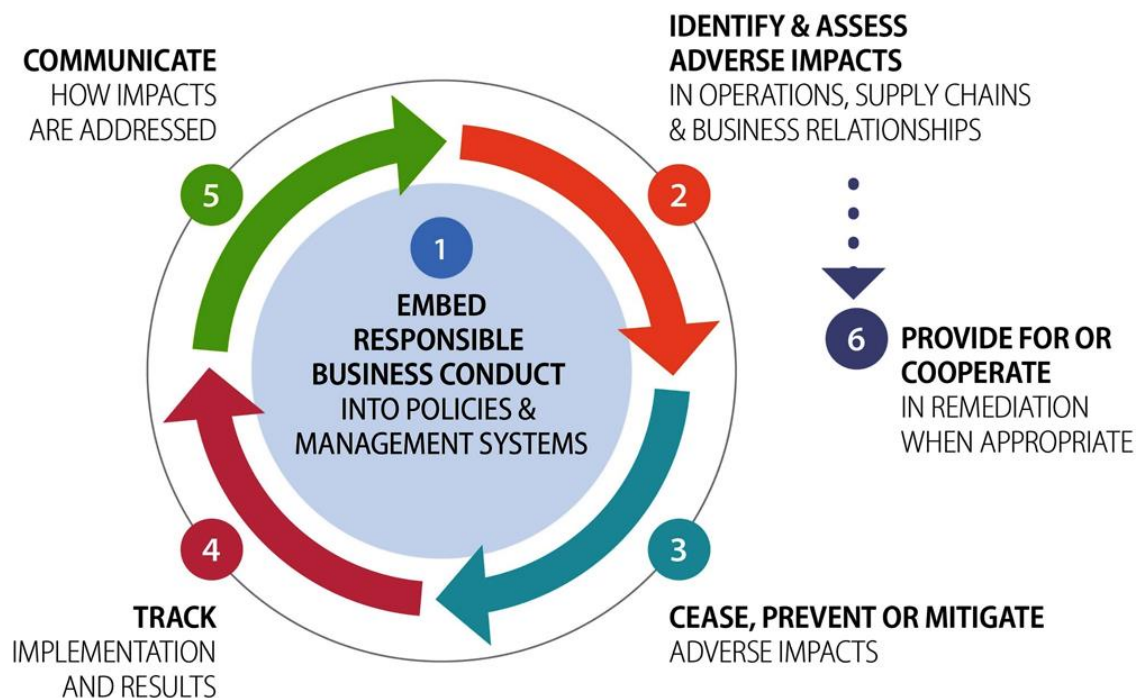


THE TRANSPARENCY ACT

To conduct due diligence assessments is an important part of a responsible and sustainable business. The due diligence assessment means that we investigate whether there are any actual, or risks of, adverse impacts on human rights or decent working conditions in own operations, our supply chain or at other of our business relationships.

At Sandella we are following the OECD wheel diagram to conduct due diligence assessments in our supply chain.



We have established a matrix where we are mapping the following conditions:

1. Corruption Perceptions Index (CPI)

The index is ranking 180 countries and territories in the world by their perceived levels of public sector corruption. The index runs a scale from 0 (highly corrupt) to 100 (very clean).

2. Environmental Performance Index (EPI)

The index is ranking 180 countries on climate change performance, environmental health, and ecosystem vitality. These indicators provide a gauge at a national scale of how close countries are to established environmental policy targets.





3. Global Rights Index (GRI)

Each year this index rate countries depending on their compliance with collective labor rights and documents violations by governments and employers of internationally recognized rights.

4. Human Freedom Index (HFI)

This index presents the state of human freedom in the world based on a broad measure that encompasses personal, civil, and economic freedom. This is a yearly report which evaluate the condition of human freedom in 165 countries and represent 98,1% of the world's population.

To get an overall ranking of the results from each of the reports we have re-calculated all results to 100 parts and made a traffic-light-model with the following values:

	76 - 100	Very satisfactory
	51 - 75	Good
	26 - 50	Below average
	0 -25	Very bad

On bases of the results, we will have dialogs with suppliers and business partners to evaluate the need of corrective actions to improve relations which are not in accordance with our criteria and scores.

If agreements on corrective actions are not reached, Sandella will need to evaluate the cooperation with the supplier or the business partner. The most important is to agree to and cooperate on corrective actions. We will closely follow up corrective actions implemented at a supplier or a business partner on bases of the dialog with Sandella.

At Sandella we are focused on our impact on the environment both locally in Sykkylven and out where our raw materials are produced. It is important to point out that the due diligence assessments are not a one-time event, but a continuously process which are demanding regular updates and evaluations. It is further important to cooperate with our suppliers and business partners to achieve results and to be open for learning and improvements based on experience and feedback.