



Guide

Norwegian Transparency Act

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Introduction

Prewave elaborated this document to assist clients affected by the Norwegian Transparency Act (NTA) in fulfilling the requirements in combination with the usage of the Prewave Risk Management platform. We have translated the guidance material from the Norwegian Consumer Authority - Forbrukertilsynet - available at their website and highlighted the main aspects from their material in this guide.

Further content includes guidance on how to use Prewave to comply with the respective requirements of the NTA. Prewave does not guarantee completeness nor compliance with all requirements by solely using Prewave. There are certain tasks that cannot be performed on the platform, such as audits or training. We recommend you to treat this guide as an introduction to the topic and best practices on how to streamline your processes by using Prewave.

Should you have any further questions, please reach out to your Customer Success Manager or customer-success@prewave.ai

Act relating to enterprises' transparency and work on fundamental human rights and decent working conditions (Transparency Act)

The Act shall promote enterprises' respect for fundamental human rights and decent working conditions in connection with the production of goods and the provision of services, and ensure the public has access to information about how businesses deal with negative impact (Transparency Act § 1).

From 1 July 2022, businesses that are covered by the Transparency Act have a duty to carry out due diligence assessments in line with the OECD's guidelines. These businesses must publish a report every year and also answer questions about this work.

Who is affected by the Transparency Act?

The Act applies to larger enterprises' domiciled in Norway and foreign businesses that offer goods and services in Norway, and which are liable to tax in Norway according to Norwegian internal legislation (Transparency Act § 2).

In order to be covered by the Transparency Act, Norwegian and foreign businesses must be considered a "larger enterprise". What is characterised as a larger enterprise depends on whether the business fulfils the condition in §1-5 of the Accounting Act or exceeds two of three conditions in §3 no.1-3 of the Transparency Act



"Norwegian Transparency Act"

Applies to companies
"Larger enterprises" **active** in NOR
> 50 employees,
(=8.000 companies)

In effect from
01.07.2022

Scope
Human rights, Labor rights,
Health & Safety

Reach
Full Supply Chain
(Tier-1 & Tier-N)

Sanctions
Penalties

§ 1-5 of the Accounting Act.

Mainly refers to public limited companies and listed companies. These will be the same enterprises that have an obligation to prepare a report on social responsibility according to the Accounting Act §3-3 c. If a enterprise is not covered by the provision in the Accounting Act §1-5 on large enterprises, it may be covered by §3 no.1-3 of the Transparency Act.

§ 3 no. 1-3 of the Transparency Act

A enterprise will also be covered by the Transparency Act if, on the balance sheet date, it exceeds the limits for two of the following three conditions:

- Sales revenue of NOK 70 million
- Total assets of NOK 35 million
- Employed an average of 50 full-time employees in the financial year.

The two-year rule means that the enterprise must look at sales revenue, balance sheet total and the number of employees on the balance sheet date for the year in question and the previous year, in order to assess whether the conditions in section 3 of the Transparency Act are met. Although it is not stated directly in Section 3 of the Transparency Act, Sections 1-6 second and third subsections of the Accounting Act (the two-year rule) must also be assessed in accordance with the Transparency Act.



(Section 3) Parent companies are to be considered a larger enterprise, if the conditions are met for parent and subsidiary companies viewed as a unit. This is a merger rule (consolidation rule). A parent company can be considered a "large enterprise" on its own, however it can also be considered a "large enterprise" if the requirements are fulfilled for the company group as a whole, by consolidating the numbers from the parent company and its subsidiaries.

A due diligence assessment under the Transparency Act means that an enterprise will investigate whether there are any actual, or risks of, adverse impacts on human rights or decent working conditions in their own operations, their supply chain and other business relationships.

Part of the assessment is then to prevent and mitigate any such adverse impacts. Section 4 (a)-(f) of the Act sets out the steps to be taken, which are almost identical to the steps set out in the OECD wheel diagram. The OECD Due Diligence Guidance for Responsible Business Conduct provides practical advice regarding how to undertake each of these steps.



Risk-based approach and proportionality

Due diligence shall be carried out regularly to assess impacts on fundamental human rights and decent working conditions (Transparency Act §4).

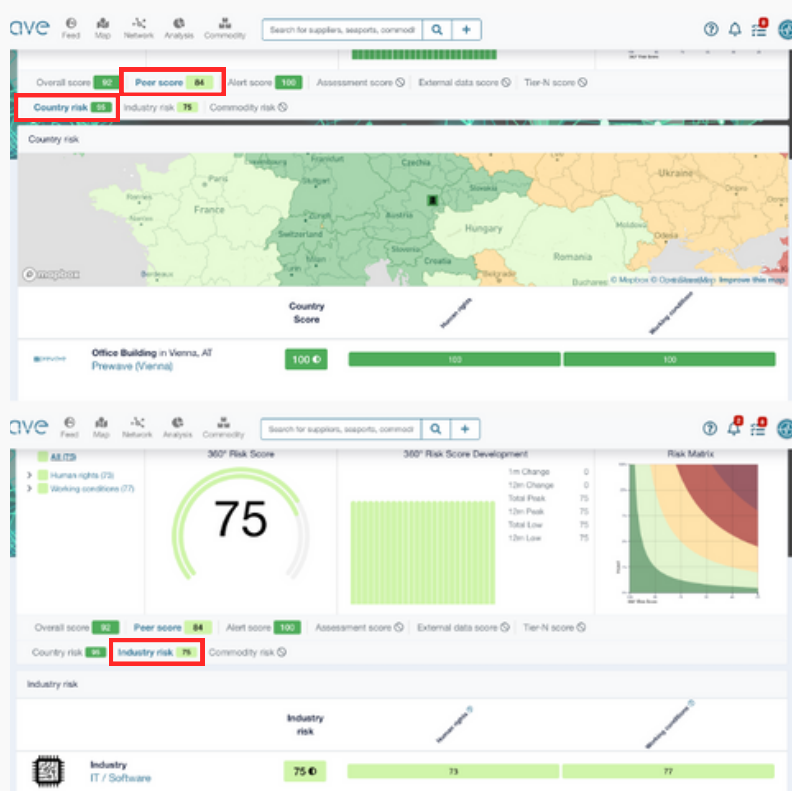
The principle of proportionality means that what is expected of the enterprises' depends on:

- The size of the enterprise: The due diligence assessments must be adapted to the available resources within the enterprise.
- Nature of the enterprise and Context: The industry and which goods and services the enterprise offers, as well as the geographical location where the production takes place, including the challenges and risks that exist there.



In Prewave, the suppliers uploaded will automatically undergo an abstract risk analysis using our Peer Scoring method.

