



## Transparency Act – Oras Group

### 1. Purpose

The purpose of this statement is to communicate the work Oras Group does to ensure due diligence and fulfillment of the Transparency Act.

Respect for human rights and decent working conditions in connection with the production of goods and the provision of services is at the core of our operations.

The work with due diligence assessments is a continuous process where the objective of Oras Group is to ensure human rights and decent working conditions in our own business and the whole supply chain. In our sustainability report we open up our processes and practices.

### 2. Responsibilities

The managing director (CEO) has the ultimate responsibility for ensuring that the law is fulfilled and delegates the mandate to the management team. Heads of purchasing and sustainability are responsible for the practical implementation and follow-up of the defined processes.

### 3. About Oras Group

Oras Group is a significant European provider of sanitary fittings: the market leader in the Nordics and a leading company in Continental Europe. The company's mission is to create the smartest water experiences for everyone, and its vision is to become the Perfect Flow Company. The Group has two strong brands, Oras and Hansa. Oras Group is owned by Oras Invest, a family company, and an industrial owner.

The domicile of Oras Ltd, the parent company of the Group, is located in Rauma, Finland, and the Group has three manufacturing sites: Kralovice (Czech Republic), Olesno (Poland) and Rauma (Finland). The Group operates with its own staff in 17 markets. Oras Group's net sales were 233.5 million euros in 2021 and at the end of the period the company employed 1255 people.

Oras Oy (Finland)  
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VAT Number: FI19880490  
Legal Entity Identifier (LEI): 7437 00OI 8EM6 2M25 5Q28  
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Oras Group wants to contribute positively to promoting respect for human rights and employee rights. The company therefore chooses to work with responsible suppliers and collaboration partners. Work is being done systematically to incorporate the human rights aspect into our business and towards our partners. We do this, among other things, by giving our employees decent wages and regulated working hours. We have zero tolerance for child labor in our own business - and in the supply chain.



We are working to uncover whether Oras Group is contributing to potential breaches of human rights and decent working conditions, and we exercise a high degree of caution when we have business or business partners in areas where human rights and labor rights stands weaker.

#### 4. Our way to operate

We do not accept any violation of human rights internally or externally. We expect our suppliers and partners to, as a minimum, offer decent working conditions in line with national laws and/or international conventions.

Our code of conduct is the foundation of Oras Group's role as a company, work community, and corporate citizen. The code of conduct is based on our company values, which form the basis for our common company culture. The company values guide all our decisions, big and small, and help us prioritize matters. The values apply to all of us in every position. We are all expected to act according to the company values and avoid any behaviour that contradicts them. Everyone working at Oras Group complies with these principles, together with others and as individuals. The code of conduct has been approved by the Board of Directors.

In addition to the code of conduct, we comply with applicable national and international laws, regulations and behave in an ethically acceptable manner.

We have more specific Oras Group Guidelines for the practical application of these principles. For example, our HR minimum requirements guideline defines the employment conditions, employees' basic rights and states about child labor and young employees.

[Code of Conduct \(orasgroup.com\)](http://orasgroup.com)

#### 5. Managing the supply chain

##### 5.1 Our approach

As a foundation of our partnership, our main suppliers have signed our Supplier Code of Conduct, which is based on our Company Code of Conduct.

Furthermore, those suppliers are regularly required to fill/update our Supplier Self Evaluation Form, which contains several questions to all relevant areas like e.g., Human Rights, Child Labour, Minimum Wages, OHSE, Risk Management, Energy & Environment and other sustainability related areas.

The information gathered from this Supplier Self Evaluation Form is used for the Sustainability Rating of the Supplier inside our Annual Supplier Evaluation. Beside this, we are using the data and analysis as part of our Risk Assessment, which we are conducting for the following topics:

- Child Work Risks
- Minimum Wage Compliance
- Corruption Risks
- Use and handling of Hazardous Substances

-Production Process related Risks (Work Safety)

