

Account for Due Diligence

March 2024

This is an English translation from the original signed Norwegian version.

1 Introduction to DNV Imatis

DNV Imatis is a Norwegian software company with six subsidiaries located in Denmark, Sweden, United Kingdom, Australia and USA, later referred to as DNV Imatis Group. Most of our employees work at the head office in Porsgrunn, Norway. DNV Imatis is part of the DNV Group. DNV is an independent supplier of services within quality assurance and risk management and operates in more than 100 countries.

DNV Imatis develops software solutions with an aim to empower healthcare providers to orchestrate safe and excellent care. With our unique combination of technical and healthcare expertise, our vision is to be a trusted voice in creating sustainable healthcare environments. Our software solutions easily integrate and aggregate data across healthcare operations. We bring critical information together into a simple overview, in real-time, wherever employees are, unlocking health care workers' capacity to care. Our aim is to help clinical, logistical and administrative teams work together more efficiently, to make better decisions for a seamless patient journey.

DNV Imatis' solutions are widely in use in Norwegian hospitals and municipalities' healthcare operations as well as Nordic hospitals. We are also present with our solutions in Canadian, Italian and Australian hospitals and are actively participating in innovation and research projects in several European countries.

Main activities in DNV Imatis include innovation projects, marketing and communication, software programming, sales, customer delivery in terms of adapting the application to customers' needs, customer support, ICT operations and administration of staff. We produce no goods.

2 Incorporation of the Transparency Act

The Norwegian [Transparency Act](#) entered into force on 1 July 2022 and aims to promote companies' respect for fundamental human rights and decent working conditions in connection with the production and delivery of goods and services. The due diligence shall include own operations, suppliers and business partners.

Focus on human and employees' rights is important to DNV Imatis and this applies to our own business, our business partners, suppliers and our employees respectively. Our customers and partners should be confident that our services originate from a responsible supply chain.

At an overall level, our major owner DNV has established [guidelines](#) on how to approach human rights. DNV Imatis' work on respecting human rights and ensuring decent working conditions is anchored in the management and rooted in our internal guidelines and procedures, approved by the board of directors.

DNV Imatis' *Code of Conduct for employees* sets expectations for how we shall act internally and in cooperation with business contacts. Our *Partner and Supplier Code of Conduct* - which we share with all our business partners and suppliers with an expectation of compliance - sets requirements to respect human rights and to ensure decent working conditions in their businesses and associated supply chain. The guidelines lay the foundation for our follow-up of and our cooperation with partners and suppliers.

Group-wide governing documents provide guidelines for how DNV Imatis and its subsidiaries should conduct due diligence. The CFO has the overall responsibility for this work, and the Quality & Compliance Manager in DNV Imatis coordinates the work continuously. The purchasing functions in each country have an important role in risk mapping and supplier follow-up, and common routine descriptions have been established in the purchasing processes to comply with the Group's expectations for our work on safeguarding human rights.

3 Due Diligence Assessments

Our due diligence is conducted on a regular basis and is risk-based, proportionate and in accordance with the following international guidelines and recommendations:

- UN's Guiding Principles for Business and Human Rights: <https://www.unglobalcompact.org/library/2->
- OECD Due Diligence Guidance for Responsible Business Conduct (see figure 1 below) <https://www.oecd.org/investment/due-diligence-guidance-for-responsible-business-conduct.htm>
- ILO Declaration on Fundamental Principles and Rights at Work <https://www.ilo.org/declaration/lang--en/index.htm>

Figure 1. DNV Imatis' activities based on OECD 6-step model for Due Diligence Assessments

Due Diligence wheel in DNV Imatis



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3.1 Due diligence assessment scope

Requirements to conduct due diligence comprise in principle our own operations in the whole DNV Imatis Group, our partners, our direct suppliers and their sub-suppliers.

In DNV Imatis we have assessed risk for violating human rights and labour rights in our own operations and because of the nature of our business, all risks identified (working hours, health and safety) are considered low. Measures to stop, reduce and prevent potential breaches are taken care of and managed by our HRM system. After assessing the overall risk, we have identified the risk to be highest in categories related to our supply chain.

Since the actions under the Act shall be *risk-based* and *proportionate*, it is our suppliers in high-risk categories within our core business that primarily will be subject to our due diligence measures. Such measures could include background checks and various follow-up measures and dialogue (e.g. self-evaluations/audits/physical inspections).

Assessing the risk of actual and potential violations of labour and human rights is a continuous process. All our new and existing partners and suppliers are due to a due diligence review, and this is a condition for contracting.

