

# TRANSPARENCY ACT

## 1. Introduction

Pursuant to the Norwegian Transparency Act ("The Act"), Alloc AS is required to conduct due diligence on their operations and supply chains in a manner that is proportionate to the size and nature of the company and its operations. The Act also requires to publish annually a report on these assessments.

The Transparency Act aims to reduce the risk of human rights violations and ensure decent working conditions in our own operations, in the value chain and among partners. In addition to promoting human rights and decent working conditions, the law also ensures access to information.

Alloc AS is committed to respecting the fundamental human rights and decent working conditions in our own operations and at all levels of our supply chain. Alloc AS' approach to this topic is fully in accordance with the principles of the OECD Guidelines for Responsible Business Conduct.

This report summarizes the due diligence process and measures that are implemented in order to comply with the Act and our Responsible Business Statement. The report covers the calendar year 2024.

A methodology for conducting supplier due diligence is in place.

## 2. Presentation of the company

Alloc AS is Norway's leading manufacturer of laminate flooring. In addition, the company produces wall panels for kitchens and bathrooms. We are approximately 170 employees and have a turnover of approx. 814 million NOK. The head office and factory are located in Lyngdal.

Alloc invests in new buildings and new production equipment. By 2024, the factory will have doubled its capacity and emerge with future-oriented technology, focusing on sustainability, product development and efficient processes.

We have our own sales force in the Nordic region, which is responsible for the sale of our own products and certain products from the Group. The products are marketed under the brand name BerryAlloc. Alloc AS is aiming for further growth in the Nordic region and in the rest of the world.

We have a vision to excite the customer.

Alloc AS is a subsidiary of Beaulieu International Group (B.I.G.), which is headquartered in Belgium. Beaulieu International Group counts around 4.700 employees spread over 19 countries.

For more information on Beaulieu International Group, we refer to our Annual Report published on our website [BIG Annual Report 2024](#).

### 3. Steps to prevent and reduce risks of forced labour and child labour

Hereafter you can find further information on our corporate policies and due diligence process related to forced labour and child labour as well as sustainability in the broader sense.

In light of our sustainability goals, the Group defined a clear route towards 2030. We have taken the time to work out a sustainability strategy that we all believe in and are willing to fight for. One that's based on actionable commitments, encompasses our key priorities and reflects the spirit of the company in a sincere way.

The following routes have been defined:

- We take responsibility for the environmental impact of our operations.
- We value our employees and the people around us.
- We work towards a circular economy with the whole value chain in mind.
- We take responsibility for our climate impact.
- We act with integrity and value open communication.

The following years, we will further work on the sustainability reporting according to the European Corporate Sustainability Reporting Directive (CSRD) which is mandatory for the group in 2028 for year 2027.

#### 3.1 Our clear commitment to responsible business

As mentioned above, Alloc AS is a subsidiary of Beaulieu International Group. As a large industrial Group, we operate in multiple countries and in diverse cultural, legal and regulatory environments. That puts responsible and ethical business conduct across the whole value chain right on top of our agenda. From human rights to legal compliance, we see due diligence as essential to avoid adverse impacts on people, the environment, society and our own business. The sustainability strategy, governance and processes at group level are also applying to its subsidiaries such as Alloc AS.

Responsible business conduct is also an internal priority. We set the example within our facility.

As a group, B.I.G. has been embracing, supporting, and enacting the 10 Principles of the UN Global Compact, a set of core values for human rights, labor standards, the environment, and anti-corruption for many years. In 2024, we strengthened our commitment by becoming a member of UN Global Compact. As stated in our Responsible Business Statement we go beyond compliance with local labour laws.

By incorporating these principles into our strategy, policies, and procedures, and establishing a culture of integrity, B.I.G. aims to uphold its basic responsibilities to people and the planet, while setting the stage for long-term success. More than placing the bar high for ourselves, we expect the same from our suppliers. Only together can we really make a difference.

