



HOWCO

Howco Group PLC NUF

Report on the Norwegian Transparency Act for 2024/25

For The financial period 31st March 2024 to 29th March 2025

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Introduction

This report has been prepared in line with the requirements of the Transparency Act section 5 and describes how Howco Group PLC NUF (Howco) has carried out a due diligence assessment of the company's supply chain and other business relationships. It highlights how Howco continues its work on assessing, preventing and reducing the risk of modern slavery, human trafficking and poor working conditions in the performance of its own business and in the supply chains

The Board of Directors (The Board) has considered the requirements of the Norwegian Transparency Act and has made an assessment of the company in line with these requirements. Following its assessment, the Board has detailed areas for improvement and commits to working on these during the current financial year. Howco has a non-standard fiscal year and prepares its financial statements in English, instead of Norwegian. This report is therefore also in English.

Compared to last year's report, suppliers and business partners remain largely the same, although the number of suppliers has been reduced. Due to a changing global environment, the risk landscape has shifted. We observe that certain sector risks which were classified as medium risk last year have now escalated to high risk, and new risks have also emerged.

About us

Who we are and how we act as a responsible company

Howco is a Norwegian-registered foreign company that offers goods and services in Norway. The company is subject to the Transparency Act with effect from 2023. We belong to Howco Group plc (Howco Group), which has its head office in Scotland. At our location in Norway, we have 5 permanent employees and distribute, among other things, steel rods, nickel, stainless steel, and rods delivered to end users, mainly oil production customers.

At Howco, we take responsibility for having a positive impact on the people and communities where we operate. At the same time, we take responsibility for ensuring that the human rights of the people who work throughout our value chain and interact with our products are

safeguarded. For a number of years, we have implemented guidelines and internal systems which help to ensure that this ambition is achieved.

Our business

What we do

Howco offers material solutions for subsea wellheads for topside, downhole and surface wells, evaluation, completion, production and intervention equipment. Today, Howco Group is the leading global distributor of raw material for wellhead and completion equipment for the oil and gas industry. We have achieved this position by developing a strategic approach that differentiates us from conventionally organized service centers and gives our customers a significant competitive advantage. With continuous operational improvements, we are committed to dealing flexibly with our customers, suppliers and employees, in an environment that treats everyone with respect and dignity. The group operates worldwide and has offices in North America, Great Britain, Asia Pacific, Norway, and the Middle East.

Howco Norway and global statistics include:

- 5 employees in Norway
- The Norwegian company is based in Figgjo, Norway
- 674 employees globally
- Howco has a total of 11 locations globally

Organization and business management

Howco is part of Howco Group, which reports through the UK to the holding company Eryngium Limited. Eryngium is 100% owned by Sumitomo Corporation Tokyo, which is a Japanese trading company. As one of the world's largest independent suppliers and processors of nickel, stainless and low alloy steels to the oil, gas, energy and chemical industries, the group works closely with its customers to develop alloy specifications and heat treatment programs to meet their specific needs.

Howco has a global board that is responsible for all companies belonging to the Howco Group. This means that the local managers, such as general managers, report to the board and it is the board's responsibility to ensure that all locations carry out work according to their guidelines. The work with human rights and decent working conditions is anchored in the group's ethical guidelines, which are based on Howco's values: quality, safety and integrity.

Roles and responsibilities in Howco:

- General Manager:
 - Overall responsibility for Norway operations, financially, legally and has signature rights for Howco Norway. Reporting to European Commercial Director
 - Distribution.
- Account manager:
 - Responsible for sales and marketing and internal quality requirements. Reports to the General Manager.
- Material handler:
 - Responsibility for handling and sawing steel to written work instructions. Reports to the General Manager.

All employees in Howco are responsible for ensuring that we act in line with the company's management system.

The General Manager is responsible for overseeing that the company complies with national legislation and manages risks related to negative impacts on human rights and decent working conditions in the performance of the company's operations. The Head of Finance (Europe and Western Hemisphere) is responsible for reporting on the Norwegian Transparency Act.

Howco has strict requirements for both its own employees and suppliers. To ensure that all employees in the company comply with our guidelines and values, they receive training in laws, rules and Health, Safety, Environment and Quality (HSEQ) guidelines throughout the year. Examples include practical training, such as Working at Height, Daily Operation of Lifting Equipment and Lifting Accessories, as well as online training, such as Ethics & Code of Conduct.