-Conflict Minerals Risks

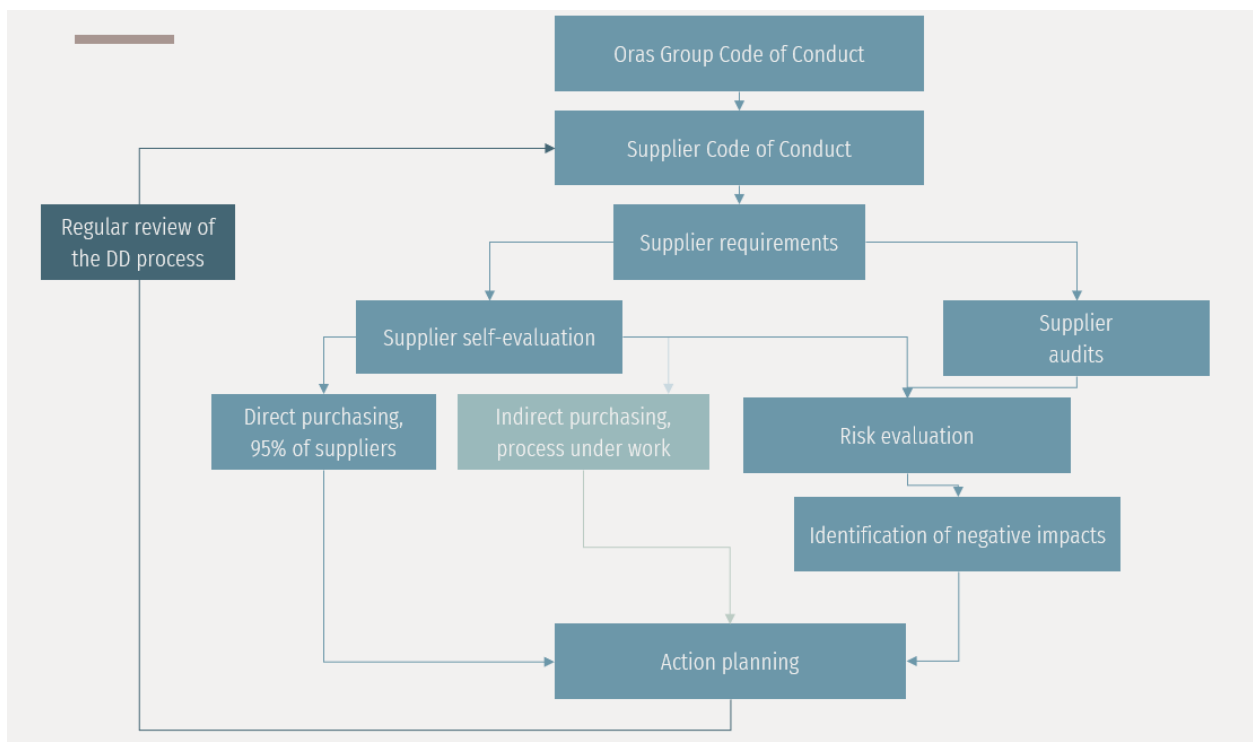
The information given by our suppliers, is validated by recurring, detailed supplier audits, which we conduct at the supplier premises, based on a yearly updated priority list. This audit prioritization is also influenced by the results of our risk analysis.

Beside the information and analysis of the Supplier Self Evaluation Form, we are using information, studies and indexes from ILO (International Labour Organization, a United Nations agency) and from TI (Transparency International, a global civil society organization), especially for the categorization and evaluation of country and industry related risks.

As a general methodology for the assessment of risks, we are using a rating scale which rates the likelihood (in a scale from 1 (very unlikely) to 5 (very likely) as well as the potential impact of violations (1 (very minimal impact) to 5 (severe impact)).

Based on the risk evaluation results and of course also the identification of possible negative impacts in supplier audits, an action plan is created and regularly followed up.

As also required by the transparency act, the described process is repeated regularly.



## 5.2 Negative consequences and risks

In terms of “Child Work Risks”, “Minimum Wage Compliance” and “Corruption Risks”, our risk analysis has been based on information given by supplier with their “Supplier Self Evaluation Form”, but also based on studies and indexes from ILO (International Labour Organization, a United Nations agency) and from TI (Transparency International, a global civil society organization). Of the countries, in which our suppliers are located, those which are rated with highest risks in terms of the above-mentioned topics, are China, Turkey and Hungary. After a more detailed screening of our suppliers located in those countries, we did not find any reason or evidence of increased risks compared with other suppliers located in countries with a higher rank

in those evaluations. Despite their location in these countries, all these suppliers are well known companies in our industry, delivering to several other big competitors and brands. They are A-Class suppliers not just in terms of their technical know-how, but also in terms of their established processes in terms of human rights. We have decided to update our internal process so that suppliers from these countries must return their filled Self Evaluation Form, a signed Code of Conduct, and perform regular on-site audits by our organization.

