

Statement concerning the Transparency Act (Åpenhetsloven) for Rygene – Smith & Thommesen AS



The Act relating to enterprises' transparency and work on fundamental human rights and decent working conditions (Transparency Act) came into force 1st of July 2022 and Rygene Smith & Thommesen AS is legally bound by this act.

This statement summarizes Rygene - Smith & Thommesen AS' commitment to the Transparency Act.

Rygene - Smith & Thommesen AS (hereafter referred to as 'RST') is a Norwegian privately owned company. The company was established in 1897, in Arendal Norway, where it still is situated with both production facility and head-office.

The company produce mechanical softwood pulp, has 28 employees and has an annual production of approximately 40 000 tons. The pulp is made from sawmill chips from spruce and pine, produced and delivered from local sawmills. The production from sawmill chips into pulp is through a mechanical process energized by electricity from sustainable sources. Small volumes of various chemicals are used in the process, and minor amounts of oil and oil-based fuel supplement electricity as a source of energy. The finished product is delivered by truck, train, or ship to our customers, mainly situated in northern Europe but also other parts of the world. Our customers use our pulp in their production of a variety of products, e.g. coated paper, newsprint, printing paper, various cardboard qualities and special packing materials.

RST is a member of the 'Norwegian Confederation of Business' (NHO) and our workforce is organized in a local trade union which is a member of the 'Norwegian Confederation of Trade Unions' (LO). The company and the local union are part of a tariff-settlement, agreed between our industry's branches of NHO and LO. The company fulfills its obligations by this settlement and complies with the Transparency Act and relevant Norwegian law and EU directives.

We at RST acknowledge that our supply-chain and partners are a vital part of our business. It is not only a requirement, but also important in upholding our values that we contribute in establishing and maintaining the values of the Transparency Act throughout our sphere of influence.

RST suppliers can be divided into the following main categories; (1) suppliers of wood chips, (2) suppliers of chemicals, (3) suppliers of oil, fuel and lubricants, (4) suppliers of production equipment, systems and machinery, including spare parts and consumables, (5) suppliers of transport services/ logistics, (6) other suppliers. Other suppliers consist of several types of suppliers and partners, and spans from banking services, insurance companies, commercial agents and IT services to construction services, food suppliers and cleaning agents.

The supply chain mainly consists of large national or international companies based in Norway or Europe who in turn are bound by the Transparency Act or smaller, relative transparent local companies based in the vicinity of RST.

RST map our supply chain and conduct risk evaluations. A three-step ladder is used for relevant evaluation. (1) RST inhouse evaluation of suppliers, (2) evaluation including contacting the relevant supplier, requesting information and documentation confirming and proving compliance with the

'Transparency Act', and (3) evaluation also including an audit of the relevant company. RST execute such evaluations as it seemed required for the relevant supplier. No violation has been revealed.

RST is committed to high ethical standards, and we seek to promote human rights and decent work conditions wherever we do business. Our production and management are co-located, and we value a good work-environment and good communication throughout the organization. We depend on a skilled and competent workforce and strongly believe that a secure and satisfied employee in itself is an important value, but also a necessary basis in becoming a valued asset to the company. This aspect and these values are also fundamental in our evaluation and cooperation with current and future suppliers and partners.

Per Conradi Andersen
Chairman of the Board

Ole Thomas Thommesen
Board member

Siri Østerhus
Board member

Hege Eizenberger
Board member

Helge Askildsen
Board member

Erling Livollen
Board member

Trond Peder Kvikshaug
Managing Director