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SERIMAX LIMITED

The Norwegian Transparency Act

Due Diligence Report 2025 on

Fundamental Human Rights and Decent Working Conditions

1. Introduction

The Norwegian Transparency Act came into effect on the 1st of July 2022. We in Serimax Limited, org.nr. 976 281 896, (hereafter “**Serimax**”) have since then worked to implement this new legislation into the way we are doing business, to be transparent in the way we monitor that all aspects of our business ensure respect for fundamental human rights and decent working conditions.

This report describes how Serimax is organized, the due diligence assessment we have performed of our organization internally, as well as for our suppliers and business partners, and how we have ensured, and will continue to ensure, that fundamental human rights and decent working conditions are respected throughout each step in the way we operate.

The report is prepared based on the work done by our management group and information collected from our supply chain, as instructed by the Board of Serimax.

A key component of the Transparency Act is the right for anyone to request information about how we handle actual and potential negative consequences in relation to fundamental human rights and decent working conditions. To ensure a clear communication channel, we have established a separate e-mail address, that will answer any questions related to the Act, at Norwaytransparency@serimax.com

Inquiries will be responded to within the deadline of three weeks. In the case of a comprehensive request, we may request an extended deadline.

You will also find the relevant information in this report.

2. The Norwegian Transparency Act



The Norwegian Transparency Act requires larger enterprises to monitor and control the impact they have on social conditions, fundamental human rights and decent working conditions, in relation to the production of goods and services.

The assessment made by these larger enterprises must be done in accordance with the OECD Guidelines for Multinational Enterprises.¹ Although the Guidelines of the OECD cover a wide area related to a sustainable way of doing business, the Transparency Act is limited to fundamental human rights and decent working conditions.

The methodology that follows from the OECD Guidelines is still applicable, and Serimax have used these when carrying out the due diligence of our supply chain and business partners.

The Act has as its overarching goal to make sure businesses assess the risk of violations, or actual violations, of fundamental human rights or a lack of decent working conditions inside their own company, as well as for their supply chain and for their business partners.

As Serimax meet the thresholds of being regarded as a larger enterprise, we began our work with the Transparency Act in the September of 2022.

In short, the Transparency Act have required Serimax to:

- Carry out a due diligence assessment in accordance with the OECD's guidelines for a responsible working life.
- Account for the due diligence that has been carried out to the public.
- Disclose information to anyone who requests it, within the boundaries of the Act.

The duty to perform the due diligence of the supply chain is continuous, and we will update this report by June 30th each year, or in the case of any major updates in our business.

3. Serimax's legal structure, governance, and ownership

3.1 Governance structure and composition

Serimax Limited is a UK registered company and the parent company of Serimax Norway. Serimax Limited is owned by Serimax Holdings SAS. In addition to Serimax Limited, Serimax has entities in France, United States, Brazil, Saudi Arabia and Malaysia. All Serimax Companies are locally managed to ensure adherence and compliance with local laws and regulations, however there is also a set of Standard Policies that all Serimax entities must comply with and have imbedded within their business practices.

Serimax Limited- has control over Serimax Norway, through the same shared management structures and personnel overseeing operations in Norway as well as UK. All central support functions, such as Finance, Procurement, HR, HSEQ and IT are run and administered by Serimax Ltd on behalf of Serimax Norway. In addition, all policies and procedures that are applicable to Serimax Ltd are equally applicable to Serimax Norway- and are monitored and governed by Serimax Limited.

4. Introduction of value chain and business activities

The business of Serimax is focused on specialist welding and welding equipment.

¹ <https://www.oecd.org/corporate/mne/>

Serimax operate primarily within the Utilities business, delivering services to Oil, Gas and water primarily, but other industries as and when our specialist skills are required.

Serimax core business partners are primarily our customers and suppliers. Our customers as mentioned are predominantly within the utilities industry, and by and large are all either UK or Norway based, and subject to all applicable regulations within said countries.

We have a several local Scottish suppliers, whom we work closely with due to our geographic position. We also have suppliers from the wider UK, EU and Norway. We have a very small supplier base outside of Europe.

In addition, the value chain of Serimax includes providers of services related to our training school business- this is providing specialist training services for local firms, in things such as plant and machinery operations, welding and other associated equipment requirements.