Our guidelines

Howco Group is committed to upholding the highest standard of ethical conduct, integrity and professionalism in everything we do. Our guidelines reflect the company's core values and set clear expectations for employees, suppliers and business partners. Below, our policies and guidelines relevant to the Transparency Act are summarized:

Modern Slavery and Human Trafficking Statement

The company acts in line with our overarching Sumitomo Corporation Group Human Rights Policy:

- i. we strive to identify and prevent or mitigate any negative impact on human rights through the implementation of human rights due diligence processes;
- ii. where we identify that our Group's practices have caused or contributed to a negative impact on human rights, we will endeavor to implement appropriate remedial measures;
- iii. we will seek to improve and promote human rights measures through engagement and dialogue with relevant stakeholders, and so on."

Howco is committed to maintaining and improving the process, designed to reduce the possibility of complicity in human rights violations related to our own business, our supply chain and our products. Howco recognizes that slavery and human rights trafficking can occur in many forms such as forced labour, child labour, domestic and contract labour, sex trafficking and abuse in the workplace. In this statement, we use the term "slavery and human trafficking" to include the various forms of forced labour prohibited by law. We respect the "International Bill of Human Rights" and the International Labour Organization's "Declaration on Fundamental Principles and Rights at Work", and we operate in accordance with the "UN Guiding Principles for Business and Human Rights". Read more about our Modern Slavery and Human Trafficking statement [here](#).

Code of Conduct

In accordance with Howco Group's Code of Conduct, we are committed to providing safe and healthy working conditions by complying with all workplace health and safety laws that govern our activities. We believe that the management and each individual employee have a joint responsibility for promoting health and safety in the workplace. We want all our employees to follow all safety laws and regulations, as well as the company's safety policies and procedures. We must immediately report all accidents, injuries or unsafe equipment, practices and conditions. Our employees also have an obligation to carry out the company's activities in a way that preserves and promotes a clean, safe and healthy environment. The consequences of failing to comply with environmental laws and policies can be serious. We want to do everything we can to prevent violations from occurring and to ensure that any violations are reported to the nearest superior or the company's Health, Safety and Environment (HSE) department. The Howco Code of Conduct is included within the welcome pack when an employee joins Howco.

Supply chain Code of Conduct

Our Supply Chain Code of Conduct requires all employees and supply chain partners to comply with all laws, act ethically and with integrity at all times. The policy outlines the ethical, legal, HSE, human rights and labour standards that Howco expects from our supply chain partners. It includes requirements for compliance with laws and regulations, anti-bribery and corruption measures, workplace safety, fair labour practices and responsible sourcing. The policy also mandates transparent business conduct, protection of confidential information and reporting mechanisms for any breaches. The Code applies throughout the entire relationship with supply chain partners and must be adhered to during all stages of the procurement and supply process. Read more about our Supply Chain Code of Conduct [here](#).

Conflict Minerals Policy

In line with its commitment to responsible business conduct and supply chain transparency, Howco is aware of its obligations under Section 1502 of the Dodd-Frank Act regarding conflict minerals for companies with statutory reporting requirements to the U.S. Securities and Exchange Commission (SEC). The Group conducts regular assessments of its exposure to conflict minerals within its supply chain. Based on these assessments, and to the best of our knowledge, none of the materials supplied containing such minerals originate from the Democratic Republic of Congo (DRC) or adjoining countries. Read more about how we comply with the Dodd-Frank Act [here](#).

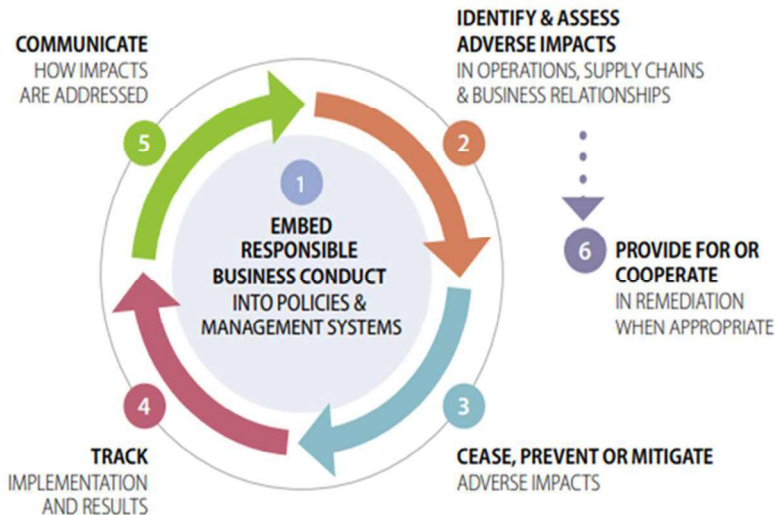
The process for due diligence assessments

