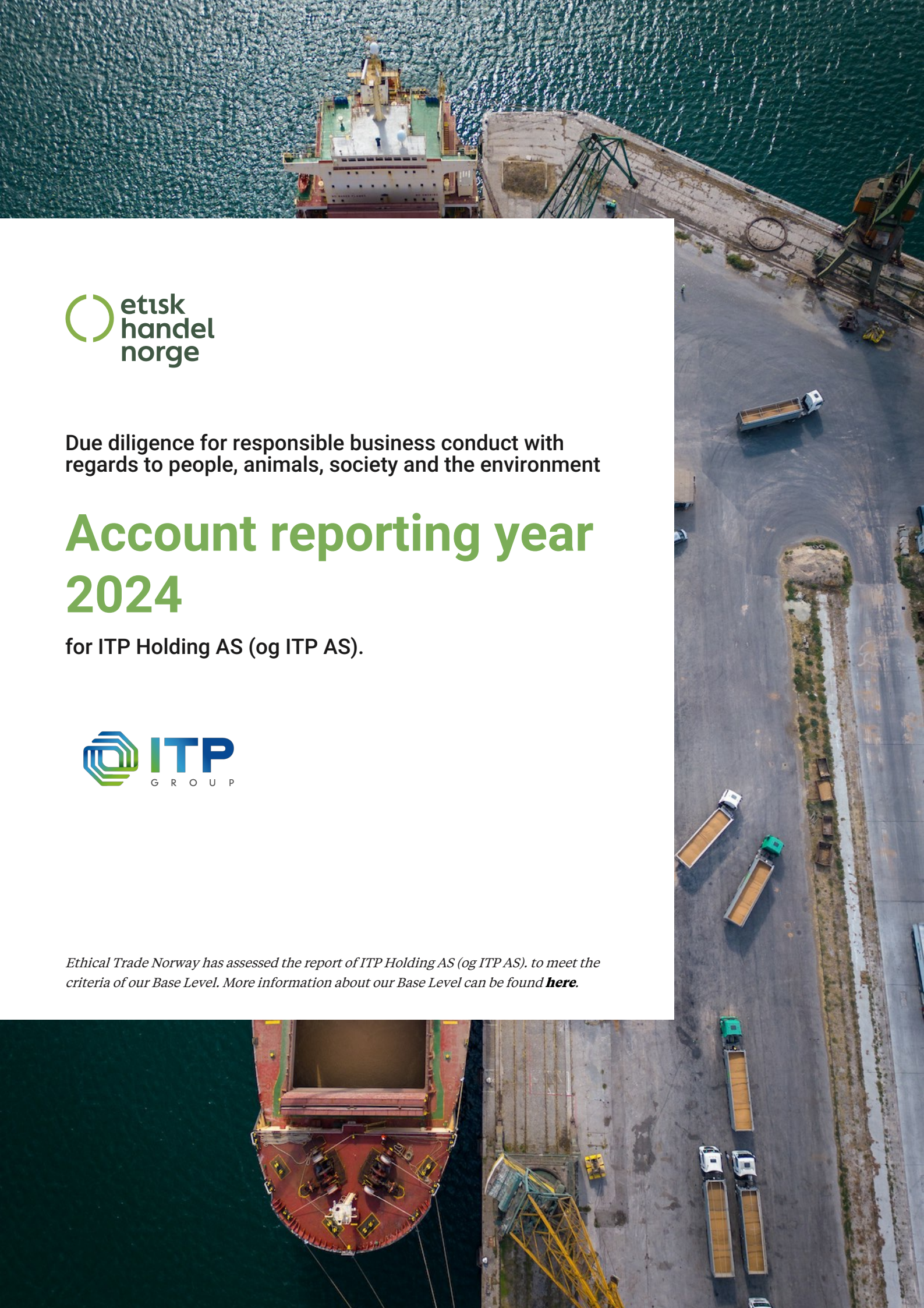
Due diligence for responsible business conduct with regards to people, animals, society and the environment

# Account reporting year 2024

for ITP Holding AS (og ITP AS).



*Ethical Trade Norway has assessed the report of ITP Holding AS (og ITP AS). to meet the criteria of our Base Level. More information about our Base Level can be found **here**.*



# SUSTAINABLE DEVELOPMENT GOALS



## To Readers Of The Report

Enterprises and the public sector have a great impact on people, society, the environment, climate, and animals and can both contribute positively to development, or negatively by causing harm. Enterprises therefore hold a central role in achieving UN's Sustainable Development Goals (SDGs) and the Paris Agreement's 1,5-degree target.

This report can be used as an account for the Transparency Act, but it has a broader scope with climate and the environment, circular economy, and anti-corruption indicators also being included. Our members are obligated to carry out due diligence and report annually on their work. Base level1 members also meet the Transparency Act's due diligence duty, and partially the Act's information duty.

Ethical Trade Norway's concept of responsible business conduct equals OECD's terminology and due diligence methodology. This is the systematic effort that enterprises do to identify, prevent, or mitigate adverse impacts and explain how they manage their risks of negative impact, as well as provide remediation to people, animals, society, and the environment where this is required – is called due diligence. Norwegian authorities expect all enterprises, regardless of their size, to carry out due diligence on society, the environment, and animals in accordance with the UN's Guiding Principles for Business and Human Rights (UNGPs) and OECD's Guidelines for Multinational Enterprises. This applies to enterprises, the public sector, and organisations.

Ethical Trade Norway's Declaration of Principles (our Code of Conduct) for Responsible Business Conduct covers the areas of decent work, human rights, environment/climate, anti-corruption, and animal welfare. This report is done in full transparency and in line with UNGP and OECD's guidelines. The reports of all members are publicly accessible on Ethical Trade Norway's website.

**Heidi Furustøl**

*Executive Director*

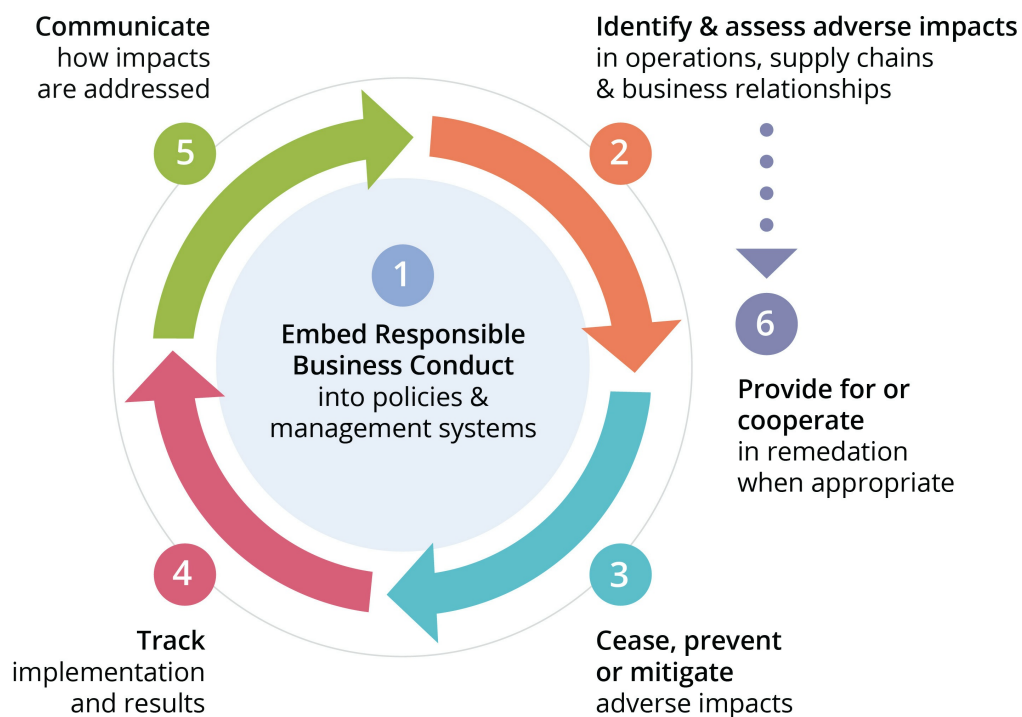
Ethical Trade Norway



# Due diligence

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

The model has six steps that describe how companies can work for more responsible and sustainable business practice. However, being good at due diligence does not mean no negative impact on people, planet and the society. It means that the company is open and honest about challenges faced and shows how this is managed in the best possible way in collaboration with its stakeholders. This report is divided in chapters following the OECD model.



# Preface From CEO

Conducting responsible and honest business has always been a core value and an integrated part of the daily business practice at ITP Group. In recent years, we have experienced how sustainable business conduct has now become an important part of the legal framework under which companies must operate. Despite an uncertain business environment characterized by inflation and global conflicts, 2024 has been the year in which ITP Group strategically worked on the foundation for future responsible business conduct. In ITP Group, we have focused on competence development, and especially the topics of data gathering and data structuring have become prioritized areas, continuing to be so in 2025.

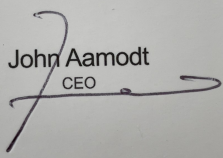
Our answers in this report reflect how our activities are based on recommendations and laws for sustainable business conduct. This includes the UN Guiding Principles (UNGP) on Business and Human Rights and the OECD model on due diligence for responsible business conduct and guidelines for multinational enterprises. Furthermore, we have followed recommendations from Ethical Trade Norway received through our membership.

This Ethical Trade Report covers the organizations within ITP Group in the period from the 1st of January 2024 to the 31st of December 2024.

We strive to formulate this report and our self-assessment through sustainability due diligence in a transparent and honest manner. Both results and challenges faced by the company in the year 2024 are, therefore, presented with transparency, as we believe this forms the best foundation for future improvement.

Enjoy the read,

CEO, ITP Group



John Aamodt  
CEO

John Aamodt  
CEO

# Enterprise information and enterprise context

## Key enterprise information

### Enterprise name

ITP Holding AS (og ITP AS).

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### Head office address

C/O Kjell Haver Regnskapsservice AS. Welhavens vei 5, 4319 Sandnes

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### Main brands, products and services offered by the enterprise

The Norwegian company ITP Holding AS consists of the parent company, and the wholly owned subsidiary ITP AS, and four subsidiaries located in China (7 offices), Denmark, Norway, Sweden, and a representative office in Vietnam. This group of companies is referred to as ITP Group. The Group assists Norwegian and international companies with start-up and follow-up of production in Asia (China and Vietnam) and Poland. The Group has strategic partnerships with several quality-assured factories. The Group assists in customizing designs for Asian production and places orders with its portfolio of local factories. It also monitors quality in production and sourcing and assists with logistics. ITP Group primarily works within three different strategic focus areas concerning the different product categories of Bathroom, Handknitting Yarns, and Supply Chain Management.

