

TRANSPARENCY ACT REPORT



bouvet

2022

WE LEAD THE WAY AND BUILD
TOMORROW'S SOCIETY



1 THE GROUP'S REPORT PURSUANT TO THE TRANSPARENCY ACT FOR 2022

1.1 Introduction

Bouvet is required to conduct annual due diligence pursuant to the Norwegian Transparency Act and to publish a report on these assessments

The purpose of the Transparency Act is to promote respect at enterprises for fundamental human rights and decent work conditions.

This report covers the group's duty to account for due diligence processes conducted from 1 July 2022 to the present date. In it, the group also accounts for the measures which have been assessed and implemented to reduce the risk of negative consequences which its activities could have for basic human rights and decent work conditions.

1.2 Contract information

Enquiries about this report can be addressed to

Knut Dischington, chief information security officer (CISO),
Bouvet ASA
e-mail: knut.dischington@bouvet.no

1.3 Duty to report

The group has its head office at Sørkedalsveien 8, Oslo, and is domiciled in Norway.

As a company with listed securities,¹ it has a duty to report.²

2 ABOUT THE GROUP'S BUSINESS

2.1 Organisation of the group and its area of operation

Bouvet is a leading Scandinavian consultancy in IT and digital communication, and is a digitalisation partner for a number of its clients.

The group is oriented towards the Norwegian and Swedish markets. It operates in both public and private sectors and is present in such areas as oil and gas, public administration and defence, power supply and service provision. The business comprises six regions with a total of 13 offices in Norway and four in Sweden. Its regional model ensures limited bureaucracy, short decision routes and room for regional adaptations of organisation and services in the six regions. This includes the operation of each region's own offices.

With more than 2 000 employees, Bouvet provides a broad range of services in IT, design, communication and enterprise management. Its ambitions and values support the autonomy of the individual regions and forms the basis for community-oriented progress.

Partners are used in circumstances where the client needs expertise and solutions which Bouvet itself does not offer. The group's strategy is to utilise its own employees in its service deliveries. Where capacity is lacking, external consultants are used to the extent that such temporary hires fall within applicable regulations.

This report covers the group subsidiaries Bouvet Norge AS, Olavstoppen AS, Sesam.io AS and Bouvet AB, which includes Bouvet Sverige AB and Bouvet Public Skills AB. Bouvet Sverige AB and Bouvet Public Skills AB were merged into Bouvet AB with effect from 3 March 2023.

Bouvet ASA is listed on Oslo Børs.

¹ Defined in section 1-5 of the Norwegian Accounting Act.

² See sections 2 and 3 of the Norwegian Transparency Act.

2.2 Internal guidelines

The group has routines for entrenching work on human rights and decent work conditions. Due diligence checks of suppliers, sub-suppliers and business partners – as part of the group's management system, administered and implemented in Bouvet Norge AS. These routines cover work by the subsidiaries to meet the requirements of the Transparency Act.

The group's routines were briefed about and entrenched on 26 June 2022 and approved by the board of directors on 25 April 2023. They have been communicated to the group's employees and are available on its My Page intranet site.

These routines describe how the group conducts its due diligence and assessment of measures. The group's internal guidelines cover how whistleblowing reports are to be followed up. Such reports will contribute to uncovering negative consequences for fundamental human rights and decent work conditions related to the group's activities.

Senior executives have received external training in the Transparency Act. The group is in the process of producing educational materials for selected employees which form part of the content in the internal information channels of the various subsidiaries. These educational materials will be included in relevant technical schools and management training programmes.

2.3 Goal-setting and progress

2.3.1 Overall information on goals and progress

Bouvet works continuously on evaluating risk associated with the group's activities and business associates (suppliers and business partners).³ Measures for reaching the goals are also implemented continuously. See sections 3 and 4 of this report for guidance on the work done.