The Transparency Act and the OECD's guidelines for multinational companies

Howco follows the OECD's Guidelines for Multinational Companies approach to due diligence assessments.

We recognize the need to have internal systems in place to identify and manage adverse impacts that our operations may have on basic human rights and decent working conditions, as well as account for our due diligence assessments. At the same time, we recognize that our work in this regard is a dynamic and ongoing activity, and that relevant risk factors may change over time in line with operational changes or external influences.

In order to identify, prevent, reduce and account for such risks, Howco has carried out due diligence assessments in accordance with OECD guidelines as visualized below:



The process for surveying own business, suppliers and business partners

The due diligence assessments of Howco's business, supply chain, and collaboration partners are conducted using the high-risk list has been prepared by the Norwegian Directorate for Administration and Financial Management (DFØ). This list contains information on product categories with a high risk of violation of basic human rights in the supply chain. In the High-Risk List, DFØ defines products as high risk when "[...] there is extensive documentation that shows systematic violations of the UN's Universal Declaration of Human Rights, the International Labour Organization's (ILO's) core conventions (prohibition of child labour, forced labour, discrimination and the right to professional organisation) and national legislation within labour law and HSE in the product's supply chain."

Within certain categories of products and services, the risk of adverse impacts for human rights and decent working conditions will depend on which countries are linked to production in the value chain. We therefore, in addition to assessing risks linked to the industry in question and the complexity of the supply chain, take country risk into account in our due diligence assessments. Country risk will often be of decisive importance in the assessments. When assessing country risk, we use the Global Rights Index, Labour Rights Index, Transparency International's Corruption Perception Index, The World Governance Indicators, The UNICEF Child Labour Index, The Global Slavery Index (Walk Free Foundation) and Conflict Affected and High-risk Areas for minerals (CAHRAs).

In Norway, industries such as construction, cleaning, accommodation, serving and catering, the shipping and shipyard industry, agriculture and horticulture, the fishing industry, electronics, road freight transport and passenger transport are considered to entail a high risk

of poorer pay and working conditions for employees. We also consider selected industries that have their own minimum requirements for wage and employment rights through collective agreements and where there is a supervisory duty to ensure that their working conditions are in accordance with the collective agreement.

For our report on FY24, new and updated data and sources have been included when conducting the risk assessment. Data from the Department of Labor (United States of America), The Norwegian Labour Inspection Authority, National Occupational Health Surveillance (NOA), Office of the High Commissioner for Human Rights (OHCHR) and various United Nations organs has been evaluated and included.

Own Operations

Actual adverse impacts

No adverse impacts have been uncovered in own operations.

Significant risk and measures to stop, limit and prevent risk

Risks for the company's employees include risks related to health and safety, appropriate working hours and the standard of working conditions. Measures applied to control such risks include high health and safety standards and targets, monthly group reporting on health and safety metrics and the sharing of lessons learned, standard employment contracts with set working hours, a time clocking system to allow monitoring of hours worked by employees and ensuring a welcoming and flexible working environment for all through management oversight and implementation of group wide ways of working.

Due to the nature of Howco's business there may also be risks tied to the products sent to sub-contractors and customers as these products may be a part of high risk working conditions. This requires Howco to ensure the quality and safety of the products so they do no harm or cause damage for workers using them. Measures applied to control such risks include high health and safety standards and targets, monthly group reporting on health and safety metrics and the sharing of lessons learned, high quality standards and targets which are reported monthly, the holding and implementation of Quality Accreditations and certificates.

Suppliers and business partners

Our business relationships mapped in our due diligence assessments consist of upstream suppliers and business partners. The suppliers are metal producers, services within transport and metal processing and materials, while the business partners supplement Howco with goods, energy, consulting services, financial and insurance services, security, property, IT, telephony, cleaning, etc.