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## Description of enterprise structure

Descriptions of ITP Group's strategic focus areas:

### **NORDIC BATH**

Nordic Bath is one of our subsidiary brands that work as a B2B bathroom supplier in Scandinavia. Nordic Bath offers a variety of bathroom interiors and customized concepts for the retail market, specialized retail chains, and sanitation wholesale co-operatives. Within the Nordic Bath Strategic area, ITP Group owns the B2C brand Duxa, offering a range of bathroom inventory products.

### **COLORFUL CRAFT**

Colorful Craft is also an ITP brand. Colorful Craft acts as our major international hand-knitting yarn supplier, through which we offer solutions ranging from single customized products to complete brand packages of several product lines with supporting marketing initiatives.

### **GSC SOLUTIONS**

Given our solid platform of worldwide knowledge-driven employees, we offer large-scale solutions of supply chain management (SCM) to clients. Our network of suppliers, who operate within our Supplier Code of Conduct, as well as our highly structured product management, makes us capable of handling production and SCM within various product categories. Within this strategic focus area, solar panels have become a core business activity in the Norwegian company ITP AS.

This Ethical Trade Report covers ITP Group, all its strategic focus areas of the organization and the different product categories linked to these strategic areas. We strive to present our findings in this report with transparency and honesty – in line with the purpose of the Transparency Act – to ensure the general public access to information regarding how we as a company address adverse impacts on fundamental human rights and decent working conditions.

ITP Group works with the different strategic focus areas explained above. Our subsidiaries and their corresponding areas of focus are all anchored in what we define as the ITP Group platform. On this platform, our daily work activities are managed. Some departments only work within one of the strategic focus areas, while other departments such as the department of logistics, compliance, etc., handle activities across diverse strategic areas.

The ITP Group platform, which consists of different departments and colleagues from different geographic locations, is defined by more than 25 years of experience and in-depth knowledge. ITP Group can be found in Norway, Denmark, Sweden, the USA/Canada, China, and Vietnam. ITP Group operates between our bigger clients and our collaborating suppliers. The strategic partnership we have with our suppliers demands a long-term focus on continuous dialogue and responsible business conduct.

ITP Group and all subsidiaries operate by the same policy for responsible business conduct and all suppliers are required to follow our Guidelines for Suppliers (including our Code of Conduct) and our Minimum Criteria for Suppliers.

We have a CSR Coordinator position and a dedicated Compliance Team that continuously focuses on the responsibility and sustainability of our business conduct. The compliance team also monitors whether our suppliers also follow responsible business conduct and focuses on how to help our suppliers improve. We are constantly looking for ways to further improve our practices, and we have already established an ongoing due diligence routine, considering ITP Group's subsidiaries, suppliers, and stakeholders, to support these efforts.

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## Revenue in reporting year (NOK)

136 000 000

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**Number of employees**

56

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**Is the enterprise covered by the Transparency Act?**

Yes

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**Major changes to the enterprise since last and current reporting period**

No major changes to the enterprise in 2024

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**Contact person for the report (name and title)**

John Aamodt, CEO

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**Email for contact person for the report**

john.aamodt@itpgroup.dk

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## Supply chain information

### General description of the enterprise's sourcing model and supply chain

ITP Group is a company that specializes in managing the production of components and finished products for both clients and in-house brands. Our unique business model is based on a thorough understanding of the product journey, which is achieved through close collaboration with suppliers. We take pride in investing in both our suppliers and clients, to ensure that the result is not only satisfactory but also responsible.

Our primary role is to act as an intermediary between the retailers or brand owners and suppliers located overseas. Our business model benefits from our presence in China and Vietnam, as well as our ability to visit production sites in both Asia and Europe. As we do not always hold the responsibility for ultimate decision-making when it comes to product composition and raw materials, we believe that open communication and dialogue are crucial in creating a positive impact. We strive to engage in discussions with both our clients and suppliers, as we believe this to be one of the best ways to achieve our goals.

Through mutual and continuous exchange of information, clients can be informed about the impact of their decisions. We value an open dialogue with our clients regarding their demands, as well as our expectations for responsible business conduct. Furthermore, we are continuously open to development and strategic feedback for further improvement of our practices.

Through education and collaboration with suppliers, we aim to help them reach even better standards for their production and working conditions. We collaborate with suppliers across several countries and ensure they all share a commitment to our Supplier Code of Conduct and a willingness to develop themselves through ongoing dialogue. Throughout our continuous conversations, we focus on mutual needs to achieve the best conditions for future development, as well as the sustainability of their production in terms of people, environment, and profitability.

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### Number of suppliers with which the enterprise has had commercial relations in the reporting year

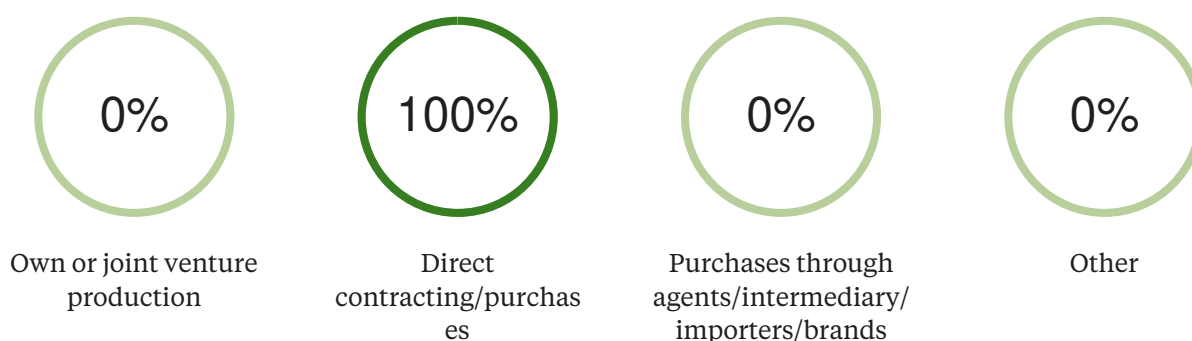
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### Comments

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### Type of purchasing/ suppliers relationships





#### List of first tier suppliers (producers) by country

|           |    |
|-----------|----|
| China :   | 27 |
| Poland :  | 2  |
| Vietnam : | 1  |

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#### State the number of workers at first tier producers

##### Number of workers

4 885

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##### Comments to number of workers

The number of employees working on a factory varies from 15 to more than 1500.

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## Key inputs/raw materials for products or services and associated geographies

|                                |                                   |
|--------------------------------|-----------------------------------|
| <b>Wood</b>                    | Poland                            |
| <b>Aluminium</b>               | China                             |
| <b>Steel</b>                   | China<br>Vietnam                  |
| <b>Glass</b>                   | China                             |
| <b>Acrylic</b>                 | China                             |
| <b>Polyester</b>               | China                             |
| <b>Wool</b>                    | Australia<br>China<br>New Zealand |
| <b>Cotton</b>                  | China                             |
| <b>Rubber wood</b>             | Vietnam                           |
| <b>Polysilicon/monosilicon</b> | China                             |

We are aware of the risks linked to the use of certain raw materials. Therefore, education on purchasing practices linked to raw materials has been included in our goals for 2024 and 2025. Furthermore, we also consider the raw materials implemented in production and their risk when working towards our goal of mapping second-tier suppliers. These goals are also stated in our internal ITP Group Sustainability Strategy 2024-2025.

Given the well-known critical risks linked to solar panels, it is considered necessary to publish an attachment to the company report on sustainability due diligence, which describes the specific risks and our activities to address these. This report is written in Norwegian and can be found on our website: <https://itp-group.org/transparency>.

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### Is the enterprise a supplier to the public sector?

No

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## Goals and progress

### Process goals and progress for the reporting year

1

**Goal :** Employees must gain more knowledge on sustainability matters in 2024 and 2025.

**Status :**

2

**To have an overview of prioritized risk in our supply chain including second-tier suppliers within 2025.**

**Goal :** This include that we must gather more information on second-tier suppliers and collect more information about supplier certifications and especially certifications of second-tier suppliers where our control is limited.

**Status :**

3

**Continuation of the e-training project - step 2: e-training of suppliers**

**Goal :** Execution of action plan by educating the factory staff of our suppliers. Furthermore, an evaluation of the e-training project. both internal and a supplier evaluation shceme must be part of the activity.

**Status :**

4

**Digitalization of data and data structuring**

**Goal :** Fruthermore, the company aim to find a new software solution that can improve the systemization and digitalisation off supplier ESG data. Likewise we aim to improve product data digitalisation and systematization on a product component level to prepare for measures such as LCA.

**Status :**

5

**The task of measuring ITP Group's environmental impact must be initiated in 2024**

**Goal :** It is our goal that the work of measuring direct emissions from ITP Group's activities (Scope 1+2\*) must be initiated in 2024.

*\*The 3 Scopes following the GHG Protocol*

**Status :**

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### Process goals for coming year

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# 1

## Governance and commitment to responsible business conduct

Embedding responsible business conduct means that the enterprise should have strategies and plan, as well as relevant policies and guidelines for due diligence for responsible business conduct (hereafter due diligence) which are adopted by management. These should comprise the enterprise's own operations, its supply chain and other business relationships. Effective management systems for implementation are key to success, and due diligence should be an integrated element in enterprise operations. Clear expectations from senior management are crucial, as well as clearly assigned responsibilities within the enterprise, for the implementation of the steps in the due diligence process. Those involved need to know how to proceed. Transparency about commitments the enterprise has for itself, challenges they are facing, and how these are managed is fundamental



## 1.A Policy for own enterprise

### 1.A.1 Link to publicly accessible policy for own enterprise

<https://itp-group.org/transparency/>

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

#### One Policy:

ITP Group follows the same policies and Code of Conduct across all its offices and subsidiaries. Likewise, suppliers of ITP Group are obliged to accept, sign, and commit to our Supplier Code of Conduct found in our Guidelines for Suppliers (<https://itp-group.org/guidelines-for-suppliers>). In these documents, we take a stance on subjects such as anti-corruption, labor rights, anti-discrimination, and environmental protection, along with others. We follow the applicable law in the different locations where we conduct business, and our business standards for responsible business conduct are founded on key United Nations (UN) and International Labor Organization (ILO) conventions and documents. We recognize our responsibility to act for gender equality, sustainable procurement, and continuous compliance with business ethics.

#### Internal Commitment:

All our business activities are managed through ethical trade, and driven by our values of transparency, diversity, and trust. Our policy on responsible business conduct is approved by our management and the Board and is followed by all of our employees. Conducting responsible business has always been our priority. Activities and goals were also presented to the Board during one of our yearly meetings. Here, our ongoing due diligence routines were evaluated, and our future goals, planned activities, and policies were discussed.