2.3.2 Goals for coming years

The group has set specific goals for itself:

| GOAL | STATUS |
|---|-------------|
| Continue developing due diligence checks on the basis of experience gained by the group. | In progress |
| Enhance internal expertise on sustainability and responsible procurement practice. | In progress |
| Integrate the guidelines in the group's various technical schools and management training programmes. | Initiated |
| Communicating with priority suppliers, sub-suppliers and business partners | Initiated |

2.3.3 Measures implemented in 2022

- Updated the procurement guide
- Updated the code of conduct for suppliers
- Revised the code of conduct
- Updated management systems to take account of duties under the Transparency Act
- Established whistleblowing channel for internal and external whistleblowers
- Initiated work to establish system support for supplier evaluations with the aid of Atlassian Asset Management, part of the group's system portfolio
- Updated guidelines continuously in line with changes to the risk picture in the business, the supplier chain and business partners
- Developed communication intended for distribution to priority suppliers, sub-suppliers and business partners

³ The terms "supplier" and "business partner" are defined in section 3, paragraph 1, letters d and e of the Transparency Act. "Business associates" is used as collective term for these two.

3 DUE DILIGENCE

3.1 Overall information on the attention paid by the group to due diligence

Bouvet continuously assesses the risk⁴ that the group's activities and business relations have negative consequences for fundamental human rights and decent work conditions. It continuously checks whether its activities have such consequences.

Viewed overall, due diligence is conducted in the following way:

1. entrench responsibility in the group's guidelines
2. identify and assess actual and potentially negative consequences for fundamental human rights and decent work conditions which the group has either caused or contributed to, or which are directly related to the group's business activities, products or services through supplier chains or business partners
3. initiate appropriate measures for halting, preventing or limiting negative consequences, based on the group's priorities and assessments under point 2
4. monitor the execution of and results from measures under point 3
5. communicate with affected stakeholders and licensees about how negative consequences are handled under points 3 and 4
6. ensure or collaborate on restoration and compensation where required

Relevant conditions for due diligence related to the group's activities and business relations include:

- the group's operational context
- the group's business model(s)
- position in the supplier chain
- type of product and service.

Bouvet will account below for significant risks of negative consequences for fundamental human rights and decent work conditions identified through the group's due diligence. This account also covers possible identified breaches of fundamental human rights and decent work conditions.

3.2 The group's supplier chain⁵ and business partners

At 1 January 2023, the group has commercial relationships with more than 1 440 suppliers in all. Of these, it has chosen to enter into a dialogue with all direct suppliers from whom it has purchased goods and services for more than NOK 2 million. In the reporting year, that involves following up 157 direct suppliers located in following countries/geographical areas:

| COUNTRY/GEOGRAPHICAL AREA | NUMBER OF SUPPLIERS |
|---------------------------|---------------------|
| Norway | 139 |
| EU | 15 |
| USA | 1 |
| UK | 2 |

The following known sub-contractors were used:

| COUNTRY/GEOGRAPHICAL AREA | NUMBER OF SUB-SUPPLIERS |
|---------------------------|-------------------------|
| Norway | 100 |
| EU | 12 |
| UK | 1 |

The group had commercial relations with 42 business partners⁶ in the reporting year. The group's business partners are located in the following countries/geographical areas⁷:

| COUNTRY/GEOGRAPHICAL AREA | NUMBER OF BUSINESS PARTNERS |
|---------------------------|-----------------------------|
| Norway | 39 |
| EU | 3 |
| USA | 1 |
| UK | 1 |

⁴ "Risk" means the probability that negative conditions related to fundamental human rights and decent work conditions will occur, and how serious these negative consequences could be for those affected.

⁵ "Supplier chain" means every player in the chain of suppliers and sub-suppliers who delivers or produces goods, services or other input factors included in an enterprise's delivery of services or production of goods from the raw material stage to the finished product. See section 3, letter d of the Transparency Act.

⁶ "Business partner" means any entity which delivers goods and services directly to the business, but which is not part of a supply chain. See section 3, letter e of the Transparency Act.

⁷ According to the Act's preparatory work, the production location or specific business partners must not be named.

3.3 Due diligence assessments of the group's products/services

Bouvet develops, produces and delivers services, while the Sesam.io AS subsidiary develops, administers and sells the software as a service (SaaS) products Sesam Talk and Sesam Hub. No risk exists in this area for breaches of human rights and decent work conditions in the group itself, along the value chain and at partners.

3.3.1 Service system development; platform; insight and analysis; business systems; collaboration; advice; change management, project management; business and service design; communication

Bouvet delivers a broad range of services here, involving expertise-based work carried out at its own or client premises in Norway. The risk for breaches of human rights and decent work conditions is low in the group's own business, in its value chain or at partners. See the statement on equality, which includes activity and information duties for employers and is available at [Bouvet.no](https://www.bouvet.no).