This is based on the determination of risks by country risk based on the supplier location - defined by global indices (see chapter 11.1.5. Indices in the [Prewave Click Guide](#)), and risks by industry (see the Prewave Knowledge base under Target profiles - 360 scorecards)



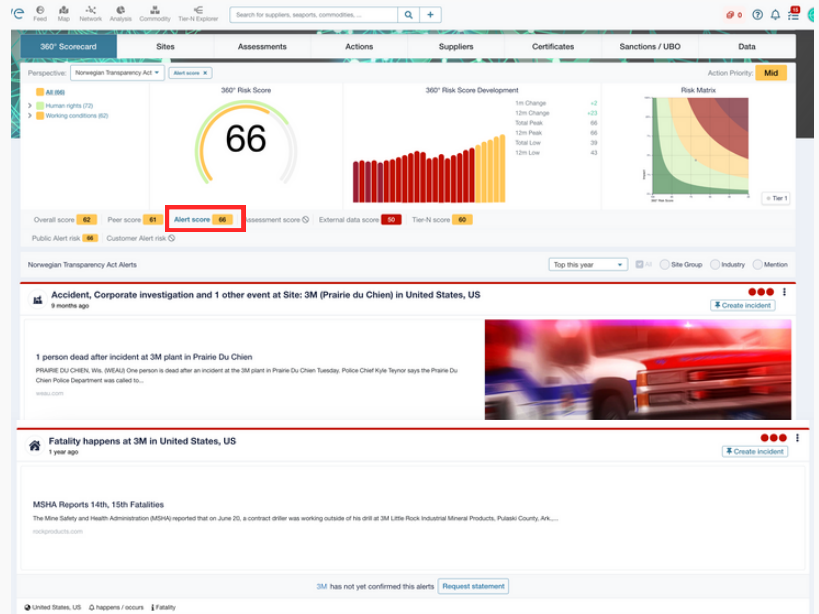
The principle of a risk-based approach means that the effort that a business undertakes in the due diligence assessment should correspond to the severity and probability of the negative impact.

When the probability and severity of possible or actual incidents are high, more comprehensive due diligence assessments are required. Focus the efforts where the risk is highest.



Once the suppliers are in the system, they will automatically receive their Peer score, which will be used for the **Abstract Risk Analysis** and to determine which suppliers represent a higher risk.

Via an Historical Media Screening over a period of, at least, 2 years, the suppliers undergo a **Concrete Risk Analysis** to check whether any substantial risks can be found. The findings will be able to create the **Alert Score**.



Actual and Potential Adverse Impacts

1. Carry out a broad scoping exercise to identify all areas of the enterprise, across its operations and relationships, including in its supply chains, where risks are most likely to be present and most significant. The scoping exercise should enable the enterprise to carry out an initial prioritisation of the most significant risk areas for further assessment.
2. Starting with the significant areas of risk identified above, carry out iterative and increasingly in-depth assessments of prioritised operations, suppliers and other business relationships in order to identify and assess specific actual and potential adverse impacts.
3. Assess the enterprise's involvement with the actual or potential adverse impacts identified in order to determine the appropriate responses. Specifically, assess whether the enterprise: caused (or would cause) the adverse impact; or contributed (or would contribute) to the adverse impact; or whether the adverse impact is (or would be) directly linked to its operations, products or services by a business relationship.

Enterprises' must **prioritise based on the degree of severity and the likelihood of damage** if it is not possible to deal with them all at once. There must be an ongoing process for prioritising as new impacts may appear, which must be prioritised before continuing with the less serious ones.

The most important consideration for prioritising risks in terms of human rights will be the degree of severity, for example if a late response will make the damage irreparable. The probability of negative consequences will be a supplementary factor in the assessment.

Suppliers	Action Priority	Overall Score	Impact	Severity	Last Actions	Recommended Actions
Factory in*	Critical	33	Critical	1 0 0 0	Internal Review	Detailed Self-Assessment Statement Request
Human rights	Critical	26	Critical	0 0 0 0		Detailed Self-Assessment Statement Request
Working conditions	Mid	84	Critical	0 0 0 0		



Once suppliers have been analyzed based on the factors involved in the Overall 360 score the users can identify areas with high potential or actual risks related to Human Rights or Working Conditions - in this step, the Due diligence assessments are strengthened through stakeholder involvement and include continuous communication via preventive or remedial actions.

(Maturity Assessments) As an extension of the Detailed Risk Analysis, Prewave can identify certifications, policies and audit reports made publicly available by the suppliers on their website and incorporates these into the supplier's assessment score.

This has two major advantages: (1) the specific risk analysis is based on another data source and is therefore even more reliable, (2) suppliers who can already demonstrate a high level of maturity on the basis of the maturity assessment do not have to submit another assessment.

What does the law require?

§4. Duty to carry out Due Diligence Assessments

The companies must carry out due diligence assessments in line with the OECD's guidelines for multinational companies (Openness Act § 4.).

When carrying out due diligence assessments in accordance with the Transparency Act, it is not about negative consequences for the enterprise itself. It concerns the **likelihood of a negative impact on human rights** and **working conditions**. The focus should therefore be on how the business affects people, both inside and outside the business.

Due Diligence Assessments

Anchor accountability in the company's guidelines (Transparency Act § 4, (a).)

The companies can update their existing guidelines so that they are in line with the Transparency Act or develop new ones. The guidelines must be based on the Transparency Act and OECD guidelines. They must include the entire business, the supply chain and all their business partners.

The guidelines must include:

- How to act responsibly,
- Their expectations of accountability from suppliers and business partners, and
- Their due diligence plans.

The OECD's guidance covers more than basic human rights and decent working conditions to which the Transparency Act applies. Covering more than what the Act requires will be an advantage when it comes to, for example, upcoming EU regulation, and which will extend beyond the Transparency Act.

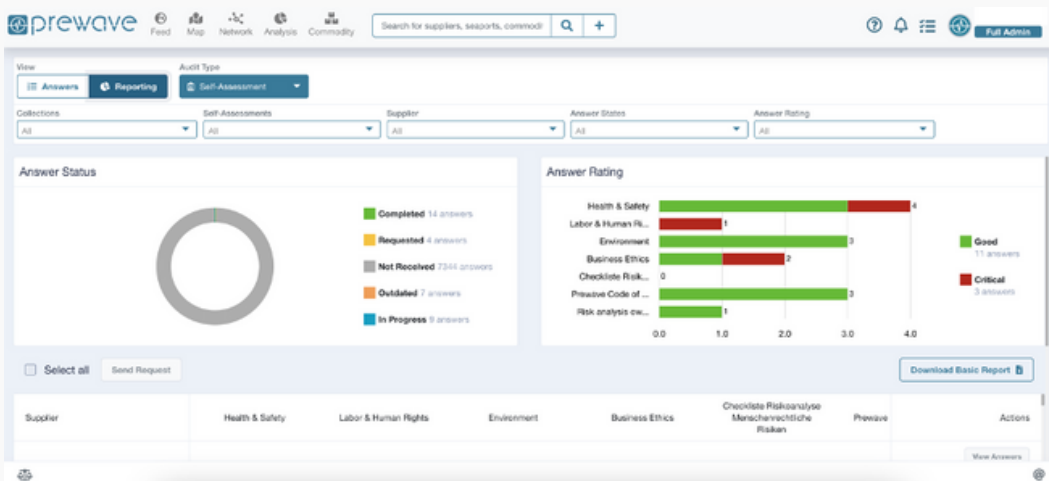
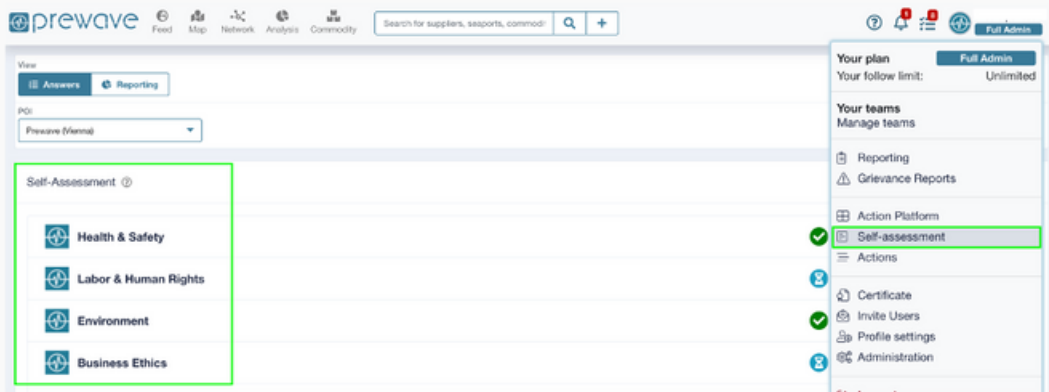
Communicate the guidelines internally to your own employees, staff meetings or when training new employees and incorporate the guidelines into agreements with suppliers and business partners.