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### 1.A.3 How has the policy/commitment been developed and how is it embedded in the enterprise?

Our policies are chosen by top management, our compliance team, and selected employees, with help from guiding documents from Ethical Trade Norway. The policies are anchored by the company management and approved by the Board. It is the management's responsibility to make sure that these policies become active documents integrated into the different company departments and teams e.g., marketing, technical departments, sales, finance, and logistics. This is done through continuous dialogue and meetings on how the policies affect procedures and decisions in the different departments, ensuring that we meet the requirements of the Transparency Act in Norway. We have generated internal clarification charts visualizing responsibilities, communication channels concerning ethical trade, and routines for answering inquiries.

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## 1.B Organisation and internal communication

### 1.B.1 How is the due diligence work organized within the enterprise, embedded in internal guidelines and routines?

The work we have developed on sustainability due diligence demanded an interdisciplinary collaboration between specialists from our different departments. The CEO, department managers, and the Communication and CSR Coordinator have the responsibility to update and secure the integration of the company policies into the daily routines.

Our compliance team located in China consists of ethical trade specialists, ISO quality management, and chemical specialists. These individuals work with different department managers for the daily business and take care of supplier audits. Therefore, they have an in-depth knowledge of daily procedures, supplier relations, and local conditions in the areas where we operate. As part of the compliance team, it is their responsibility to supervise and support our suppliers. Furthermore, they are required to secure upward internal communication about issues or potential risks of negative impacts on people or the environment, identified during audits or found out by our staff, the factory staff, or other stakeholders.

The compliance team, in collaboration with the CSR Coordinator, the management, and other selected employees, must make a yearly risk assessment based on information gathered from our internal ethical trade database called the MIS-system and tools provided through our membership in Ethical Trade Norway.

Our risk assessment must always follow the guidelines on sustainability due diligence provided by the OECD. In this way, we can locate salient risks and prioritize future initiatives. From this year, we are focused on including essential second-tier suppliers and considerations on raw materials in the risk assessments. This is ongoing work, which we are motivated to take on.

We know that a value chain is never perfect and that the importance and progress of this work rely on honest and open dialogue about dilemmas. We must continue developing practices and learning new things as we go. Every new project must always be based on a pre-evaluation, including consideration of supplier capabilities and raw materials needed. It is a priority that the risk assessments linked to new projects are continually updated, to secure an adequate sustainability due diligence procedure.

The sustainability due diligence procedures and the Transparency Act require continuous communication about our routines and findings. Both external and internal communication about our efforts has now become an important area of focus. We shall communicate externally about our many projects and business conduct in general, to inform stakeholders about our progress and inquiries regarding ethical trade and risk assessments. Furthermore, internal communication about our ethical trade activities should continue to motivate employees and suppliers to do even better.

As an international company, one of our most important aspects is that international collaboration is supported to avoid functional silos and to secure knowledge sharing across our company sections. We find it essential that all employees understand, pay attention to, and are honest about risks, gaps, and potential areas of improvement. This is important to ensure our business development happens responsibly. Ethical trade responsibilities, in addition to our sustainability due diligence procedures, are outlined in the ITP Group Organizational Chart including Ethical Trade Responsibilities and our ITP Group Sustainability Strategy. This can be found on our website. While some responsibility subjects presented in our organizational chart are already included in our activity plans.

Risk assessment has been a part of our project management procedures for several years, and it remains a priority that we continue a close dialogue with both clients and suppliers. We know that this is essential for our existence as a knowledge-driven partner, ensuring our partners sustainable value chain management.

For the risk assessment linked to solar panels in the Norwegian market, it has been decided that activities linked to the risk of forced labor are handled by our Norwegian departments. The risk assessment procedure for this special case is described in our report “Redegjørelse for Utvidet Risikoområde – Solcellepaneler”. The report is written in Norwegian and is available on our website: <https://itp-group.org/transparency-norsk/>.

**1.B.2 How is the significance of the enterprise's due diligence work defined and clarified for the employees through their job description (or the like), work tasks and incentive structures?**

Regular meetings and continuous dialogues about ethical trade and our development in this area are upheld by management and responsible employees. Job descriptions and work tasks are reviewed annually. We still find ourselves in the early phases of implementing our sustainability goals across organizational departments. We believe, however, that continuous education in subjects such as raw materials, supplier dialogue, environmental concerns, and responsible purchasing will motivate employees of ITP Group in the practical implementation of our goals.

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**1.B.3 How does the enterprise make sure employees have adequate competence to work on due diligence for responsible business conduct?**

We offer a training program to new employees and employees with direct relations to clients and suppliers. Employees must annually receive updated ethical trade training, and chosen employees must take yearly tests to make sure they understand the training and educational material.

Procedures to Complete Due Diligence for Responsible Business Conduct:

The demands on sustainability due diligence have pushed our work towards responsible business conduct even further. The CSR Coordinator position ensures that relevant employees attend seminars and workshops regarding specific sustainability due diligence concerns. This is to ensure that managers understand the risk concerns linked to their specific business areas and support the process of mapping potential risks in our due diligence procedure. It is believed that this task is an ongoing process. Managers' responsibility related to these concerns will therefore increase as they obtain the necessary knowledge to carry out the tasks.

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## 1.C. Plans and resources

### **1.C.1 How are the enterprise's commitments to respect people, animals, society and the environment embedded in strategies and action plans?**

The results of our due diligence work, including our risk assessment are the starting point that defines our future goals. Our main goals for 2024 and 2025 are outlined in our Sustainability Strategy. These goals are further specified in our action plan in which partial goals, deadlines, and responsibilities are stated. Our Activity Plan has been reviewed and updated based on the activities held in 2024, and now states planned activities for 2025. Furthermore, we have a strategy for the environment that specifies our goals related to CO2e calculations and reductions, as well as how to minimize the negative environmental impact in terms of chemicals employed in suppliers' production of our products, etc. Goals from this strategy are part of our internal activity plan for 2024-2025.

Our activities, in line with the Transparency Act, are in continuous improvement and include our own yearly Sustainability Report, the public report on our due diligence procedure written in Norwegian following the Transparency Act, the FAQ on sustainability, and the publication of contact details for inquiries available on our website. We are continuously working towards the goals set out in our strategy and aim to succeed in reducing potential risks related to our business activities.

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### **1.C.2 How are the strategies and action plans for sustainable business conduct followed up by senior management and the board?**

The Board has agreed on our commitment to work with ESG subjects and reduce potential negative impacts on people and the environment. The work on ESG matters is presented to the Board at least once a year, and presentation is usually held by our CSR Coordinator. The Board is presented with activities carried out, evaluation of the work, and future goals.

Our management and the CSR Coordinator are conducting follow-ups and project meetings to ensure the future development of the steps stated in our sustainability action plan. The importance of our ESG work is continuously addressed in our quarterly meetings for all company employees. Dialogues and meetings on sustainability initiated by team management are also a part of our initiatives to promote internal commitment.

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## 1.D Partnerships and collaboration with business relationships

### 1.D.1 How does the enterprise communicate the importance of responsible business conduct in its business relationships?

We are fully aware that our strategic partnerships with suppliers are defined as our most risky business area in terms of sustainability matters. For this reason, commitment to dialogues and close collaborations with suppliers has become our core area of focus and strength. In this way, we ensure compliance in the best way, and likewise, create opportunities for further improvement of their production sites, production processes, and documentation. We use our policy and Supplier Code of Conduct (<https://itp-group.org/guidelines-for-suppliers>) as the framework that all our suppliers are expected to commit to. In these guidelines, our suppliers agree that they are obliged to have or establish a due diligence procedure and conduct risk assessments. ITP Group will not accept its suppliers to cause salient negative impacts on people or the environment, and therefore, we have also outlined minimum criteria for suppliers. All our suppliers have accepted our Supplier Code of Conduct, and some have participated in our sustainable supplier development (SSD) projects, in favor of both our suppliers and our clients.

To keep track of compliance and ethical trade issues we have an internal database, an MIS system, in which we keep track of all ITP Groups' suppliers. This database is continuously updated with information from audits, supplier information in general, and orders placed with the suppliers. Every yearly audit at suppliers' production sites results in a score and a statement. Improvements related to the working environment, health and safety, or the environmental impact, such as the correct handling of chemicals, will be reflected in their final score.

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### Indicator

#### Suppliers that have accepted and signed our Guidelines for Suppliers



Considers the suppliers with production.

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## 1.E Experiences and changes

### 1.E.1 What experiences have the enterprise encountered during the reporting period concerning responsible business conduct, and what has changed as a result of this?

The year 2024 once again brought a significant increase in both current and future legislation, affecting us and other businesses. These laws are linked to sustainability issues and sanctions related to international conflicts and wars. This legislation impacts our strategies, daily routines, and products. The new business environment has made data collection and product data restructuring top priorities, especially regarding raw materials and value chain mapping beyond first-tier suppliers.

We recognize that legal frameworks like the Corporate Sustainability Reporting Directive (CSRD) apply to value chain aspects and will undoubtedly impact both multinational enterprises (MNEs) and small and medium-sized enterprises (SMEs) like ITP Group. To meet our clients' future requests, we aim to lead in data gathering and Environmental, Social, and Governance (ESG) initiatives. While we have not yet achieved all our goals, we are continuously working towards them with high motivation.

In 2025, we expect the CSRD legal framework to significantly influence our priorities. As we adapt to a new common framework related to ESG, we will ensure that our established routines align with our clients' expected demands, as covered by the CSRD.



## 2

### Defining the focus for reporting

## Identify and assess the enterprise's impact on people, animals, society and the environment

“Identify and assess” is about identifying the enterprises's risk for, and actual negative impact on, people, animals, society and the environment, including in the supply chain and through business relationships. As a first step the enterprise should get an overall risk picture, before subsequently prioritising further mapping and measures where the risk of negative impact is the greatest, i.e. salient issues. The enterprises's involvement in the negative impact on people, animals, society and the environment is central to determine which measures the enterprise should implement in the next step of the due diligence model. Involvement of stakeholders, especially those affected, is central when assessing risks. It is also important to consult with stakeholders when implementing measures to manage the negative impact.