Sub-contractors used by the group to expand its expertise and capacity for assignments are considered to present low risk. They are virtually all expertise-based companies with highly-qualified personnel in an orderly and transparent Norwegian labour market.

3.3.2 Cloud platforms and innovation

Bouvet delivers services for migration to and administration by cloud platforms as well as using cloud platforms to develop and administer Sesam's SaaS products. These services and products rely almost entirely on the large international cloud and platform suppliers.

Reports and articles exist which document that certain of these players fail to comply adequately with requirements for, in particular, pay and working conditions, freedom to organise and workplace monitoring.

This is a matter of concern for Bouvet as a supplier of services on – and related to – these platforms. As far as possible, the group uses services from these suppliers which are located in Norway or the rest of Europe.

Bouvet works to get more clients, and its own business, to make better assessments of which suppliers they enter into agreements with and which services, from what regions, are used.

Beyond that, the ability to influence suppliers appears to rest almost entirely on governments in Norway and the EU imposing requirements for human rights and decent work conditions in order for suppliers to be permitted to operate in these markets.

Until a national- or EU-owned cloud platform with a corresponding range of services is established, no real alternative currently exists for digitalisation in the cloud.

3.4 Results of the due diligence process

Bouvet takes the view that the group operates in a sector and at locations with a low risk of breaches in such key areas as data protection, business conduct, health safety and the environment (HSE), human rights and working conditions. It also believes that the sub-suppliers used in assignments represent a low risk.

Where international suppliers of cloud services are concerned, the group takes the view that these represent a medium risk for breaches of human rights and working conditions.

Suppliers involved in producing mobile phones, laptops and computer screens pose a high risk for such breaches. The last two categories are followed up in accordance with the group's procedures.

Main findings

| AREA | SERVICE/PRODUCT | RISK ASSESSMENT | GRAD AV PÅVIRKNING |
|-----------------------|--|-----------------|--------------------|
| Suppliers | | | |
| Bouvet's services | Cloud platforms | Medium risk | Small |
| Own operations | Hardware | High risk | Small |
| Partners | | | |
| | Consultancy, sale of technical expertise | Low risk | Medium |
| Own operations | | | |
| | Sale of technical expertise from own employees | Low risk | High |

Due diligence has revealed the following findings which the group has identified and prioritised in the reporting year

| IDENTIFIED BREACHES OF HUMAN RIGHTS/ DECENT WORK CONDITIONS | GEOGRAPHY | HOW ARE BREACHES OF HUMAN RIGHTS/ DECENT WORK CONDITIONS IDENTIFIED? |
|---|----------------------------------|--|
| Labour rights related to producing raw materials, manufacturing components and, to some extent, assembling mobiles, laptops and computer screens. Particularly in the form of low pay, compulsory overtime, misuse of students as labour, and dismissal of union leaders. Health and safety are a problem in manufacturing electronics, including the handling of a large number of hazardous chemicals, inadequate use of personal protective equipment and inadequate health and safety training. Workers are increasingly employed on repeated short-term contracts and exposed to extreme job insecurity. | China and other Asian countries. | Information is acquired through the international media, technical websites, TV and the press, and reports and reportage provided via www.anskaffelser.no (like the high-risk list from the Agency for Public Management and eGovernment), www.swedewatch.no , www.wired.com , and www.amnesty.no |

| PRODUCT/SERVICE | SIGNIFICANT RISK FOR BREACHES OF HUMAN RIGHTS/ DECENT WORK CONDITIONS | COUNTRY/ GEOGRAPHIC AREA |
|------------------------|--|--------------------------|
| Use of cloud platforms | Freedom to organise, pay conditions, working time, HSE, workplace monitoring | USA |

4 MEASURES TO HALT, PREVENT OR LIMIT NEGATIVE CONSEQUENCES

The group will account below for measures it has implemented to prevent, limit or halt the consequences and risks identified in the section above.

