

12 June 2024

ACCOUNT OF DUE DILIGENCE ASSESSMENTS

Jfr. Åpenhetsloven (Norwegian Transparency Act)

This report has been prepared by Culligan Norge AS (Reg No. 984522738)
The report has been completed as part of the Nordic groups certified management system and effects all other Nordic units under the Culligan brand as well.

The report is created in accordance with § 5 Norwegian Transparency Act, based on OECD's model for due diligence assessments for social corporate responsibility.

This work has been carried out jointly by the Nordic management team, the board, responsible departments and have been led and composed by the Nordic Group Business System Manager, Mikael Olsson.

Contact point for information or company handling regarding the Transparency Act.
(ref.§ 6. Rett til informasjon)

Questions regarding the Transparency Act, sustainability and environmental impact can be directed to kma@culligan.no for direct answers or through our CustomerCare department.

Further information is available on our website www.culligan.no

General information, our guidelines and routines.

Culligan Norge AS is part of the Culligan Nordic operations within Culligan



Verified by
Factlines.

2024

International, where units within Norway, Denmark, Finland and Sweden work together under a unified management.

Culligan offers water and coffee solutions with associated consumables to the B2B market, both in the public and private sectors. Our customers trust us to deliver high-quality products, and they expect these to be produced under orderly conditions. At Culligan, sustainable business practices are a prerequisite for meeting customers' expectations, building trust and maintaining this trust.

Our focus is to offer sustainable products and services. For example, we were the first in Norway to offer a Swan Ecolabel led coffee service, and we strive to offer double-certified (both environmentally and fair trade-labelled) consumer goods such as coffee, cocoa, etc.

Our water and coffee machines are produced by internal and external manufacturers in Europe, as well as a group-owned factory in China that is certified according to the standards ISO 9001, ISO 14001 and ISO 45001.

Our products must always be of a high quality, with low energy consumption, with a high degree of recycling, with environmentally friendly refrigerants, and that they are suitable for a circular economy with renovation and reuse of suitable machines.



Within Culligan's Nordic operations, of which Culligan Norge AS is a part, there are companies in Norway, Sweden, Denmark and Finland. In total, there are over 380 employees in the Nordic group, of which 134 employees are permanently employed by Culligan Norge AS. The Nordic operations are currently managed by a Nordic management group/board which has responsibility for all the Nordic companies. Other common, Nordic functions across the business include finance, marketing, IT, purchasing and warehouse, M&A, HR and the quality and environment department.

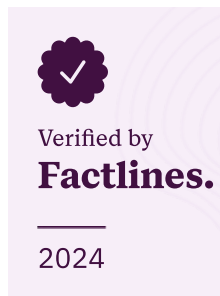
The Nordic business has a joint certified management system for quality and environmental management (ISO 9001:2015, ISO 14001:2015), which also includes sustainability topics, ethical supply chains, local and group wide ESG work towards the UN's global goals.

The work on sustainability issues is managed in accordance with the guidelines of the OECD, ISO 26000, Modern Slavery Act, SUSA, CSRD, CSDDD, EU taxonomy, etc. and is also part of Culligan international group's joint work.

The business has a clear and publicly published [Operational Policy](#) that focuses on sustainable business practices. Several years ago, in collaboration with Ethical Trade, the company developed a [Policy for sustainable business practices](#), which has now been further developed in line with the company's continuous work with ethical supply chains. This policy governs and provides guidelines both for our own operations and for the relationship with our suppliers and applies to all our operations in the Nordic region. The policy, [Culligan Nordic CSR Policy](#). Can be found on our [website](#) in both local and English languages for all stakeholders.

The business has had a sustainability strategy since 2020, which has focused on anchoring internally in the business and better foundations/documentation when it comes to our suppliers. The business has always

strived to work with suppliers who take social responsibility, and has continuously worked on the exchange and reduction of so-called high-risk suppliers. In the past, the focus has only been on replacing suppliers who do not meet the requirements. Now we focus instead on supporting the suppliers to the greatest extent possible when necessary, so that they can meet the requirements. This is done to increase the positive effect on human rights and working conditions before any consideration is given to replacing suppliers.



Our suppliers
[Code of Conduct](#)

become familiar with our [guidelines](#) and [Culligan group Supplier Code of Conduct](#) upon procurement, while at the same time they must document their own work with ethical supply chains in accordance with our requests. We started using Factlines in 2022 to support our supply chain routines and assessment. In the event of changes to our Supplier Code of Conduct, all suppliers are informed by our purchasing department.

