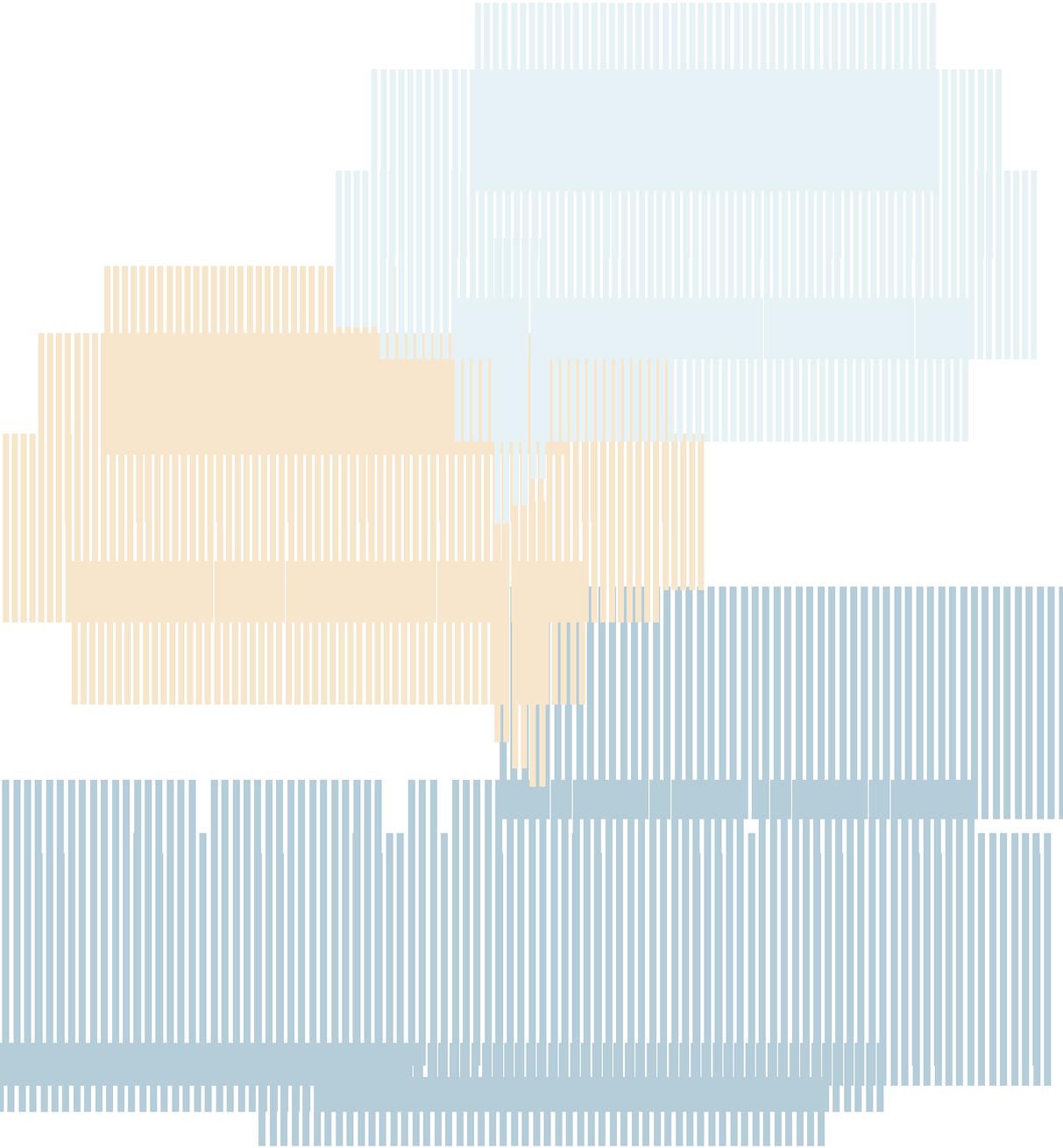


TRANSPARENCY ACT REPORT



bouvet

2023

WE LEAD THE WAY AND BUILD
TOMORROW'S SOCIETY

1 THE GROUP'S REPORT PURSUANT TO THE TRANSPARENCY ACT FOR 2023

1.1 Introduction

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

The purpose of the Transparency Act is to promote businesses' respect for fundamental human rights and decent working conditions.