Currently, Howco works directly with 20 suppliers. Of these, two transportation service providers are registered in the UK, while the remainder are based in Norway. Among the suppliers, one Norwegian metal producer delivers goods directly to Howco.

In addition to these suppliers, Howco Group has identified 21 metal producers that supply metal to the entire Howco Group, and therefore indirectly deliver metal to Howco. These suppliers are located in Norway, the UK, Germany, Italy, France, China and Sweden. These vendors are managed via our Approved Vendor List (AVL) to ensure they meet all corporate requirements.

Of Howco's 53 business partners, 1 company is registered in the UK and the rest are registered in Norway.

Actual adverse impacts

We have not identified any impacts in the past year. However, this does not guarantee that impacts do not occur. We are committed to continuously monitoring and improving our processes to address any potential risks. Vendor selection is based on company reputation, references, and valid certifications or questionnaires. All records are maintained within Howco's quality system, Q-Pulse, and are reviewed on a scheduled basis. Furthermore, vendor performance is a formal part of Howco's KPI system.

Significant risk in the supply chain

Substantial risk of adverse impacts in the supply chain can be linked to sector risk for suppliers of metal. The Norwegian Transparency Act, Section 4.b. describes risk as *directly related* to the risk of poor working conditions, including low wages and forced labour. These risks are usually associated with countries where this risk is generally high. Therefore, the risk of producing metal products will vary depending on the country and where the raw materials are sourced. Substantial risk of adverse impacts in the supply chain can also be linked to

transportation services, metal processing, machinery and equipment and building and construction materials.

Of the company's 21 indirect suppliers (through Howco Group), 20 are assessed as having a low risk even though the industry has a general high risk of human rights and decent working conditions violations depending on the country the metal comes from. The assessment and reasoning for “low risk” is based on familiarity with the companies through long-term collaborative relationships and Know Your Client (KYC) processes and on-site audits. In last year’s report, two suppliers were identified to have a medium risk due to Howco Group having not conducted a recent audit. Both these suppliers have been subject to an audit in the past year and now only one of the suppliers remain at a medium risk. This decrease is mainly due to the company’s location and country of operations.

Of Howco’s 20 direct suppliers, all of them are assessed as high risk, based on their sector classification. Here follows a description of the main risks associated with each sector:

- **Machinery and equipment:** There is a general health, safety and environmental risk associated with activities such as heavy lifting and transportation. Machines may consist of metals and electronics that have a high risk of violation of human rights and decent working conditions in the value chain. This includes the risk of low wages, child labour, forced labour, illegal use of land, financing of armed conflicts, as well as a lack of right to organize.
- **Transportation services:** Transportation is generally a high-risk sector, especially for transporting goods. The industry uses a lot of sub-contractors, long working hours and vehicles in poor conditions. There is also a potential supervisory duty (Norway). The use of sub-suppliers for drivers heightens the risk further. Local communities and workers in the supply chain are at risk due to sourcing and processing of raw materials (such as stone, wood, metal) used in the production of transport vehicles and fuel.
- **Metal processing:** The risk of producing metal products will vary based on country and where the raw materials are sourced. Recurring risks include poor working conditions, refusal to organize, low wages and forced labour. These risks are usually associated with countries where these risks are high in general.
- **Building and construction materials:** There is a risk of breaching labour rights and HSE risk (workers), and risks for local community with regards to production of raw

materials. The total risk of human rights violations is high for construction materials and products. The risk is greatest further down the supply chain, where raw materials are extracted and processed. Supply chains are complex and fragmented worldwide. This leads to limited traceability and little transparency, which increases the level of risk for human rights and environmental concerns. The risk at raw material level within building materials largely depends on which region or country they are produced in, and where the raw material is obtained from. Recurring risks include working environment, negative impact on livelihoods, violation of indigenous rights, absence of unions / anti-union laws and practices, low wages, child labour and forced labour. This type of risk is usually associated with countries and regions where law enforcement is unsatisfactory and workers are poorly protected.

For sources please see the section *The process for due diligence assessments* in this report.