We have established annual routines for the follow-up of suppliers to handle both qualitative criteria and external and internal environmental conditions. We also monitor changes in the suppliers' work with sustainability and supply chain ethics.

All negative effects or suspicions within the supply chains are reported and documented by the purchasing department in the annual follow-up. For special reasons, an urgent assessment is made by the purchasing department and responsible persons in the business, and it is registered as a deviation for clear follow-up. The business is part of the Culligan group's notification system to be able to report any irregularities if for some reason it cannot be raised internally in the business through normal channels.

For external stakeholders, suppliers and customers, information about our work is available on our [website](#). During 2023, we created a dedicated focus page "about Culligan Nordic Group" where everything related external stakeholder information, sustainability, ethics, local laws regulation, policies and certificates are publicly published in both local and English language.

Reference and quick link list

- [Culligan Nordic Operational policy](#)
- [Culligan Nordic Corporate social responsibility\(CSR\) policy](#)
- [Culligan Group Supplier Code of Conduct](#)
- [About Culligan Nordic Group](#)

Description of Factlines as a system and support for due diligence assessments:



In our work with the Transparency Act and due diligence assessment process, we started in 2022 to use Factlines' digital solution and services to improve on our supplier chain documentation and assessment.

Factlines is a Norwegian-owned, independent company, and are specialists in following up on ethical, social

and environmental requirements in supply chains. Factlines advises, develops and produces services with digital support to obtain effective and verifiable information directly from suppliers and subcontractors.

Our business gathers annual information from suppliers in the form of self-reporting. The questions in the self-report cover the requirements of the UN's Global Compact, the suppliers' chain insight and follow-up practices, in addition to their assessment of risks linked to breaches of ethical guidelines in the relevant production countries. The collection provides a basis for analysis of good practice and has been established to comply with the Transparency Act, Public Procurement Act Section 5 and the company's own contract provisions.

Our suppliers are made aware of our ethical guidelines and are required to act in accordance with them, including that they themselves must ensure their production, purchases and deliveries. If self-reporting or other indicators give signals of deviations, these are followed up through inquiries to the supplier. Depending on the scope and risk, deviations could result in the creation of an improvement project to create changes in collaboration with the supplier and other actors in the chain.

Read further about our work and methodology within [Factlines](#) here.

Findings from our due diligence assessments

My company sustainability score

92
/100



In earlier investigations and assessments, land risk have been identified as the biggest systematic risk. This have been the results of raw material productions such as coffee, tea and cocoa.

While this risk will always be present, the work together with our suppliers and by promoting and premiere products certified by known third party organizations. Have

decreased the actual risk within our supply chain. (see *origin table below*)

During 2023 we swapped out our main coffee supplier, this as an action to be able to work more transparent ant sustainable together.

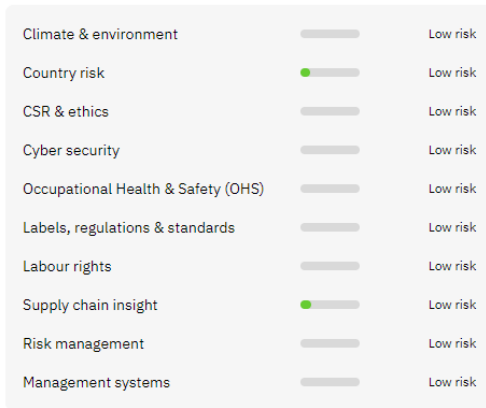
During the investigations the last year, a new risk more connected to bureaucracy than actual negative impact. More suppliers are either unwilling to answer or don't have the information to give correct answers.

For some companies, it's a clear conscious that they don't have a complete hundred percent control of the supplier chain. This is an improvement on everyone's behalf, not just assuming but understanding the complexity of the task. So while the statistics is "decreasing" the accuracy and actual understanding is actually improving on these companies.

But the most stand out part is that the bureaucracy around these topics have been over implemented, requests gets forwarded to anyone who have some spare time over. Leading to the most common question in the last

UN Global Compact risk score

Category Themes

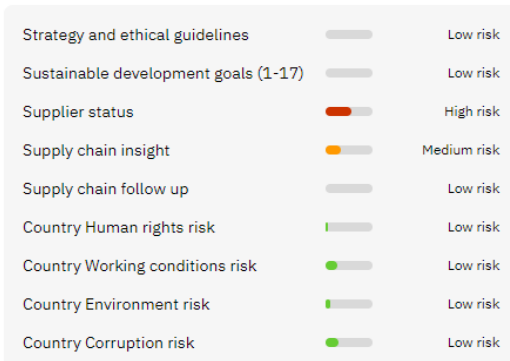


year is responding and discussing the answers "Don't know" The results of a company's findings are not as interesting as answering in other companies' respective system for their own mapping.