This report covers the group's obligation to provide an account of due diligence processes conducted from 1 January 2023 to the present date. In the report, the group also provides an account of the measures that have been assessed and implemented to reduce the risk of any potential adverse impacts on fundamental human rights and decent working conditions from the group's activities.

1.2 Contact details

Enquiries about this report can be addressed to:

Bouvet ASA
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1.3 Reporting requirement

Bouvet ASA's head office is at Sørkedalsveien 8, Oslo, and the group is domiciled in Norway. Bouvet ASA is a company with listed securities¹ and is therefore subject to the reporting requirement.²

The report covers the group's subsidiaries Bouvet Norge AS, Olavstoppen AS, Sesam.io AS, Bouvet AB and Headit AS.

Bouvet ASA is listed on the Oslo Stock Exchange.

2 ABOUT THE COMPANY'S OPERATIONS

2.1 The group's structure and business area

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

The group serves the Norwegian and Swedish markets. It operates in both public and private sectors and is present in such areas as oil, gas and renewable, public administration, the armed forces, the power industry and service provision. The enterprise comprises six regions with 14 offices in Norway and three in Sweden. The group's regional model avoids bureaucracy and means that decision paths are short. It facilitates regional adaptations when it comes to organisation and services, with each region operating its own office.

As at 31 December 2023, Bouvet has 2311 employees. The group's operations cover a broad range of services in the areas of IT, design, communication and corporate governance. Its ambitions and values support the autonomy of the various regional operations while also forming a basis for collaborative development.

In situations in which our customers require expertise and solutions not offered by Bouvet, the group involves partners. It is Bouvet's strategy to utilise its own employees to deliver services; where capacity is lacking, sub-consultants are used to the extent that such temporary hires comply with applicable regulations.

In addition to its main business within advisory services, the group owns the subsidiary Sesam.io AS, which develops, manages and sells the SaaS products Sesam Talk and Sesam Hub.

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's procedures for communicating and monitoring its measures related to human rights and decent working conditions – Due diligence in respect of suppliers, sub-suppliers and business partners – are incorporated into the group's management system, which is managed and implemented by Bouvet Norge AS. The procedures also cover the other subsidiaries' work to fulfil the requirements of the Transparency Act.

Bouvet works continuously on improving its procedures. They have been shared with the group's employees and are published on the company's intranet Min Side and on bouvet.no.

The procedures set out how the group conducts its due diligence and assesses the measures it implements. The group's internal guidelines cover how whistleblowing reports shall be followed up. Whistleblowing helps identify any adverse impacts on fundamental human rights and decent working conditions associated with the group's operations.

The administrative organisation keeps itself updated on relevant legislation in accordance with the Transparency Act. Suppliers are assessed centrally, at group level, and, in respect of local suppliers, in the individual regions. Bouvet's quality managers work together in the group's regional quality manager network to ensure that local suppliers and their sub-suppliers are subjected to due diligence checks and are followed up in accordance with the group's procedures.

The group shall continuously train selected employees in the regions.

2.3 Objectives and progress

2.3.1 Overall comments on objectives and progress

Bouvet works consistently to assess whether there are any risks associated with the group's operations and business relationships (suppliers and business partners³). In addition, measures to achieve the objectives are implemented in an ongoing fashion. See sections 3 and 4 of this report for more information on the work done so far.