## 2.A Mapping and prioritising

### PRIORITISED ACTUAL OR POTENTIAL NEGATIVE IMPACT ON PEOPLE, ANIMALS, SOCIETY, AND THE ENVIRONMENT

*Prioritising one or more risk areas on the basis of severity does not mean that some risks are more important than others, or that the company should not take action on other risks, but that risks with the greatest negative impact are prioritised first. Mapping and prioritisation are a continuous process.*

#### 2.A.1 List prioritized significant risks and/or actual negative impacts on people, animals, society and the environment.

| Salient issue  | Related topic  | Geography                            |
|--|--|--------------------------------------|
| Health and Safety – Fire safety  | Occupational Health and safety                                     | China                                |
| Health and Safety – Safety equipment/PPE                                     | Occupational Health and safety                                     | China                                |
| Health and Safety – First aid training and equipment                         | Occupational Health and safety                                     | China<br>Denmark<br>Norway<br>Poland |
| Handling of chemicals  | Occupational Health and safety<br>Environment<br>Emission<br>Waste | China                                |
| Working Hour - overtime work   | Working hours  | China                                |
| Risk of forced Labour in the value chain of polysilicon                      | Forced labour  | China                                |
| Risk of air pollution (CO <sub>2</sub> e) in suppliers' production processes | Greenhouse gas emission  | China<br>Poland                      |

These salient issues are important for us to map and measure during our daily business. Our risk assessment and continuous measures have shown that these topics are most often the cause of a lower score in our audits. The majority of identified cases have been corrected with CAPs, and documentation for improvement has been received. We will, however, work preemptively on these areas.

As stated in our Guidelines for Suppliers, our suppliers are expected to conduct due diligence for responsible business conduct. This involves conducting risk assessments to identify potential negative impacts on people and the environment, and to stop, prevent, and reduce such impacts. Furthermore, suppliers are graded in every audit, as an incentive to improve their score and efforts.

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## JUSTIFICATION FOR THE PRIORITISATION OF RISKS OF NEGATIVE IMPACT ON PEOPLE, ANIMALS, SOCIETY, AND THE ENVIRONMENT

**2.A.2 Describe: a) the enterprise's routines for mapping and identifying risk and show how the negative impact was identified and prioritized b) activities or sections of the enterprise not covered in this report , if any (product groups, own products, departments etc.), and why c) how the information was gathered, what sources were used, and which stakeholders have been involved d) whether you have identified areas where information is lacking, and how you are planning to proceed to collect more information about this.**

### **A)**

At ITP Group we are committed to identifying and mapping potential risks that may cause harm to people or the environment, as a result of our business conduct. We recognize that such potential risks exist not only within our internal company structures but also through our collaborations with suppliers. After careful evaluation, we have identified a greater potential for risks associated with our business model and our suppliers in Asia, as compared to those in Europe. We will, therefore, prioritize the provision of more information on the risks associated with our collaboration with suppliers in the following sections.

#### **RISK LINKED TO INTERNAL SOCIAL ASPECTS OF ITP GROUP IN EUROPE AND ASIA:**

ITP Group sells products to retailers and brand owners in Scandinavia and the USA. In our internal country risk assessment, the average country risk for Denmark and Norway, where our Scandinavian offices are located, is calculated to be 1 out of 5, with 5 being the highest risk. In these countries, the potential risks are primarily related to discrimination, which is why, as part of our commitment to ethical trade, we have taken measures to address the social aspects of ITP Group. In 2023, we conducted an internal anonymous employee satisfaction survey.

According to the survey, the employees of ITP Group are generally content with their work and the organization they represent. The survey results indicated that the employees have high levels of well-being and there were no signs of bullying, threats, or discrimination reported. The satisfaction survey revealed some areas that need improvement. Due to rapid decision-making, various alterations, and an increasing number of work tasks, some employees felt they lacked information. Consequently, the company management is now highly committed to ensuring a good work-life balance for the employees and improving the sharing of information going forward.

We are proud to report that our employees, particularly those in China, have a high job tenure with an average of 9 years. Additionally, our diversity calculations for 2023 show that the percentage of women in Top Management is 50%, in Team Management it is 55%, and among Team Members 40% are women.

At the end of 2023, we established a new whistleblower channel for employees of ITP Group managed by Deloitte. All employees of ITP Group are now informed about the whistleblower channel, on which they can stay anonymous if wanted.

At ITP Group, we believe that caring about a healthy company culture involves ensuring the safety of our employees. As most of our employees work from our offices, we are committed to providing a safe working environment in all aspects, including general office safety, data security, emergency prevention, preparedness, etc. Additionally, across all ITP Group offices, we adhere to applicable laws and local legislation regarding labor rights, health, and safety. To maintain high employee satisfaction, we also strive to meet local customs and practices.

Some of our employees regularly visit supplier production sites, which can present additional safety challenges. To reduce these risks, we have invested in safety clothing, including jackets suitable for colder production sites, as well as safety shoes. We also provide training to all employees who visit production sites, ensuring they are aware of the correct and safe behavior to be adopted in such environments.

#### **RISK LINKED TO INTERNAL COMPANY STRUCTURES OF ITP GROUP IN EUROPE AND ASIA:**

At ITP Group, we are committed to contributing to the sustainable development of current practices through upstream and downstream dialogue with stakeholders in our value chain. In most cases, we act as a mediator

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between the retailers or brand owners and overseas suppliers. Therefore, we believe that one of the best ways we can create impact is by focusing on continuous dialogue with both clients and suppliers. Through knowledge sharing, we can inform clients about the impact of their decisions and encourage them to adhere to our expectations for responsible business conduct.

However, we also recognize that our business structure, as a mediator between clients and production sites, presents inherent risks, such as reduced power to decide on lead times, deadlines, and purchasing decisions.

To minimize these risks, we will focus on client dialogues concerning certain areas of our business model, which will, hopefully, contribute to a positive impact on our supply chain. Finally, we have decided to further focus on the training of our staff, to improve their guidance of our clients in ethical purchasing practices and decisions about orders to improve their guidance of materials.

#### OUR ROUTINES FOR MAPPING AND IDENTIFYING RISK LINKED TO COLLABORATION WITH SUPPLIERS:

Our CSR Coordinator and our Compliance Team collaborate with Management and other selected employees to conduct a yearly risk assessment. This assessment is based on information from our own internal MIS system, tools provided through our membership in Ethical Trade Norway, and our light version of a double materiality assessment. The risk assessment shall follow the guidelines on sustainability due diligence provided by the OECD and include insights from several reliable references to obtain a nuanced understanding of risks from diverse perspectives.

In 2023, we developed a light version of a double materiality assessment. This work has been done to make sure that all ESG parameters are considered for our due diligence process. Following the European CSRD framework, some of our clients are required to make yearly ESG reports. To make sure ITP Group can meet the responsibilities of being a company in the value chain that our clients must report about, we aim to integrate all relevant factors of the ESG framework into our due diligence routines over time.

Our internal ethical trade database, the MIS system, contains information on supplier history, workers' interviews, and descriptions from factory audits regarding topics such as workers' rights, safety, compliance with our Code of Conduct, and applicable legislation. Our suppliers must pass a certain level in our MIS system, which stores audit results, certificates, and information on raw materials and orders. Our audits follow our Code of Conduct and are conducted by staff who are fluent in English and Chinese, experts in local culture and laws, and knowledgeable about international regulations and guidelines. During audits, our staff follows a set routine that begins with a document checklist to ensure legal compliance. They review our supplier's internal policies and regulations, as well as documents on Wage and Attendance Records and Health and Safety matters, to ensure workers' safety. This includes reviewing machine maintenance records, air quality test reports, fire safety certificates, and other relevant documents. In summary, our audits cover several aspects, including Child Labor, Forced Labor, Management Practices, Health and Safety, Dormitories and Canteens (if applicable), Wages, Benefits, Working Hours, Environmental Protection, and Mold Prevention.

We aim to conduct annual audits at all of our supplier's production sites. If we encounter challenges in doing so, audits are prioritized based on the size of our orders, the production sites, and the estimated potential risk of a code of conduct violation based on the supplier's history.

In 2023 we developed specific routines for the purchase of solar panels, a new prioritized business area. The specific activities linked to this product category are described in our report "Redegjørelse for utvidet risikoområde – solcellepaneler" published on our website.

#### HOW POTENTIAL NEGATIVE IMPACT HAS BEEN IDENTIFIED AND PRIORITIZED:

We have used a risk tool provided by Ethical Trade Norway to evaluate risk on both a country level and a product level. Additionally, we have evaluated the prioritization of risk, based on internal insights into our business activities.

We have also evaluated higher product risks as a consequence of production methods or raw materials used. The analysis of product risk has been built on information from references such as The List of Goods Produced by Child Labor or Forced Labor maintained by ILAB and Global Forest Watch. Subsequently, the evaluated country risk is compared to information gathered from our ethical trade database and audit results. In this comparison, the following information has been considered:



Forced labor – Production at ITP Group’s first-tier suppliers is located on the east coast of China characterized as a developed area, where forced labor is less likely. In our audits, we screen for activities linked to forced labor. We are aware of the inherent limitations of audits when screening for such practices, and therefore, we do not solely base our risk assessment on these results. With specific product categories such as solar panels, we are aware of the heightened risk of forced labor in the value chain. We have therefore done our best to establish activities and measures to prevent forced labor activities in our value chain.

CBA and FoA – We are aware that the country’s risk in this matter is high. However, collective bargaining (CBA) takes place in most factories by worker representatives. Labor unions are not very common at our suppliers’ factories, which is why we are focusing on educating the staff of our suppliers on workers’ rights.

Child labor – Production at ITP Group’s first-tier suppliers is located on the east coast of China. The east coast of China is characterized as a developed area, where child labor is unlikely. We screen for activities linked to child labor in all of our audits and until now we have not registered any.

Discrimination – There will, of course, always be a potential risk of discrimination, which is why we always need to be on alert as regards this matter. We always focus on investigating areas where discrimination is likely to happen and evaluate this matter before we partner with any factories. Based on this heightened focus, we have lowered the risk of discrimination.

Wages – Production at ITP Group’s suppliers is located on the east coast of China. The east coast of China is characterized as a developed area, where wages are higher than the regional minimum wages. We are, however, aware of this risk and will continue to monitor our suppliers on this topic. We have also added a new focus on living wages. Currently, we educate our employees on this subject, to make sure that they are fully prepared to address such a subject. We have screened some of our suppliers in terms of the living wage and have identified factory staff to be paid adequate living wages for their work in the factories.

A crucial part of the important work on sustainability and responsible business conduct is to understand the importance of risk prioritization and action plans. Prioritizing risks ensures that the most salient risks are addressed first, while action plans contribute as templates for employees to follow, to succeed with an adequate completion of responses to risk and sustainability activities. Following the routines described above, we have been able to locate salient risks. From the risk analysis in 2023, we have prioritized risks linked to workers’ health and safety, working hours at suppliers, and environmental concerns in production.

## **B)**

### **ASPECTS OF THE COMPANY THAT HAVE NOT BEEN COVERED IN THIS REPORT:**

At ITP Group, we have dedicated efforts to conducting risk analyses of suppliers within our business model and business activities. We have not, however, focused on conducting a risk analysis on minor suppliers, such as those who deliver, for example, office supplies or catering to our own offices.