5. Being ethical

Serimax has a very strong approach to Corporate Social Responsibility (CSR)- with a dedicated webpage available to view [Corporate Social Responsibility - Serimax](#). Serimax has also launched a roadmap to sustainability and in 2025 has significantly progressed it's CSR agenda with new workstreams being launched to ensure compliance with all necessary reporting requirements, and to ensure leading status within the industry on CSR.

Industrial safety is the number one priority of Serimax, with the aim to achieve zero accidents at work and allow employees to go home unhurt every day they work here- measures to achieve this include 12 golden safety rules, safety visits, continuous improvement task forces, management of change and stop and take 5 initiatives. In addition an annual Safety day is also held worldwide- 7th May 2025 was the Serimax NEU safety day.

Training:- We train our staff to encourage them to flourish, to keep motivated and for them to be engaged. We strive to ensure everything that can be done to help our staff meet their personal aspirations . This has three underlying goals: Maintaining engagement, guaranteeing the necessary managerial- and technical skills and helping all of our employees to achieve the best possible work-life balance.

Improving working conditions:- Serimax has several initiatives to improve workers' conditions including agreements involving employee representatives, managers making working from home possible at all sites for all employees, in addition the use of AI and augmented reality is being explored as a way to reduce repetitive administrative tasks.

Remuneration:-Serimax has a motivating, equitable approach to remuneration, that includes incentive and profit-sharing schemes.

Gender Equality:- Serimax monitors and respects parity with the gender equality index for professionals- the 5 indicators being: Gender Pay Gap, distribution gap of individual increases, promotion distribution gap, number of employees increased upon their returns from maternity leave and the number of people of the underrepresented sex in the top 10 highest earnings.

-In addition gender policy promotes two goals: bringing more women into operations jobs, and facilitating the promotion of women to more senior positions.

Suppliers: Our Sourcing department follows consistent policies and balances centralized management with local guidance, using tools and processes shared by all group entities. The goal is to optimize the management of our suppliers, monitor their performance, and facilitate synergies.

We choose suppliers based on corporate social responsibility criteria. We have very high standards regarding sustainable development, ethics, and safety, since the stakes for the group are equally high. We

regularly perform inspections to identify supplier risks, and we implement corrective actions to minimize them.

We are aware of our social and environmental responsibilities, and we are pursuing a proactive policy, based on our convictions, to minimize the impact of our activities on the environment and the communities living near our industrial facilities. Our strategy is as outlined in the sustainability roadmap available on the Company's website.

6. Risk Management of Serimax's value chain

Serimax utilize the corporate governance routines to meet the requirements of local laws and regulations, while maintaining the highest ethical standards.

In the following we will present the different key systems for Risk Management, as utilized by Serimax.

In order to become a supplier or business partner of Serimax, they have to meet the Health, Safety, Environment and Quality (HSEQ) requirements as outlined in the Vendor Questionnaire of Serimax.

This standard applies to all activities carried out by, or on behalf of, Serimax and for all relevant suppliers/subcontractors used by Serimax. These HSEQ requirements are a core value of Serimax, and all of our suppliers/subcontractors to Serimax are required to adopt this value as their own.

Our suppliers/subcontractors shall ensure that their personnel are sufficiently qualified and are subject to the proper management during the execution of their work. Procedures for management and control of any risk or hazard shall be in place in order for Serimax to enter into a contract with a third party. Compliance with the HSEQ systems and procedures is mandatory for all suppliers/subcontractors and must at all times be ensured by them. If a supplier fails to provide the necessary documents and proof of appropriate HSEQ policies and systems, Serimax will not engage with them.

Before any purchase or service order that is not covered by a pre-existing contract is carried out, several requirements must be met by the supplier/contractor and the personnel performing work for or on behalf of Serimax.

The supplier/contractor must ensure that all incidents, be it accidents, unsafe conditions, or any other damage, pertaining to the supply of goods and services to Serimax, must be reported to relevant personnel at Serimax within 24 hours. A subsequent incident investigation report shall be completed within 5 days, which the supplier/contractor must agree to assist with, to avoid any future incidents.

