

Cegal AS

Transparency Act

Due Diligence Report

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1 MANAGEMENT ASSERTION

The accompanying description has been prepared according to the requirements in the Norwegian transparency act.

The due diligence has been carried out in accordance with the OECD Guidelines for Multinational Enterprises limited to human rights and decent working conditions.

The report is available on the Cegal website - [Cegal.com](https://www.cegal.com)

Cegal AS confirms that:

The accompanying description fairly presents the description of how Cegal promotes respect for fundamental human rights and decent working conditions in connection with the production of goods and the provision of services and how we address adverse impacts on fundamental human rights and decent working conditions.

Sandnes, June 30, 2023

Dagfinn Ringås
CEO, Cegal Group AS

Trym Gudmundsen
Chairman of the Board

Svein Torgersen
Board member

Frank Garneng
Board member

2 DESCRIPTION OF CEGAL

A global tech powerhouse, specializing in energy.

Cegal has a unique and proven competence in the key three areas of industry knowledge, technical know-how, and scalable delivery. And with this, we shape the digital future by turning complex IT into digital success stories. Our vision is to build a stellar nextgen tech company that enables a more sustainable future.

With 950 + employees in ten countries, Cegal is growing to become a leading global technology powerhouse for the energy industry and a contributor to the green transition.

Cegal's headquarters is located in Stavanger Norway with offices in Norway, Sweden, Denmark, the United Kingdom, the United States, United Arab Emirates, Malaysia, Estonia, and Australia.

In Cegal you are seen, heard, and appreciated, no matter your position, beliefs, ethnicity, or orientation. You influence decision-making, your career, and your work-life balance. We are black belts in technology and experts in energy. That is how we innovate and drive business value for our customers. We are passionate problem solvers that give and get energy from solving complex problems for each other and our customers.

Cegal has a complete and complementary offering across leading industry software, world-class consultancy, and mission-critical cloud solutions. Our deliveries are designed and operated with information security in mind. Well-defined processes and controls ensure that any security issue is identified and managed according to the requirements laid down in the customer agreements.

More info on www.cegal.com.

3 INTRODUCTION

The objective of the Norwegian Transparency Act (Åpenhetsloven) is to 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 public access to information regarding how enterprises address adverse impacts on fundamental human rights and decent working conditions.

The Norwegian Transparency Act establishes requirements for enterprises to carry out due diligence of fundamental human rights and decent working conditions within their enterprise, in their supply chain, and with their business partners; and to report on the due diligence activities they have carried out.

Cegal AS including all subsidiaries will be subject to the Norwegian Transparency Act.

What we do:

Human Rights

- Our Code of conduct and ethical guideline's policy commits us to respect human rights and is publicly available and known internally.
- We have documented an internal due diligence assessment to map the risk of whether our operations, products, and services cause or contribute to human rights violations.
- We have documented an external due diligence assessment to assess whether our suppliers and other business partners respect human rights.
- We have categorized the human rights risks (high, medium, and low) so we can implement relevant measures.
- If we uncover a risk for human rights violations, we implement documented risk-reducing actions.
- If we discover that we have caused or contributed to human rights violations, we take measures to remedy the damage.
- We report publicly and regularly on how we work with human rights issues.
- We have implemented clauses in our supplier contracts to ensure possibilities to verify or audit human rights aspects of the business and the supply chain.
- We seek to influence and encourage our supply chain to follow the same principles as above for Human rights.

Decent Working Conditions

- We ensure written and signed employment contracts for all employees, also in their native language.
- All our workers are free to join trade unions or organizations of their choice and can negotiate collectively if the law permits them.
- Our management participates in collective negotiations in regard to working conditions and wages.
- We frequently share information about the business and have constructive collaboration with our employees.
- We have documented measures to ensure that we neither cause/nor contribute to child labor, forced labor, and/or discrimination.
- We provide employees with training and work continuously to ensure good results in terms of health and safety at the workplace and keep records to ensure the training is

documented.

- We offer salary and compensation that are in accordance with industry standards.
- We have a process and anonymous system for whistle-blowing for employees to report misconduct linked to working conditions without the risk of reprisal.
- We seek to influence and encourage our supply chain to follow the same principles as above for decent working conditions.

