



**Servi Group's work on due diligence in  
accordance with the Transparency Act**

**2025**

### Precautionary Note

This document is an English translation of the original report prepared in Norwegian. While every effort has been made to ensure the accuracy and completeness of the translation, the Norwegian version shall prevail as the official report approved by the Board of Directors in all matters of interpretation.

## GENERAL INFORMATION

### Reporting period

The report covers the period from 1 January 2025 to 31 December 2025.

### Organisation of Servi Group AS

Until 20 December 2024, Servi Group AS was wholly owned by the Norwegian investment company Ferd AS. On 20 December 2024, the Faroese company P/F Tjaldur acquired a 30% stake in the company.

On 15 December 2025, Servi Group AS acquired the Norwegian company Hycom Hydraulikk Competance AS in Bergen. This statement applies to the entire Servi Group, including Hycom.

Servi Group AS is located at the following sites: Vinterbro (head office, relocated from Ski in March 2025), Bergen, Kongsberg, Kristiansand, Rissa, Stavanger, Trondheim, and Ulsteinvik.

### Business activities

Servi Group AS has Norway's largest concentration of expertise in hydraulics and related technologies. Servi's components, systems, and services are used for a wide range of purposes, including deliveries to hydropower systems, installation of offshore wind systems, applications within the defence sector, smelting plants, ships, and offshore oil platforms. Servi's hydraulic systems are used in systems requiring the lifting of large components or advanced control.

All of Servi Group's operations are located in Norway, including administration and production. As at 31 December 2025, the Group had a total of 359 employees, 329 in Servi AS and 30 in Hycom AS. Servi operates a large production facility for cylinders in Rissa, and system assembly is carried out at several of the other locations. The main warehouse is located at the head office in Vinterbro, with smaller warehouses at the other sites. Hycom is located at Håkonshella in Bergen.

Servi Group's activities are divided into three main categories:

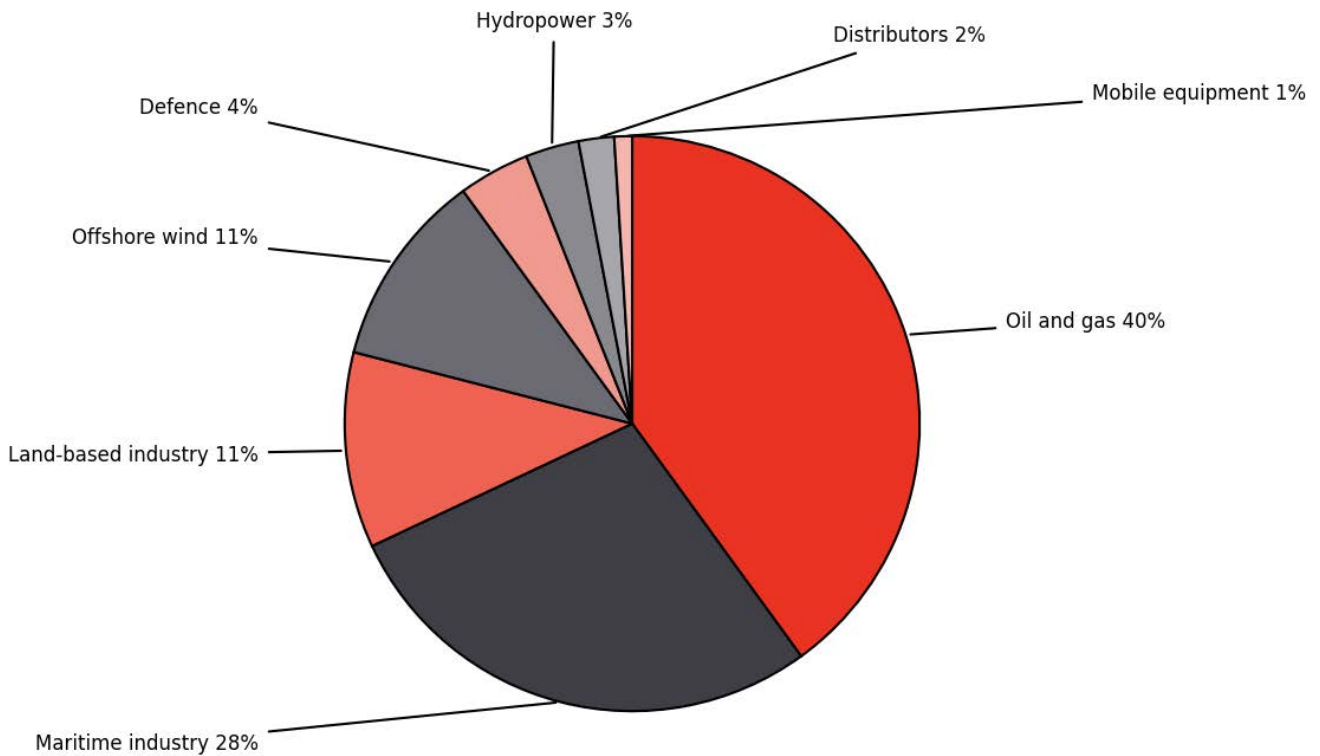
1. System integration, including design, production, testing, and installation
2. Sales and distribution of industrial and hydraulics-related components. Servi also supplies a broad range of electromechanical components, control systems, and automation solutions
3. Maintenance and aftermarket activities. This includes upgrades, overhauls, and repairs of hydraulic systems and associated components, contributing to extending the service life of the systems.