## UN Global Compact: ten principles

### Human rights

#1

Support and respect the protection of internationally proclaimed human rights.

#2

Make sure that they are not complicit in human rights abuses.

### Labor

#3

Uphold the freedom of association and the effective recognition of the right to collective bargaining.

#4

Eliminate all forms of forced and compulsory labor.

#5

Uphold the effective abolition of child labor.

#6

Eliminate discrimination in respect of employment and occupation.

### Environment

#7

Support a precautionary approach to environmental challenges.

#8

Undertake initiatives to promote greater environmental responsibility.

#9

Encourage the development and diffusion of environmentally friendly technologies.

### Anti-corruption

#10

Work against corruption in all its forms, including extortion and bribery.



Where do we stand?

Improving over human rights

In recent years, we’ve taken significant steps to enhance our approach to human rights risks. In 2023, we appointed a Human Rights Officer on a group level, a move that has accelerated our progress in this area.

In 2024, we deepened our commitment to human rights by joining the United Nations Global Compact (UNGC). Using the UNGC’s recommended framework, we evaluated our human rights practices to ensure they meet international standards and best practices.

The assessment confirms that all critical human right risks for our own workforce are well managed. Still, we remain committed to continuous improvement.

Although we had aimed to strengthen our measures in Diversity, Equity, and Inclusion (DEI) in 2024, our DEI initiatives were more modest than planned due to a challenging year for our HR team. On a positive note, we focused on optimizing our remuneration practices by implementing a process to ensure living wages.

Salient human rights risks	
Own Workforce	Value Chain
<ul style="list-style-type: none"><li>✓ The right to safe and healthy working conditions</li><li>✓ The right to equal treatment and opportunities for all</li><li>✓ The right to training and development</li></ul>	<ul style="list-style-type: none"><li>✓ The right to safe and healthy working conditions</li><li>✓ The right to fair working conditions (e.g. adequate wages, freedom of association, etc.)</li><li>✓ Diversity and equal opportunities in the value chain</li><li>✓ Child labor and forced labor</li></ul>

Encouraging responsible business conduct in our value chain

To build a value chain that is aligned with us on key sustainability principles, such as safeguarding all human rights, we have a multifaceted approach, including several actions and tools:

- A renewed third-party risk management assessment process.
- On-going sanctions screenings.
- Our Anti-Bribery and Anti-Corruption Policy.
- A Responsible Business Statement.
- A Code of Conduct - reviewed and updated in 2024.
- A series of audits.
- A Sustainable Procurement Policy – new at the beginning of 2025.

In the coming years, we'll be taking real steps to improve our business practices. We're currently rolling out an internal audit system that checks for sustainability risks and we are conducting external audits of our human rights management.

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### Setting clear standards for all our suppliers

One of the key 2024 milestones was **preparing our Sustainable Procurement – or Responsible Sourcing – Policy**, which clearly describes our commitment to include Environmental, Social and Governance (ESG) considerations in our operations, products and supply chains when engaging with suppliers – and how we want to do that.

### Embedding sustainability in the procurement process

B.I.G. takes a **risk-based approach** to sustainable procurement: we aim to identify and address potential problems before they occur.

Our process begins before we do business with a supplier. We use our Third-Party Risk Management (TPRM) framework and tool to **evaluate the potential supplier** based on risks relating to Anti-Bribery & Anti-Corruption (ABAC), environmental impact, and human rights. This evaluation includes an internal assessment as well as a self-assessment (questionnaire) by the supplier. We also require all suppliers to adhere to our **Supplier Code of Conduct**.

To ensure continuous improvement, we **regularly assess** our suppliers' sustainability practices and assign a **sustainability score** to our key suppliers. More than that, we **collaborate** with them to promote sustainable practices and **develop action plans** to address any areas that need improvement.

Our robust policies, sustainable procurement practices, effective third-party risk management and our commitment to transparency get applauded and acknowledged.