Certifications

- ISO 9001 Quality Management System
- ISO 14001 Environmental Management System
- ISO 27001 Information Security Management System
- ISO 45001 Occupational Health and Safety Management System

Responsible business code of conduct embedded in Cegal management system.

- Code of Conduct and Ethical Guidelines Policy
- Environmental, Social and Governance (ESG) Policy
- Workplace health and safety policy (WHS)
- Anti-corruption policy
- Procurement policy
- Supplier - Standard terms and conditions - ESG supplier requirements
- Annual Sustainability report

4 DUE DILIGENCE SELF-ASSESSMENT

Methodology

The due diligence is conducted on a regular basis and is risk-based, proportionate, and in accordance with the UN's Guiding Principles for Business and Human Rights and the OECD Guidance for Multinational Enterprises.

We acknowledge that human rights due diligence is a continuous process, and we are constantly working to better understand and map the risks to fully integrate and implement the required improvements.

Sources and score for assessments

Topic	Source	Description	Measurement	Limit Value	Evaluation
Human Rights	Freedom House	Freedom House is a non-profit, majority U.S. government-funded organization in Washington, D.C., that conducts research and advocacy on democracy, political freedom, and human rights.	Measures political freedom and the freedom of the individual, including political diversity, freedom of expression, fair justice, and that there is no economic oppression	35	Countries with less than 35 points are considered as "Non-Freedom Countries". Countries above 35 points have partial or complete freedom.
Decent Working Conditions	International Trade Union Confederation	The International Trade Union Confederation (ITUC) is the global voice of the world's working people. The ITUC's primary mission is the promotion and defense of workers' rights and interests, through international cooperation between trade unions, global campaigning, and advocacy within the major global institutions.	Summarizes data from trade unions internationally about being an employee in the individual country. Measures, among other things, the right to establish and join trade unions, the right to collective bargaining, and the right to strike.	5	Countries are assessed as red, yellow, orange, or green. Red and dark (>5) red are not accepted.
Environmental	Environmental Performance Index (EPI)	The 2022 Environmental Performance Index (EPI) provides a data-driven summary of the state of sustainability around the world. Using 40 performance indicators across 11 issue categories, the EPI ranks 180 countries on climate change performance, environmental health, and ecosystem vitality.	Measures the environmental performance of a country's policies. Environmental health (40%): Pollution in air, water, and pollution from heavy metals. Ecosystem (60%): Biodiversity, deforestation, fisheries, sewage management, greenhouse gas emissions, and emissions of nitrogen from agriculture.	50	The points scale is ranked from red to green per country. Red is ranked from 0 to 50.

Anti-Corruption	Transparency International	Transparency International is the global civil society organization leading the fight against corruption. It brings people together in a powerful worldwide coalition to end the devastating impact of corruption on men, women, and children around the world.	Measures the degree of corruption in the public sector based on 12 expert assessments from various institutions and 16 different polls	50	Countries with scores below 50 are perceived as more corrupt.
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If the Company identifies that it has caused or contributed to actual adverse impacts, the Company should address such impacts by providing for remediation.

The type of remedy or combination of remedies that is appropriate will depend on the nature and extent of the adverse impact.

Result of assessment 2023

Sustainable Business Practices and Ethical Trading

2023 Due Diligence overview	
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5 SUPPLIER DUE DILIGENCE

High-level risk assessment

We perform regularly high-level assessments on the risk of human rights violations in the supply chain in the industry we operate.

The suppliers have been subject to a risk assessment, including human rights and labor conditions risks, and have been categorized into three categories: low, medium, and high risk.

Based on the identified risk level, the suppliers are subject to targeted onboarding and follow-up measures.

The due diligence comprises the Company's suppliers (and their sub-suppliers) and other business partners that supply goods or services directly to the Company.

Direct purchases from suppliers that entail an inherent risk of human rights and labor abuses require a more proactive and cautious approach from the Company in terms of background checks and follow-up measures, such as audits.

Our primary suppliers deliver hardware, software as a service, and facilities (offices and data centers).

Suppliers in high-risk countries - Detailed assessment

Based on the high-level risk assessment Cegal has identified three vendors that operate in high-risk countries.

