

**SWISSPEARL**

# Swisspearl Norge AS Account for Transparency Act



## Contents

<b>1. Swisspearl in brief .....</b>	<b>3</b>
<b>2. Due Diligence in Swisspearl .....</b>	<b>4</b>
2.1 Swisspearl Norge AS in Swisspearl.....	4
2.2 Due diligence logic in Swisspearl .....	4
<b>3. Account for due diligence 2024 .....</b>	<b>5</b>
3.1 Due diligence methodology overview .....	5
3.2 Due diligence of own operations in Norway .....	6
3.2.1 Own operations human rights risk assessment .....	6
3.2.2 Governance.....	7
3.2.3 Safety .....	8
3.2.4 Individual work relationship .....	9
3.2.5 Collective work relationship.....	9
3.2.6 Forced and child labour.....	9
3.2.7 Discrimination.....	9
3.2.8 Access to remedy .....	10
3.3 Supply chain due diligence .....	10
3.3.1 Risk screening methodology .....	10
3.3.2 Screening and assessment.....	11
3.3.3 Outcome of the supply chain due diligence .....	12
<b>4. Overview of future activities.....</b>	<b>12</b>
<b>5. Sign off .....</b>	<b>12</b>

## 1. Swisspearl in brief

Swisspearl is a leading manufacturer of fibre cement building materials. The group is headquartered in Niederurnen, Switzerland. The group companies are owned by Swisspearl Group AG.

At the end of 2024, Swisspearl had 2,137 full-time employees. Swisspearl Norge AS, is part of Swisspearl and conducts sales for the Norwegian market. Swisspearl Norge AS had 21.5 full-time employees at the end of 2024.

Swisspearl is run by a functional organisation structure, operationally led by the executive management. The functions are structured into sales, value chain and support functions. Furthermore, each legal entity in Swisspearl has a local leader, responsible for running the local operations.

Swisspearl Norge AS has a sales function in the Nordic sales region and is managed by the local Managing Director, according to the directions from the Executive Director for the Nordics sales region.

Swisspearl operates eight factories located in seven countries – Austria, Czechia, Finland, Hungary, Poland, Switzerland and Slovenia. In these factories roofing, façade, building and indoor and garden products are produced. In addition, to complete the portfolio, Swisspearl buys and resells construction products from other manufacturers, e.g. fixing systems. Swisspearl's main markets are in Europe. Customer service and technical support activities for sales are decentralised to each of our national markets. Figure 1 describes the Swisspearl value chain.

Swisspearl value chain



Figure 1. Swisspearl value chain.

## 2. Due Diligence in Swisspearl

### 2.1 Swisspearl Norge AS in Swisspearl

Swisspearl has established a functional organisation where Swisspearl Norge AS belongs to the Nordic Sales Region. In respect to human rights and decent working conditions Swisspearl Norge AS follows the local laws and regulations. In addition to legal compliance, corporate conduct and business ethics are of the utmost importance in Swisspearl. In order to form a common culture throughout the company, Swisspearl Norge AS is bound, in corporate conduct and business ethics, to follow the corporate codes, policies and guidelines.

### 2.2 Due diligence logic in Swisspearl

Swisspearl has designed the operative due diligence model, figure 2. This model approaches due diligence from two perspectives; own operations and supply chain. Swisspearl has designed the model based on OECD guidance, figure 3.

The due diligence of own operations is integrated in the daily work of the organisation. Depending on the local laws and regulations, national deviations in respect to compliance requirements may exist.

The due diligence of the supply chain is conducted centrally by the Sourcing Department, supported by Group Sustainability. It focuses on the entire supplier base of the company according to a prioritised effort. The designed due diligence logic allows a consistent approach to both own operations and supply chain. Furthermore, it clearly splits the efforts according to group internal and external due diligence target groups. This provides opportunities to develop uniformity in due diligence approaches.



Figure 2. Operative due diligence model of Swisspearl.

