



SLEIPNER

ENVIRONMENTAL POLICY

Introduction

Sleipner is a Norwegian, technology driven company, focused on creating world leading products and solutions of uncompromised quality to improve safety and comfort at sea. Sleipner Group have manufacturing and logistics operations at 4 sites in Norway and a small 1 site primarily doing GRP parts in western Poland. Approximately 95% (2022) of the value creation takes place in Norway.

Further the Sleipner Group have operations with dedicated warehouses in Finland, Sweden, Italy and England and sales offices in Denmark and Germany. Beyond the geographies where we are present with our own operations, our products are distributed globally through a network of independent distributors.

At Sleipner Group, we recognize the importance of environmental sustainability and are committed to minimizing our environmental impact. In addition to Sleipner Group being committed to the Ten Principles of the Global Compact, we have developed this environmental policy as a guideline for our employees, stakeholders and partners to ensure that we prioritize correctly when addressing elements related to sustainability and how we can contribute in our own way to a better environment.

Operations

Legislation

Norway has one of the strongest regulations in the world concerning the protection against pollution and controlled waste handling. The act impose on all companies a **duty to avoid/reduce pollution** and any or all emissions needs to be pre authorized by the government. The purpose of the Norwegian act against pollution is to protect our habitat against new pollution and to gradually reduce existing pollution permissions. A further key element is to secure sorting and recycling of waste. A key principle in the law is that whoever is polluting shall also pay for the clean-up. Sleipner shall always comply with Norwegian law and when operating outside Norway, we shall observe the same strict routines as if we were operating in Norway.

Sleipner Group shall further comply with all applicable environmental laws, regulations and standards striving to exceed minimum requirements.

Manufacturing processes

Sleipner Group shall strive to minimize energy consumption and waste by investing in, adopting, or even inventing new technologies to achieve continuous improvement. Process optimisation and control to avoid faults (leading to waste) is a key element in our focus.

Sustainable and high-quality sourcing

The Norwegian Transparency Act requires Norwegian companies to conduct due diligence activities to ensure that suppliers are operating responsibly and respecting both human rights and decent working conditions

Sleipner Group has established a framework for analysing our supplier base and their sustainability policies, country specific legislation on environmental protection and not least

country related TI- Index plays a significant role when choosing suppliers. The GHG footprint from transportation shall also be taken into account when choosing suppliers.

Based on the above criteria, Sleipner Group strives to source parts from brand name suppliers with a proven track record of delivering high quality parts and who have their manufacturing footprint in countries with satisfying regulations regarding environmental protection. A consequence of this is that as per 2022, 55,6% of Sleipner Group purchases are from Scandinavian suppliers, 86,5% from European Suppliers and only 13,5% originates from outside Europe. Far East Asia remains a concern on environmental issues and hence represents only 3,9% of total group purchases.

The sourcing policy and requirements to suppliers is further described in our Supplier Code of Conduct, which in principle shall be reviewed with and accepted by all Sleipner Group suppliers.

Buildings and premises

Sleipner Group owns 3 manufacturing plants and 1 logistics centre and also lease 2 smaller manufacturing facilities. All locations are in areas with good public transportation and Sleipner is partner in an initiative to increase the use of public transportation to and from work as well as using bikes when the weather allows. Sleipner also offers charging facilities for employees using electric cars (very common in Norway now) where the employee need to charge due to home/work distance.

When refurbishing or updating existing buildings, Sleipner always invest in more energy efficient solutions that reduce heating needs, automatically control temperatures and ventilation etc. This is important both from a financial point of view and from an environmental point of view. Examples of this is better insulation, geothermal heat pumps for heating / air conditioning (already installed in 2 plants), automatic lighting and temperature control systems, and similar.

In the coming years, Sleipner Group will build a new headquarter and main manufacturing plant. This is located by the water, quite centrally in Fredrikstad with residential buildings around. This means that there are good public transportation alternatives for the employees also here. The planning of the new factory shall be done in such a way that we minimise the consequences for the surrounding houses when it comes to noise and traffic and causing no direct negative consequences for the environment around the factory. We have a zero tolerance policy for pollution to air or water from our factories.

The new headquarter and manufacturing plant shall be BREEAM certified, which is the worlds leading science-based suite of validation and certification systems for sustainable buildings.

Recycling and waste management

In accordance with Norwegian law, Sleipner Group has strict policies and procedures for recycling and waste management. Different metals, paper, wood, plastic and food waste are recycled, and all hazardous materials including electric and electronic products are disposed of in a safe manner and mostly recycled. We comply with the reporting requirements from the Norwegian government and endeavor to reduce and replace hazardous materials with eco-friendly alternatives.

Transportation, shipping and air-freight

Sleipner Group sources products from around the world, and constantly strive to minimise our footprint. We have implemented a 9-12 month rolling production plan that helps optimize our ability to choose sea or train freight instead of air freight. It also allows us to plan for fewer, larger shipments instead of many smaller ones. We recognize the importance of sustainability in our transportation chain and choose partners that are committed to working towards the same goals as us.