An example of relevant documents where companies can clarify the guidelines and set conditions and expectations around responsible business is the Supplier Code of Conduct, Statement of Compatibility, Self-Assessments, and more.

Prewave offers a possibility to upload your own Code of Conduct or Self-Assessment. You can request your suppliers to fill out those documents and keep track of the progress on the platform.

When you have to make agreements with new suppliers and business partners, you should evaluate the partners according to how they work with responsible business. You can do this, for example, by using pre-qualification processes, tender criteria, or screening criteria.



Map negative consequences (Transparency Act § 4, (b).)

Map and assess actual and potential negative consequences for basic human rights and decent working conditions that the enterprise has either caused or contributed to, or that are directly linked to the business, products or services through supply chains or business partners.

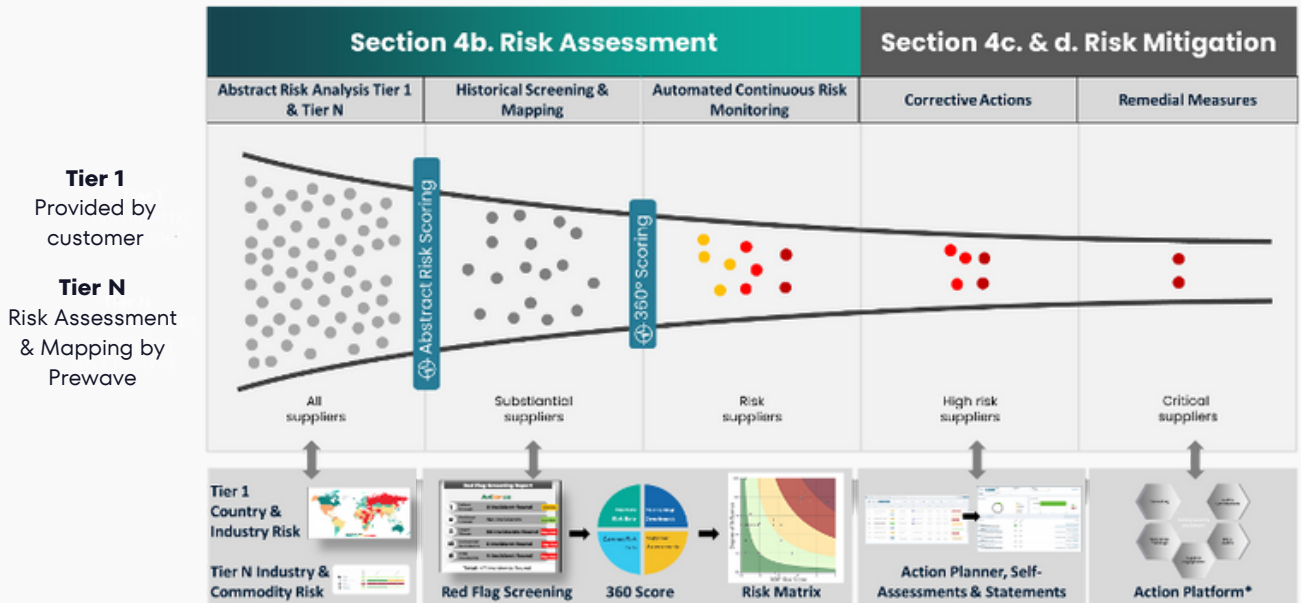
Companies must start with an overall analysis of both their own business supply chain and business partners. The aim is to identify which areas pose the highest risk of negative impact on human rights and decent working conditions. The business must assess whether damage has already occurred, or whether there is a potential possibility of damage.

Categorize the units by industry, geography, and type of business partner. People can be negatively affected in several ways, and you should pay particular attention to people and groups who are at increased risk of vulnerability or marginalization.



(§ 3. Definitions) By supply chain is meant anyone in the chain of suppliers and subcontractors who supply or produce goods, services or other input factors that are included in a company's provision of services or production of goods from the raw material stage to the finished product.

By business partner is meant anyone who supplies goods or services directly to the business, but who is not part of the supply chain.



Once the direct suppliers (Tier 1) are uploaded in system, and have received their Abstract risk analysis we are able to identify supplier with higher risk in the deeper supply chain (Tier N) based on their country, industry and commodity. By looking at the Tier 1 we are able to identify the Tier 2, 3, 4 based on customs data.

Once all suppliers are added, it is possible to assess the suppliers with potentially higher risks and that would require a Concrete Risk Analysis & Tier N Mapping (scope).

The resulting risk score in the 360 degree scorecard can be the base for proactive preventive or remedial measures, in addition to other actions such as SSAs or Maturity Assessments.

Different forms of risk

There are many forms of risk, but it can be particularly useful to look at risks linked to industries, geographical areas, businesses, and products.

A few examples of how business can negatively affect human rights and working conditions:

- Excessive use of overtime
- Low wages that do not cover basic human needs
- Pollution or accidents
- Discrimination
- Forced labor
- Violation of the right to privacy

The list is not exhaustive. More about how businesses can affect human rights in the [UN Guiding Principles Reporting Framework](#).

Neither your business nor the environment around it is static. Therefore, companies **must review the risk analysis regularly**.

Both internal and external changes must be included in the mapping. Internal changes can, for example, be that you enter new markets, get new suppliers or merge. External changes are conditions outside the business. This could be war, a pandemic or social unrest in areas where suppliers or business partners are located.