2.3.2 Objectives for the coming years

We have set a number of specific objectives for Bouvet.

| OBJECTIVE | STATUS |
|---|-------------|
| The group's management training shall promote an understanding of the importance of due diligence. | In progress |
| Enhance internal expertise on sustainability and responsible procurement practice. | In progress |
| Follow up on the results of fact-finding focused on a prioritised selection of the company's sub-suppliers. | In progress |
| Require signed acceptance of compliance with our Supplier Code of Conduct when entering into any contract with suppliers. | Initiated |

Initiated means that the group has started work and is preparing the basis for implementation. Work in progress refers to tasks that progress over a longer period of time and involve continuity.

2.3.3 Measures implemented in 2023

- Selected a platform for gathering information from Bouvet's suppliers regarding their efforts to ensure that human rights are respected and that employees enjoy decent working conditions both in suppliers' own operations and in the operations of suppliers' own sub-suppliers.
- Established criteria for which suppliers to prioritise when contacting suppliers as part of fact-finding.
- Obtained information from a prioritised selection of Bouvet's suppliers on their efforts to ensure that human rights are respected and that workers have decent working conditions in the suppliers' own operations and those of their sub-suppliers.
- Updated the procurement guide including assessment criteria.
- Updated the suppliers' Code of Conduct.
- Updated Bouvet's Code of Conduct.
- Updated procedures and the management system on the basis of lessons learned from conducting due diligence.
- Adopted Atlassian Asset Management for performance of supplier evaluations.

³ The terms "suppliers" and "business partners" are defined in section 3 subsection 1 letters d and e of the Transparency Act. "Business relations" is used as collective term for these two.

3 THE DUE DILIGENCE PROCESSES

3.1 General comments on Bouvet's due diligence focus

Bouvet continuously assesses the risk⁴ that the group's operations or business relationships could have an adverse impact on basis human rights and decent working conditions. The group consistently maps whether its activities involve such impacts.

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

1. Embedding responsibility in the group's policies.
2. Identifying and assessing any actual or potential adverse impacts on fundamental human rights and decent working conditions which the group has either caused or contributed towards, or that are directly linked with the group's business operations, products or services via its supply chains or business partners.
3. Implementing suitable measures to cease, prevent or mitigate adverse impacts based on the group's prioritisation and assessments in accordance with item 2.
4. Monitoring the implementation and results of measures in accordance with item 3.
5. Communicating with affected stakeholders and rights-holders regarding how adverse impacts are addressed in accordance with item 3 and 4.
6. Provide for or co-operate on remediation and compensation where required.

Relevant matters for due diligence connected with the group's operations and business relations include:

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

Below, Bouvet will provide an account of significant risks of adverse impacts on fundamental human rights and decent working conditions that have been identified as part of the group's due diligence. The report also covers any breaches of fundamental human rights and decent working conditions that have been identified.

3.2 Bouvet's supplier chain⁵ and business partners

As at 31 January 2023, the group had commercial relationships with more than 1443 suppliers. Bouvet has entered into a dialogue with all direct suppliers from whom we have purchased goods and services for more than NOK 2 million per year. We have excluded sole proprietorships and sub-consultants with up to three employees, as we consider this type of supplier to be at low risk of violating rights.

This has resulted in follow-up of 82 direct suppliers with locations in the following countries/geographical areas⁶:

| COUNTRY/GEOGRAPHICAL AREA | NUMBER OF SUPPLIERS ⁶ |
|---------------------------|----------------------------------|
| Norway | 66 |
| EU | 8 |
| USA | 4 |
| UK | 2 |

The following sub-suppliers were used:

| COUNTRY/GEOGRAPHICAL AREA | NUMBER OF SUPPLIERS |
|---------------------------|---------------------|
| Norway | 37 |
| EU | 4 |
| UK | 0 |

The group had commercial relationships with 44 business partners⁷ in the reporting year. The group's business partners were located in the following countries/geographical areas⁸:

| COUNTRY/GEOGRAPHICAL AREA | NUMBER OF BUSINESS PARTNERS |
|---------------------------|-----------------------------|
| Norway | 33 |
| EU | 5 |
| USA | 4 |
| UK | 2 |

⁴ "Risk" refers to the likelihood of adverse issues arising in respect of human rights and decent labour conditions, and the severity of the adverse impacts for those affected.

