

Melbye Group AS - Modern Slavery Act Statement 2022

This statement has been published in accordance with the UK Modern Slavery Act 2015. It sets out the steps taken by Melbye Group during the 2022 financial year to prevent violation of human rights, indecent working conditions and modern slavery in its business and supply chain.

Organization structure and supply chains

Organization structure

Melbye Group AS (hereafter Melbye), is a Norwegian, family-owned group consisting of three 100% owned companies in their respective countries of operation: Melbye Skandinavia Norge AS, Melbye Skandinavia Sverige AS and Melbye Ltd. (UK). Melbye has a common structure and functions across the company's units in respective countries. Due diligence assessment is subject to the function Sustainability, which is a group function. Melbye had a total of 108 employees in 2022.

Business and Supply Chain

Melbye's Business Units are structured according to its operations in the markets of energy, infrastructure and installation.

In Melbye, Sourcing, Sustainability, Product and Purchasing are organized in such a way that they have responsibilities across all the group's companies and locations. Buyers are responsible for all procurement categories within the main areas of energy, infrastructure, and installation. Sourcing and Sustainability ensure compliance with ethical and environmental requirements, including due diligence assessments on basic human rights and decent working conditions. The work with selection, negotiation, contract conclusion and follow-up of suppliers is led by Sourcing and Product but carried out in close collaboration with other functions in the organization, such as Sustainability and Purchasing.

Melbye purchases directly from the manufacturers. In 2022 we purchased from 189 suppliers, from 26 different countries.

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Policies

Melbye is a Member of Ethical Trade Norway. Our [Code of Conduct](#) which contains our policy for our own business and requirements for our suppliers, was drawn up in 2021, from Ethical Trade Norway's principles for sustainable business practice based on The Universal Declaration of Human Rights and The International Labour Organization´s (ILO) Declaration on Fundamental Principles and Rights at Work.

The Code of Conduct has been adopted by the board. All employees, as well as suppliers have received information about our Code of Conduct. In 2022, 90 % of our 189 suppliers have confirmed that they accept our Code of Conduct.

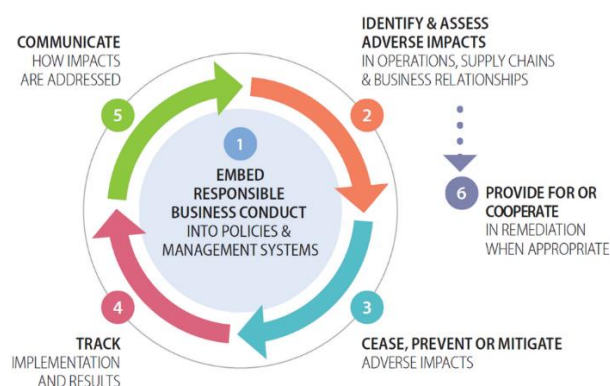
In respect to human rights, decent working conditions and modern slavery the Code of Conduct states:

“We expect our suppliers and partners to work purposefully and systematically to comply with our supplier policies, including our Code of Conduct, which covers basic human rights, labour rights, anti-corruption, animal welfare and the environment.”

More information about our approach to being a Responsible partner is available at: [Open and transparent player in sustainability | Melbye](#)

Due diligence processes

In Melbye we use the OECD Due Diligence Guidelines 6 step model as the foundation for our work with human rights and decent working conditions in our supply chain.



Ref.: OECD Due Diligence Guidance for Responsible Business Conduct.

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Risk assessment and Management

Melbye deems the risk of violation of human rights, decent working conditions and modern slavery as low in its own business. Melbye make an overall risk assessment for all our suppliers minimum once a year, based on the following underlying criteria, purchase value, and suppliers with the highest average country risk. This sets the stage for further risk mapping and the priorities we make. A proportion of these within high risk are taken on for further mapping, here we also identify Salient risk, which all falls under the same main categories of risks.

For 2022 following risk based on risk assessment were identified for first Tier 1 supplier:

Risk area	Geography
Health and Safety (HSE)	China India
Forced labour Trade union organization and collective bargaining Discrimination Working time	China India

The suppliers assessed as higher risk are prioritized, with follow-up in the form of document review and inspections. There were no serious violations that have been discovered or reported in 2022. See point below for more information.

Progress and effectiveness

Sustainability and Sourcing work with measures where needed based on risk. This is in the form of our own internal routines, use of the Code of Conduct, through dialogue or visits, we conduct self-audits and physical audits, in accordance with annual audit plans, with non-conformances being addressed with corrective action plans. Sustainability and Sourcing follow up on measures that are put in place.

Number of physical audits carried out in 2022 on high-risk suppliers: 10

Suppliers confirmed that they accept our Code of Conduct: 90 %

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Training

Mandatory basic training on sustainability is provided through a fixed online video course internally. Those who work directly with OECD due diligence assessments also receive information about this through the Sustainability Manager and courses through Ethical Trade Norway. In 2023 we will conduct a course within responsible purchasing practice for all of Melbye's Purchasers and Product Managers working directly with suppliers, with the aim to better understand how their own purchasing practices can cause violation of ethical guidelines for the suppliers, including human rights, decent working conditions and modern slavery.

This statement was approved by the Board of Directors and signed on June 7, 2023 and is valid for the Group and its subsidiaries in Norway, Sweden and UK.



Vivi Nyseter-Østby
CEO, Melbye Group AS
June 2, 2023

Melbye Group

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