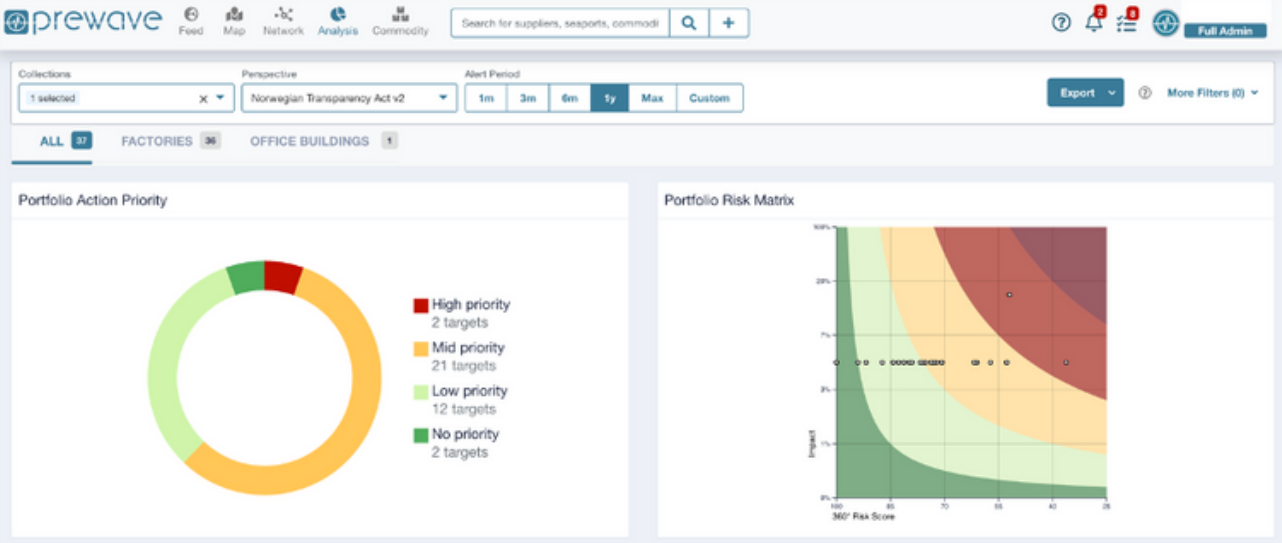
Prewave uses a specially designed risk scoring logic for all companies on its platform. All scores displayed on the platform range from 0 to 100 – While 100 represents no detected or projected risks, 0 shows high associated risk factors.

The 360° Score is a constantly changing value with different factors included in the calculation. The calculation is non-linear and weighted based on various components (Peer score 30%, Alert score 40%, Self-assessment 20%, External data score 10%).

If any of the components doesn't have a score, the weight is spread evenly amongst the remaining components. The impact is then calculated based on the yearly spend of the company against the total revenue of the supplier. If no spend is available, 5% default impact is applied.

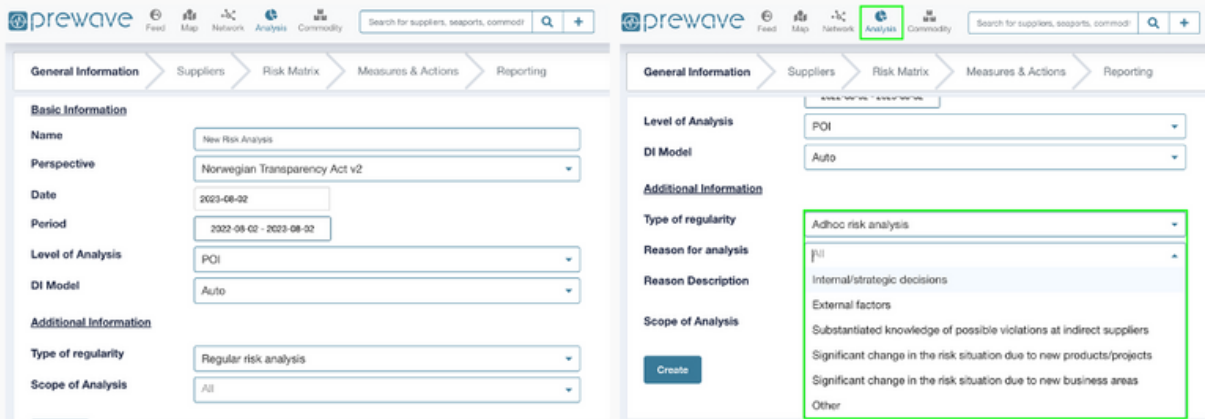
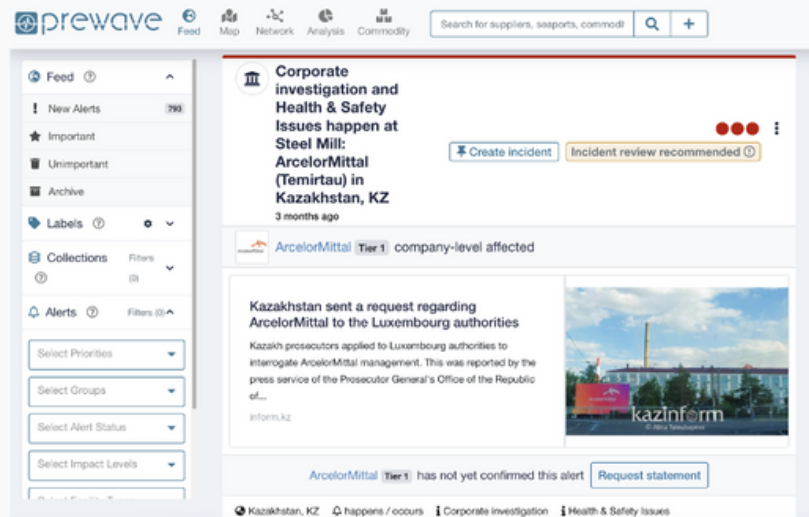
DUE DILIGENCE

No	86-100
Low	71-85
Mid	56-70
High	41-55
Critical	0-40





One possible way to learn about a possible infringement is through Prewave's media monitoring. Users can use the Prewave to follow recommended incident reviews, create their own, and request statements on the alerts. By doing so, companies can increase the supplier engagement and follow up. Users can also run Regular Risk Analysis or for Adhoc Risk Analysis (focusing on specific situations).

