

DUE DILIGENCE REPORT

The Norwegian Transparency Act

Responsible Business Conduct at the core of our business operations

Thrace Polybulk became member of Thrace Group in 2001. Until that time, they had established a strong position in the Nordic market under the name Hydro Polybulk, the packaging division of Norsk Hydro, which was originally founded in 1982. Today our portfolio focuses on industrial packaging based on PE/PP-plastic materials.

Thrace Polybulk is committed to promoting and supporting a world where human rights are a reality for everyone. Respect for basic human rights and decent working conditions are at the core of our culture and values. As part of our commitment, we have embedded human rights into our policies, business systems and procedures. As a responsible business, we want to build trust and strengthen our relationships with our suppliers and ensure fair working conditions for all people directly or indirectly affected by our business.

Thrace Polybulk has a strong focus on responsible business conduct. We have embedded the OECD guidelines and UN Guiding Principles into our policies and management systems. We know that everything we do affects people and the environment and have therefore implemented ethical guidelines. These guidelines are based on the Universal Declaration of Human Rights and ILO International Labour Standards that set out basic principles and rights at work. They also cover safety aspects, labour rights, animal welfare and environmental protection. They are about the way we buy products, materials and services and apply to all suppliers and service providers in our value chain. We aim to develop long-lasting, trusting and mutually beneficial relationships with suppliers who share our values and who demonstrate the same commitment to operating responsibly.

Thrace Polybulk undertakes to respect and support human rights throughout the value chain, and everyone who works in or for Thrace Polybulk must have decent working conditions. The guidelines cover both human rights, safety aspects, the right to decent working conditions, animal welfare and environmental protection. We work closely with others to uncover and understand our areas of risk and how the world around us is affected. We will therefore always try to be transparent and strengthen the way we work with due diligence assessments to reduce any negative consequences of our operations. We have also implemented OECD's methodology for due diligence to prevent and reduce any negative impact of our business.

This work is an ongoing process, and we want to continuously improve. Thrace Polybulk's vision is to create a better everyday life for the many people. Whatever we do today, we can do better tomorrow. When we care for people and the planet, we can make a significant and lasting change - today and for generations to come. We take big steps to achieve our goals and we work with this throughout the value chain. This gives us a great opportunity to make a difference. It is a responsibility we gladly take on.

About Thrace Polybulk

Thrace Polybulk AS is a company incorporated and domiciled in Norway. The address of the Company's registered office is Strømtangvegen 15, 3950 Brevik.

Thrace Polybulk offers its business associates decades of experience in designing tailor made FIBC products for different applications. To meet customers growing demands on efficiency in logistics, Polybulk continuously presents new ideas and innovations, often in projects in close cooperation with customers. We are working with multinational companies, supplying units all over the world. Thrace Polybulk is today the front runner in developing and supplying bulk bags on reel for almost all existing automatic filling lines in the world.

Product and services

Polybulk offers a variety of bulk packaging solutions and aims to be a total supplier within the bulk bag segment, which includes both bags and equipment for filling, handling, storing, and protecting the packed products. We offer optimal tailor-made bulk packaging solutions and products such as FIBC / bulk bags, technical products, container liners, filling line equipment, handling equipment, cargo protection.

Market

The main markets of Thrace Polybulk have traditionally been Northern and Western Europe, but over the last decade Polybulk is becoming more of a global player with activities also in North and South America, Asia and Australia.

Our products are used in Industrial packaging and packaging systems for bulk products within chemicals, feed, seed, minerals and foodstuff.

Business structure

Thrace Polybulk AS is 100% owed by Thrace Group, with head office located in Athens, Greece. Thrace Group is a listed company at Athen Stock Exchange. Therefor Thrace Polybulk has to report both financial reporting and non-financial reporting one a regular basis according to the laws and regulations within EU for listed companies.

Procurement and production

We have no own production facilities, but we cooperate with subcontractors and manufacturers located both in Asia and in Europe. We believe in building long term business relations with our subcontractors and manufacturers, and we are committed to working with partners that share our values and principles of responsible business. Our supply base is well maintained with respect to quality, costs, flexibility, reliability, and risks. 95% of our subcontractors and manufacturers have been in our portfolio for over 5 years.

Key figures

Revenue for the reporting year	140 million NOK
Number of employees	11
Number of subcontractors and manufacturers	11 FIBC's (first tier)

Our commitment to responsible business conduct

Our Policies and procedures

Thrace Polybulk has developed ethical guidelines that describe our commitments and requirements regarding compliance and ethical business practices and personal conduct. They are based on internationally recognized human rights, labor and social standards and reflect Thrace Polybulk's values: professionalism, respect and cooperation. These guidelines and the due diligence report is anchored in the board.

We are committed to respect human rights and decent working conditions throughout our business operations. This commitment is reflected in our supply chain management, and we have updated our procedures regarding supplier selection and supplier evaluation in order to strengthen our efforts to prevent and reduce any negative impact of our operations.

Subcontractors and manufacturers producing for Thrace Polybulk are requested to ensure that they fully understand our ethical guidelines and adhere to them.

Grievance mechanisms

Thrace Polybulk has established a reporting channel for employees where they can raise concerns or grievances. All employees are informed about these mechanisms and information about our procedures can be found online/intranet.

As an effective grievance mechanism is essential, subcontractors and manufacturers are required to ensure that they have an appropriate mechanism in place to deal with employee grievances.

Capacity building

Thrace Polybulk has clearly communicated its ethical guidelines to all employees. As a part of the implementation process of our new procedures regarding supply chain management to perform responsible business conduct. In addition, our safety representative has during 2023 performed HSE course. Thrace Polybulk has also been recertified as a ECO-Lighthouse company.