Bouvet has implemented the following measures on the basis of its mapping.

| | |
|--|--|
| Identified breaches/ risk of breaches | Breaches of labour rights in connection with producing raw materials, manufacturing components and, to some extent, assembling mobile phones, laptops and computer screens. |
| Measures implemented | <ul style="list-style-type: none"> • Changed PC supplier from Lenovo to Dell. Shifted from a Chinese supplier which breaches the EU sanctions regime against Russia to an American supplier. • Introduced a new procurement portal and system for buying mobiles, which encourages employees to keep their phones for several years and thereby reduces purchases of new hardware. • Changed guidelines for replacing PCs in order to increase their usage time and thereby reduce purchases of new hardware. Changed guidelines for buying used PCs from a right to a possibility, where the group seeks to reuse the hardware rather than selling it to the employee. |
| Goal | Bouvet's commitment to sustainable procurement and renewal of all forms of hardware is expected to reduce purchases of mobiles, PCs and screens. |
| Status | In progress. |
| Identified breaches/ risk of breaches | Breaches of freedom to organise, pay conditions, working time, HSE and workplace monitoring by international suppliers of cloud services. |
| Measures implemented | <ul style="list-style-type: none"> • Sustainability/ESG, including respect for fundamental human rights and decent work conditions, are assessment criteria in the go/no-go process for the group's sales and tendering process in the quality system. • Bouvet is among those behind the GoForIT initiative, an interest organisation for the ICT sector which will work on sustainability, digital infrastructure, security, data protection and regulatory issues, increased recycling and use of circular solutions. • Partner managers established for the three international cloud suppliers, with the aim of improving the group's intervention and collaboration with and influence on them. |
| Goal | The goal is that a number of Bouvet's clients, and the group itself, will make better assessments of which suppliers they can award contracts to and what services, from which regions, are used. |
| Status | In progress. |

5 MONITORING OF MEASURES – EXECUTION AND RESULTS

5.1 Introduction

Bouvet works continuously to monitor the execution of measures initiated by the group, and their results.

5.2 Routines for monitoring⁸

The CISO in Bouvet ASA has overall responsibility for monitoring the implementation and results of measures initiated. The group has the following routines for monitoring execution.

- Biannual assessment of suppliers, sub-suppliers and partners for safety, quality, sustainability, HSE, discrimination, compliance with sanctions, human rights and decent work conditions.
- Ongoing assessments of suppliers, sub-suppliers and partners in connection with changes to supplier composition, new assignments, reported incidents and deviations.
- Ongoing assessments of suppliers, sub-suppliers and partners in connection with renegotiation and renewal of contracts.
- Ongoing monitoring of relevant information sources – reports on the IT sector, particularly related to Bouvet's hardware and software suppliers, and sector surveys.
- Entrenchment in management through periodic status reviews of management systems for information security, quality and the environment, including supplier evaluations. Reviews must be conducted at least annually or when major changes make them necessary.

- As part of Bouvet's work on continuous improvement, entrenched in its ISO certifications (ISO 9001, ISO 14001 and ISO 27001), it monitors execution and the effect of its internal commitments, activities and goals for due diligence checks. The group regularly conducts internal and external audits of results achieved. It provides information about the results at relevant levels internally.
- When conducting due diligence, Bouvet takes account of experience and feedback obtained by the group in order to improve the process and its results in the future.

On the basis of these measures, Bouvet has a progress plan for restoration work which is kept up to date. This plan takes the systematic approach outlined in point 3.

To monitor implementation and results, divisions of responsibility and organisation form part of the work related to Bouvet's management system. That ensures entrenchment and continuous improvement of the group's work. In addition to an entrenchment in management, and a clear division of responsibility, the goal of the chosen structure is that expertise, responsibility and assignments are allocated to the role responsible for this in their daily work. This ensures capacity and expertise on human rights for relevant functions in the group.

⁸ The Transparency Act does not require a statement on how the enterprise initiates and implements identified measures.

6 COMMUNICATION WITH AFFECTED STAKEHOLDERS AND LICENSEES

The group has not identified breaches of human right or decent work conditions. It has uncovered a risk of breaches related to manufacturing mobiles, laptops and screens as well as at international suppliers of cloud services.

7 RESTORATION AND COMPENSATION

The group has not identified cases which call for compensation.

Oslo, 25 April 2023
The board of directors

Sign.

Pål Egil Rønn
Chair

Sign.

Lill Hege Hals
Director

Sign.

Tove Raanes
Deputy chair

Sign.

Egil Christen Dahl
Director

Sign.

Sverre Hurum
Director

Sign.

Per Gunnar Tronsli
CEO