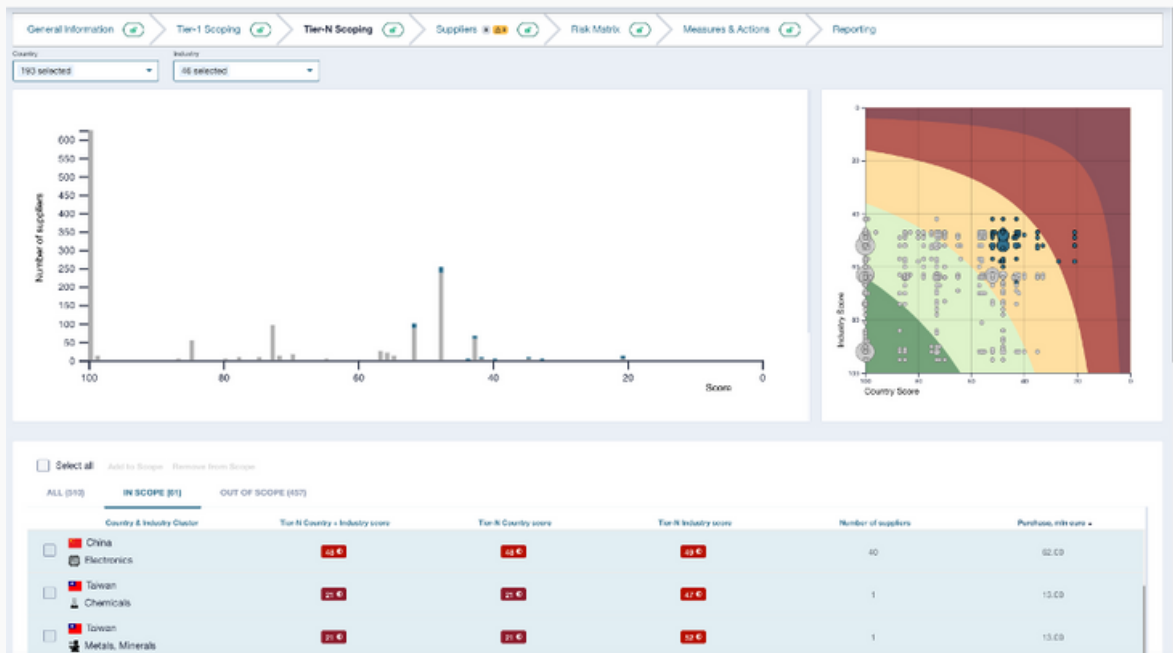


(Incident management) Prewave follows the same principles as risk analysis in that incidents are first identified, prioritised, mitigated and finally monitored and reported. The only difference between incident management and risk analysis is the procedure. In contrast to risk analysis, risk scores are not used for processing, but rather specific information from possible incidents. These are then qualitatively evaluated according to severity and relevance.

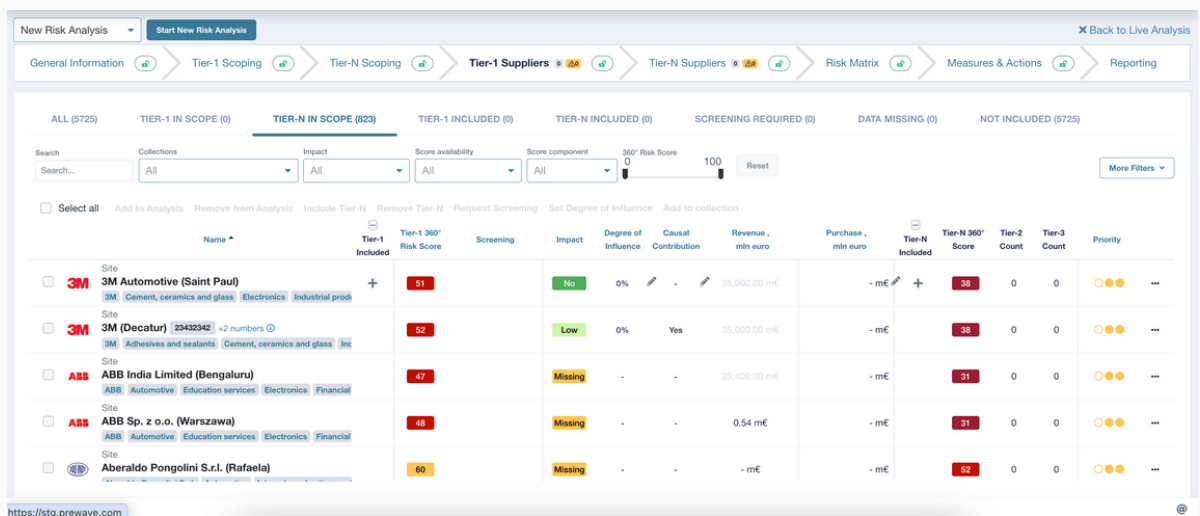


In principle it is recommended that companies include their entire supply chain but the company can prioritize the due diligence based on several factors, including the severity and probability of any adverse impact following the principle of proportionality.

We start by the identification of country and industry clusters with elevated risk in the supply chain and proceed to scope, for which Tier-1 suppliers a Tier-N mapping is suggested.



The Tier N mapping recommendation will be given based on the risk scores in the Tier N scoping and it will include in the Tier 1 suppliers that should go into the supply chain mapping.



Taking Actions (Transparency Act §4, (c).)

Implement suitable measures to cease, prevent or limit negative consequences based on the company's priorities and assessments according to §4, (b).

When it comes to suitable measures companies must start from the priorities and assessments made in the mapping phase. What kind of measures companies should implement depends, among other things, on the relationship they have to the negative consequences discovered.

Degrees of Action

Prevent: The primary aim of due diligence assessments is for the company to prevent negative consequences for human rights and decent working conditions. This means that they take measures before the damage occurs.

Limit: The second level of measures is to limit negative consequences for human rights and decent working conditions. This means that they take measures that limit the scope of damage from a damage/negative consequence that has already occurred.

Stop: The most serious level of measures is to stop activities that contribute to negative consequences for human rights and decent working conditions. This could, for example, be ending a contractual relationship.

Action plan:

Create an action plan that describes which actions you are initiating and which you are planning. The action plan must contain these main elements:

- which identified risk areas you have prioritized and why.
- what relationship you have to the consequences against which measures must be taken.

- justification for which level of measures you choose to take in the face of the consequences.
- which measures you will implement.
- who is responsible for implementing and carrying out measures.
- what changes you want to make in your own guidelines.
- what plans you have for training relevant employees and managers in the risk area against which measures are to be taken.
- information about the dialogue you have had/will have with affected parties.
- expectations of suppliers and other business partners.



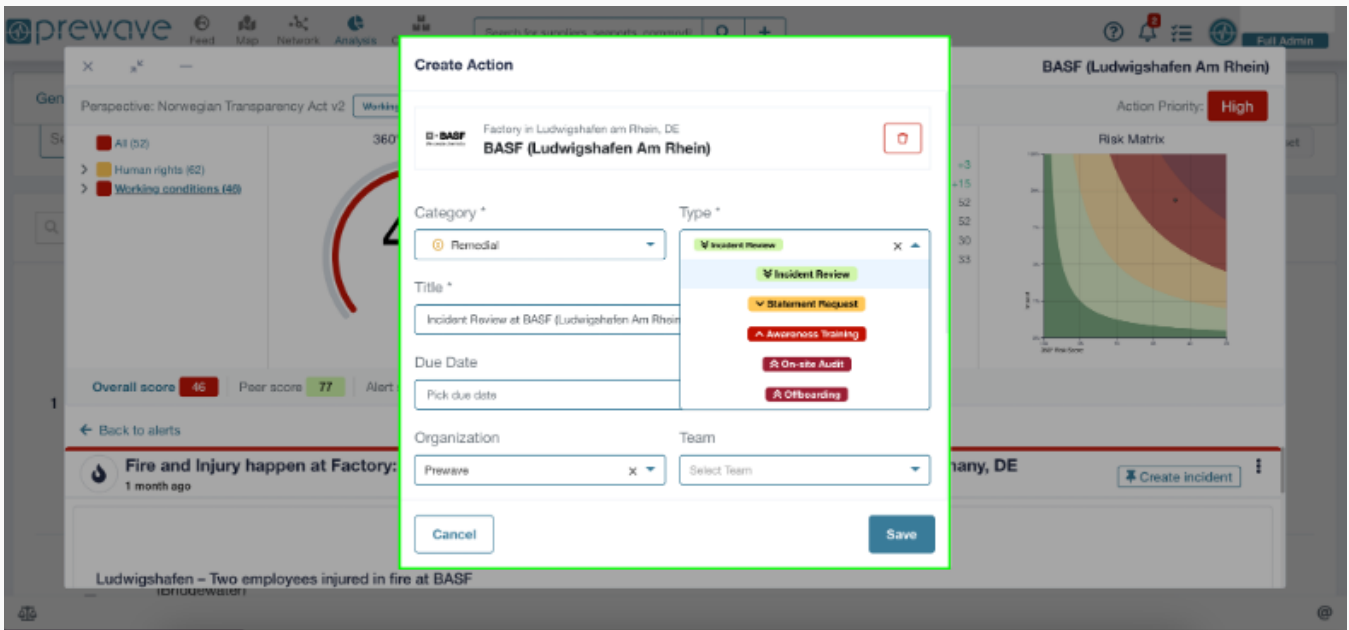
The first step in Incident Management is to create an incident to document the potential breach in your own supply chain and business area.