3.2 Categorising

We have established a methodology and a tool for carrying out overall human rights and labour rights risk assessments, which facilitates a risk-based approach in our follow-up of partners and suppliers. The following parameters are used for prioritising further due diligence and development of measures:

- the origin country of the company or where their products are manufactured, or services provided from
- purchase category and category's risk level

In the risk mapping, we use reputable sources (as recommended in the OECD Guidance for Responsible Business Conduct) such as [anskaffelser.no](https://www.anskaffelser.no) and [globalrightsindex.org](https://www.globalrightsindex.org), to make a classification of suppliers based on purchasing category and country/geographical area. These sources provide us with an objective overview of the specific risk categories in our supply chains.

Even though our supplier base is small, purchasing categories with the greatest risk will be prioritised for further investigations and measures. One such category is products and services for ICT and electronics where mobile phones, laptops and screens constitute the major risk area.

We then prioritise further investigation and follow-up based on where we recognise the greatest risk, as well as our knowledge about the risk and its impact on our core business.

In this reporting period we first listed out our current suppliers, partners and sponsorships and followed the risk-based prequalification process with evaluation and categorisation to identify where is our highest risk. Relevant employees are trained in how to assess new suppliers and we have enhanced our awareness for responsible procurement in the whole organisation.

3.3 Stakeholder involvement

To uncover potential and actual negative consequences, DNV Imatis has established a whistleblowing channel for internal and external stakeholders. This is communicated externally on our website for Transparency work and internally in our employee handbook.

A whistleblowing report is to be justifiable and made in writing to the CFO and COO by email or written document in a sealed letter marked "Confidential whistleblowing". The case is dealt with in the management team within 7 days, written feedback is given to the whistleblower and measures are taken. Reporting can be done anonymously, but there is a risk that the case will be closed if additional information cannot be obtained should the case require it.

In addition, DNV Imatis has an internal automated system that facilitates notifications of nonconformities and deviation management for HSE, quality or information security issues. Customer complaints are collected in our Customer Support system.

3.4 Findings

3.4.1 Share of products vs services

In 2023 (compared to 2021 + 2022 figures) 77 % (76 %) of our main supplier base of 223 (160) suppliers and partners consists of service providers (not products).

The number of suppliers is somewhat higher for the current reporting period than compared to the previous reporting period, although we strive for a lower supplier base.