⁵ "Supplier chain" means any party in the chain of suppliers and sub-suppliers that supplies 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 finished product, see section 3, letter d of the Transparency Act.

⁶ The term suppliers includes the sum of suppliers and business partners.

⁷ "Business partner" means any party that delivers goods and services directly to the enterprise, but that is not part of the supply chain, see section 3 letter e of the Transparency Act. Examples of business partners include the company's cleaning partner, the operator of the company's IT platform, the company's external accountant, etc.

⁸ According to the Act's preparatory works, the production site or specific business partners need not be named.

3.3 Due diligence of the company's products/services

Bouvet develops, produces and delivers services, while the subsidiary Sesam.io AS develops, manages and sells the SaaS products Sesam Talk and Sesam Hub. In this area there is no risk of breaches of human rights or decent working conditions in the group itself, in its value chain or at its partners'.

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

In these areas, Bouvet offers a wide range of services. This is expertise-based work carried out at Bouvet's own or client premises in Norway and Sweden. The risk of breaches of human rights and decent working conditions is low in the group's own operations, in its value chain or at its partners', see the statement on equality, which covers the activity and reporting obligation for employers, and is part of the group's annual report for 2023.

It is considered that sub-suppliers used by the group to foster skill-building and capacity in connection with assignments present a low risk. These businesses are largely knowledge-intensive companies with highly qualified personnel operating in a well-organised and transparent Norwegian labour market.

3.3.2 Cloud platforms and innovation

Bouvet delivers services for migration to cloud platforms and their administration; cloud platforms are also used to develop and manage Sesam's SaaS products. Most such services and products rely on three major international cloud and platform suppliers.

Reports and articles from the last few years document that certain of these players do not adequately comply with requirements for, in particular, pay and working conditions, the freedom to organise and workplace monitoring.

Throughout 2023, rulings have been issued against various suppliers for workers' rights violations. Some of these have implemented purposeful measures to ensure equal pay and equal rights for their employees. This has been done to address the criticism levelled at them.

As a provider of services on – and associated with – these platforms, Bouvet is concerned about such violation of workers' basic, statutory rights. The available information suggests that this type of violation of workers' rights is less of a problem in the EU/EEA than in other regions. In all material respects, the group relies on services from suppliers located in Norway and Europe.

Bouvet endeavours to influence clients to make better assessments of which suppliers are contracted, which services are used, and the regions these are from. For Bouvet, such assessments are an integral part of our supplier evaluations, and in as far as possible we avoid using cloud services located outside Europe.

In our view, the most effective way to counteract this type of violation would be for Norwegian and EU authorities to establish clear requirements for suppliers as regards human rights and decent working conditions if they want to operate in our markets.

Unfortunately, there are currently no alternatives to the services provided by the major cloud providers to operate and manage cloud-based solutions. As the vast majority of digitalisation initiatives currently build on the use of cloud services, be they hybrid or public services, the need for a national/EU-owned cloud platform providing a corresponding range of services seems to be intensifying, although this does not appear to be a realistic scenario. We are closely following the initiatives launched by the Norwegian Agency for Public and Financial Management (known under its Norwegian acronym DFØ) through the Marketplace for Cloud Services (with the Norwegian acronym MPS) to facilitate green, secure and efficient cloud services for the public sector. The time frame for this work is until 2027, so that it will have little impact on the situation in the short term.

3.3.3 Artificial Intelligence (AI)

In 2023, so-called generative AI entered the picture as the most hyped, sought-after and exciting new technology on the market. However, it is still in its very early stages, and very few are able to grasp the short and long-term opportunities and risks generative AI represents for society, working life and the individual.

There are clear findings and documentation that the use of generative AI involves a significant risk of violation of fundamental human rights.