Significant risk with business partners

A significant risk of adverse impacts among business partners is linked to sector risk for businesses within hotel and accommodation, cleaning, machinery and equipment, power supplier and waste management. The Norwegian Transparency Act, Section 4.b. describes risk as *directly related to the risks among business partners*.

Of the company's 53 business partners, 29 are assessed as having a low risk. The assessment is based on the suppliers having a low sector risk and being based in Norway and the UK, who have low country risk. For local services such as cleaning, transport, energy, and maintenance Howco utilize several companies already on our Approved Vendor List (AVL). These suppliers are approved based on historical performance, specific certifications (ISO 9001, ISO 14001, ISO 45001), or the Miljøfyrtårn standard.

1 of the company's 53 business partners is assessed as medium risk. The background for the increased risk is the sector risks mentioned below:

- **Power supplier:** Setting up and maintaining electrical plants and networks is a higher risk occupation, exposing workers to increased safety hazards and health risk, and therefore will constitute a higher risk for the worker in general. Additionally, there is also a risk of violation of land rights.

14 of the company's 53 business partners are assessed at high risk, based on sector risks described below:

- **Machinery and equipment:** Risks associated with the first tier of the machinery and equipment sector are general health, safety and environmental risks associated with activities such as heavy lifting and transportation.
- **Cleaning:** There is a potential supervisory obligation in Norway, indicating that this sector is considered high risk. In addition, risks such as violations of employee rights and health, safety and environmental risks for cleaners have been identified.
- **Hotel and accommodation:** Depending on the location, type of business and country, employees in the hotel and service industry may be exposed to poor working conditions such as low wages and abnormal working hours.
- **Waste management:** There is a general risk of breaching labour rights and health, safety and environmental standards. This includes risks associated with handling chemicals and toxic waste, heavy lifting, and transportation. Handling of waste further down the supply chain, including risk for local communities affected by spillages from waste management.

For sources, please see the section *The process for due diligence assessments* in this report.

Measures to stop, limit or prevent risks

Measures to restore adverse impacts

No adverse impacts have been uncovered in the reporting year, so no specific remedial actions have been taken. That no adverse impact has been uncovered does not mean it has not happened, and we will continue to conduct human rights due diligence to identify potential impacts in our supply chain.

Howco maintains strict thresholds when selecting and working with supply chain partners, ensuring that only reputable and serious companies are engaged. We have built strong relationships over many years with our supply chain and business partners and expect them to adhere to high ethical standards and legal compliance. Should any adverse impacts or breaches be identified, Howco takes such matters very seriously and will consider

discontinuing the relationship with the party involved to protect the integrity and quality of our products and operations.

Measures the company has implemented or will implement to prevent adverse impacts

Howco will continue to manage the various risks identified in the risk assessment with the following measures:

- Establish a general and detailed questionnaire covering Environmental, Social, and Governance (ESG) aspects, human rights, and working conditions for business partners and suppliers in the value chain.
 - A draft has been developed, and this will continue to be worked on.
- Conduct ongoing media monitoring for supplier related news on human rights and decent working conditions, identified issues will be raised in existing forums, and we will engage in dialogue internally and with the suppliers regarding corporate expectations and the implementation of related measures.
 - The company continues with internal governance and regularly monitors media, forums, trade restrictions and embargos for relevant information.
- Supplier Code of Conduct (CoC) complemented by contractual clauses that require all new contracts to address human rights and decent working conditions.
 - CoC has been made and is publicly available.
 - When entering new contracts, we will ensure to use a contract clause that takes into account compliance with the Norwegian Transparency Act.
 - Howco has contractual clauses with strategic customers, where this measure will continue to be worked on.
 - Human rights and Working conditions are covered in the Howco Supply Chain CoC, and Howco has reached out to suppliers of metals and requested their suppliers code of conduct. Some have been received and this will continue to be worked on.
- Conduct regular supplier audits to evaluate compliance with human rights, decent working conditions, and ESG standards, and ensure timely implementation of corrective actions.
 - Supplier audits are conducted regularly by Howco Group and Howco.

Achieved or expected results of the measures

Over the past year, a Supplier Code of Conduct has been implemented, with responsibility firmly embedded within the organization. Suppliers and business partners have been consistently monitored through established follow-up measures. Human rights, decent working conditions, and other ESG topics have been incorporated into the General Terms and Conditions (GTCs).

