

STATEMENT ON THE TRANSPARENCY ACT

This is the 2023 statement, which includes companies within the same group, where the parent company is Baxt Gruppen AS in Larvik.

Contents:

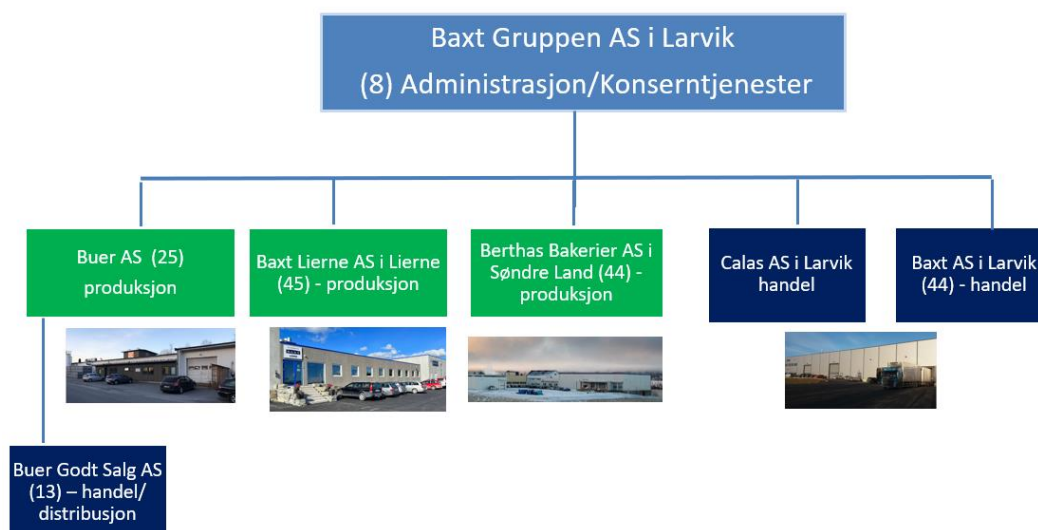
1. About the group, businesses, and main activities
2. Embedding the work with the Transparency Act
3. Risk assessment – own employees and supplier chain
4. Responsibilities and roles
5. Goals for the coming year
6. Contact information

1. About the group, businesses, and main activities

The group produces and sells food products, including cakes, potato flatbreads and wraps, bread products, and other baked goods, to customers in the Norwegian retail and catering markets.

An overview of the group's businesses, including the number of employees as of 31.12.2023, is provided below (number of employees in parentheses):

Selskapsoversikt



Group turnover by company:

Driftsinntekter	Årsregnskap 2023
Baxt AS	1 229 239 486
Baxt Lierne AS	135 636 641
Berthas Bakerier AS	118 261 072
Buer AS	75 250 563
Buer Godt Salg AS	57 911 530
Calas AS	100 442 552
Skagerrak-Eiendom AS	13 038 000
Skagerrak-Holding AS	28 125 542
Trippestadveien AS	6 229 140
Skagerrak-Holding Totalt	1 764 134 526
Internomsetning	-410 584 927
Konsolidert omsetning	1 353 549 599

Buer AS, with its subsidiary Buer Godt Salg AS, is involved in the production and sale of potato-based flatbread and wrap products to local and national customers. The company maintains supply agreements with various local farmers who grow and store potatoes. Products are distributed partly by the company's own drivers and partly by third parties.

Baxt Lierne AS produces filled flatbreads under brands such as "Vestlandslefsa" and "Berthas." Like Buer, this company specializes in a specific product group. Unlike Buer, the flatbreads from Baxt Lierne are filled after baking. Distribution primarily takes place in an unbroken cold chain to retail outlets.

Berthas Bakerier AS operates multiple production lines and produces doughnuts, cookies, loaf cakes, and dough products. A characteristic feature of Berthas Bakerier is its significant seasonal variations, employing a large number of seasonal workers for Christmas cookie production.

Baxt AS and Calas AS are trading companies involved in procuring finished goods from producers within the group and third-party suppliers, both domestic and international.

The group also includes real estate companies, Skagerrak-Eiendom AS and Trippestadveien AS, which have no employees.