In 2025, Servi AS generated revenues of NOK 940.8 million, and Hycom AS generated revenues of NOK 67.6 million.

## Market segments

Servi Group has long been a major supplier to the oil and gas sector, the maritime industry, offshore wind, hydropower, land-based industry, and the defence sector. The majority of its revenue is generated from Norwegian customers. A significant share of these deliveries ultimately serves end customers abroad. The chart below shows how Servi Group's revenue is distributed across the different market segments.

In 2025, oil and gas was the largest market segment, accounting for 40% of total revenue. The maritime industry accounted for 28%, while land-based industry and offshore wind each accounted for 11%.



## Servi Group's suppliers

Servi Group has two main categories of procurement of goods: purchases of steel, and purchases of industrial and hydraulics-related components.

Steel is Servi's most important raw material. The company has approximately 20 steel suppliers in total. Most of the steel is purchased from wholesalers in Europe, which source it from various steel mills. Some steel is also purchased directly from producers. The majority of the steel is produced in Europe. With regard to purchases of industrial and hydraulics-related components, most purchases are made directly from manufacturers.

In total, Servi AS used 630 suppliers of steel and components in 2025. Suppliers are categorised according to their strategic importance. The table on the next page shows the distribution of suppliers across four categories, where Category 1 includes those that provide the deliveries most critical to Servi's operations.

### Overview of suppliers and their location:

Strategic importance	Total number	Norway	Europe	Rest of the world
1	9	1	7	1 <sup>1</sup>
2	41	6	33	2 <sup>2</sup>
3	73	47	26	-
4	506	341	151	14 <sup>3</sup>

<sup>1</sup> USA

<sup>2</sup> USA and South Korea

<sup>3</sup> USA, India, China, Canada and Taiwan

In addition, Hycom purchased goods and services from approximately 50 suppliers in 2025. The most important of these are located in Sweden, Germany, Denmark, and Belgium, as well as one major and three medium-sized suppliers in the United States. Several of these, including two of the American suppliers, are also used by Servi AS.

## Human rights and decent working conditions in internal policies and procedures

The Board of Directors has overall responsibility for ensuring that Servi Group complies with the Transparency Act. The Code of Conduct, compliance policy, and HSE policy have been approved by the Board of Directors and are implemented by Group management.