Expected results of the measures are:

- Increased awareness of Howco's focus on basic human rights and decent labour.
- Increased awareness of basic human rights and decent labour in the supply chain of Howco.
- Lower threshold for reporting violations of basic human rights and decent working conditions.
- Dialogue on how Howco and the supply chain can together strengthen work with basic human rights and decent working conditions.

How Howco follows up and ensures that implemented measures work as planned

In Howco, we have a follow-up system that helps to ensure that any deviations are detected and resolved within a given time frame. At the same time, we continuously assess whether our systems, processes and tools can be improved to better detect and handle deviations.

Through "Mill & Sub-Distributor Supplier Approval", Howco has a quality procedure that lists the basis for approval for all suppliers. All material suppliers deemed to be 'mill' will be ISO 9001 approved and upon completion of trial orders classified as a Cat 01 supplier, any exceptions to this require approval from the Group QHSE & Technical Director. There are 3 types of material purchase orders:

- A prime mill supply, an order placed directly at the producing mill by Howco or through a mill's agent;
- Metal purchased from a steel dealer as a back-to-back supply, for resale to a specific customer;
- Metal purchased from a steel dealer for general inventory.

Prime suppliers, and those identified as significant suppliers, are reviewed and approved by the Group QHSE & Technical Director and are subject to annual ongoing review, covering supply from the previous calendar year. The Group Technical and Quality management team will manage both the initial and ongoing approval of such suppliers. Second tier suppliers,

usually products sourced from other distributors, will be managed at a local level, these suppliers are not managed directly.

The expectation is that wherever the risk to Howco/Howco customers is significant or the value justifies it, a supplier audit will be carried out. Verification that the factory's ISO 9001 certification issued by a nationally accredited body – Howco Cat-01 status – remains current and has not been suspended fulfills the requirement to verify the supplier's internal control and supply chain controls. In all cases, in order to minimize risk to Howco and demonstrate active supply chain management, primary and significant factory supply will be subject to additional verification upon initial deliveries.

When supplier audits have been carried out, the risk analysis for product quality from the factory will use a risk-based format on the following:

- Health & Safety (H&S)
- Environment
- Quality Management System (QMS)
- Smelting
- Hot Work Processes
- Heat Treatment
- Non-Destructive Testing Examination (NDE)
- Testing
- Production Control System
- Traceability

Each area will be assessed and scored. Benchmark scores are defined to ensure that required actions are communicated where scores are not met.

Complaints and whistleblowing

Our mechanisms for complaints and whistleblowing

Howco encourages all its workers, customers and other business partners to report any concerns related to the direct activities or supply chains of the organization. This includes all conditions that may increase the risk of slavery or human trafficking. The organization's whistleblowing procedure is designed to make it easy for workers to disclose, without fear of retaliation. Employees, customers or others with concerns can use our confidential helpline –

Howco Helpline @ +44 0800-032-8483 or online at www.howcogroup.ethicspoint.com. All complaints raised via the helpline or online will be addressed with the highest importance and priority with a full investigation taking place. Any improvements, recommendations or better work practices will be rolled out across the company.

The contact information for notification cases is reproduced in the "Modern Slavery and Human Trafficking Statement" on the Howco Group website. In addition, Howco Group has a contact form on the website where external parties can contact the company: <https://www.howcogroup.com/contact/>. There is an 'Environmental, Social and Governance' enquiry type which external parties can select to raise such matters.

Responsibility in our business going forward

Howco will continue to focus on reducing actual and risk of adverse impacts on human rights and decent working conditions, and will follow up this work through, among other things, the following measures in the coming year:

Description	Responsibility	When
Follow-up of suppliers and business partners through outlined measures	Supply Chain / Quality	Autumn 2026
Establish and send out a questionnaire covering ESG aspects, human rights, and working conditions to business partners and suppliers	Supply Chain / Quality	Autumn 2026
Quarterly Call With Norway General Manager	Finance	Autumn 2026
Develop a policy for work with and follow-up of the Transparency Act	Finance	Autumn 2026

16th April 2026

The Board of Directors of Howco Group PLC and manager of Howco Group PLC NUF



David Preston
Chief Executive Officer



Kenneth Ness
Chief Financial Officer



Ingvar Farrag Ladsten
Manager, Howco Group
Plc NUF