The Feed on Prewave is a way of monitoring your supplier's potential and actual negative consequences. Prewave monitors a vast number of publicly available online sources but if you become aware of any risks or negative consequences via other sources, you can create your own private alert, only visible to users within your environment.

Through the Action's or Analysis' page, users can also see, follow and document incidents based on severity (S1, S2, S3, S4) related to the event types and create an action plan.

The screenshot shows the Prewave dashboard interface. At the top, there are navigation tabs for Feed, Map, Network, Analysis, and Commodity. A search bar is present with the text "Search for suppliers, seaports, commodi". Below this, there are filters for View (Planner, Dashboard), Search, Perspective (Norwegian Transparency Act v2), Collections (All), and Action Priority. The main table lists suppliers with columns for Supplier, Action Priority, Overall score, Impact, Severity (S1, S2, S3, S4), Last Actions, and Recommended Actions. The sidebar menu on the right includes options like "Your plan", "Your teams", "Reporting", "Grievance Reports", "Action Platform", "Self-assessment", "Actions" (highlighted), "Certificate", "Invite Users", "Profile settings", "Administration", and "Logout".

Supplier	Action Priority	Overall score	Impact	Severity	Last Actions	Recommended
Factory in Cuernavaca, MX Bridgestone de Mexic...	High	30	High	2 0 0 0	Code of Conduct Internal Review	S2 Detailed Self...
Company Burger King	No	51	No	1 0 0 0	Incident Review	S2 Statement R...
Company Corporacion Carbones...	Critical	28	High	1 0 0 0	Basic Self-Assessment	S2 Detailed Self...
Company thyssenkrupp	No	39	No	8 2 5 5	Basic Self-Assessment Incident Review	S2 Statement R...



Via the Create Incident button, on the Feed and Analysis page, users can create immediate actions based on the severity of alerts and also plan internally by assigning to a team or another colleague.

Follow up on the measures (Transparency Act § 4, (d).)

Monitor the implementation and results of measures according to §4, (c). The purpose of the follow-up is to assess whether the measures have worked as planned, or whether something should be done differently in the future to improve them.

Companies have to investigate:

- how many of the measures were carried out on time as planned.
- how well the measures have worked.
- whether harm to individuals or groups has been prevented or dealt with.

In addition, companies must assess whether there are any negative consequences that they may have overlooked in the past, and make sure to include these in the future.

Depending on the nature of the negative consequences and your relationship to them, you must have initiated measures to stop, prevent or limit damage, or the risk of damage. The follow-up of these measures will be based on, among other things, the type of measure and the severity of the risk.

When companies must monitor the implementation of their own measures, carrying out **internal** or **third-party assessments and audits**, for example, may be appropriate.

If the company has or may have caused or contributed to the damage, they must ask for feedback from stakeholders so that they can develop and improve measures in the future. Feedback can, for example, come from within the company, authorities, civil society, or the media.



You can use the Action page on Prewave to keep track of actions and measures that you are taking on the platform and outside. You can use it together to create your action plan showing actions you are initiating and which you are planning. It functions as a project planning tool.

In the specific action you can add a description, documents, assign people, add comments, and adjust the status.

The screenshot shows the Prewave Action Dashboard. At the top, there is a navigation bar with the Prewave logo and various icons for Feed, Map, Network, Analysis, and Commodity. A search bar is present with the text "Search for suppliers, seaports, commodi". Below the navigation bar, there are filters for View (Planner, Dashboard), Search, Types (All), Statuses (All), Organizations (All), and Teams (All). The main content area is titled "Action Dashboard" and contains a table of actions. A "Create Action" button is located in the top right corner of the dashboard.

Key	Title	Status	Assignee	Target	Created	Updated	Due	Type
1	Awareness Training at Pp...	Training aborted		Ppg Industries De ...	Jan 11, 2023	Jun 20, 2023	Apr 30, 2023	Awareness Training
23	Basic Self-Assessment at...	SSA finished		ABB (Billingstad)	May 24, 2023	May 24, 2023		Basic Self-Assessment
27	Basic Self-Assessment at...	SSA finished		Aeron AS (Flekkefjord)	May 25, 2023	May 25, 2023		Basic Self-Assessment
5	Basic Self-Assessment at...	SSA planned		Alfa Laval (Sandvika)	May 9, 2023	May 9, 2023		Basic Self-Assessment
28	Basic Self-Assessment at...	SSA finished		Alfa Laval (Sandvika)	May 25, 2023	May 25, 2023		Basic Self-Assessment
55	Basic Self-Assessment at...	SSA finished		Allweiler GmbH (Hv...	May 25, 2023	May 25, 2023		Basic Self-Assessment



As a risk-management solution provider, Prewave does not carry out any measures on the client's behalf.

We can, however, connect you with many of our partners (third-party assessments) who can assist you with worker surveys, desk and on-site audits, trainings, and consulting, via our Action Platform.

Ask your Customer Success Manager for more information.

Communicate with affected stakeholders (Transparency Act §4, (e).)

Communicate with affected stakeholders and rights holders about how negative consequences have been handled according to §4, (c) and (d). To know how companies should communicate with different stakeholders, they must first identify the relevant target groups. It is likely that the companies have worked with this in previous steps.

It could be the case, for example, that a business found out that its own employees, workers in the supply chain or residents of local communities have been negatively affected by their activities.

Once companies have identified the relevant target groups, they must provide these groups with information about the negative consequences that concern them, and about the measures they have implemented.

Companies must communicate with the various target groups in an understandable way, in the right format, and at the appropriate time and place. This can happen, for example, through meetings, online dialogue, consultations, or a suitable third party.

Restore (Transparency Act § 4, (f).)

Ensure or cooperate with recovery and compensation where this is required. If a company finds their operations had negative consequences for any stakeholders, the NTA requires cooperation in terms of recovery and compensation.

Some examples of recovery measures:

- a public apology.
- to get their job back or be compensated for lost earnings (for employees who have lost their job unfairly).
- recognition that unions can engage in collective bargaining.
- apology and measures that look after the victims and prevent future abuse (for victims of sexual harassment).
- measures to prevent future damage.

Duty to Report Due Diligence Assessments

The businesses must publish an account of the due diligence assessments pursuant to §4. The report must be updated and published by **30 June** each year and otherwise in the event of significant changes in the business's risk assessments accordingly to Transparency Act §5.