The parent company, **Baxt Gruppen AS**, is responsible for health, safety, and food safety across the various businesses within the group.

2. Embedding the work with the Transparency Act

The work with the Transparency Act and social sustainability is anchored in the group's management and board. As a producer and supplier of food products, our operations impact both people and the environment. The group has developed a sustainability strategy that defines ambitions and overarching goals while outlining how we work to achieve them. The group's efforts to conduct due diligence assessments to identify, prevent, and mitigate adverse impacts on human rights and decent working conditions are anchored at the board level.

The board has instructed management to lead the effort and communicate clear expectations to employees and suppliers in line with the new law. The board receives regular updates and conducts oversight of this work.

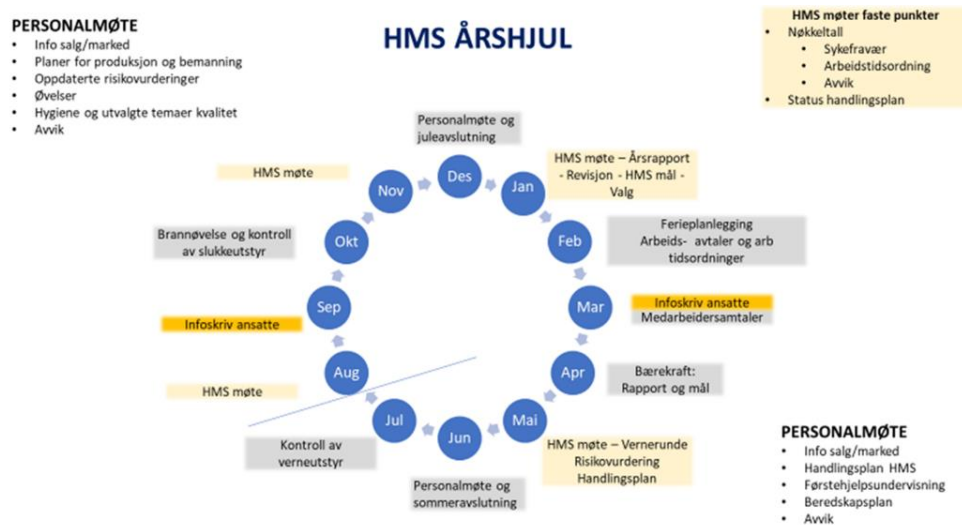
Annual staff meetings are held to review the main points of the law. Employees have been informed about the purpose of the law and its implications for the group's efforts to promote respect for fundamental human rights and decent working conditions in the production of goods and delivery of services.

3. Risk assessment

Own employees:

The risk associated with the group's own employees is considered low. All activities are conducted in Norway. The businesses involved in production have collective agreements with the Norwegian Food and Allied Workers Union (NNN). The companies have established workplace regulations, ethical guidelines, and a whistleblowing system to ensure compliance with the Transparency Act's objectives and specific provisions.

An annual schedule has been implemented in the various businesses to ensure compliance with the Act.



Supplier chain and supplier assurance:

There is a slightly higher risk associated with the supplier chain, although this is also deemed low. Approximately 60% of the group's purchases of goods and services come from Norway. The remaining portion is sourced entirely from EU countries. Some raw materials and packaging products included in our goods may originate outside Norway/EU. In such cases, suppliers are required to conduct due diligence assessments, and we collect relevant information about the country of origin and production to evaluate supplier risk.

Updated routines for supplier mapping, risk assessment, and control were initiated in 2023. Suppliers are required to respect human rights and labor rights, based on a risk-based supplier approval process using a "Supplier Self-Declaration Form." Suppliers are asked to address the following questions:

- Is working time set according to national laws and industry standards, and are employees paid in accordance with applicable legal requirements?
- Have you established ethical guidelines for employees and suppliers?
- Do you prohibit discrimination based on ethnicity, caste, nationality, religion, age, disability, gender, sexual orientation, marital status, union membership, and political opinion?
- Do you have a system/routine to ensure that breaches of ethical guidelines are detected internally and with your suppliers?
- Do your ethical guidelines prohibit bribery and corruption?
- Do your ethical guidelines prohibit forced labor and child labor? Are they in compliance with applicable laws or regulations covering employee rights?
- Do you ensure compliance with all necessary local labor laws and regulations?