With the upcoming updates in Europe with the upcoming CSDDD and CSRD, the local knowledge in companies will improve. But the current direction of companies work with the act, have actually decreased a lot of the Norwegian companies interest to answer accordingly to the questionnaires.

UN Global Compact risk score

Category Themes



About the ITUC Global Rights Index

The index rates the world's worst countries for workers by rating 139 countries on a scale from 1-5 based on the degree of respect for workers' rights. Learn more:

[Global Rights Index](#)

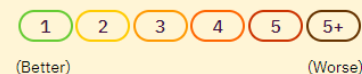


Table of products and overview assessments							
Product category	Country of last supplier	Production process / main component input	Country of identified production or raw material	Country risk ITUC	Production risk	Total risk	Ref.
Water dispensers	Italy	Production	Italy	1	1	Low	1, 2, 4
	Sweden	Production	Czech Republic	2	1	Low	1, 2, 4
	Netherlands	Production	China	5	3	Med	1, 2, 4
Coffee machines	Norway	Production	Switzerland	3	1	Low	1, 3,
	Denmark	Production	Italy	1	1	Low	1, 3
	Netherlands	Production	Netherlands	2	1	Low	1, 3
	Norway	Production	Germany	1	1	Low	1, 3
	Norway	Production	Poland	3	3	Med	1, 3
Filters	Netherlands	Production	China	5	3	Med	1, 2, 4
			Mexico	4	3	Med	1, 2, 4
			Italy	1	3	Med	1, 2, 4
Coffee Certified	Norway	Production	Sweden	1	1	Low	3,
	Sweden	Origin / raw materials	Laos	5	3	Med/High	5
	Sweden	Origin / raw materials	Peru	4	3	Med/High	5
	Sweden	Origin / raw materials	Honduras	5	3	Med/High	5
	Sweden	Origin / raw materials	Nicaragua	(not rated)	3	Med/High	5
	Sweden	Origin / raw materials	Colombia	5	3	Med/High	5
	Sweden	Origin / raw materials	Ethiopia	4	3	Med/High	5
	Sweden	Origin / raw materials	Kenya	4	3	Med/High	5
	Sweden	Origin / raw materials	Burundi	5+	3	Med/High	5
	Sweden	Origin / raw materials	Tanzania	4	3	Med/High	5
	Sweden	Origin / raw materials	Uganda	4	3	Med/High	5
	Sweden	Origin / raw materials	Brazil	4	3	Med/High	5
	Sweden	Origin / raw materials	India	5	3	Med/High	5
	Sweden	Origin / raw materials	Vietnam	4	3	Med/High	5
	Sweden	Origin / raw materials	China	5	3	Med/High	5
	Sweden	Origin / raw materials	Indonesia	4	3	Med/High	5
	Sweden	Origin / raw materials	Papua Nya Guinea	(not rated)	3	Med/High	5
	Sweden	Origin / raw materials	Rwanda	3	3	Med/High	5
	Sweden	Origin / raw materials	Malawi	2	3	Med/High	5
	Milk Powder	Germany	Production	Germany	1	1	Low
Germany		Origin / raw materials	TBD			Med/High	5
Cocoa	Germany	Production	Germany	1	1	Low	3, 4
	Germany	Origin / raw materials	TBD	4	4	Med/High	5
Explanation of references							
Ref 1	Plan for future review of origin of parts and components.						
Ref 2	Intergroup manufacture outside and inside of EU/ESS area, ISO45001 certified or similar certifications in accordance with other legal acts such as Modern Slavery Act.						
Ref 3	External manufacture with full production within EU/ESS area, under Modern Slavery Act, Plan of Vigilance. Etc.						
Ref 4	Plan for further development into supply chain for documentation and improvement						
Ref 5	Raw Materials combined in products with certifications.						

Insights and lessons learned from our work.

- The technical source of the supply chain is showing an increased understanding and documentation. The improvement from the 2022 have been significant and you can tell that they are focusing on the upcoming directives such as CSRD, CSDDD, EU Taxonomy. While some traceability is still lacking, the improvement are clear.