## **C)**

### **INFORMATION AND INSIGHTS GATHERED FROM AUDITS ON SUPPLIER FACTORIES:**

During our auditing process, we engage in a dialogue with multiple members of the factory or supplier management, keeping track of the individuals who participate in the audit sessions. In some prioritized audits, we additionally conduct one-on-one interviews with workers, to ensure their perspectives are heard and understood. We then compare these stakeholder insights with the audit report, to identify any potential discrepancies. In agreement with our clients, some suppliers are also required to undergo third-party audits by companies such as BV, GIS, DNV, SGS, CU, and GRS. We consider findings from these external audits conducted by other parties in our risk assessment process when possible.

### **REFERENCES AND RESULTS FROM THE RISK TOOL RECEIVED FROM ETHICAL TRADE NORWAY:**

We utilize the risk assessment tool provided by Ethical Trade Norway to evaluate risk at both country and product levels. When analyzing activities in Asia, the country risk estimate is based on the following references: The Global Slavery Index, ITUC Global Rights Index, Freedom House Index, World Bank – Children in Employment, UNICEF indices for children in employment, Human Development Index, Global Gender Gap Index, The Wage Indicator, Environment Performance Index and Corruption Perception Index. We have furthermore included insights from the MVO CSR Risk Checker. These references serve as the foundation for

developing our country's risk rating system, which ranges from 1-5, and enables us to visualize and prioritize risk levels for each supplier and related country and industry.

#### **D)**

##### **PRIORITIZED CASES WHERE INCREASED DIALOGUE HAS BEEN NEEDED:**

We work with ethical trade throughout the entire year. Based on the information continually updated in our system, we continuously handle problems that may arise in supplier factories with CAPs and gather documentation of remediation or improvement on the matter.

The following areas have been prioritized in the 2024 risk assessment.

##### **Health and Safety:**

We have identified some instances where production sites were not adequately prioritizing worker safety. Specifically, we observed that some factories didn't maintain equipment and certificates linked to fire safety. These cases are all corrected and we have received documentation hereof. Additionally, awareness of fire safety has been added to our updated training material for suppliers. We have also identified that some workers were not using readily accessible safety equipment and/or PPE, this is also corrected with CAPs and the theme is addressed in our training material.

We noted some cases of insufficient labeling of chemicals. Although there have not been any registered incidents as a direct result of these issues, we recognize their potential risks to worker safety. Our ITP staff has informed management at these production sites of the problems, which they believe stem from a lack of focus on safety measures. In response, we implemented CAPs and closely monitored the progress of the sites in question. Additionally, our staff will continue to educate workers on health and safety matters, as part of our ongoing training program at collaborating factories. We expect that our sharpened focus on this topic, together with ongoing dialogue and education efforts, will lead to fewer cases of these issues in future audits.

We have noticed that some suppliers are registering overtime work exceeding the legal limit. Overtime work is a recurring problem in China, which is considered a structural problem in the work culture. It is difficult to solve or avoid as a company (buyer) with limited decision power. However, we believe that it is important to address problems related to overtime work or working hours when we find them during our audits. We always include them in our CAP (collective action plans) and communicate with our suppliers that we do not tolerate overtime work exceeding the legal limits. If the case shows that a supplier has the opportunity to apply for a Comprehensive Time System Approval from the local labor government, we inform them and ask for written documentation of the approval when possible.

##### **FUTURE PRIORITIZATION OF INFORMATION GATHERING, RISK ASSESSMENTS & ACTIVITIES**

With the CSRD framework companies now need to prioritize non-financial reporting. The CSRD framework applies to several of our customers and therefore it has been decided that our future prioritization of activities may also follow the expected needs for data from our customers.

This means that our risk assessment of due diligence routine, in the future, will be based on three parallel analyses.

First, we will continue with undertaking our yearly risk assessment by utilizing our MIS system and the gathered information of our collaboration suppliers. Here, our track of CAPs will provide us with information on themes to be addressed going forward. Secondly, the risk assessment tool developed by Ethical Trade Norway will still be used to evaluate potential risks on a country level and product level. Lastly will analyze relevant ESRS subjects to address in order to provide necessary data for our clients following the earlier described routines. These parallel analyses will form the foundation from which we can prioritize focus areas and determine ethical trade priorities.

In 2024, this above process showed that the themes of especially Health and Safety, Working Hours, and Environmental Pollution must be prioritized going forward. Additionally, in 2025 we will uphold our strategic focus on enhancing the traceability of raw materials in our supply chain and mapping of more second-tier suppliers.

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## ADDITIONAL SEVERE IMPACTS

### **2.A.3 Describe other risks of negative impacts on people, animals, society and the environment that were identified but not prioritized, and how these have been handled.**

All issues registered during our continuous audits have been handled with Corrective Action Plans (CAPs) and dialogue. ITP Group has received documentation of improvements from all suppliers, where issues have been found.

The known issues registered are further sorted into themes to which we, ITP Group, will add extra attention in the coming years.

Some important topics remain focus areas even though we have not yet registered any breach of these topics stated in our Supplier Code of Conduct. We have not registered any incidents of corruption. But anti-corruption remains one of our focus areas. Neither have we experienced any incidents of discrimination, but it will remain a prioritized focus point.





### 3

#### Management of salient issues

## Cease, prevent or mitigate negative impacts

“Cease, prevent and mitigate” is about managing findings from the risk assessment in a good way. The most salient negative impact on people, animals, society and the environment should be prioritised first. This does not mean that other risks are insignificant or that they are not handled. The way the enterprise is involved in the negative impact is key to taking the appropriate action. Negative impact that the enterprise causes or contributes to must cease, be prevented and be reduced. To address negative impact directly linked to the enterprise, e.g. in the supply chain, the business must use its leverage to influence the entity causing the negative impact to cease, prevent or mitigate it. This involves developing and implementing plans and routines to manage risk and may require changes to the enterprise’s own policy documents and management systems. Effective management of the negative impact on people, animals, society, and the environment is a major contribution to the achievement of the Sustainable Development Goals (SDGs).

### 3. A Cease, prevent or mitigate

#### 3.A.1 Describe goals and progress status for the measures you have implemented to reduce the enterprise's prioritized negative impact

|                                  |  |
|----------------------------------|--|
|                                  | <b>Health and Safety – Fire safety</b>   |
| <b>Goal :</b>                    | To increase fire safety prioritization and equipment maintenance from our suppliers.   |
| <b>Status :</b>                  | During our audits of our suppliers, we discovered several instances of non-compliance with fire safety regulations. Some of our suppliers did not possess an updated and valid fire certificate, and we found a few cases of non-working fire alarms. However, we took corrective action plans (CAPs) to address these issues, and our staff has received proof of the corrections made. |
| <b>Goals in reporting year :</b> | Although we have corrected the issues, we believe it's necessary to give priority to this important area and enhance our communication with suppliers about this matter. It was decided that this communication must occur during audits and that the topic should be included in our educational materials.   |

#### **Describe already implemented or planned measures :**

During our audits, we have frequent discussions with management about fire safety. We believe that by placing greater emphasis on this topic during audits, we can encourage suppliers to improve their practices and reduce the number of instances of inadequate fire safety in future audits.

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

It is important to increase our communication with suppliers. Our ability to influence our suppliers is limited, as our orders are not usually among the largest at their production sites. However, we believe that our positive relationships with our suppliers and our local Chinese employees can help in this regard. We hope that by having open and clear communication with supplier management, regardless of cultural or language barriers, we can help them understand the importance of prioritizing fire safety.



|                                  |  |
|----------------------------------|--|
|                                  | <b>Health and Safety – Safety equipment/PPE</b>  |
| <b>Goal :</b>                    | To ensure that workers have access to and use appropriate safety equipment.  |
| <b>Status :</b>                  | Our risk assessment has identified a risk in the production sites of some of our suppliers. The risk is related to the lack of focus on safety equipment, and we have found that this is mostly due to a management issue. However, in some cases, the lack of focus on safety equipment is because the factory employees do not understand the importance of using safety equipment, and therefore do not use it. |
| <b>Goals in reporting year :</b> | We wanted to continue educating our factory employees about the usage of safety equipment. To improve their understanding of the importance of safety equipment, we considered developing more educational material that includes practical examples, possible incidents, and their consequences.  |

**Describe already implemented or planned measures :**

The use of safety equipment is a priority at ITP Group. Reducing the risk by educating staff about personal protective equipment (PPE), to record and check whether the PPE is applied correctly, and to make sure the supplier's management makes the right safety equipment available on production sites. We have finished our new updated training material for suppliers that is now in use. The training material also covers the use of PPE and provides practical examples.

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

We strive to continue our education of both supplier management and supplier staff members. We will continue to observe the development in the coming years. We understand that this is a challenging process that demands constant work and that the development must be based on interest and motivation rather than enforcement.

|                                  |   |
|----------------------------------|---|
|                                  | <b>Health and Safety – First aid training and equipment</b>   |
| <b>Goal :</b>                    | To ensure that collaborating factories have accessible first aid equipment and that workers receive adequate first aid training.  |
| <b>Status :</b>                  | Our risk assessment has revealed a potential risk at the production sites of some of our suppliers. Specifically, we have noticed a lack of emphasis on renewing first aid equipment and training certificates. We believe that this issue stems from a management problem. To address this concern, our staff has communicated the importance of first aid equipment and training to the relevant parties, and we have added the reported problems to the Corrective Action Plan (CAP). We are pleased to report that all identified issues have been resolved, and we have received documentation from the factories to confirm this. |
| <b>Goals in reporting year :</b> | Continue educating factory employees on the importance of first aid equipment and training. Consider further developing educational material with practical examples of possible incidents and consequences to improve understanding.   |

**Describe already implemented or planned measures :**

Our training material for suppliers now includes practical examples. Additionally, this topic remains important during audits.

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

We hope that by emphasizing the importance of having first aid training and equipment, the number of instances with a lack of these resources will decrease.

|                                  |  |
|----------------------------------|--|
|                                  | <b>Handling of chemicals</b>   |
| <b>Goal :</b>                    | To ensure proper handling of chemicals at the production sites of our suppliers.   |
| <b>Status :</b>                  | The proper handling of chemicals is an ongoing priority during audits conducted at our suppliers' production sites, as well as in the training of their workers. Unfortunately, we have discovered instances during audits where factory employees are not properly handling chemicals e.g. missing labels on chemical bottles.                            |
| <b>Goals in reporting year :</b> | We are dedicated to addressing the issue of chemical safety and aim to emphasize its importance to our suppliers and their staff. Our goal is to ensure everyone involved understands the crucial nature of handling chemicals safely. As part of our training materials, we planned to provide more practical examples to further reinforce this message. |

**Describe already implemented or planned measures :**

We have addressed the issues that were registered through Corrective Action Plans (CAPs) and received documentation of the improvements. However, we are still working on educating our suppliers on the proper handling of chemicals and other substances. To achieve this, we have included more practical and tangible examples of the potential consequences of incorrect chemical handling in our education materials.