In 2024, leading rating platform EcoVadis upgraded its overall rating for B.I.G.: our score rose to 67, a remarkable 17-point jump compared to 2023. That puts us in the top 17% of companies worldwide, with a Bronze Medal - just a small step from Silver (top 15%).

### 3.2. Business Code of Conduct

Within our company, we rely on our core values, a set of shared beliefs, to guide our behaviors weaving honesty and diligence into every fiber of our company culture. This is supported in our Code of Business Conduct and Ethics ('Code') as well as in other policies. The policies are published on the company's intranet and are accessible to every employee.

Follow up training on the Code of Conduct will be planned in 2025

### 3.3. Supplier Code of Conduct

Within all entities of the Beaulieu International Group (including Alloc AS), we are committed to ethical and responsible conduct in all of our activities, whereby compliance with laws and respect for the rights of all individuals and the environment are of vital importance. We expect the same commitment of our suppliers, agents and other involved parties.

Therefore, our suppliers need to comply with our Supplier Code of Conduct. This Supplier Code of Conduct is published on our international website [Supplier Code of Conduct](#).

The Code of Conduct is structured around three topics:

- **Human and social rights:** Suppliers must comply with all applicable employment laws and will support the protection of fundamental human rights wherever they operate in the world.
- **Environmental management:** We expect suppliers to collaborate with us in achieving our sustainability goals, complying to all applicable environmental laws, regulations and standards, promoting safety, striving for environmentally friendly production and transport and maintaining quality in their finished products.
- **Governance:** Suppliers must be committed to the highest standards of ethical conduct in all of their operations and when dealing with employees, other suppliers, government authorities and customers.

In our purchase orders a reference is made to the terms and conditions which in turn refers to our this Supplier Code of Conduct. Suppliers evaluated as high or medium risk in our supplier due diligence process also need to confirm the Supplier Code of Conduct using our TPRM web-based application (see further).

### 3.4. Sanction screening

The suppliers (as well as our clients) are screened against the worldwide sanction lists.

- The company only wants to work with reliable and accepted partners. All suppliers are to be screened against selected sanction party lists **before** entering in a relationship with the respective third party. In the event that the screening tool identifies a hit for a new supplier, the Group Legal Department needs to review the hit first and clear it before the company can enter into a relationship with a third party. We will not enter or maintain a supplier relationship when the supplier is black listed.
- Once on-boarded, the sanction screening is performed daily till termination of the activities with the third party. In the event of a hit against the selected sanctioned party lists, the third party is blocked until the Group Legal Department reviews and clears the hit.

Besides the sanction screening process to be performed before the on-boarding of the third party, a supplier due diligence process is performed.