## Code of Conduct and compliance policy

Servi Group has zero tolerance for violations of human rights and labour rights within its operations. The Code of Conduct reflects the company's commitment to complying with applicable laws and regulations in the countries in which the Group operates, including those relating to human rights and labour rights. Servi Group's Code of Conduct is based on the principles of the UN Global Compact, the OECD Guidelines for Multinational Enterprises, and relevant conventions and recommendations from the International Labour Organization (ILO), as well as anti-corruption legislation in the key countries where Servi Group conducts business (e.g. the US Foreign Corrupt Practices Act (FCPA) and the UK Bribery Act).

The Code of Conduct applies to Servi Group's board members, managers, and all employees. It provides guidance on how all individuals within the Group should conduct themselves in their interactions with colleagues, customers, suppliers, shareholders, and other stakeholders. While the Code of Conduct provides detailed guidance, the compliance policy summarises the company's commitments at an overarching level.

Training in the compliance policy and the Code of Conduct is an important measure for preventing breaches of responsible business conduct, including those relating to human rights and labour rights. The Code of Conduct forms part of the onboarding programme for all new employees. In addition, all employees are required to complete an annual refresher training on this topic via a digital platform.

This is mandatory and is monitored by the HR department. The Code of Conduct is readily accessible to all employees on the intranet. All managers are responsible for ensuring that their employees comply with the guidelines.

[Read Servi Group's Code of Conduct here \(in Norwegian\).](#)

[Read Servi Group's compliance policy here.](#)

## HSE policy and guidelines for own operations

At Servi Group, health, safety, and the environment (HSE) are an integral part of the business. Servi Group works actively and systematically to create an environment that promotes a safe and healthy workplace for all employees. Continuous efforts are made to prevent work-related injuries and health issues.

The HSE manual contains detailed guidelines and procedures. All employees in production receive the necessary training in safety and in the operation of the machinery they are required to use. As a manufacturing company, it is particularly important to ensure that all production employees receive the training they need in accordance with the Working Environment Act.

[Read Servi Group's HSE policy here.](#)

## Guidelines for Servi Group's suppliers

All suppliers, with the exception of Norwegian suppliers in Category 4, are required to sign Servi Group's Supplier Declaration.

[Read Servi Group's Supplier Declaration here.](#)

## Responsibilities and roles

The Chief Operating Officer has overall responsibility for compliance in Servi Group and is responsible for maintaining and overseeing the due diligence process.

Responsibility for conducting due diligence assessments of suppliers lies with the procurement department.

Responsibility for work relating to human rights for employees lies with the HR department. Servi Group also has a dedicated HSE department, which ensures that all sites comply with HSE requirements.

Servi Group has all its operations in Norway and is subject to Norwegian legislation governing employees' working conditions and other areas relevant to the industry.

## Internal whistleblowing channels and mechanisms

Servi Group has several channels through which employees can raise concerns. All employees of Servi Group may use the internal whistleblowing channels, including temporary employees, third-party personnel, and apprentices.

Servi Group has three whistleblowing channels:

1. Internal whistleblowing panel, consisting of VP HR, a representative from Group management, and an employee representative
2. External whistleblowing channel, administered by a law firm, where it is also possible to report anonymously
3. Staff-elected safety representatives, who escalate the matter to the whistleblowing panel

In addition, observations and incidents can be reported through the HSE system, which is accessible via QR codes in offices, production facilities, and warehouses.

Regardless of the channel used, Servi Group ensures that reports are handled in accordance with the fundamental principles of confidentiality, impartiality, and the right to be heard. Anyone who raises concerns in relation to Servi Group should feel confident that they will be protected. The whistleblowing procedures are described in the employee handbook and are also readily accessible on the intranet.

## Whistleblowing channel for external parties

For external parties, a dedicated contact button has been established on the website that can be used to report concerns related to Servi Group's operations.