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

We endeavor to maintain our education of both supplier management and supplier staff members. We will continue to monitor the progress in the coming years and hope to encounter fewer instances of mishandling of chemicals. We understand that this is a difficult process that requires ongoing efforts and that progress must be driven by interest and motivation rather than enforcement

|                                  |   |
|----------------------------------|---|
|                                  | <b>Working Hour - overtime work</b>   |
| <b>Goal :</b>                    | Our goal is to decrease the amount of overtime work at the production sites of our suppliers.   |
| <b>Status :</b>                  | We have noticed that some suppliers are registering overtime work exceeding the legal limit. Overtime work is a recurring problem in China, which is considered a structural problem in the work culture. It is difficult to solve or avoid as a company (buyer) with limited decision power. However, we believe that it is important to address problems related to overtime work or working hours when we find them during our audits.   |
| <b>Goals in reporting year :</b> | We are dedicated to addressing the issue of overtime work and aim to emphasize its importance to our suppliers and their staff. Our goal is to ensure that they all understand the importance of following the local law. In some instances this can be obtained by applying for a Comprehensive Time System Approval from the local labor government. As part of our training materials, we planned to provide more practical examples to further reinforce this message and the importance of reducing overtime work. |

**Describe already implemented or planned measures :**

We have addressed the issues that were registered through Corrective Action Plans (CAPs) and received documentation of the improvements. We are also still educating our suppliers on the topic and have now included more practical examples.

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

We strive to continue our education of both supplier management and supplier staff members. We will continue to observe the development in the coming years. We understand that this is a challenging process that demands constant work and that the development must be based on interest and motivation rather than enforcement.

|                                  |   |
|----------------------------------|---|
|                                  | <b>Risk of forced Labour in the value chain of polysilicon</b>  |
| <b>Goal :</b>                    | Reduce risks of forced labor in the value chain of polysilicon used in solar panels.  |
| <b>Status :</b>                  | We have described the heightened risk of forced labor in the value chain of polysilicon and how we work on reducing it in the Norwegian report: 'Redegjørelse for utvidet risikoområde – solcellepaneler' that can be found on our website. |
| <b>Goals in reporting year :</b> | To reduce risks of forced labor in the value chain of polysilicon used in solar panels with e.g. the use of traceability reports from our suppliers.  |

**Describe already implemented or planned measures :**

The report mentioned above provides a description of both the completed activities and the planned activities.

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

The objective is to minimize the risk of forced labor, acknowledging that stopping the overall problem is beyond our control.



|                                  |  |
|----------------------------------|--|
|                                  | <b>Risk of air pollution (CO2e) in suppliers' production processes</b>   |
| <b>Goal :</b>                    | To reduce air pollution (CO2e) in suppliers' production processes  |
| <b>Status :</b>                  | OPPDATERE?We have added the subject of air pollution (CO2e) resulting from production processes or transportation, handled by our suppliers, to our company's action plan for sustainability activities.   |
| <b>Goals in reporting year :</b> | As part of our new environmental strategy, we plan to calculate the scope 3 emissions and perform Life Cycle Assessment (LCA) calculations for each of our products. Although we will start this work in the next year, we recognize that it's long-term goals and cannot all be achieved in one year. We have outlined this commitment in our sustainability action plan. |

**Describe already implemented or planned measures :**

We have developed an action plan outlining our work and initial steps towards the goal. In 2024, we will search for suitable software to support our needs and gather the necessary data.

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

By 2024, we aim to locate appropriate software for conducting Life Cycle Assessment (LCA) and Scope 3 calculations. We strive to gather all the required data for these calculations. However, if we are unable to obtain the necessary data, we hope to be able to assist our suppliers in calculating or collecting the data.

## 3.B Other actions related to management of negative impact

### 3.B.1 Reduction of nature- and environmental impact

One of the main challenges we face in reducing our potential negative impact on the environment is the fact that we are often not the asset owner. In many ways, our organization acts as a catalyst for our clients' production, and our service is primarily knowledge-driven. In other words, we manage the supply chain without ownership of production sites, products, or vehicles. We have chosen to address this challenge by focusing on dialogue with both suppliers and clients, as well as internal improvements in purchasing practices, product design innovation, and knowledge of raw materials. Our goal is to continuously guide both clients and suppliers in changing purchasing practices and product development to become more environmentally friendly.

At the end of 2023, ITP Group agreed on a new strategy for the environment, in which the company commits to the reduction of its environmental footprint. In the strategy, we have set out prioritized areas for improvement. The topics are chosen based on our internal 'light version' of a double materiality assessment based on the sub-topics of the ESRS framework and prioritized in terms of scale, scope, and our company's opportunities for action and/or remediation. The three prioritized areas are 1) Data gathering and systematization 2) Measurement of CO<sub>2</sub>e emissions, and 3) Use of chemicals and risk of land pollution in the production of our products. The strategy is a long-term commitment, and for each of these topics we have agreed on an activity plan considering specific steps to reach our targets in the future. The first steps was initiated in 2024, include the calculation of scope 1 and 2 base years following the GHG protocol. Furthermore, we have been searching for new software to handle larger amounts of data, and to prepare for LCA calculations and more in-depth analysis of possible improvements for the reduction of negative environmental impact caused by the production of our products.

#### Ongoing Client Dialogue:

Our client management team has strengthened its dialogue with our customers to improve purchasing practices. In our business model, the choice of product design and raw materials is based on customer requests. Therefore, we want to strengthen the dialogue with our clients to optimize their choices around product design and raw materials. This generates a demand on both our project managers and our R&D department, as they need to grasp new trends in materials and designs and inform clients about how these trends can be met in the most sustainable way.

#### SSD Projects to Reduce Environmental Impact:

As a part of our earlier mentioned strategic focus on SSD, we have encouraged and/or assisted our suppliers in the obtainment of certificates considering environmental impact. This includes assistance with practical issues, such as purchasing the right equipment, but also with the paperwork required for the certifications, which can be quite challenging for some suppliers. We can support our supplier factories with the acquirement of GRS\*, ISO 14001, OEKO-TEX, REACH, and EN71-3 certificates or other relevant certificates if requested.

### 3.B.2 Reduction of greenhouse gas emissions

Our engineers and project managers possess a thorough knowledge of raw materials, production techniques, and sustainable packaging. We have found, however, that we still need more competencies to reach our goals. Our current information on ethical trade issues stored in our internal database cannot provide us with the needed data to make calculations on our environmental footprint. We believe that such calculations are important for further improvement of our business practices within environmental concerns. We are still looking into adequate software or potential collaborations to fill this gap.

#### Transportation of Goods:

In our business model, approximately 98% of our customers take care of the transport of products. For the specific part of transportation that ITP Group arranges, we have made some considerations. We do not own the vehicles transporting products from our suppliers to our customers, however, we follow certain principles of guidance to our clients and customers. In terms of capacity utilization in containers, we adhere to a “fill-your-container”- policy. This includes guidance on several steps of the product journey. Firstly, at an order level, it is our responsibility to inform clients of how containers must be filled. This means advising clients to proceed with a change of orders if the respective order does not fill a container to its full capacity, but only to 80% or to an excess of 10%, as an example. We find this guidance necessary but also rewarding in terms of reducing the negative environmental impact caused by empty container transport.

Our “fill-your-container” policy also applies on a packaging level. We always advise our clients to agree on flat packing solutions, if possible, as it enables products to take up less space and therefore more products to be shipped at once. Although it remains a challenge for us to convince customers of such solutions, we keep a positive attitude towards this guidance and continue the practice in the hope of bringing our clients to choose optimized packaging solutions in the near future.

#### Landside Transportation:

We have also chosen to follow some simple principles for the reduction of carbon dioxide emissions from landside transportation. First, we strive to avoid empty runs, which require effective collaboration between our staff and suppliers and demand all parties adhere to a schedule. Secondly, we encourage the transport of product containers to the nearest port of loading, even though there may be economic incentives not to do so. We will continue to follow the newest trends and developments to seek areas of improvement regarding modes of transportation.

#### Our Warehouse in Norway:

We currently have a warehouse in Haugesund, Norway, in which we mainly store bathroom solutions for the Norwegian market. The warehouse is rented, which unfortunately hinders our possibility of improving the state of the building. We may look for greener alternatives when our contract expires, but until then, we will rely on a project-based approach to reduce the potential negative impacts on the environment caused by our warehouse in Haugesund.

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### 3.B.3 Improvements in own purchasing practices

ITP Group is committed to upholding responsible business conduct by actively working with due diligence. So are our suppliers, who have all signed our Guidelines for Suppliers with a commitment to carry out due diligence routines. We believe that responsible purchasing practices are an essential aspect of responsible business conduct. Our core business revolves around strategic partnerships with both clients and suppliers to ensure sustainable production of goods.

Our business model requires a dual approach to our purchasing practices. As we oversee the production of multiple goods for our clients, we must engage in responsible and knowledge-driven dialogue regarding the production of goods and order placements. As such, our strategy for responsible purchasing practices places a significant emphasis on dialogue and negotiation with customers. Additionally, our business model relies on fostering long-term partnerships with our numerous suppliers. Therefore, our second area of focus within our purchasing practices is maintaining ongoing communication and collaboration with our suppliers. In the following sections, we will elaborate on these two aspects of our purchasing practices.

#### PURCHASING PRACTICES IN RELATION TO OUR CLIENTS:

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At ITP Group, we specialize in managing large-scale production of goods across a wide range of product categories for major retailers. When working with our clients, we prioritize their unique requirements and preferences for their product line. This involves engaging in a close dialogue between our staff and the client, to determine product specifications, order sizes, deadlines, and other critical details. This dialogue forms the foundation for future decisions and collaboration and ensures that our clients' perspectives on responsible purchasing are fully incorporated into our agreements.

Forecasting production flows and order placements can be challenging, particularly in an unstable business environment characterized by inflation, worldwide turmoil, and global political instability. These factors introduce significant uncertainty into the market, making it difficult for both our clients and us to accurately predict future demand. Unfortunately, this uncertainty can have a negative impact on our business activities and our suppliers.

Considering the market uncertainty, we believe that a close and continuous dialogue about sales and market expectations with our clients is crucial for meeting the challenges of forecasting production flows and order placements. We aim to maintain an open dialogue and establish long-term collaborations with our clients. Through this partnership, we hope to receive valuable information that can help us predict future order placements more accurately. Our goal, along with that of our suppliers, is to improve our forecasting abilities to ensure efficient order management.