In reference to chapter 4, the due diligence regulation is currently evolving nationally and regionally within the European Union. Nevertheless, the OECD guideline is expected to continue as the main guiding due diligence process and Swisspearl aims to build future developments around it.

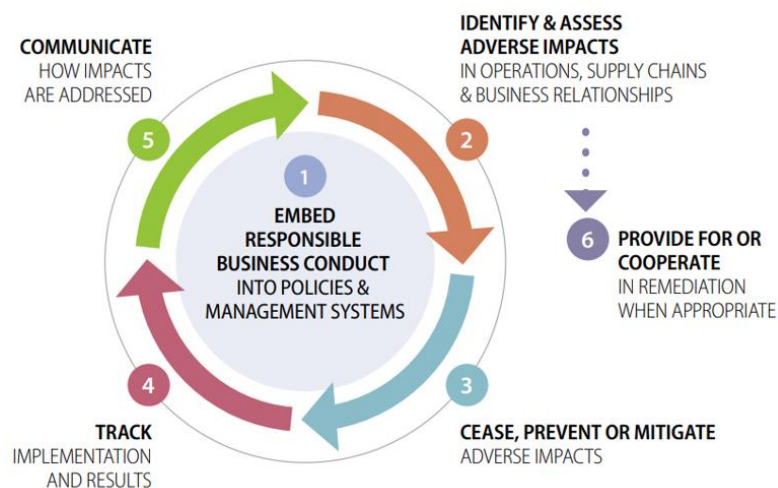


Figure 3. OECD guidance on due diligence. OECD (2018), [OECD Due Diligence Guidance for Responsible Business Conduct](#)

### 3. Account for due diligence 2024

In general, material sustainability topics involved in Swisspearl's business are mainly related to industrial manufacturing and safety. Further elaboration on the material sustainability topics can be found in the annual sustainability report.

This due diligence account explains efforts in Swisspearl in 2024 in building transparency regarding the production of goods and the provision of services, especially in respect to fundamental human rights and decent working conditions as defined in the Transparency Act, Åpenhetsloven in Norway and concerning Swisspearl Norge AS.

#### 3.1 Due diligence methodology overview

In reference to figure 2, Swisspearl Norge AS due diligence methods and alignment with the Swisspearl Group are described in table 1. Since Swisspearl Norge AS is part of the Swisspearl Group, the supply chain due diligence is conducted centrally.

Table 1. The due diligence methods in use for Swisspearl Norge AS

Target of due diligence	Methodology
Swisspearl Norge AS	Own operations
Swisspearl factories supplying Swisspearl Norge AS	Own operations
Raw material suppliers supplying Swisspearl factories	Supply chain
Product and service suppliers supplying Swisspearl Norge AS	Supply chain

### 3.2 Due diligence of own operations in Norway

Due diligence of own operations is based on principles, procedures and practices embedded in the daily work in the organisation of Swisspearl Norge AS and governed by the managerial responsibilities according to the local legislation.

#### 3.2.1 Own operations human rights risk assessment

##### General human rights and child labour country risk in Swisspearl

General human rights country risk assessment for own operations is conducted by analysing the human rights and child labour scores for the countries where Swisspearl has legal entities from the information available in the following sources:

- Human rights, [Human Rights – Our World in Data](#)
- Child labour/Children's Rights in the Workplace Index [Workplace \(childrensrightsatlas.org\)](#)

The outcome of the analysis is that human rights risk is very low or low in all countries where Swisspearl has legal entities. All countries are on low risk level for child labour

##### Human rights risk assessment for Swisspearl Norge AS

In order to conduct the assessment, Swisspearl constructed a long list of human rights topics by using the following sources of information:

- Draft European Sustainability Reporting Standards ESRS S1 Own workforce
- The International Covenant on Civil and Political Rights (ICCPR)
- The International Covenant on Economic Social and Cultural Rights (ICESCR)
- Key commitments ILO Declaration on Fundamental Principles and Rights at Work

From the long list of topics, Swisspearl generated a list for due diligence purposes by including those that are material. For the material topics, grouping was conducted to identify the aggregated main topics. The outcome can be seen in table 2. Table 2 also describes for each main topic the procedures and practices that are integrated in our operations to manage adverse impacts, monitor our performance and provide access to remedy.