The following assessment has been performed:

Vendor, located in India has been identified as a software vendor, used in development of Company products. Companies in software development do not have any known relation to the risk of breaches of human rights or environmental impact. Regular assessments in the company regarding breaches have not been identified.

Vendor located in Mexico, with headquarters in Argentina, has been identified as a software vendor, used in deployment of Company products. Companies in software development do not have any known relation to the risk of breaches of human rights or environmental impact. Regular assessments in the company regarding breaches have not been identified.

Vendor located in Egypt has been identified as a software and hardware reseller, used by the Company for maintenance agreement of installed hardware located in Egypt. Hardware vendor is consulted and has recommended the selected Vendor in Egypt as the preferred partner in the region. Companies in Information and Communication industry do not have any known relation to the risk of breaches of human rights or environmental impact. Regular assessments in the company regarding breaches have not been identified.

6 INTERNAL OPERATIONS DUE DILIGENCE

General workplace health and safety

All offices perform an annual office risk assessment regarding workplace health and safety and the environment.

Cegal has also implemented global processes for whistle-blowing and reporting on deviations and on incidents related to Workplace Health and safety (WHS).

Sick leave in the Group was approximately 2.8% in 2022 compared to 2.3% in 2021. During the course of the year, it has not occurred or been reported serious workplace accidents, which resulted in significant damage or injuries.

The working environment is good, and improvements are being continuously evaluated and implemented. At the end of 2022, the Group consisted of a total of 769 employees compared to 739 in 2021, including 160 (148 in 2021) women and 609 (591 in 2021) men).

The goal is to be a workplace where there is full gender equality. The Board and management are aware of the societal expectations on measures to promote gender. Discrimination The Anti-Discrimination Act is to promote equality, ensure equal opportunities and rights and prevent discrimination based on ethnicity, national origin, ancestry, color, language, religion, and belief.

The Group works actively, purposefully, and systematically to promote the purpose within our business. The activities include recruitment, pay and working conditions, promotion, development, and protection against harassment.

The Group aims to be a workplace where there is no discrimination on grounds of disability. The Group works actively and purposefully to design and facilitate the physical conditions so that the different functions can be used by as many people as possible. For employees or applicants with disabilities, individual arrangements are made with regard to workplaces and work tasks.

As all of Cegal's offices work in accordance with ISO 45001:2015 Occupation Health and Safety management system.

Implemented action on offices in high-risk countries

One of our offices is placed in high-risk countries. Cegal high standards on fundamental human rights and decent working conditions apply to all employees, and Management performs the same management training that is based on Nordic welfare principles.

The office is regularly reviewed during the ISO 450001 audit, and the risk of any breach of fundamental human rights and decent working is regarded as low.

7 CONTINUAL MONITORING AND IMPROVEMENT

Implement suitable measures to cease, prevent, or mitigate adverse impacts based on the Company's priorities and assessments.

The Company has instigated several preventive and mitigating measures based on the risk assessment.

1. Background checks of medium and high-risk suppliers with subsequent follow-up actions and dialogue with suppliers
2. Supplier Standard Terms and Conditions have been updated to include relevant Human rights requirements.
The T&C will be included in all new contracts, and contain adequate compliance clauses, including the Company's expectations of suppliers' working conditions and compliance program, the duty to inform of breaches, and the Company's right to conduct audits. The obligation of suppliers to comply with the Company's [Supplier] Code of Conduct, including focus on the suppliers' management system as a pre-requisite to implement the requirements of the Company's [Supplier] Code of Conduct.
3. Perform regular audits of the supply chain.
4. Track the implementation and results of measures.

For high-risk suppliers that entail an inherent risk of violating human rights, the Company shall closely monitor any identified concerns and track the outcome of the implemented measures above, and on an ongoing basis assess the need to adopt additional measures.

The Company shall ensure that risk-relevant information pertaining to high-risk suppliers is shared within the Company's organization, as this will ensure that risk assessments take all relevant facts and observations into consideration.

Information regarding suppliers from a risk management perspective may be exchanged with the Company's peers to the extent appropriate.

In cases of suspected human rights violations, the Company shall consider consulting with local authorities, local communities, and relevant NGOs.