We have observed how an increasing number of clients are becoming open to ethical trade arguments during discussions and negotiations. This presents us with an opportunity to incorporate more facets of ethical trade into our conversations with clients. In particular, we can highlight the negative effects that excessive price negotiations, last-minute product changes, and unclear deadlines can have on the production site.

To avoid a negative effect on production sites, our sales personnel often strive to balance new demands on price reductions with a decline in product quality. As an example, when a customer demands a reduction in the price of a particular product, we explain how this requires the selection of different product materials, packaging methods, or packaging materials, to avoid compromising other factors in the production process, such as machine maintenance or worker safety.

In addition, ITP Group follows a streamlined procedure for product samples and the development of new products. Our goal is to minimize the number of samples and test runs, while still ensuring that the final product meets our clients' requirements. For this reason, we have a specialized team of engineers in our Shanghai office that supports the process of product development.

At ITP Group, we understand the importance of placing orders with a responsible lead time. In cases where clients request last-minute product changes, we strive to communicate the potential consequences of such changes to our clients. Most often, last-minute product changes result in changes to lead time or increased costs. Ultimately, the ability to accommodate last-minute changes depends on our collaborating suppliers and their capabilities. Changes will, therefore, always be made in close consideration and collaboration with our suppliers to ensure that the production processes run smoothly.

At other times, we encounter situations where our collaborating factories wish to change the lead time. While this can be a challenge, we have found that our clients are accommodating and supportive when facing changes in their orders. We attribute this in part to our focus on open dialogue and communication, which allows us to receive first-hand information from our collaborating factories, including justifications for the changes and descriptions of the actual changes. By having access to this first-hand information, we can inform our clients with relevant and descriptive arguments for the changes requested by our suppliers, which helps them understand the justification for these changes and the respective challenges.

#### PURCHASING PRACTICES CONCERNING OUR SUPPLIERS:

As a company that works with external suppliers in Asia, we believe it is essential to maintain a strict Code of Conduct and have an ongoing conversation about sustainable production. Together with our Guidelines for Suppliers, including our Code of Conduct, we have outlined minimum criteria for suppliers. We strive towards lasting supplier relationships with suppliers who show a particular willingness and ability to create positive developments in the supply chain. Our Compliance Team and Project Managers are responsible for assessing and monitoring our suppliers, or potential suppliers, by conducting due diligence activities such as arranging audits,

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getting the self-assessment questionnaire filled out, and documenting reviews on the factories.

For every new project, a risk analysis is performed. This includes considerations regarding both the sustainability of potential suppliers, as well as their capabilities. When starting a new project or collaboration, we follow a specific procurement process. This process includes researching relevant suppliers and evaluating their ESG (Environmental, Social, and Governance) risks. We screen suppliers' capabilities and agreements with policies before onboarding them onto the project which is followed by ongoing audits, tracking, documentation, evaluation, and dialogues. Additionally, we provide ethical trade training for both supplier management and workers, and we initiate supplier capacity building as well as equipment upgrades when necessary.

We make sure to collaborate only with suppliers who can comply with our policies and requirements for ethical trade. If we are unable to find suitable suppliers that meet our standards, our team will engage in a conversation about potential capacity building before moving forward with a project.

We highly prioritize maintaining good communication and ongoing cooperation with our suppliers. To ensure that we can continue to place regular orders and maintain a constant production flow, our staff in Shanghai and Norway carefully forecasts production and collaborates closely with our clients to gather necessary information. When planning production schedules, we consider the capacity and the intended type of production at our collaborating factories, to minimize any possible disruptions.

Payment terms are also agreed upon through dialogue and negotiation with our suppliers. We believe that mutual respect is essential during these discussions, as our business model is based on long-term collaboration and strong relationships with our suppliers. Price negotiation always takes place when placing orders with new suppliers. In Asia, we work with reliable suppliers. These suppliers are placed on the east coast of China, and they can, for example, afford to decline orders in case demands are unrealistic. Furthermore, we believe that the combination of a long-term collaboration and beneficial dialogue decreases the risk of unethical pressure on our suppliers. We look for suppliers that are not dependent only on our orders and with whom we can have a healthy collaboration. We are confident that this goes in favor of ethical aspects, our business model, and product quality. We emphasize preventing unhealthy pressure on our suppliers, which has resulted in several long-term collaborations, up to ten years.

#### FUTURE GOALS FOR PURCHASING PRACTICES

At ITP Group, it is our goal to continuously strengthen our responsible purchasing practices. To ensure that we always remain up-to-date and informed about the best practices in this area, we have made education and training a key part of our sustainability strategy. Our staff attended seminars and workshops to learn about responsible purchasing practices, which has prepared them for professional discussions and negotiations with our clients. Our commitment to responsible purchasing is reflected in our internal sustainability strategy and ethical trade action plan for 2024 and 2025.



### **3.B.4 Choice of products and certifications**

We have an ongoing focus on strengthening the dialogue with our customers to optimize choices around product design and raw materials. Product certification is usually based on customers' requests. We offer support to our suppliers in obtaining GRS, ISO14001, OEKO-TEX, REACH, EN71-3, or other relevant certificates, as not only the practical concerns but also the paperwork can be challenging.

To further affect the development of products in a responsible direction, we encourage our R&D department, in collaboration with our suppliers, to develop products that are based on sustainable raw materials. This is to make sure that our sales pitches and product examples presented to our clients include responsible alternatives. However, in some cases, our clients have other demands in terms of the design and materials of the product, which is when we strive to advise them about their choices of material and the potential environmental impact of them. An example of this is our GRS-certified yarns, which are produced from recycled bottles and developed by our R&D department.

ITP Group is responsible for the packaging of many products and product categories. For the color boxes designed for Duxa, our own bathroom inventory brand within Nordic Bath, we only have one packaging and paper supplier. This supplier is ISO 14001, ISO 9001, and OHSAS18001 certified, and uses FSC/PEFC certified materials. This factory publishes yearly ESG reports, makes risk assessments on both environmental and social concerns, and works actively to measure and reduce its emissions. Furthermore, it measures environmental impact through discharged water and waste disposal and makes self-assessments through audits that a management-independent group carries out. Several of our other suppliers, that handle packaging for our other brands, also use the same packaging supplier and factory.

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### **3.B.5 Actively support free trade union organisation and collective bargaining, or where the law does not allow it, actively support other forms of democratically elected worker representation**

Our policies address the freedom of association and worker representation/freedom of association, and the right to collective bargaining. Having the freedom to establish or join associations does not mean that the suppliers or their employees on the production sites actively participate in such. Therefore, we actively support free trade union organizations, collective bargaining, and other forms of democratically elected worker representation. We provide the employees on the production sites of our suppliers with information and education about their rights. This includes both informative posters on the production sites, for the ability to contact our staff about any issues, and opportunities for actual training and information meetings run by our compliance staff, to make sure everyone understands their rights.

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

A part of the important work on sustainability and responsible business conduct is to understand the importance of prioritization and action plans. Prioritizing risks ensures the most salient risks are addressed first, while action plans contribute as templates for our employees to follow and succeed with an adequate completion of responses to risk and sustainability activities. In 2024, we have been focusing on management training and employee development, and plan on continuing to do so in the coming years. This is to ensure that our employees are better prepared for new challenges and uncertainties that may arise. We expect future increasing demand for data and documentation, due to numerous laws and regulations on development in business industries. Therefore, we will make our best efforts in upgrading the skills of our employees to meet these requirements.

#### **Workers in the Supply Chain:**

It is a high priority that the suppliers we collaborate with undertake their production in a safe environment. For this reason, our compliance team ensures that employed individuals at the production sites are offered training sessions and educational information about safety and other ethical trade issues. The subjects covered are, for example, how to carefully manage chemicals and other substances, safety briefings on machinery, and the importance of emergency equipment and emergency paths. In 2023, we have updated our training material for suppliers, which is written in both English and Chinese and offers explanations and practical examples of the subjects that are covered in our Guidelines for Suppliers. Both Chinese law and international standards for ethical trade are included in the material.

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### **3.B.7 Combatting corruption and bribery in own enterprise and supply chain.**

All employees, no matter their geographical location, shall comply with applicable laws and regulations, contractual obligations, international human rights, and other obligations that come with good business ethics and acknowledged norms for appropriate behavior. When working in an international company, employees are required to be aware of our company policies and business ethics. We have set out clear guidelines for our employees to be followed in situations of doubt e.g. when expected to act appropriately and with integrity in other cultures. Examples of subjects that may be perceived differently in other cultures are gifts, facilitation payments, or bribery, which we do not tolerate at ITP Group. Furthermore, we want to contribute to the elimination of corruption in the industries where we are active, which is why we have a strict anti-corruption policy. ITP Group, including all employees, shall never offer or receive illegal or inappropriate monetary gifts or other remuneration to achieve private or business benefits in their interest or the interest of customers, agents, or suppliers. An in-depth description of the above-mentioned subjects is outlined in the internal description of business ethics for employees.

The topic of anti-corruption and our policies in place are also addressed in our training material for suppliers with practical examples of practices that are not accepted.

We have established a whistleblowing channel for all employees of ITP Group. This channel is managed by Deloitte and follows applicable rules and regulations for such. All employees are informed about this channel and have easy access to it through a link that can be found on our internal intranet. This link can also be accessed through a private computer that is not owned or managed by the company.

We are now working with a consultancy company regarding ESG. Top management is part of an industry workforce regarding ESG – scope 1, 2 and 3. During 2025 we expect to have reduction targets and opportunities for reductions in place, this with action plans and strategies in our climate work.

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### **3.B.8 Other relevant information concerning the enterprise's work to reduce, prevent, and manage negative impact**



## 4

# Track implementation and results

Tracking implementation of actions and results relates to measuring the effects of the systematic approach and own work in each step of the due diligence process, showing whether the enterprise conducts sound due diligence work. The enterprise needs to have procedures and routines in place in order to uncover and critically assess own conclusions, prioritizations and measures that have been made as part of the due diligence process. For example, is mapping and prioritisation of salient issues done in a scientifically sound and credible way? Does it reflect the actual conditions in the supply chain? Do measures aimed at ceasing, preventing and reducing the enterprise's negative impact work as intended? Is negative impact remediated where relevant? This may apply to measures taken by the enterprise alone or carried out in collaboration with others. The enterprise's experiences from working on due diligence should be used to improve procedures and routines in the future.

## 4.A. Track and assess

### 4.A.1 Describe a) assignment of responsibility for tracking the effect and result of implemented measures, as well as how the tracking is carried out in practice, b) who is responsible for evaluating the enterprise's implementation and work with due diligence, and how the evaluation is carried out in practice.