An account must be given of the last financial year. The Transparency Act here follows the Accounting Act's system for annual reports. It should be clear from the statement which period the statement covers.

The statement must be made easily available on the company's website. It is good practice to keep previously published accounts on the websites so that progress can be tracked.



Prewave provides you with a reporting template complying with the reporting guidelines. Information about actions taken in Prewave are pre-filled. It is then only necessary for customers to fill in the description information and the report can be used at your discretion.

The Norwegian Consumer Authority reminds that the report should be written in a way that is easily understandable for the general public, i.e. consumers.

General Description (Transparency Act §5, (a).)

A general description of the company's organization, operating area, guidelines, and routines for handling actual and potential negative consequences for basic human rights and decent working conditions.

Here the business must describe (minimum requirements):

- how they are organized at an overall level.
- what kind of products and services they offer.
- markets in which they operate.
- how they have anchored their work with human rights and decent working conditions in internal guidelines and routines.
- notification channels and complaint mechanisms that will help uncover negative risks.

A2. General description of guidelines and procedures for handling actual and potential adverse impacts	
Identification and assessment of adverse impacts	<p>Reports on adverse impacts at the enterprise's own operations or in its supply chain are received through various channels: (1) Media monitoring, (2) Grievance reports or (3) Other channels (e.g. findings from Audits, internal whistleblower reports, etc.). Each case is then evaluated based on its severity for the affected parties (e.g. irremediability of the incident, number of people affected, etc.) and the enterprise's own contribution, in order to determine whether a received report constitutes an actual adverse impact.</p> <p>Significant risks for adverse impacts at own subsidiaries or in the supply chain are identified through a risk-based assessment where each supplier or own subsidiary is scored on a scale of 0 - 100 based on a combination of country-, industry-, commodity-, media-, assessment- and grievance-based risk factors in the dimensions of <i>fundamental human rights</i> and <i>decent working conditions</i>. The risk assessment is carried out regularly once per year. Additional risk assessments may be carried out ad-hoc in case of significant changes to the enterprise's own operations or supply chain.</p>
Implementation of suitable measures to cease, prevent or mitigate adverse impacts	<p>Suitable measures to cease actual adverse impacts are selected from a range of remedial measures (such as corrective action plans, supplier engagement and industry co-operation) based on a combined determination of severity, own contribution and the enterprise's own degree of influence on actual remediation.</p> <p>Suitable measures to mitigate significant risks and prevent adverse impacts are selected from a range of preventive measures, including contractual requirements (Code of conduct), risk-based control measures (assessments, audits, media monitoring, etc.) and capacity building measures (awareness trainings, supplier engagement, etc.) based on a combined determination of probability of adverse impacts and the enterprise's own contribution and degree of influence on mitigation.</p>
Guidelines and routines	<p>The company's due diligence on human rights and decent working conditions is anchored in the following guidelines and routines: Demo AS Human rights policy, Demo AS Code of Conduct</p> <p>The Demo AS Human rights policy outlines the company's commitment to fundamental human rights and decent working conditions in its own operations and supply chain and assigns organizational responsibilities for due diligence processes on the identification and assessment of adverse impacts as well as the implementation of suitable measures to cease, prevent and mitigate adverse impacts. The Demo AS Code of Conduct serves to communicate the company's expectations for adherence to fundamental human rights and decent working conditions to its suppliers and business partners.</p>
Channel for Transparency / Grievance requests	<p>openheitslova@demo.no</p>

Impacts Identified (Transparency Act §5, (b.))

Information about actual negative consequences and significant risk of negative consequences that the business has uncovered through its due diligence assessments.

The purpose of including this information in the report is to give the public an insight into the company's risk mapping and the risk areas that the company has chosen to focus on.

The statement must (minimum requirement):

- be linked to the specific due diligence assessments that the business has carried out.
- inform about actual negative risks that the business has uncovered.
- inform about significant risks of negative impacts that the business has uncovered.

Risk must be assessed based on how serious the risks are or could be for those affected, and the likelihood of negative impact. The business can also include information about:

- how the risk areas are prioritized
- the criteria for prioritization.

B1. Information regarding <u>actual adverse impacts identified</u>		
Number of actual negative impacts identified		
	<i>Fundamental human rights</i>	<i>Decent working conditions</i>
Own operations affected	0	1
Tier-1 suppliers affected	1	0
Tier-2+ suppliers affected	0	0
Description of actual negative impacts identified		
Section B. Adverse impacts identified	Own operations	
	(IR-1345) Labor demonstration and Health and Safety issues happens at Demo SARL in Clermont, FR In response to a series of accidents a labor demonstration happened at Demo SARL in Clermont, France	
	Tier-1 suppliers	
	(IR-1541) Discrimination happens at Virtual Supplier SA in Argentina A case of worker discrimination was observed based on media reporting at supplier Virtual Supplier SA in Argentina	
	Tier-2+ suppliers	
	-	

B2. Information regarding <u>significant risks of adverse impacts</u> identified		
Number of significant risks of adverse impacts identified		
	Fundamental human rights	Decent working conditions
Own operations affected	0	3
Tier-1 suppliers affected	2	0
Tier-2+ suppliers affected	2	0
Description of significant risks of adverse impacts identified		
Own operations	Significant risks for adverse impacts around workplace health & safety (decent working conditions) were identified at three own subsidiaries located in the countries of France and Poland.	
Tier-1 suppliers	Significant risks for adverse impacts around labor rights (fundamental human rights) were identified at two Tier-1 suppliers located in Mexico.	
Tier-2+ suppliers	Significant risks for adverse impacts around fundamental human rights (forced labor) were identified at two Tier-2+ suppliers located in the People's Republic of China.	

Measures (Transparency Act §5, (c.))

Information about measures that the business has implemented or plans to implement to stop actual negative consequences or limit significant risk of negative impact, and the result or expected results of these measures.

Here the business must (minimum requirements):

- describe measures they have implemented or will implement to stop or limit such risks as described under point (b). This could, for example, be information about:
 - systems for receiving and handling complaints.
 - how the business corrects negative consequences where required, and provides any compensation.
 - stakeholder dialogue with particularly vulnerable groups, for example indigenous groups.
 - industry collaboration to solve the challenges.

- describe achieved or expected results of the measures. As a minimum:
 - explain how the measures have contributed to or are expected to contribute to reducing risk or correcting actual negative impact.