Implementation of Supplier Assurance

The group has established ethical guidelines applicable to each company, which are communicated to all suppliers. Adherence to these guidelines is a prerequisite for approval as a supplier. The work on supplier assurance shall be risk-based, with clear requirements and expectations communicated to different suppliers. We prioritize purchases from suppliers with an approved GFSI certification, and the risk assessment will be less extensive for this type of business. The implementation process is carried out in three main steps:

a) **Risk assessment of different supplier types** (goods, services) based on country, product type, industry, and internal guidelines.

b) Initial screening (Supplier Self-Declaration Form)

Before purchases can be made, the supplier must describe their operations and ability to manage adverse events by completing the self-declaration form. The assessment of the supplier's ability to handle potential risks is based on the likelihood of their capability to manage such risks.

The Risk Profile is Assessed Using the Following Matrix:

	Konsekvens	Ingen/ubetydelig	Mindre	Signifikant	Alvorlig	Kritisk
Sannsynlighet		1	2	3	4	5
Usannsynlig	1	1	2	3	4	5
Lav sannsynlighet	2	2	4	6	8	10
Sannsynlig	3	3	6	9	12	15
Høy sannsynlighet	4	4	8	12	16	20
veldig høy sannsynlighet	5	5	10	15	20	25

The Grading of the Risk Profile Determines the Supplier's Status After the Initial Screening.

Veldig høy risiko	20	25
Høy risiko	8	20
Moderat risiko	5	8
Lav risiko	3	5
Ubetydelig risiko	1	3

- Suppliers with a risk profile in the range of 1–5 ("Low" or "Negligible" risk): Automatically approved after the initial screening.
- Suppliers with a risk profile in the range of 5–8 ("Moderate risk"): Require additional evaluation of their ability to manage potential risks. Measures must be agreed upon with the supplier before they receive a status of "conditionally approved."
- Suppliers with a risk profile in the range of 8–20 ("High risk"): Not approved until necessary actions have been implemented, verified, and subjected to a new professional evaluation.
- Suppliers with a risk profile in the range of 20–25 ("Critical risk"): Will not be approved under any circumstances.

Professional Evaluation

Where required based on the supplier's risk profile from the screening, a new professional evaluation must be conducted by the person responsible for approval. This evaluation should include a detailed description of the supplier's ability to manage potential risks based on the results of implemented measures.

c) Follow-Up Based on Points a and b Above:

- Establish/update contracts.
- Monitor agreed measures.
- Conduct regular reviews and re-approvals.

4. Responsibilities and roles

The responsibility for ensuring compliance with ethical standards for suppliers is integrated into procurement activities across the group. In the parent company and individual businesses, "Supplier Responsible" roles are defined to ensure that:

- Company guidelines are communicated to all employees involved in procurement tasks, and routines to ensure implementation are established.
- Supplier self-declaration forms are sent out based on risk assessment.
- Information and input relevant to the risk assessment process are provided.

The Quality Department shall ensure that:

- a) The guidelines are known to all individuals performing one or more tasks related to supplier evaluation, and that procedures to ensure implementation are in place.
- b) The responses to the supplier self-declaration form are evaluated.
- c) Risk assessments, approvals, and follow-up of suppliers are conducted.
- d) A continuously updated list of approved suppliers and the basis for their approval is maintained.

5. Goals

The company has defined the following goals for the 2023-2026 period:

1. Reduce total food waste by 50%.
2. Achieve 100% recycling of production waste.
3. Optimize packaging and reduce plastic use by 20%.
4. Improve transport efficiency by increasing carton and pallet fill rates by 10%.
5. Improve energy efficiency in operations by 20%.
6. Use 100% recyclable packaging materials.
7. Achieve an employee satisfaction index above 4 in annual employee surveys.
8. Certify all companies in the group as Eco-Lighthouse businesses.

6. Contact information

The statement on the group's work under the Transparency Act is published on www.baxt.no.
The person responsible for external communication is Lars Mølbach (lars.moelbach@baxt.no).
If you would like more information than provided in this statement, please send an email to post@baxt.no.