The responsible use of generative AI, seeking to limit the obvious dangers associated with this technology, will be very important also in respect of human rights and workers' rights and labour conditions. The same players that are spearheading generative AI and making it available are also leading the way in cloud technology. Bouvet's ambition is to position itself as a primary player in advisory services on generative AI and its application in the Norwegian market. The group will maintain a strong focus on the ethical aspects of using this new technology.

3.4 Results of the due diligence process

Bouvet takes the view that the group operates in a sector and at locations where the risk of breaches in important areas such as privacy, business conduct, HSE, human rights and working conditions is low. The group also believes that the sub-suppliers used in assignments represent a low risk.

The group takes the view that the risk of violation of human rights and working conditions is medium where international suppliers of cloud services (and platforms for applied generative AI) are concerned.

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

Main findings

| AREA | SERVICE/PRODUCT | RISK ASSESSMENT | LEVEL OF INFLUENCE |
|-----------------------|--|-----------------|--------------------|
| Suppliers | | | |
| Bouvet's services | Cloud platforms/AI | Medium risk | Low |
| Egen drift | Hardware | High risk | Low |
| Sub-suppliers | | | |
| | Consultancy companies, sale of technical expertise | Low risk | Medium |
| Own operations | | | |
| | Sale of own employees' technical expertise | Low risk | High |

The due diligence process has revealed the following findings which the group has identified and prioritised in the reporting year:

| IDENTIFIED VIOLATIONS OF HUMAN RIGHTS VIOLATIONS/ DECENT WORKING CONDITIONS | GEOGRAPHY | HOW ARE BREACHES OF HUMAN RIGHTS/ DECENT WORKING CONDITIONS IDENTIFIED? |
|---|---------------------------------|--|
| Labour rights in connection with raw materials extraction, parts manufacturing and, to some extent, the assembly of mobile telephones, 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 electronics manufacturing, hereunder the handling of a large number of hazardous chemicals, failure to use PPE 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 | The information has been obtained from international media, specialist websites, television and newspapers. Reports and news reports supplied from www.anskaffelser.no (such as the High Risk List from the Agency for Public Management and eGovernment, Difi), www.swedewatch.no , www.wired.com , www.amnesty.no |
| Child labour, working conditions, health and safety in connection with the extraction of minerals such as cobalt for the production of lithium-ion batteries for use in electronics. | Africa (DR Congo) and China | www.amnesty.org |

| PRODUCT/SERVICE | SIGNIFICANT RISK OF BREACHES OF HUMAN RIGHTS/DECENT WORKING CONDITIONS | COUNTRY/ GEOGRAPHICAL AREA |
|---------------------------------------|---|----------------------------|
| Use of cloud platforms/ generative AI | Freedom to organise, pay conditions, working hours, HSE, workplace monitoring | USA, Saudi Arabia |

4 MEASURES TO CEASE, PREVENT OR MITIGATE ADVERSE IMPACTS

Below, the group will provide an account of its measures to prevent, mitigate or cease the impacts and risks identified above.

On the basis of its mapping, Bouvet has implemented the following measures:

| | |
|--|--|
| Identified breaches/ risk of breaches | Breaches of labour rights in connection with raw materials extraction, parts manufacturing and, to some extent, the assembly of mobile telephones, laptops and computer screens. Child labour, working conditions, health and safety in connection with the extraction of minerals such as cobalt for the production of lithium-ion batteries for use in electronics. |
| Measures implemented | <ul style="list-style-type: none"> • Updated the procurement guide. • Concentrated hardware purchases to a small number of partners with joint procurement portal(s) to further standardise purchases. • Require suppliers to accept Bouvet's Code of Conduct prior to contracting. • Consistent focus on ensuring extended lifetime for purchased hardware. |
| Objective | Bouvet's consistent commitment to sustainable procurement and renewal of all types of hardware is expected to reduce purchases of mobile telephones, PCs and computer screens. |
| Status | Ongoing initiative. |
| Identified breaches/ risk of breaches | Breaches of the freedom to organise, pay conditions, working hours, 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 working conditions, are included in the assessment criteria in the Go/No-go process for the group's sales and tendering process in the quality system. • Bouvet works consistently through GoForIt, an interest organisation for the ICT sector that works on sustainability, digital infrastructure, security, data protection and regulatory issues, increased recycling and use of circular solutions. • Bouvet has dedicated partner managers for the three international cloud suppliers. This measure is intended to improve the group's ability to intervene and co-operation and influence on the suppliers. • Close partnership with Microsoft in connection with Azure and Copilot (generative AI). |
| Objective | The objective is that both Bouvet's clients and the group itself will improve their assessments of which suppliers they can award contracts to and what services, from which regions, are used. |
| Status | Ongoing initiative |