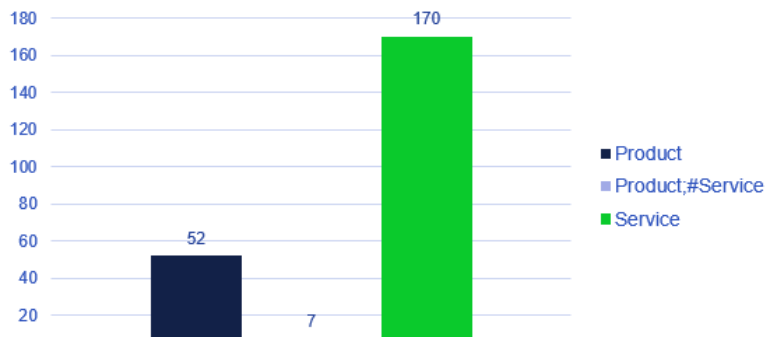
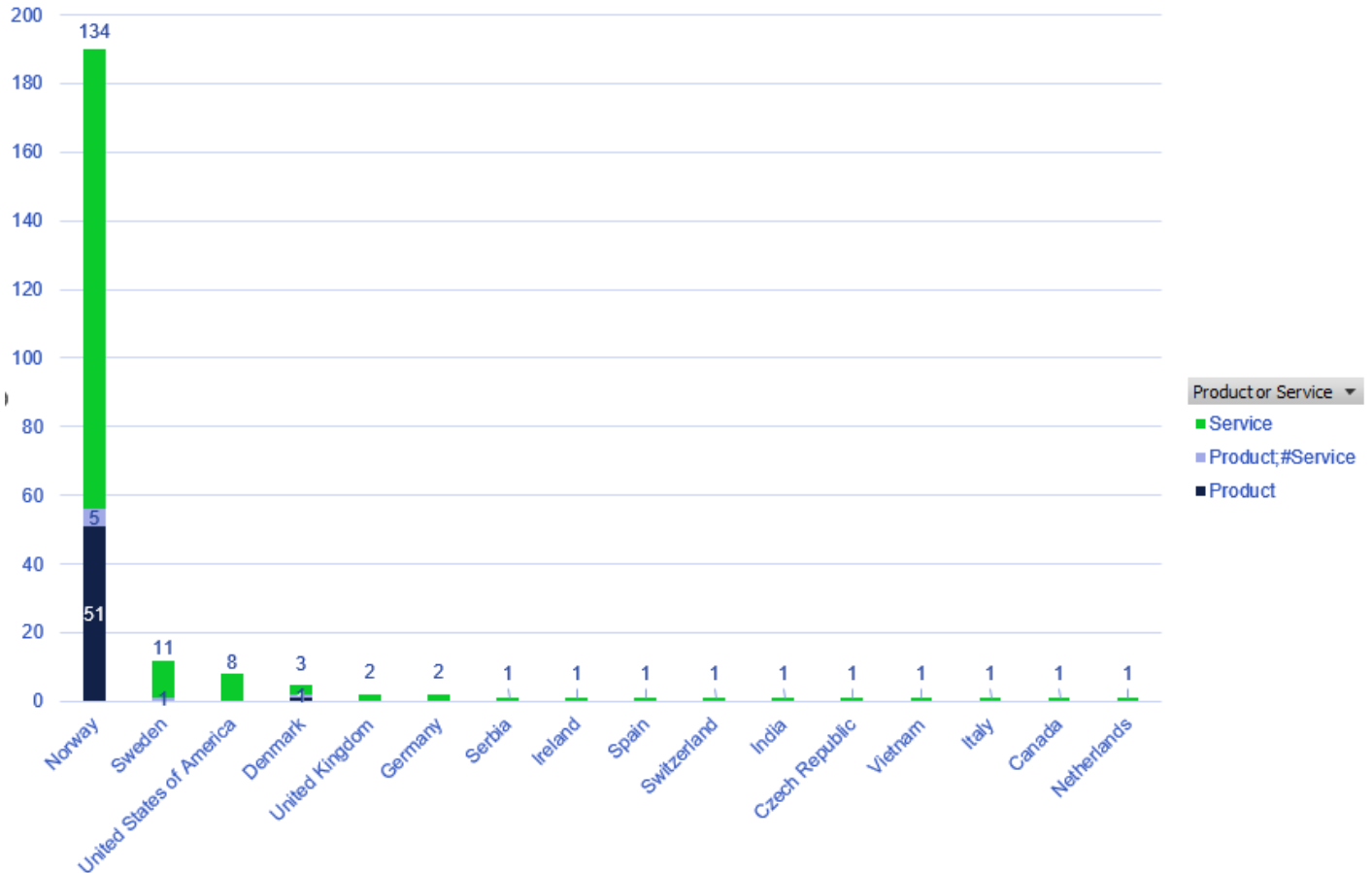


Figure 2. Products vs services 2023

3.4.2 Country risk

Only 17 % (18 %) of our suppliers are located outside Norway (Canada, Czech Republic, Denmark, Germany, India, Ireland, Italy, Netherlands, Serbia, Spain, Switzerland, Sweden, UK, USA and Vietnam). Overall possible negative impact based on country risk is therefore considered low. The figure below visualises the low country risk of our suppliers.

Figure 3: Countries and different types of procurement



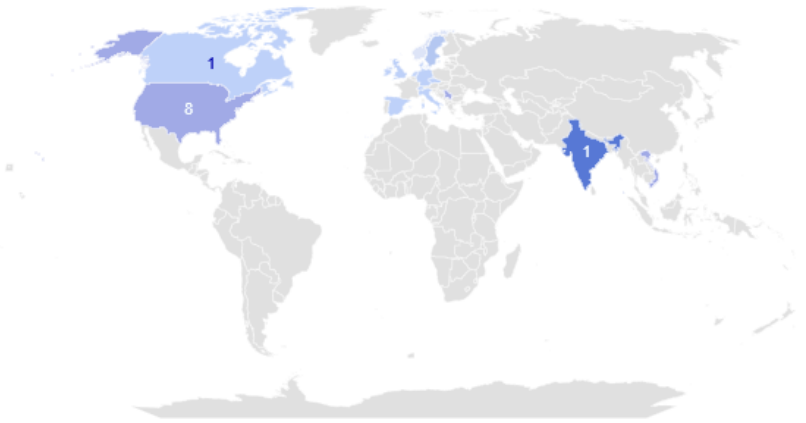
3.4.3 High or medium country risk

India is the only country among our suppliers that has been categorised as a **high-risk** country (based on Global Rights Index 2023¹), with one one-person company.

Twelve of our suppliers are categorised as **medium risk** for human rights and/or labour law breaches. As described earlier, based on our risk assessment methodology, these suppliers are either contacted for further information, or evidence of good governance is searched for on their websites.