C1. Measures planned / implemented to <u>cease actual adverse impacts</u>			
Measures planned / implemented to cease actual adverse impacts			
Type of measure	Description	Own operations	Suppliers
Statement request	Statement requested from supplier on adverse impacts and status of remediation	Yes	Yes
Corrective Action Plan	Corrective action plan aligned with supplier containing remediation steps	Yes	Yes
Stakeholder engagement	Engagement and dialogue with affected stakeholders	Yes	
Supplier engagement	Conducting worker surveys, establishing of grievance mechanisms at the supplier		
Industry co-operation	Co-operation with industry peers for joint remediation with increased influence		
On-site audit	On-site audit to inspect and control implementation of remediation measures	Yes	Yes
Awareness training	Conducting trainings for workers and/or management to build awareness	Yes	Yes
Description of results or expected results			
<p>(IR-1345) Labor demonstration and Health and Safety issues happens at Demo SARM in Clermont, FR Following an initial statement request, a corrective action plan was established, and its implementation confirmed by a follow-up on-site Audit. Additionally, a health & safety awareness training was conducted for the relevant employees and management. An engagement process with the labor union of the local subsidiary is ongoing.</p> <p>(IR-1541) Discrimination happens at Virtual Supplier SA in Argentina Following an initial statement request, a corrective action plan was established and an awareness training on the topic of discrimination at the workplace was conducted for the relevant employees and management. An on-site audit to track the implementation of corrective actions is planned.</p>			

C2. Measures planned / implemented to <u>mitigate significant risks of adverse impacts</u>			
Measures planned / implemented to mitigate significant risks			
Type of measure	Description	Own operations	Suppliers
Code of conduct	Written commitment to the enterprise's code of conduct	X	X
Maturity assessment	Assessing the maturity level based on publicly available certifications and policies		
Self-Assessment	Self-assessment assessing the maturity of standards, policies and certifications		X
Media monitoring	Identification of adverse reports in public media using Artificial Intelligence	X	X
Awareness training	Conducting trainings for workers and/or management to build awareness	X	X
Stakeholder engagement	Engagement and dialogue with affected stakeholders	X	
Supplier engagement	Conducting worker surveys, establishing of grievance mechanisms at the supplier		X
Desk Audit	Desk-based audit to inspect and control implementation of remediation measures		
On-site audit	On-site audit to inspect and control implementation of remediation measures	X	
Description of results or expected results			
Own operations	To mitigate the significant risks around workplace health & safety at three own subsidiaries, a range of measures were implemented: Awareness trainings were conducted with relevant employees and management and a ISO45001 certification process was initiated. The implementation is tracked via Media monitoring, stakeholder engagement and on-site audits.		
Tier-1 suppliers	To mitigate the significant risks around labor rights at two Tier-1 suppliers, a range of measures were implemented. The suppliers signed the Code of Conduct. A self-assessment of the supplier demonstrated low maturity and capacity for labor rights. To build capacity for code of conduct adherence, awareness trainings on the topics of labor rights were conducted with relevant employees and management. Additionally, the adherence to the code of conduct is tracked via media monitoring and stakeholder engagement.		
Tier-2+ suppliers	To mitigate the significant risks around forced labor at two Tier-1 suppliers, a range of measures were implemented: A worker survey was initiated, and the results evaluated. Afterwards awareness trainings on the topics of forced labor and modern slavery were conducted with relevant employees and management and on-site audit was conducted. Additionally, the adherence to the code of conduct is tracked via media monitoring.		

Annual Account pursuant to Section 5 of the Norwegian Transparency Act

Level of detail

As long as the minimum requirements in the Act are met, the businesses have the flexibility to design the reports at their own discretion. It can bring advantages to publish more detailed information than the law requires.

Which Language

As a general rule, the report must be published in Norwegian. This does not prevent businesses from also publishing the report in other languages in addition to Norwegian.

Businesses that have been granted dispensation to present their annual accounts and annual report in a language other than Norwegian according to §3-4 of the Accounting Act, can publish the report in the same language.

Businesses which, according to §8-2 of the Accounts Act, submit accounting documents in Norwegian, Danish, Swedish or English, may publish the account of the due diligence assessments in the same language. This applies to Norwegian branches of foreign companies according to the Accounting Act §1-2 no. 13.

Joint statement in the Company Group

If the company group prepares a joint report that covers the whole company group, this must be published on the website of all business in the company group that are covered by the Transparency Act.

In a joint report for the company group, it must be clearly stated which parts of the report are linked to the specific circumstances of the various companies, and which parts of the report are common to all parts of the group.

It must be easy to find the parts of the report that deal with one of the group's companies. This applies to all types of information that the report should cover, including the general description regarding the company structure etc., information regarding adverse impacts and implemented measures and results of such measures.

If it is difficult to draw up a joint report for the group which at the same time provides a good overview of the individual companies' circumstances, it may be advantageous to publish separate reports for each individual company in the group which is covered by the Transparency Act.

Signature (Transparency Act §3-5)

The report must be signed in accordance with the Accounting Act §3-5, which in most cases means by the board of directors and the general manager. The aim of the signature requirement is to embed responsibility for the content of the report with the company's board and management, and prevent that statements are prepared solely by the company's communications department with little or no grounding in the company's governing activities.

Where a joint report has been prepared for businesses' in a group, all businesses in the group that are covered by the Transparency Act must sign the report. It will not be sufficient for only the parent company to sign.

Signatures	
<p>We remain committed to respecting internationally recognized human rights and decent work conditions and we will continue to work systematically together with our employees and business partners to identify, prevent and/or mitigate actual and potential adverse impact to human rights and decent work conditions associated with Demo AS operations as described above.</p> <p>This annual account is issued by and signed by the board of directors and CEO of Demo AS (933 728 839)</p>	
Chair of the Board of Directors	Deputy chair of the Board of Directors
Board member	Board member
Board member	Chief Executive Officer

Right to Information

By written request, anyone has the right to information from a business about how the business handles actual and potential negative consequences according to §4 . This includes both general information and information relating to a particular product or service that the business offers.

The business must provide information within a reasonable time and **no later than three weeks** after the request for information has been received. If the amount or type of information requested makes it disproportionately burdensome to respond to the request for information within three weeks, the information must be provided within two months after the request has been received. The business must then, no later than three weeks after the information request has been received, inform the information seeker in writing about the extension of the deadline, the reasons for the extension, and when the information can be expected.

Resources

OECD Guideline: <chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://mneguidelines.oecd.org/OECD-Due-Diligence-Guidance-for-Responsible-Business-Conduct.pdf>

Act on Annual Accounts etc. (Accounting Act): [https://lovdata-no.translate.goog/dokument/NL/lov/1998-07-17-56/KAPITTEL 3? x tr sl=auto& x tr tl=en& x tr hl=no& x tr pto=wapp#%C2%A73-5](https://lovdata-no.translate.goog/dokument/NL/lov/1998-07-17-56/KAPITTEL+3?+x+tr+sl=auto&+x+tr+tl=en&+x+tr+hl=no&+x+tr+pto=wapp#%C2%A73-5)

Act on business transparency and work with basic human rights and decent working conditions (Transparency Act): <https://lovdata.no/dokument/LTI/lov/2021-06-18-99>

The Transparency Act: [https://www-forbrukertilsynet-no.translate.goog/apenhetsloven? x tr sl=auto& x tr tl=en& x tr hl=no& x tr pto=wapp](https://www-forbrukertilsynet-no.translate.goog/apenhetsloven?+x+tr+sl=auto&+x+tr+tl=en&+x+tr+hl=no&+x+tr+pto=wapp)

Obligation to Report: [https://www-forbrukertilsynet-no.translate.goog/vi-jobber-med/apenhetsloven/redegjorelsesplikt? x tr sl=auto& x tr tl=en& x tr hl=no& x tr pto=wapp#arsberetning](https://www-forbrukertilsynet-no.translate.goog/vi-jobber-med/apenhetsloven/redegjorelsesplikt?+x+tr+sl=auto&+x+tr+tl=en&+x+tr+hl=no&+x+tr+pto=wapp#arsberetning)