5 MONITORING OF MEASURES – IMPLEMENTATION AND RESULTS

5.1 Introduction

Bouvet works continuously to monitor the group's implementation of measures taken, and their results.

5.2 Monitoring procedures

The CISO at Bouvet ASA has overall responsibility for monitoring implementation of the measures and their results. The group has the following procedures for monitoring implementation:

- Two assessments per year of suppliers, sub-suppliers and partners in the areas of safety, quality, sustainability, HSE, the environment, discrimination, compliance with sanctions, human rights and decent working conditions.
- Ongoing assessments of suppliers, sub-suppliers and partners in connection with changes to supplier composition, new assignments, re-negotiation and renewal of contracts, reported incidents and non-conformities.
- Regular fact-finding from a prioritised selection of Bouvet's new sub-suppliers concerning their efforts to ensure that human rights are respected and that workers have decent working conditions in their own operations and at their sub-suppliers' sub-suppliers.
- Require suppliers to accept Bouvet's Code of Conduct prior to contracting
- Ongoing monitoring of relevant sources of information – published reports on the IT sector, particularly related to Bouvet's hardware and software suppliers, and industry surveys.

- Embedding these processes with management through periodic status reviews of management systems for information security, quality and the environment, including supplier evaluations. Reviews must be conducted at least once per year or when major changes require that a new review be performed.
- As part of Bouvet's work on continuous improvement, backed by its ISO certifications (ISO 9001, ISO 14001 and ISO 27001), it monitors implementation and the effect of its internal commitments, activities and objectives for due diligence processes. The group regularly conducts internal and external reviews of the results it achieves. It discloses information about the results at relevant levels internally.
- When conducting due diligence, Bouvet takes into account the lessons the group has learned and feedback it has received. This is with a view to improving the process and its outcome in the future.

Based on these measures, Bouvet has a progress plan for remediation efforts which is kept up to date. This plan follows the system outlined in section 3.

With a view to ensuring that the implementation and results are monitored, the division of responsibility and organisation is included in the work that is covered by Bouvet's management system. This ensures organisational backing and consistent enhancement of the group's efforts. In addition to being embedded among the management, and ensuring a clear division of responsibilities, the chosen structure is intended to ensure that expertise, responsibility and assignments are allocated to the role responsible for this in their daily work. This ensures that the group's relevant functions have the required capacity and expertise on human rights.

6 COMMUNICATION WITH RELEVANT STAKEHOLDERS AND RIGHTS HOLDERS

The group has not identified any breaches of human right or decent working conditions.

It has uncovered a risk of breaches related to the manufacturing of mobile telephones, laptops and computer screens as well as with international cloud service providers.

7 REMEDIATION AND COMPENSATION

The group has not identified any cases requiring remediation.

Oslo, 23 April 2024
The board of directors

Sign.

Pål Egil Rønn
Chair

Sign.

Tove Raanes
Deputy chair

Sign.

Sverre Hurum
Director

Sign.

Lill Hege Hals
Director

Sign.

Egil Christen Dahl
Director

Sign.

Per Gunnar Tronsli
CEO