In reference to the topics in table 2, Swisspearl conducts annual assessment of the status of operational principles, procedures and practices embedded in the daily work in the organisation of Swisspearl Norge AS.

Table 2. Swisspearl human rights risks and system for own operations

Topic	Business conduct	Equal treatment and opportunities for all	Health & Safety	Working conditions
<b>Means to manage</b>				
Swisspearl values	x	x	x	x
Code of Conduct	x	x		x
Human Rights Policy		x		
Daily management	x	x	x	x
Legal compliance	x	x	x	x
Individual and team training programs		x		
Safety responsibilities			x	
Health and safety systems			x	
Contracts			x	x
Work planning and management				x
<b>Monitoring performance</b>				
Daily management	x	x	x	x
Appraisals	x	x	x	x
Exit interviews	x	x	x	x
Health and safety reporting			x	
Safety risk assessments			x	
Union contacts				x
Human resources data and metrics		x		x
<b>Access to remedy</b>				
Own manager and/or HR	x	x	x	x
Grievance procedures	x	x	x	x
Whistleblowing system	x	x	x	x

### 3.2.2 Governance

Company values guide corporate behaviours. Swisspearl's corporate values, rolled out to all of its subsidiaries, are shown in figure 4.

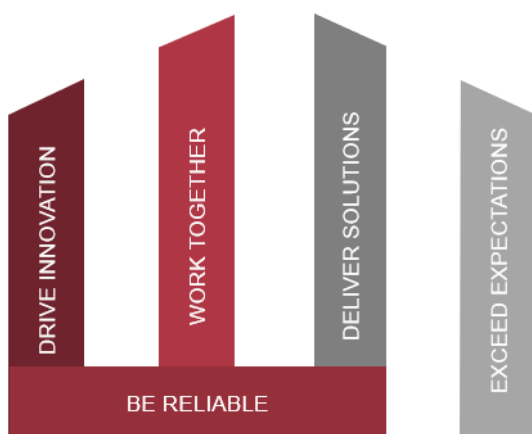


Figure 4. Swisspearl values

Swisspearl has the following key codes and policies concerning human and labour rights in own operations:

- Group Code of Conduct
- Group Human Rights Policy
- Group Whistleblowing Policy

The above codes and policies for the entire Swisspearl Group have been approved by the Swisspearl Board of Directors. The Group Whistleblowing Policy was updated on 11.9.2024. It is notable that in the whistleblower policy, the scope is wider than that required by the EU Whistleblowing Directive. The scope includes our own employees as well as external parties with a working relationship with Swisspearl. Furthermore, it includes those legal entities with fewer than 50 employees as well as allowing anonymous reporting. The whistleblowing system and the Whistleblowing Policy can be found via our global website, [www.swisspearl.com/company/whistleblowing](http://www.swisspearl.com/company/whistleblowing).

In connection with the preparations for the Corporate Sustainability Reporting Directive, Swisspearl updated the double materiality assessment on the group level in 2024 with the help of external consultants. The latest impacts, risks and opportunities are presented in Swisspearl's Sustainability Report 2024.

### 3.2.3 Safety

Swisspearl is subject to local laws and regulations governing safety matters and strives to ensure compliance in all entities.

Swisspearl Norge AS is a sales entity. This means office work and for some employees travelling to meet customers as well as visits to our manufacturing entities. The area approach in sales supports minimisation of travelling distances in sales work.

In respect to the office, safety risks are on a normal level. The office is in good condition, relatively recently renovated, and furniture is adjustable for ergonomics. The office has rooms for meetings as well as separated space for lunch. All in all, office conditions for work are good.