# POTENTIAL AND ACTUAL ADVERSE IMPACTS

## Own operations

2025 was a year of significant organisational changes in Servi AS. A restructuring was carried out to better position the business in response to changing market conditions. In addition, part of the business was sold, and a redundancy process was implemented, affecting several parts of the company. It is likely that this has had a negative impact on the working environment, as indicated by the results of the three employee surveys conducted during the year. This constitutes an actual adverse impact which Servi takes seriously, and mitigating measures are described in the section "Measures to prevent and mitigate adverse impacts" below.

There is a potential adverse impact associated with extensive use of overtime. Employees who do not get sufficient rest and recovery are more likely to make errors, which may result in adverse incidents or accidents. The target of reducing overtime by 20% in 2025 was not achieved. Instead, overtime increased in 2025. The main reasons include a backlog of orders due to insufficient delivery precision, an accumulation of deliveries, and overlapping delivery timelines across multiple projects.

Within HSE, a total of 10 incidents were recorded in Servi AS, one of which resulted in lost time. Two of the incidents met the criteria for reporting to the Norwegian Labour Inspection Authority. In Hycom, two incidents were recorded, both resulting in lost time. None of these met the criteria for reporting. The overall goal across Servi Group is zero incidents and zero injuries.

An ambitious target was set to reduce sickness absence in Servi AS from 5.8% in 2024 to 4.8% in 2025. The result was 5.0%, representing a clear improvement. In Hycom, sickness absence was 6.8% in 2025. This is somewhat higher than in previous years, but the company has good oversight of the situation and is monitoring it.

## Suppliers

Supplier risk is assessed based on country, sector, and product. Servi Group's largest and most important direct suppliers are located in Norway, Sweden, Germany, and Italy. According to the CSR Risk Check Tool, there is a low risk of human rights violations in these countries. However, the risk of breaches of labour rights is somewhat higher. The risks identified include discrimination, forced labour, unsafe working conditions (HSE), and negative impacts on local communities.

In addition, one of Servi's strategically important suppliers is located in the United States, as is the case for Hycom. The CSR Risk Check Tool identifies the same risks related to labour rights here, as well as a somewhat higher risk related to freedom of association and collective bargaining. In terms of human rights, there is a reported risk that migrant workers are particularly vulnerable to violations.

Servi Group's most important raw material is steel, and the company also purchases a range of components for which steel is a key input factor. Steel supply chains are often long and complex, with risks increasing further upstream in the supply chain and closer to raw material extraction. In most cases, Servi Group's purchases represent a small share of suppliers' total sales, which limits the company's influence and access to information. Servi Group is therefore exploring ways to improve access to relevant information through indirect data, as well as opportunities to exert influence by working more broadly with industry expectations in relevant forums.

When purchasing steel from wholesalers, Servi has limited insight into sub-suppliers. Direct purchases from steel mills are less common, and such purchases are made from mills located in Europe. All of these are able to demonstrate safe and secure working conditions and satisfactory procedures, and Servi therefore assesses the risk of rights violations in their own operations as low. Direct procurement from steel mills is limited, as large order volumes are typically required for orders to be accepted. Delivery lead times are also a critical factor.

The main component suppliers, from which both Servi and Hycom purchase the majority of their industrial and hydraulics-related components, are large international companies operating under the same international rules and requirements as Servi Group. However, relatively few jurisdictions have due diligence legislation comparable to the Norwegian Transparency Act, and Servi Group is working on raising awareness among these suppliers of the requirements and what is expected of them.

For supplier groups identified as higher risk, self-assessment questionnaires were distributed in 2024. In general, the responses indicated that suppliers had procedures in place to prevent, identify, and mitigate breaches of human rights and labour rights. However, the response from one supplier was not satisfactory. Dialogue with this supplier is ongoing and focuses on the procedures and guidelines the supplier has in place and improvements required.

No actual breaches of human rights or labour rights have been identified in the supply chain.