Green and renewable energy

The main energy source in Norway is electricity and 99% of the energy production in Norway originates from hydroelectric power plants and Norway is a net exporter of electricity. However, in periods of the year, Norway imports some electricity from Europe which may originate from polluting power plants. To promote the further development of the clean, Norwegian hydro, solar and wind power, Sleipner Motor AS shall only use verified clean electricity with a documented source of origin in buildings and for manufacturing operations.

When an alternative exists, Sleipner Group shall not use oil, gas or electricity generated by fossil fuels to heat or operate their manufacturing plants.

Travel policy

Although CO₂ from aviation is not included in the Paris Agreement and could easily be overlooked, CO₂ emissions from air travel represents somewhere between 2.5 and 3.5% of the global CO₂ emissions. Hence reducing unnecessary flying is important to reduce the emissions of GHG. Sleipner Group employees are encouraged to avoid unnecessary flights. Perhaps it is possible to solve the issue through Teams, Zoom or similar? When travelling, employees are encouraged to replace flights or car travels by train if the additional travel time will be less than 2.5 hours.

Company car policy – towards a goal of 100% electric company cars

Certain Sleipner Group employees have access to company cars. Since 2021 all new company cars in Sleipner Group Scandinavia have been fully electric. When the lease expires on older cars, they shall be replaced by electric cars. In other locations where it is yet too impractical to drive electric cars, hybrid cars are the preferred choice.

ISO 14001 Certification

Outside Norway all Sleipner plants shall be ISO 14001 certified. In Norway the national legislation goes above and beyond the ISO certification and hence, being certified makes no real environmental impact. However, being able to document using ISO 14001 certified suppliers may become important for some of our OEM customers and we will therefore certify also our Norwegian plants during 2023/24.

Training of employees

Our environmental policy shall be promoted internally and our employees trained in making smart decisions for the environment. A dedicated position was established in 2023, "Head of Compliance and Sustainability" to work with and put focus on our initiatives internally and externally.

Products

Sustainable Design Principles

At Sleipner Group, we recognize the importance of integrating environmental considerations into our design and development processes. Our Design and Development Policy outlines the commitment to create innovative products and solutions that prioritize sustainability and minimize our environmental impact. It serves as a guideline and checklist for our designers, developers, and stakeholders to ensure that environmental factors are incorporated and considered as a priority throughout the design and development processes as well as in the complete lifecycle expectation of the product

Material and component selection: We prioritize the use of environmentally friendly materials and components that are renewable, recyclable, or have low environmental footprints without compromising on durability. We choose brand name components with a documented track record on lifetime and availability of spare parts (global).

Energy Efficiency: We design products and solutions to optimize energy efficiency throughout their lifecycle, minimizing energy consumption during production, use, and disposal. We have an ambition to be the best in the world in terms of user-energy efficiency in what we do.

All new products designed by Sleipner over the last 5 years have a better energy efficiency than the product they might replace as well as the industry average of comparable products.

Waste Reduction: We will strive to design products and services with minimal waste generation, promoting circular economy principles, and always looking opportunities for reuse, recycling, or repurposing. Our Sleipner ReVision strategy stands for long term actions related to the 9 R's framework focusing on reducing wasted resources.

Durability and Longevity: Sleipner products are designed to last. Our engineers will aim to design products and services that are durable, long-lasting, and repairable, reducing the need for frequent replacements and minimizing resource consumption. When we develop our products, retro-compatibility, upgrade and service options are always a requirement and focus.

Sustainable Technologies: Sleipner Group being "Future proof", is one of our 3 core values that will always be our drive and commitment. Sleipner invest and commit ourselves to research and development activities that focus on eco-innovation, exploring sustainable technologies, materials, and manufacturing processes. We cooperate both nationally and internationally with universities and R&D institutions. We also have close dialog and collaboration with our customers/boatbuilders on innovation and the strive for lowering the footprint within our business. Continuous bettering of our products and our customers products are key to our mission and success.

Spare parts and factory repairs

Design for service and repair are one of the key elements in our design and development policy. Our products are designed to last, however some maintenance and repair are needed. Sleipner products are therefore easy to service, and we supply spare parts for all of our products exceeding 10 years. We also have a factory repair/refurbish program for a selection of relevant products, such as our propeller gear legs i.e.g. Our global network of distributors and dealers handle our customers and service demands well through a good connection to Sleipner Group and through our Sleipner Service Academy.

Packaging

The packaging policy aims to promote sustainable packaging practices. Several key guidelines are outlined to achieve this goal. Firstly, there is a strong emphasis on reducing the use of plastic, particularly by minimizing the presence of expanded polystyrene (EPS) in packaging. Instead, non-painted and untreated cardboard is our choice. Secondly, the use of reusable/recyclable wood is encouraged as a packaging material. Additionally, recyclable pallets, pallet collars, and other packaging components are to be utilized.

Sleipner continuously collaborates with suppliers to reduce unnecessary packaging materials. Suppliers are encouraged to use recyclable packaging materials whenever possible. However, in exceptional cases where no suitable alternative exists, suppliers may submit a request to use plastic or non-recyclable packaging materials.

Reporting

Sleipner Group submits annual reports on

- Waste and recycling
- Energy consumption
- Water consumption
- CSR/Equality
- Environmental impact

Last reviewed by board of directors in June 2023