The supplier/contractor must agree to actively avoid negative environmental impacts, and to execute their work in a way that is energy- and resource efficient. They also guarantee that they are compliant with all applicable HSEQ laws and regulations in Norway, as well that they have a formal and systematic HSEQ Management program.

Before a purchase- or service order from a supplier/contractor is entered, the relevant party must accept, understand and confirm their compliance with the following human rights principles:

- Businesses should support and respect the protection of internationally proclaimed human rights and not to be complicit in human rights abuses.
- Prevent forced labour, child labour and the payment of unfairly low wages.
- Not engage in discriminatory employment practices.
- Respect the rights of employees to associate freely to ensure open and fair negotiations between labour and management.
- Provide a work environment where risks to the employees' health and safety are properly controlled.
- Protect the global environment and give due consideration to biodiversity.
- Undertake initiatives to promote greater environmental responsibility.

- Encourage the development and diffusion of environmentally friendly technologies.
- Ensure fair business transactions, to abide by all applicable laws, rules, and regulations, and to prevent extortion, bribery, and all other forms of corrupt business practices.
- Ensure appropriate information security.
- Cooperate with members of local host communities and contribute to sustainable regional development.

Serimax Quality Management System (QMS) considers ethical and moral responsibilities of prospective suppliers, be that Vendors or Contractors. Ethical performance and compliance, anti-bribery and corruption, anti-slavery and human trafficking, and corporate social responsibility are all considered when engaging with a 3rd party.

Each category (Vendor/Contractor) has a bespoke acceptance criteria which should be fulfilled to an acceptable degree, and evidenced prior to acceptance onto the company 'Approved Suppliers' register. This includes proof of an established OHSMS such as ISO 45001, and all associated company policies.

In addition to cover environmental standards- a proof of compliance with the Environmental Management System ISO 14001 is also requested.

Once criteria have been evidenced, and the company accepted onto the 'Approved Supplier' register, certification is monitored on an annual basis.

If Serimax are notified of or suspect any non-conformities or the person in charge of supplier handling is noticing any discrepancies, Serimax will launch an investigation and work with the supplier to route cause and assess risk to Serimax HSEQ policies.

The auditing process will indicate whether or not a supplier is compliant with our requirements.

Depending on the severity of the finding, corrections, corrective actions, or opportunities for improvement are decided and undertaken by the auditing team. The results are presented to the supplier, and actions taken in order to rectify the findings are verified in subsequent audits.

7. Monitoring and remediation

7.1 The methodology of Serimax's Due Diligence

Serimax's work with the Transparency act was conducted by our Sourcing, Finance and HSEQ teams. The work was based on the OECDs due diligence model, as described in the Guidelines for Multinational Enterprises.

For inception of compliance with the Transparency Act- From October 2022 to May 2023, Serimax carried out a high-level risk assessment, based on factors related to geography, different sectors, raw materials and publicly available information related to our prioritized suppliers.

To be able to handle the assessment, only the most significant suppliers have been assessed in depth. This is based on transactions in both GBP and NOK- as on occasions purchases are made from UK suppliers and then transited to Norway.

The risk based approach firstly identified all Norwegian suppliers based in Norway, and also suppliers based outside Norway, but who may supply to Norway. Once these were identified, a review of all transactions with these suppliers over the last 3 years was conducted, to assess both the spend but also the items the expenditure was on, to provide a greater context as to potential higher risk areas of purchasing.

Serimax have identified and prioritized based on severity and likelihood of potential negative impacts.

These risk areas are:

- Working hours, wages and benefits
- Health and safety (including injuries and fatalities)
- Raw materials sourced via our supply chain
- Discrimination based on sex, gender or religion.
- Privacy
- The rights of ethnic minorities

Serimax reviewed all vendor approval documents required under the Supplier procedure mentioned above, this was also followed up with a review where applicable of suppliers' websites to review their CSG and other appropriate policies and statements regarding the above mentioned risk areas.

Following this review an assessment was made to determine if further due diligence and investigation work was required – based on the relationship with the supplier, public information, and a context of what the supplier was providing leading to a higher degree of potential negative impacts. For example, if the supplier is Norway based and provides personnel services then the risk of a negative impact would be low due to the suppliers' requirement to adhere to Norwegian employment laws. However, an alternative could be a supplier of metals, based outside the EU, where we would have a greater degree of risk regarding working practices and human rights.