- Producers who work with raw material production have clear insight and understanding of these topics. And also work heavily with third party certifications and accreditations to show and promote their transparency. This is because they are more used to dealing with ethical issues. They operate in high-risk countries and are more experienced and clear when it comes to transparency and human rights.
- Conflict minerals are still an uncertain zone for many suppliers. There is particular uncertainty about whether they are affected at all, even though it is dealt with in several suppliers' guidelines and ethical standards.
- Management systems are a topic for several misunderstandings. No matter if it's regarding HSE, Quality, Environment, Ethics, social responsibility or sustainability. In many cases companies don't respond and evaluate their own routines and policies since it isn't certified. Through several checkups, we have seen local systems that's both more efficient and effective than certified systems. By not valuing their own work proper, some results have therefore been lower than it should be.

Actual negative consequences and risk of negative consequences.

No actual negative incidents have occurred or been identified during our efforts to work with due diligence assessments within our supply chains. While the risk of negative consequences still is present as identified in this work, further described below.

- Products and raw materials that are grown/made in geographical areas with a high risk of poor working conditions and a low level of labor right.
 - Our greatest general risk lies with the raw material producers, but the actual risk is small as the producers are carefully followed up by society's stakeholders (see the table above for country of origin). This is a focus area for us when it comes to working with the right partners and suppliers who have clear transparency in these areas.
 - Risk of exploitation in industrial production is present, but is assessed as low as the majority of production takes place in companies that operate under EU/EEA rules or with ISO45001 certifications. While this type of suppliers have improved their transparency, there is further improvements to be made. Especially regarding components within products.
 - There is a possible risk of negative consequences where suppliers may miss/not detect breaches and incidents that affect people in their supply chains. This is because own insight varies depending on the product category and the experience of working with transparency and ethics. We have especially identified a certain lack of transparency within the companies themselves.
- Business partners have proven to be more difficult to gain good insight from, as their businesses are often not committed to ethical assumptions.

- The risk of serious breaches on their part is lower, as they operate in accordance with the same national laws and regulations as us, usually Norwegian national rules. They also often tend to over-evaluate their own work and their supply chains.

Our measures

Implemented measures:

- Further and continuous investigations/assessments with suppliers using the correct system support to get deeper into the supply chains.
Result: Continuous assessments have shown great development and understanding within the supply chain. There is also easier to pin-point tasks and improvements within each supplier.
- Anchor our local and national CSR and ESG work in relation to the Culligan Group's international initiatives. (*Culligan International is a member of the UN Global compact, the CEO Water Mandate and the Water Resilience Coalition*)
Result: Work have been heavily focused on data and sharing proof of social and governance activities, report to be published shortly. The work have created a better insight into inter-group supply chains.
- Launch of a new information channel to better spread and share the company's ESG work
Result: All Culligan Nordic pages have the "about Culligan Nordic Group", where this statement, policies, certifications etc. are published for all external stakeholders. This is a big improvement on sharing the work being done.
- Followed up the suppliers' management systems within quality, environment and working environment.
Result: Suppliers rate their own routines and systems lower if they are not confirmed by a third party. In our survey, we have seen clear evidence that suppliers, even without certified/diplomatized systems, can have practical effective management of their businesses.

Planned measures:

- Continue to develop the collaboration with suppliers on social and ethical working conditions where the suppliers themselves experience uncertainty about how these issues affect their own businesses.
Expected result: Suppliers who feel confident that they meet our requirements and have an understanding of requirements and the need for insight into their own supply chains. This gives us a more complete insight also into supply chains with a lower risk class.
- Focus on technical suppliers component documentation and supply chains.
Expected result : Get a better overview of where the components within a technical product are produced and create a understanding for the supplier of the importance of documentation and ethics on these.

Our chosen focus areas for the above activities are:

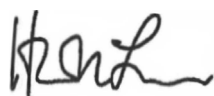
- Manufacturers of machines and technical equipment.
- Business partners and other service providers.

We are securing this by appointing and developing new routines and responsibilities and adding them into our management system for continuous review and improvement. All this under direct responsibility from the management team through direction from our Business system Manager.

Signed and acknowledged
Trollåsen 18/06/2024



Mattias Källemyr
Daglig leder/Nestleder/CEO



Huw Jenkins
Styrets leder / Chairman of the Board



Erik Gulbrandsen
Styremedlem/Member of the board/ CCO