The main physical safety risks are in warehouse operations. However, the employees there are well trained and according to the Swisspearl safety reporting there were no lost time injuries in Swisspearl Norge AS during 2024. If a lost time injury did take place, it would be investigated in Swisspearl Norge AS by Swisspearl safety investigation procedures and tools to find root causes and corrective actions.

Swisspearl Group is an industrial manufacturer. In such organisations, manufacturing operations in particular entail safety risks. To mitigate safety risks, we work systematically and meticulously with a full range of safety subjects and procedures. In all our factories we have safety monitoring and continuous improvement practices in place. In addition, the majority of our factories are ISO 45001 certified. The safety reporting of Swisspearl includes all entities, including Swisspearl Norge AS. From 2023 to 2024, Swisspearl continued to improve in safety. At the end of 2023, the main safety KPI lost-time-injury-

frequency-rate (LTIFR) was 12.7 and at the end of 2024 9.4 lost days / million working hours. It is notable that at the end of 2022 LTIFR was 16.9. Therefore, a significant improvement in safety has taken place from 2022 to 2024.

#### 3.2.4 Individual work relationship

The following list provides an overview of the key mechanisms in place for the work relationship with Swisspearl Norge AS:

- All employments are based on the right to self-determination of the employee as to whether or not to pursue professional development and goals with Swisspearl.
- The foundation of work relationships for all employees is a written employment agreement in a language that they understand.
- The employment agreements are based on the applicable local laws, regulations and agreements. Furthermore, all entities maintain a personnel file on every employee.
- Working hours, holidays and notice time are referred to in the employment contract.
- There are no dormitories in any Swisspearl entities.
- As part of the induction of new employees, we introduce the Code of Conduct.

#### 3.2.5 Collective work relationship

Swisspearl Norge AS respects the freedom of association as applicable according to the local jurisdiction. In principle:

- We respect the right to freely associate, form or join organisations and to bargain collectively in accordance with recognised international standards, local laws and regulations.
- We also recognise the right of our employees to refrain from collective bargaining.

#### 3.2.6 Forced and child labour

In respect to forced and child labour, Swisspearl Norge AS follows the principles:

- In our recruitment process, we ensure that staff are legally entitled to work in Norway. When using external recruitment partners, we expect them to ensure the legal entitlement of candidates.
- Legal minimum ages, types and times of work and requirements for protective restrictions on young workers are followed.
- The employees are not under any bond, debt, or other obligation to Swisspearl and their IDs and/or passports are not withheld by the company.
- The employees are free to resign from their employment at any time without penalty and according to the agreed notice period.

#### 3.2.7 Discrimination

At Swisspearl Norge AS, we value all people as unique individuals. We want a working environment based on respect and mutual trust. We have zero tolerance for all kinds of discrimination. Our Human Rights Policy provides the following guidance:

- Treat your colleagues equally, with dignity and respect and build trust regardless of race, colour, religion, political conviction, gender, age, national origin, sexual orientation, marital status or disability, or any other characteristic protected by national or local laws.

- Do not tolerate discriminatory treatment of any kind, nor towards job applicants or business partners, be it direct or indirect, physical or psychological, verbal or non-verbal.

### 3.2.8 Access to remedy

Swisspearl Norge AS encourages the following means for access to remedy:

- Contacting own manager or HR
- Having grievance procedures in place
- Use of the company whistleblowing system

## 3.3 Supply chain due diligence

### 3.3.1 Risk screening methodology

As indicated in the Transparency Act 2023 account, Swisspearl moved in 2024 to a new supply chain sustainability due diligence methodology. It started to use a third party due diligence system called Responsibly.

The Responsibly platform offers advanced tools and methodologies to ensure a comprehensive and robust assessment process:

#### Data Aggregation

Responsibly's platform integrates data from multiple global sources. The system monitors the vendors' websites and documentation on them and retrieves risk data from global and topic-specific data providers, NGOs, industry associations, other certifying bodies and globally recognised organisations like Responsible Minerals Initiative and UNICEF Children's Rights in the Workplace Index 2023. By aggregating and validating the data, the platform provides Swisspearl with a broader set of verified insights into human rights topics in the value chain.