In total, Serimax analysis of suppliers and business relations combine objective risk assessment based on global risk indicators, and a subjective risk assessment based on Serimax experience and knowledge about each individual supplier.

7.2 Due Diligence results and effectively preventing and mitigating adverse impacts

The findings from Serimax's due diligence indicate that we generally operate within a low-risk environment regarding negative impacts on fundamental human rights and decent working conditions.

Primarily all of Serimax Norway's operations are carried out in Norway, which is a country highly regulated and subject to control by the Norwegian government in the areas of health and safety, labor- and human rights.

Serimax also have several European suppliers, where our largest foreign business partners are from the United Kingdom and to a lesser degree France and other EU nations. Similarly, to Norway, these countries are highly regulated and under strict control by their individual governments.

As a part of Serimax Group, we have a close relationship with the other companies within our group, and several of those are included in Serimax's supply chain. These companies all adhere to the key values of Serimax, including the HSEQ requirements of Serimax and is subject to internal audits on a routinely basis.

Serimax Ltd only has 1 Non-EU/UK supplier, they are from New Zealand and provide an electronic software service, again this is deemed low risk due to being from a country with strong labor and workers laws.

Serimax have conducted a risk assessment for our 91 Norwegian suppliers and business partners and have found 20 tier 1 suppliers which meet the requirements for a medium risk, as well as zero tier 2 supplier being high risk.

The risk assessment was able to reduce the number from 91 to 20 primarily due to Serimax having had no transactions in the last 3 years with these 71 suppliers. This was re-run in May 2025 and identified that in prior 2 years only 8 suppliers have had transactions- therefore 84 suppliers have not been used in prior 24 months.

Prior to then eliminating them from scope for now, a consultation was undertaken with the Norway Project team on future plans/work scopes etc to identify the likelihood of re-engaging with these suppliers over the next 12-18 months. Once confirmed unlikely, they have been removed from scope. However Serimax has also put into the supplier re-activation process, a step for Norway Transparency Act appraisal to be conducted. The tool for this will be the Ecovadis system, which is a best in class, third party software provision, whereby the supplier is required to upload and register their policies and procedures for Transparency Act requirements, allowing Serimax to then review and appraise their compliance. An additional check was also undertaken looking at websites of suppliers and identifying their CSG policies, if the CSG policy section of the website was sufficiently strong, they were removed from the need for further investigation by Serimax.

The remaining suppliers have been identified as requiring more investigation due to them being active suppliers. The first stage was to assess the numbers of Purchase Orders with them, in some cases 1 PO for under £2kGBP has been raised in 3 years, therefore they would be classed as low risk. Other suppliers who would be medium risk may have had 200 POs and the spend in the hundreds of thousands of pounds. Following this process, the suppliers with 1 PO were eliminated from requiring further investigation as the risk is very low.

As mentioned Serimax, utilize Ecovadis software for review. As a next step a check was made to see which suppliers, if any, had already been signed up to Ecovadis and thus could be evaluated from the information already provided. 6 suppliers had already signed up, and thus they could be assessed without further consultation, pending the review of their results.

For the remainder of suppliers- contact was made through the way of a letter outlining to them the Transparency Act rules, Serimax commitment to adhere to the Norwegian Law and that suppliers would be required to work with Serimax to ensure compliance with the law. The suppliers were then invited to sign up for Ecovadis and provide all relevant information to this website. This was managed by our Group Sourcing team- and reviewed for any areas of concern.

If such concerns are identified then further discussion with the supplier shall be undertaken to allow Serimax to evaluate the potential risks, and if a future relationship with the supplier can be maintained.

7.3 Summary

With the established routines for the Transparency Act due diligence performed by Serimax, we will continue to build and improve upon managing and minimizing the risk for any negative impacts to fundamental human rights and decent working conditions in our own Serimax, as well as throughout our supply chain. Our work with the Transparency Act has been a learning experience, giving us better insight into how we can optimize our routines for the coming years.

Serimax hold themselves and their supply chain to a high standard in terms of respect for fundamental human rights and decent working conditions. The end results we want require constant work in terms of monitoring and evaluation, and we are dedicated to continuously improve on the effectiveness of our measures for risk mitigation and insight into our supply chain.