Looking closer into the high or medium risk countries in the next Figure 4 and 5 below, we recognise that all our suppliers/partners in these countries deliver services, not products, hence their supply chains are relatively short. 8 companies out of 12 relate to software or license purchase. We have decided to define one Norwegian sourcing company as a medium risk supplier since they have a subsidiary in Vietnam, and therefore has potentially significant risk for negative impact on human rights and working conditions.

	Low risk	Medium risk	High risk
Norway	190		
Sweden	12		
United States of America	8	8	
Denmark	5		
United Kingdom	2	2	
Germany	2		
Serbia	1	1	
Ireland	1		
Spain	1		
Switzerland	1		
India	1		1
Czech Republic	1		
Vietnam	1	1	
Italy	1		
Canada	1		
Netherlands	1		
Number of suppliers	216	12	1



Figures 4 and 5: All purchase countries divided by risk categories

3.4.4 Product category risk

Being a technology company, it falls naturally that our main risk regarding human and employees' rights within the procurement category (based on anskaffelser.no High Risk List²) lies within the many electronics sub-categories. Secondary, we have impact in canteen, catering, coffee at the offices and restaurant visits, i.e. category with food and beverages (fruit, vegetables, coffee, tea and cocoa). Risk-procurement make up 23 % of the turnover.

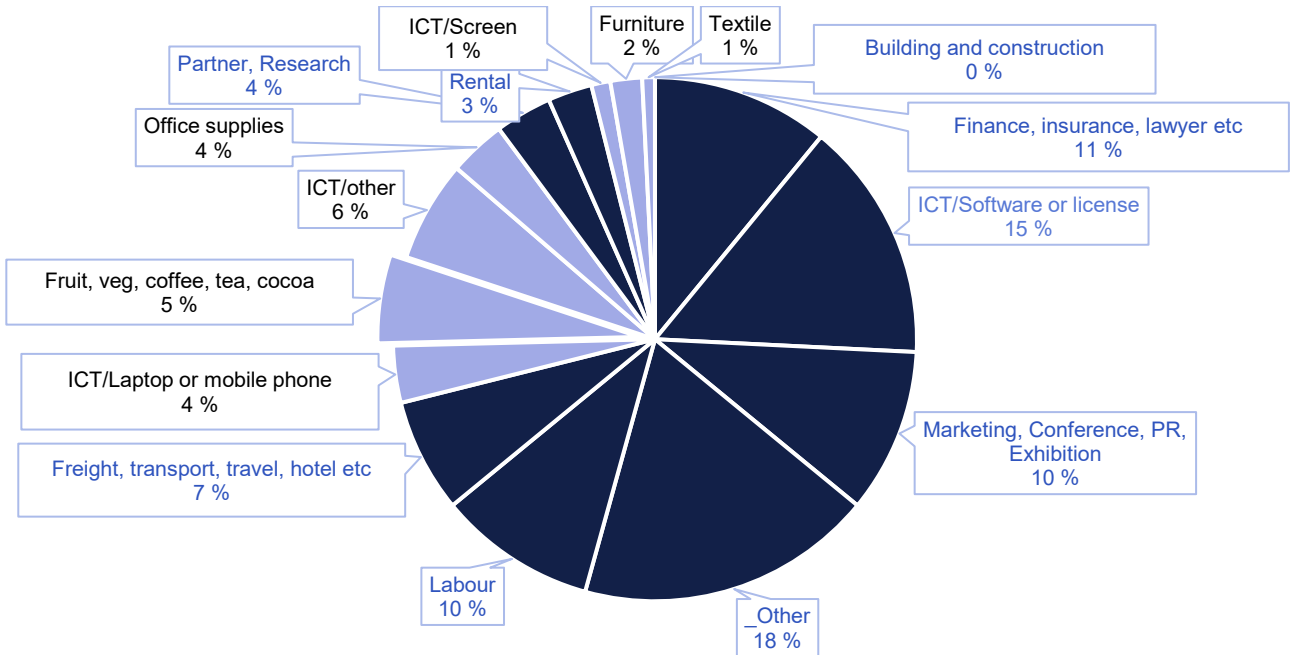


Figure 6: 23 % of suppliers/partners' revenue with high-risk categories of items (purple shares)

3.4.5 Environmental risk

Our external environmental goal is to have at least 50 % of our suppliers hold environmental certifications or a policy at minimum. 45 % of our 2023 suppliers/partners/sponsorships are currently within this goal.

3.4.6 Conclusion of the findings in 2023

We identify our main risk regarding human rights and decent working conditions to be any of our 21 (down from 23 in 2021-2022) partners or suppliers delivering **electronic items**, as they traditionally have long global supply chains. Such items are often small office electronics hardware, which is mainly manufactured in Asian countries. Potential risks can include child labour, discrimination, sexual harassment, and violence against women, forced labour, occupational health and safety, violations of the right of workers to establish or join a trade union and to bargain collectively, non-compliance with minimum wage, the use of hazardous chemicals, right to land and property and minority rights.