#### Risk Assessment Framework

The platform employs AI-driven models to evaluate risk levels for procurement countries and regions. This includes mapping risks associated with human rights. The system enables Swisspearl to proactively address risks and ensure compliance.

#### Ongoing Monitoring

Responsibly automates continuous monitoring of human rights, using supplier updates and emerging industry trends to provide real-time compliance tracking. This ensures Swisspearl can adapt to evolving risks and regulatory changes in a timely and efficient manner.

#### News & Media Monitoring

Responsibly's News & Media Module plays a critical role in tracking global and regional developments related to conflict minerals and child labour. It provides Swisspearl with:

1. Human rights reports in high-risk regions.
2. Emerging geopolitical events that may signal human rights risks in supplier regions.
3. Incidents of human rights violations linked to suppliers.

This ensures Swisspearl is promptly alerted to new risks in its supply chains, enabling proactive mitigation measures.

## **Supplier Reputation Tracking**

The News & Media Module also monitors media coverage of suppliers, including allegations of:

1. Human rights violations.
2. Involvement in unethical practices like environmental destruction or child labour.

These insights support Swisspearl's efforts to evaluate suppliers' ethical compliance and decide whether to continue partnerships or seek alternative sourcing options.

## **Enhanced Verification**

The News & Media Module acts as an additional layer of verification for human rights. It cross-references public reports with internal supplier data and certifications, providing Swisspearl with a more robust and multi-faceted risk analysis process.

By integrating Responsibly's tools into its due diligence framework, Swisspearl has enhanced its ability to identify, monitor, and address human rights risks, ensuring alignment with the internationally recognised human rights.

### **3.3.2 Screening and assessment**

Responsibly provides an overview of human rights and decent working conditions risks of suppliers. These risk indications are further assessed to ensure application of contextual factors not included in the reach of the system.

#### Actual risks

Swisspearl has conducted the screening and assessment of all of its material suppliers as well as service suppliers in high-risk countries. No evidence was found of any violations of human rights and decent working conditions. Based on this, it is concluded that no actual risks exist.

#### Potential risks

Nevertheless, based on country and industry risk factors as well as media search, approximately 0.8% of the assessed suppliers indicated potential human rights and decent working conditions risks. Each of the identified suppliers was further assessed for every human rights and decent working conditions parameter showing risk potential. The assessment included addition of the consideration of contextual factors, like the location in the value chain (upstream or downstream) and the legislation requirements of the country. Furthermore, the set of conducted risk mitigation actions were mapped for each parameter, ref. figure 2. The assessment evidenced that on a spend basis more than 98% of all potential risks regarding human rights and decent working conditions have been mitigated. Therefore, it is concluded that the mitigation level of the potential human rights and decent working conditions risks is extremely high.

### 3.3.3 Outcome of the supply chain due diligence

As a result of the supply chain due diligence, Swisspearl has not identified any reasonable grounds to suspect actual violations of human rights and decent working conditions in the Swisspearl supply chain. Furthermore, the mitigation coverage of the identified, potential human rights and decent working conditions risks is extremely high. The due diligence concludes a very low risk for human rights or decent working conditions in the Swisspearl own operations and supply chain.


## 4. Overview of future activities

The key focus for Swisspearl in 2025 and 2026 is to further enhance the due diligence model and methods. The Responsibly platform, adopted into use during 2024, has due diligence capability that has not yet been fully activated. In addition, Swisspearl monitors the evolution of the EU regulations landscape. Preparation and implementation of the relevant regulation will be highly prioritised and seen to provide a valuable contribution to Swisspearl's due diligence methodology and reporting.

## 5. Sign off

This account of due diligence, pursuant to Section 4 of the Transparency Act, describes the response of Swisspearl Norge AS to the duty to carry out due diligence.

This account has been approved by the Swisspearl Norge AS Board of Directors on 6<sup>th</sup> June 2025.



Aleksander Horvat  
Member of Board of Directors  
Swisspearl Norge AS



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