In terms of “Use and handling of Hazardous Substances”, our risk screening has shown that the highest risks are related to the use of Chemicals during the process of Chrome-Plating of Components. A more detailed screening of all suppliers of Chrome-Plated components has not shown any significant risks. We decided to update our audit plans to include more safety related questions about the chrome-plating process and handling of chemicals. Furthermore, we will include more specific questions in the updated version of our Supplier Self Evaluation Form.

In terms of “Production Process related Risks (Work Safety)”, our risk screening has shown that the processes related to the highest risks for work safety topics, are Forging of Brass Parts as well as stamping of brass and stainless-steel parts. Those suppliers, manufacturing parts from the commodity groups mentioned, have been screened more deeply for potential risks. All our suppliers which deliver such components, are industry wide well-known suppliers and absolute experts in the field of forging and stamping. Furthermore, as they are part of our Top 70 Preferred Partners, we have been auditing them several times already. There have not been recognized work safety related risks during these audit visits. However, we decided to put further work safety related questions on our audit checklist for the next coming audits of those suppliers to further mitigate any potential risks.

In terms of “Conflict Minerals Risks” our analysis of our products has shown that we are only using very minimal amounts of Tin in some of our products. This tin is used for soldering brass components and electronic assembly groups. We are closely cooperating with the suppliers of such components or products as well as with the suppliers of soldering rings to make sure that they do not use any tin material which has a risk to be from conflict areas. Our suppliers are also using the CMRT (Conflict Minerals Reporting Template) of the internationally known “Responsible Minerals Initiative”, giving to us full transparency of their sources incl. the needed declarations etc.

### 5.3 Future outlook:

During 2023, the Supplier Self Evaluation Form is updated with additional questions about Sustainability and Human Rights related topics. With this improvement we plan to increase our understanding and knowledge of the situation at our suppliers and therewith the transparency of our supply chain. Increased transparency will help us to further finetune our risk assessment and to find the right actions for risk mitigation.

Also, during 2023, our Supplier Audit Protocols are updated with a more detailed rating regarding the Validation results for the questions of the Supplier Self Evaluation form. These additional evaluation results will concretize our overall rating for the Supplier Evaluation as well as for the risk assessment.

While our monitoring, evaluation, auditing and risk assessment of our direct purchasing suppliers has been in active use for a longer time, the evaluation of our indirect suppliers has been conducted for a shorter time and until today also in a less intensive way. Our clear target for Q1 of 2024 is to review the evaluation process for indirect suppliers and to undertake more efforts also for the risk assessment and monitoring of our indirect suppliers. With a supplier base of several hundred suppliers, we certainly must prioritize our efforts on those suppliers which are either having an increased risk or a big potential impact. The first step is therefore to do a more detailed risk assessment for those indirect suppliers to identify the priorities and then to – as far as

possible – use the same instruments, processes and monitoring as we use for our direct suppliers. Wherever it is needed, we will develop own criteria (e.g. for service offering suppliers) and evaluation processes.

All planned actions are targeting to increase the transparency of our complete supply chain as well as to step-by-step improve the instruments and tools which we have in place to enable us to better identify the areas of potential risks and to conduct an active risk prevention and risk mitigation approach.

## 6. Whistle blowing procedure

In cases where deviations from our Code of Conduct or Supplier Code of Conduct are discovered, we must actively work to rectify this. Through dialogue with supplier/collaboration partner, measures must be implemented on a trial basis and then followed up. Termination of agreements/contracts must only take place in cases where measures do not have sufficient effect. In case of serious deviations this must be reported to the Norwegian Consumer Protection Authority.

If our personnel are unsure of how to act right, the first contact point is the supervisor. If observing behavior that is against our code of conduct or other principles, everyone is obligated to intervene and report the matter to the appropriate body. The company encourages to primarily contact supervisor, other management, or the appropriate responsible body.

All reports and discussions are treated confidentially. In case personnel do not want to report a breach or misconduct under their own name, they can report the matter anonymously through Oras Group's Whistleblowing Channel.

It is everyone's duty to adhere to our code of conduct and to report any non-conformance. A justifiable doubt made in good faith is sufficient. Reporting will not lead to repercussions for the individual.

The whistle blowing channel is found from our company web page [Code of Conduct \(orasgroup.com\)](https://orasgroup.com).

## 7. Contact information

If you need more information, see [Oras Group Sustainability](https://orasgroup.com) or get in touch by sending a written request to [sustainability@orasgroup.com](mailto:sustainability@orasgroup.com).