# MEASURES TO PREVENT AND MITIGATE ADVERSE IMPACTS

## General preventive measures

### **Own operations**

In connection with the restructuring in Servi AS, town hall meetings and departmental meetings were held throughout the process, during which Group management kept employees informed of developments. Employees also provided feedback during the process, either to their manager or to those responsible for the process, as appropriate.

3 employee surveys were conducted in Servi AS during the year, along with training for managers on how to interpret the results and identify appropriate follow-up measures. 1 of the surveys was conducted during the restructuring.

In connection with the redundancy process in Servi AS, affected employees were informed in advance. Several rounds of mapping and individual discussions were carried out with affected employees. Unionised employees had access to support from their trade unions and could be accompanied by a representative in meetings with the employer. HR provided guidance to all employees throughout the process.

A new HSE system was introduced in Servi AS, making it easier to report observations related to unsafe conditions. Employees can now report such observations by scanning a QR code with their mobile phone. The number of reports increased by 205% following its introduction at the beginning of 2025, which Servi considers a positive indication of reporting culture and HSE awareness.

Hycom was acquired by Servi Group in December 2025, and employees at Hycom were informed about the acquisition and potential changes that may take place in 2026. No redundancies were carried out in connection with the acquisition, and Hycom will continue its operations to the greatest extent possible in the same way as before. Hycom conducts annual employee surveys through Great Place to Work and has achieved strong results over the past 3 years.

### **Supply chain**

Supplier assessments have been continued following the distribution of self-assessment questionnaires to higher-risk supplier groups in 2024. Dialogue with 1 supplier remains ongoing and focuses on the procedures and policies the supplier has in place and required improvements.

Servi conducted visits to 9 suppliers. In 2025, particular focus was placed on steel suppliers in Italy.

# Measures planned for 2026

## **Own operations**

In light of the significant organisational changes implemented in 2025, the key focus area for 2026 is to strengthen employees' sense of security and wellbeing in the workplace. This includes targeted efforts to promote a safe and inclusive psychosocial working environment, where employees feel seen, heard, and supported in their day-to-day work.

The employee survey will be improved and refined to obtain more meaningful insights into employees' needs. The number of survey distributions will be reduced to 2 per year to ensure that managers have sufficient time to follow up on results and implement appropriate measures.

To reduce the use of overtime, a key focus area in 2026 will be to strengthen long-term planning and capacity management in close collaboration with employees. This includes increased use of digital tools for resource planning, providing better insight into available capacity and helping to prevent bottlenecks. In addition, workflows and task allocation will be reviewed to ensure a more even distribution of work and to prevent the burden of overtime from consistently falling on the same employees.

Servi will also improve the management of working hours through clearer procedures. All overtime must be agreed in advance with the line manager to reduce the accumulation of overtime. In line with the Working Environment Act, the need for overtime will be discussed with employee representatives where required. Concrete plans for time off in lieu must be established to ensure that accrued hours are taken in due time and do not lead to undue strain. In 2026, Servi will ensure that these procedures are followed across the organisation.

Servi will continue its work on mapping pay levels as part of preparations for the requirements of the Pay Transparency Directive, which will be subject to reporting from January 2027. Internal management training is also planned in areas such as recruitment, sickness absence management, probation period reviews, and travel and expenses.

The Quality and HSE department is working to strengthen Servi Group's expertise in ISO standards and audits. In 2026, competence in chemical handling will be further enhanced to strengthen risk awareness and continuous improvement.

## **Supply chain**

The following measures are planned in relation to supplier management:

- Continue to follow up suppliers through visits and dialogue
- Review procedures for integrating due diligence considerations into supplier assessments carried out during supplier visits
- Assess opportunities to introduce clearer requirements for suppliers, for example through an updated Supplier Declaration
- Assess opportunities to integrate due diligence assessments into the ERP system, where other supplier criteria are evaluated
- Improve insight into where wholesalers source steel from, both through dialogue and the use of secondary data