Our Due Diligence Process

In accordance with the Norwegian Transparency Act, § 5 Duty to account for due diligence b), companies must carry out due diligence assessments of their operations. This includes the company's own products and services and will also include their supply chain and business partners.

Scope of the due diligence process

Thrace Polybulk Norway is a small business entity with few employees. We recognise that most typical human rights issues for a company like ours is related to supply chain working conditions, hence our focus on supply chain management in our procedures and in our due diligence process. Our approach is to respect all human rights within our extended supply chain.

We have collected information from our first-tier subcontractors and manufacturer. Mostly by self-assessment, but Thrace Polybulk had 1 physical audit at a manufacturer in Asia. More to come in 2024. Everyone that has received self-assessments has responded, no further measures and corrective actions is needed based on the feedback. This is a continuously work that Thrace Polybulk will implement on existing and new subcontractors and manufacturers.

Identifying and assessing adverse impacts

One of the four core components of the Human Right Due Diligence Process is identifying and assessing actual or potential adverse human rights impacts that our company may cause, contribute to, or be directly linked to.

UNDERSTANDING THE RISK AREAS

As we cooperate with producers in different regions, it's important to identify and assess risks by geographic context. Important elements to consider are:

- Nature of the government and history of human rights abuses
- Existing conflicts within the country
- Level of corruption
- Internal sanctions

Thrace Polybulk main producers for FIBC's is in Thailand, India and China. These countries have a score according to the Corruption Perception Index from 35 to 45. Score goes from 0 to 100. For comparison, Norway has a score of 84 and are in 4th place of 180 countries. Thailand 108th, India 93th and China 76th. There is also a well-known fact that the human/labour rights, working conditions and wages can be of a complete other level than for example in Norway for these countries.

Key human rights related issues in the manufacturing industry differ depending on the location and the processes, equipment and material used. Nevertheless, the following issues are predominant:

- insufficient workplace conditions, due to low wages, long working hours and/or poor health and safety standards,
- supply chain and sourcing of materials,
- environmental impacts of manufacturing processes which can affect the health and livelihood of employees and surrounding communities.

MAPPING TOOLS

Thrace Polybulk's self-assessment questionnaire is designed to give us a better understanding of how subcontractors and manufacturers manages its impacts on human rights including labour rights, and anti-corruption. Questionnaires has been sent out to several production units in 2023. We are using a risk-based approach to prioritise in which order to address impacts, based on their severity and likelihood. We put emphasize on the following elements:

- Exiting management system at the production unit
- Implementation of ethical guidelines internally
- Procedures to manage, monitor and communicate the requirements to their own suppliers to ensure their adherence, including level of transparency in the value chain
- General working conditions, including wages, working hours, benefits, health and safety

Thrace Polybulk is also basing its assessments on external documentation, certifications, audit reports and improvement plans. We perform social audits at production facilities to identify potential or actual negative impacts. These onsite audits are conducted based on the results from previous assessments.

We use the following categories to map the level of risk related to breaches on human rights and decent working conditions: Low, Medium, High. This categorisation helps us prioritise which subcontractors and manufacturer to follow-up and what type of activity is needed. A low level of risk implies a somewhat limited probability and level of severity. We work to eliminate all hazards and adverse impacts, however, as our resources and our ability to prevent or mitigate all risks are limited, we prioritize our activities by addressing high risk before low risks.

SALIENT HUMAN RIGHTS RISKS

Salient human rights risk are the human rights at risk of the most severe negative impact through the company's activities and business relationships.

Due to the nature of our business, we have concentrated our efforts and our assessments on our supply chain. We have identified occupational health and safety and working hours in the manufacturing supply chains as our salient human rights risks.

Occupational health and safety include general working conditions, the use of personal protective equipment, product safety and chemical safety. The definition of working hours is working hours that comply with national law, ILO Conventions or collective agreement whichever affords the greater protection of the workers. This is interlinked with worker's right to health and family life and to adequate wages.

During our assessments, it has been noted that a number of workers in the manufacturing facilities avoid using personal protective equipment and that they work long hours. They receive pay as per the legal requirements and overtime is not mandatory, however, it is important to have an ongoing dialogue with our suppliers regarding these matters. Working with improvements in the supply chain requires a long-term perspective and building partnerships based on trust and transparency. Together with our suppliers, we will continue focusing our efforts related to health and safety and working hours. In our future audits and assessments, in our dialogue with our suppliers, we will pay particular attention to those topics.

Implemented or planned measures

Another core element of the Human Right Due Diligence Process is taking appropriate action and integrating findings from impact assessments across relevant company processes.

Thrace Polybulk will carry out a broad due diligence process in 2023 including supply chain mapping and risk based on the new procedures that are being implemented. Self-assessment questionnaire and audits are some of the measures Thrace Polybulk perform according to our procedures to make sure that our producers are following local laws.

Audits serve as a crucial measure to identify, address, and mitigate negative impacts on human rights and decent working conditions within the supply chain. By conducting regular audits, we can assess compliance with standards, identify potential risks or violations, and implement corrective actions to ensure adherence to ethical practices. This proactive approach helps prevent and minimize harm to workers, promote transparency, and uphold responsible business conduct throughout the supply chain.

To progress our work on human rights and decent working, we acknowledge the efforts needed by us and our suppliers. We are aware that we have a way to go to achieve our sustainability ambition. We believe in constantly learning and improving our existing procedures and will relentlessly strive to achieve responsible business practices across all our markets, within our supply chain and work together with our stakeholders to improve our approach.



Managing Director



date/place