Our work to cease/prevent/mitigate salient risks of negative impact on people, society, and the environment is twofold. Firstly, we continuously track our suppliers through dialogue, audits, and in some cases, CAPs handled by our compliance team and project managers, to reduce the risks of negative impact. Secondly, we have initiated several projects as a result of our due diligence practices. The activities linked to this goal setting is chosen by Department Managers depending on the specific activity.

#### Continuous tracking of suppliers:

All our suppliers in Asia and their factories are registered in our MIS system. Every practice linked to activities in collaboration with these suppliers, such as PO or shipment, is linked to the MIS system. Likewise, all results from audits are linked to the MIS system and the respective factory. The feedback from audits is managed with a color-coding system: Red = critical issue is found and needs to be corrected, Yellow = some minor issues are found and need to be corrected, and Green = the supplier passed its audit. Following every audit, an Audit Report is also generated, based on the information in the MIS system. Every audit report includes information such as:

- Factory information e.g. contacts, certifications, turnover, staffing levels
- Supplier history
- The manufacturing process incl. size of the production area, production capacity, and percentage of production made by sub-suppliers.
- Audit section score and color code added to the overall results of the audit considering child labor, forced labor, management practices, health and safety, wages, benefits & working hours, environmental protection, mold prevention, and dormitories and canteen if applicable.

The compliance team always attaches photos from audits to the audit reports, and if a CAP has been made documentation on mending is also attached. It is our compliance team and the country managers which are responsible for the supplier tracking.

#### Goals and projects emerged from our sustainability due diligence process:

The projects initiated, based on the results of our sustainability due diligence process, are carried out in several departments, while coordination of the activities is done in collaboration with the CSR Coordinator. Each project is described in our internal Sustainability Action Plan 2024-2025, which includes our action plan with both partial goals, responsibilities, and deadlines described. An example of these activities is the logistics department's responsibility for packaging improvements and the sales department's responsibility for improving client dialogue on responsible purchasing practices.

For every activity initiated, the responsible department or manager shall continuously document the progress and challenges of the project. This must be done in a written project status document. The status and results of all larger-scale projects in the company linked to sustainability or compliance must be done in collaboration with the CSR Coordinator and be reported to our CEO.



#### **4.A.2 Describe how you track the effect, and/or demonstrate the probability of effect, of measures taken to reduce negative impact.**

We are ISO 9001 certified by DNV GL, which means that our project managers follow an internationally accepted quality management system with set procedures for the documentation and handling of all our projects in Asia. We follow the ISO 9001 standards to ensure high-quality products and customer satisfaction, as well as the documentation and experience needed for future development.

Within our internal compliance database of collaborating suppliers, the MIS system, we keep track of all the information, reports, and certifications gathered from the suppliers. In 2024, ITP Group had commercial relations with 27 suppliers in China, 1 in Vietnam, and 2 in Poland. With a calculated average of 163 individuals working at each Chinese supplier and the additional workers on collaborating production sites in Italy and Poland, approximately 4885 individuals conduct their day-to-day work at production sites collaborating with ITP Group. With this number of individuals employed by our suppliers, the need for a continuous focus on social and environmental factors is evident.

Our risk conduct and the measures that are put in place (as a part of our due diligence procedure) are continuously monitored and evaluated. This information is archived in our main software, the MIS system, where we also keep track of our suppliers' history, certifications, audit results, etc. Furthermore, current and potential future risks, such as law violations regarding working conditions, and sustainability issues are registered. Similarly, we also ensure that progress on these parameters is consistently registered in our MIS system.





## 5

# Communicate how negative impacts are addressed

A prerequisite for good external communication on due diligence for responsible business conduct is that it builds on concrete activities and results. Enterprises should make relevant documents concerning due diligence publicly accessible, i.e. policies, codes of conduct, guidelines, processes and activities related to identifying and handling the enterprise's actual and potential negative impacts on people, animals, society and environment. Communication should include information about how the risks have been identified and handled, as well as the effect of the measures/activities. The Transparency Act (Åpenhetsloven) §5 requires companies to publicly account for their human rights due diligence on an annual basis.



## 5.A External communication

### 5.A.1 Describe how the enterprise communicates with affected stakeholders about managing negative impact

Even though our staff regularly visits our suppliers, we continuously carry out audits where all parts of our Supplier Code of Conduct are run through. This is to make sure that everything is supervised and approved, and that our partners and their business conduct comply with the signed Code of Conduct of the ITP Group Guidelines for Suppliers. When needed, our staff will develop a Corrective Action Plan (CAP) together with the supplier to prevent and reduce negative impact. The CAP is documented and stored in our compliance database, our MIS system. The scale and amounts of follow-ups will be set depending on the scale of the improvement needed.

We arrange on-site factory meetings where workers are interviewed about the factory compliance environment. We provide training to understand their rights and provide contact information on production sites, for workers to report any potential negative impacts.

We have not yet experienced any major issues where our remediation process had to be activated. Smaller problems that occurred have been correctly redeemed with a CAP and subsequent follow-up documentation to ensure improvement.

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### 5.A.2 Describe how the enterprise publicly communicates its own work on identifying and managing negative impact/harm

When ITP Group conducts audits on a supplier production site, we integrate the information and the following audit reports into our MIS system. If any problem occurs, the supplier is contacted, and a CAP is created in dialogue with our compliance team. Any issues registered in our database will be included in the following due diligence risk assessment.

Our Sustainability Report presents the results of our sustainability due diligence activities, considering subjects within the categories of Environment, Social, and Governance. This report is updated yearly and communicated to our customers through our website. Furthermore, we also make a yearly report in Norwegian to meet the requirements of the Transparency Act.

Our website is updated with a FAQ for ethical trade questions that may occur. Likewise, customers can find an email for ethical trade inquiries. We advise stakeholders to contact us by email so that the inquiry can be fully evaluated and registered in our system.

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### 5.A.3 Describe the enterprise's routines for answering external inquiries related to the information requirement imposed by the Transparency Act

When the Transparency Act entered into force, all employees were informed about ITP Group's new routines for answering external inquiries related to ethical trade.

In short, employees were told that all inquiries/questions from stakeholders/clients/customers, etc., which could not be easily answered, should be sent to the following email: [info@itp-group.org](mailto:info@itp-group.org), to make sure that the inquiries are handled correctly and answered by qualified employees. Furthermore, employees have been informed about company guidelines on how to react if they are contacted in person or by phone. These guidelines ensure that stakeholders with questions that demand qualified and in-depth answers are directed to our website, which is available in both Norwegian and English. The website contains a FAQ page where stakeholders can find answers to their questions and easily get access to contact addresses for further inquiries. This is to ensure that questions raised are both registered and answered by qualified employees.





## 6

### Provide for or cooperate to ensure remediation when appropriate

Once an enterprise has identified that it has caused or contributed to negative impact on people, animals, society or the environment, the enterprise must provide for, or cooperate in, remediation. Remediation may involve financial compensation, a public apology or other ways to remediate the negative impact. Another aspect of remediation is that companies should provide for, or cooperate with legitimate complaint mechanisms, to ensure that workers and/or local communities can raise complaints and be heard.

## 6.A Remediation

### 6.A.1 Describe the enterprise's policy for remediation of negative impact

If ITP Group activities are found to cause or contribute to a negative impact on people, society, or the environment, we will stop the activities and seek to provide a remedy. If the supplier is responsible for the negative impact, this one is responsible for providing remedy. However, in such cases, we will provide support to our supplier in terms of guidance and in areas where we find our competencies to be helpful. In all instances of core violation against our Code of Conduct or other salient occurrences demanding immediate action and/or remediation, our CEO as well as the supplier management must be contacted and informed. Regardless of who carries the responsibility, a dialogue between the related parties must be established.

We have created a process description for remediation that ITP employees must follow in case of a negative impact. We are aware that every case is different, which is why our process description of remediation provides a framework that can and must be adjusted to the specific circumstances.

#### **ITP Group Process Description of Remediation**

##### 1) Violation identification:

Our compliance staff and potential third-party auditors identify the scale of violation and stop the incident. All stakeholders affected must be identified.

##### 2) Communication regarding violations

ITP Group initiates dialogue with involved parties and readdresses the signed terms in our policy for responsible business conduct.

##### 3) Assignment of Responsibility:

The responsible party for the violation is identified. ITP Group chooses an internal manager to be responsible for the execution of the remediation process.

##### 4) Root cause identification:

ITP Group initiates a thorough review of the supplier's business conduct and management systems to identify root cause(s).

##### 5) Corrective Action Plan:

If needed, a Corrective Action Plan (CAP) is made and deadlines for remediation are set.

##### 6) Regular Audits & Correct Records:

The remediation process is followed up by regular audits and the implementation of remediation activities. Records are revised and completed with correct information.

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### 6.A.2 If relevant, describe cases of remediation in the reporting year

We have not yet experienced any cases or instances of remediation. However, CAPs have been made in collaboration with our suppliers, as a part of our ongoing work with audits and with the minimization of risks of accidents at supplier factories.

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## 6.B. Ensure access to grievance mechanisms

### 6.B.1 Describe what the enterprise does to ensure that employees and other stakeholders, especially impacted workers and local communities have access to whistleblowing systems and grievance mechanisms

#### INTERNAL GRIEVANCE MECHANISM

With 65 employees operating worldwide, it is important to us that all employees know who they can reach out to regarding any issues or complaints. Therefore, all offices and employees are informed about their associated HR representative. This representative can be contacted by employees regarding inquiries, complaints, and the sharing of information with company management. We value an open culture where employees are also welcome to contact other members of management if it is found necessary.

We have a whistleblower channel. All employees of ITP Group can make use of this channel, which is managed by Deloitte, to make sure the channel follows applicable law.

#### GRIEVANCE MECHANISM LINKED TO AREAS OF PRODUCTION AND EXTERNAL STAKEHOLDERS

We endeavor long-term collaborations with our suppliers and make our best efforts in grievance mechanisms and well-functioning communication channels. We follow national laws and regulations regarding insurance coverage. The workers and local communities can contact us directly and receive support. Contact information is visible on ITP Group posters on the supplier production sites.

Our local offices in Shanghai provide a valuable resource regarding the handling of inquiries from factory workers and other members of the local community. Our various local offices enable us to work with employees who understand the local culture and speak Chinese. Furthermore, our employees are fluent in English, ensuring that inquiries can be answered with ease, and without any linguistic or cultural barriers.

To enhance security, we have established our own ITP office at the production sites of some of our collaborative factories.

We have also secured easily accessible contact information on our websites for external inquiries, available both in Norwegian and English.



Contact details:

ITP Holding AS (og ITP AS).

John Aamodt, CEO

[john.aamodt@itpgroup.dk](mailto:john.aamodt@itpgroup.dk)