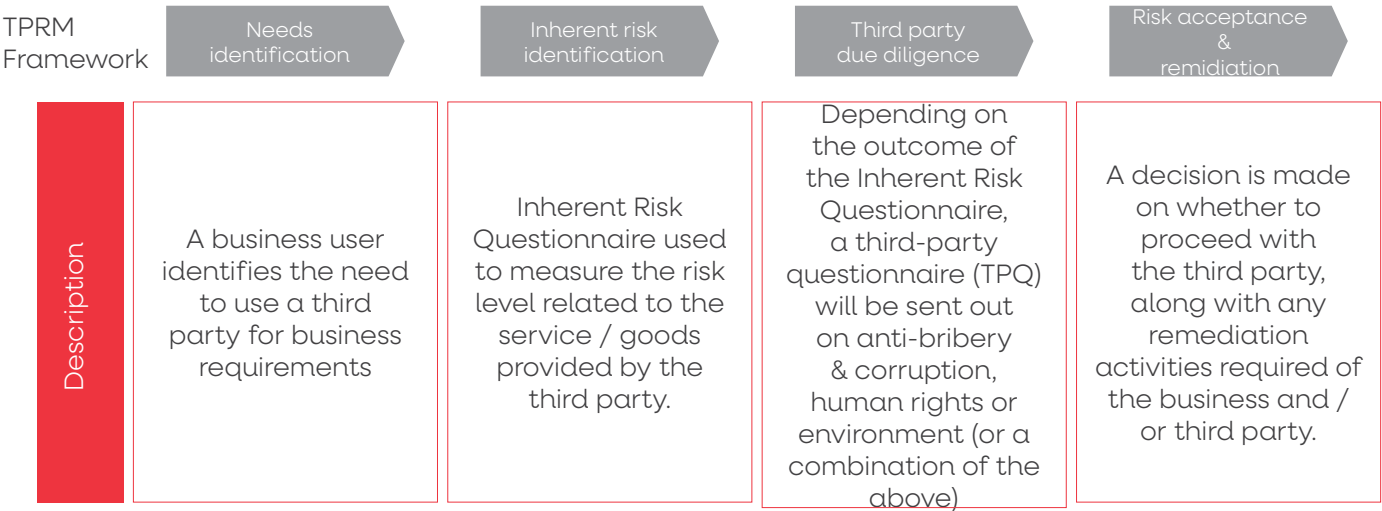
\* TPRM = third party risk management

3.5. Supplier Due Diligence

As a large industrial Group (including Alloc AS), we operate in multiple countries and in diverse cultural, legal and regulatory environments. That puts responsible and ethical business conduct across the whole value chain right on top of our agenda for Governance – the G in ESG.

Alloc AS has in place a Third Party Risk Management System (TPRM) which is designed at group level. This process and tool is aimed at assessing the environmental, human rights and anti-bribery risks of our supplier base.

The supplier due diligence process encompasses the following steps :



The process (and tool) follows the following steps:

- Each prospective third-party relationship is assessed first for the inherent risk posed to the company based on the nature of the products or services provided and, the country of origin of the goods/services delivered. This determines whether the third party has a high, medium or low inherent risk. **The inherent risk assessment** assesses distinct categories of risk and the total risk of the relationship. Specific risk areas examined include:
  - Anti-Bribery & Anti-Corruption risk (ABAC)
  - Human Rights risk
  - Environmental risk

The standard risk evaluation criteria on country level were based on the official ‘**global slavery index – vulnerability to modern slavery**’ as well as the ‘**global rights index – workers’ rights**’ for human rights. The country level risk for anti-bribery & corruption risk was based on the ‘Corruption Perception Index’ published by Transparency International. Services and goods category did also receive a risk level relating to human rights and environmental risk. The risk evaluation framework was integrated in the selected tool which allows automated calculation of risk levels.

- Depending on the outcome and risk scoring in the inherent risk assessment phase, a **third party questionnaire (TPQ)** is sent to the third party on one or a combination of the identified risk topics - anti-bribery & anti-corruption, human rights and or environment (for high and medium scores). Specifically on human rights, questions are asked to our suppliers on their policies and procedures in general, on modern slavery and child labor and workers’ rights specifically. These questions are asked to those suppliers which are categorized in the inherent risk assessment as high or medium.



- The responses of the third party are evaluated internally by subject matter experts on respectively anti-bribery & corruption, human rights and environment. After evaluation, the third-party relationship is accepted or denied. Where needed, the subject matter expert evaluates whether a mitigation plan will be requested to the third party. A follow up of the remediation plan will be performed.
- A periodic monitoring / renewal of the third-party due diligence process is also in place.

### 3.6. Supplier due diligence results

#### Geographic Distribution of Human Rights Risk – 2024

At a country level, the inherent human rights risks among suppliers were distributed as follows:

1. **3 suppliers** initially identified with high inherent risk were all located in China.
2. 71 suppliers with medium inherent risk were primarily located in:
  1. **Norway:** 32 suppliers
  2. **Other European countries:** 37 suppliers across 9 different countries
  3. **United States:** 1 supplier
  4. **China:** 1 supplier

#### Distribution of Human Rights Risk by spend category – 2024

At the spend category level, the inherent human rights risks among suppliers were distributed as follows:

1. 3 suppliers initially identified with high inherent risk were all linked to indirect spend (Industrial Equipment & services).
2. The 71 suppliers with medium inherent risk were linked to:
  1. **Raw materials:** 39 suppliers, representing 49,74% of the total 2024 spend.
  2. **Transport:** 30 suppliers, representing 8,24% of the total 2024 spend.
  3. **Traded goods:** 10 suppliers, representing 2,17% of the total 2024 spend.
  4. **Indirect goods/services:** 16 suppliers, representing 0,62% of the total 2024 spend.

### 3.7. Grievance mechanism – whistleblowing / SpeakUp

The company seeks to conduct its business in compliance with all applicable laws, rules and regulations in all countries in which we do business. We encourage a free and open culture of communication. Several reporting channels have been established for employees, suppliers and others to report information/behavior that is inconsistent with our Code of Conduct, laws, regulations or company policies, or place the company's reputation at risk. This includes any concerns about human rights.

In their relationship with our company, employees and third parties can :

- Share their concerns when they have suspicion of violation of the company's Supplier Code of Conduct.
- Report knowledge or suspicion that there is a violation of law, regulation or company policy in relation to the company to either their usual point of contact within the company or to the internal audit department in writing or by email.
- or through entering a report via our safe, confidential and compliant Speak Up platform <https://bintg.whispli.com/lp/speakup>

The link to the SpeakUp channel is published on the website BerryAlloc. Internally, posters are referring employees to the SpeakUp channel and internally on our local sharepoint, procedures are referring to the SpeakUp channel as well.

The Speak Up platform empowers employees and third parties – including applicants, consultants, and suppliers – to submit good-faith reports of harassment, corruption, legal breaches, and other improper business conduct. In 2024, several individuals used the platform to share their concerns. Reports, which can be submitted anonymously, are acknowledged within seven days and then thoroughly investigated by Internal Audit, Legal, or HR teams, with detailed feedback provided within three months. Until now, no reports have been received related to human rights and decent labour conditions for the Alloc AS entity.

## **4. Assessment of the risks within our company and supply chain**

### **4.1. Alloc AS - internal**

As indicated above, the Responsible Business Statement clearly confirms our commitment to act as a Responsible Business. Processes, policies and procedures are in place to ensure compliance with respective laws and regulations. On group level, we prepare for reporting as required according to the European Union Corporate Sustainability Reporting Directive (CSRD). This requirement addresses a number of topics which are also required by the Transparency Act.

On group level, a new double materiality analysis has been performed with an identification and assessment of impacts, risks and opportunities (IRO's). More details can be found in the Group annual report.

### **4.2. Alloc AS' supply chain**

The entity currently considers the supply chain risks (including sustainability in all its aspects) when entering in a relationship with a new supplier as well as executing a supplier performance evaluation with existing suppliers.

For a number of raw materials suppliers and other suppliers based in overseas countries, Group Procurement is involved in the evaluation of the supplier. To ensure continuous improvement, we regularly assess our suppliers' sustainability practices and assign a sustainability score to our key suppliers on group level. More than that, we collaborate with them to promote sustainable practices and develop action plans to address any areas that need improvement.

All the suppliers of Alloc AS have gone through our structured supplier due diligence process (as described in 3.5). This is continued for all newly on-boarded suppliers. Should a violation against human rights be identified at a supplier, this would be discussed with our Group Legal function as well as with our Group Sustainability Director. Until now, no breaches have been identified on human rights (forced labour and child labour, labor conditions).

If you have any further questions about our due diligence work, please contact us at Alloc. Reception@berryalloc.com. We refer to sections 6 and 7 of the Norwegian Transparency Act for guidance on what information can be requested and what we are obliged to respond to

## **6. Approved by Trygve Martinsen, General Manager Alloc AS.**

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Signature