Due to the global and complex supply chains of this category, we recognise low chances for influencing the risk mentioned. In order to reduce the risk where we can, our focus is to prioritise suppliers who actively work with due diligence assessments and hence acknowledge and manage such risks. In Norway such information is relatively easily available, thanks to the Due Diligence accounts published on companies' websites, but foreign companies are not yet that transparent. During 2023 we have been able to narrow down procurement with two suppliers and we will evaluate the possibilities to minimise them further.

Other high-risk categories for us are **office supplies** (9 suppliers), **food and beverages** (14 suppliers) and **furniture** (5 suppliers).

During this reporting period, no actual negative consequences have been revealed throughout our due diligence process.

4 Measures implemented

We always strive to improve, and after anchoring our due diligence assessments, processes and monitoring, we are still in a learning process finding best practises.

Mapping and assessing negative impacts related to our own operations is relatively simple with our transparent and open business culture between 100 employees.

Mapping and assessing supply chains and business relationships is a somewhat tough exercise when doing it manually and trusting what you find on web and what one can find out through conversations. Structured routines for risk mapping and supplier review and follow-up lay the foundation for our efforts to stop, prevent and reduce potential or actual negative impact.

Our existing preventive activities can include:

- Reduce the likelihood of contributing to negative impact by conducting prequalification and risk mapping of a partner or supplier in advance of agreements.
- Increase influence against business associates by including our *Partner and Supplier Code of Conduct* in all agreements, which allows us to set ethical requirements and to verify compliance.
- Follow up compliance with our ethical requirements.

Our risk assessment method is also designed to prioritise suppliers for follow-up with a risk-based approach, prepare action plans and follow up implementation.

In cases where we uncover actual violations of human or workers' rights, our approach shall be supportive and constructive towards the partner or supplier, as we acknowledge that not all of them have incorporated good enough routines yet to prevent, uncover or identify actual or potential violations. We shall take responsibility for ensuring, or collaborating on, recovery together with stakeholders when appropriate.

4.1 Measures achieved

With respect to potential human rights risks in relation to sub-suppliers, many of our high-risk partners and suppliers already report on this in their due diligence accounts, at least when it comes to our major operators in Norway. As for many of the foreign companies, we still need to ask questions to identify or investigate any such risk further down in their supply chains. This work will continue in the coming period.

Closer interviews with our suppliers or the obtaining of documentation (formal agreements or documentation of expectations, confirmations of compliance with requirements, etc.) from suppliers with an obvious high risk are our methods for assessing compliance with guidelines etc., with the aim of stopping or reducing potential violations. The supplier with close connections to Vietnam was contacted for closer interview and document collection with the management of the company. We are also in close dialogue with the employees of that supplier in our daily business and find their company policies and practises very well organised and satisfactory.

The due diligence assessment process as a whole has awoken our employees to be aware of possible risks. It has also given us a good understanding of the possible risks in our operations and supply chain and will be a valuable tool for us in the future for acknowledging and prioritising improvement areas to minimise our risk for contributing negatively to labour rights and human rights. As a natural consequence of this process, we shall have less suppliers, which will contribute to better overview and sustainability in our daily operations.

4.2 Further plans

During the next reporting period, we will continue to:

- Further educate employees to adapt due diligence processes and tools so that they by themselves can evaluate due diligence in supplier/partner/sponsorship before proceeding further to contract negotiations.
- Further develop and strengthen our measures covering existing suppliers (f.ex. surveys and continuous follow-ups).
- Reconsider the need for each supplier and map out possibilities to reduce our supplier base to gain more sustainability.
- Follow-up relevant high risk category suppliers and implement improvement measures where the risk mapping identifies it as necessary.
- Further develop follow-up work by developing key performance indicators to monitor the implementation and results of our due diligence assessments. This will be communicated to our employees regularly, enhancing awareness to ensure accountability in business relationships and throughout our supply chain.

5 References

- 1) 3.4.3 [ITUC GRI - Countries \(globalrightsindex.org\)](https://www.globalrightsindex.org/)
- 2) 3.4.4 [Public Procurement and Human Rights | Anskaffelser.no](https://anskaffelser.no/)

Porsgrunn 22nd April 2024
For the Board of DNV Imatis AS;

_____[signature]_____
Liv Hovem
Chair of the Board

_____[signature]_____
Esben Andreas Rusås
Board member

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Charlotte Hellenes Andresen
Board member

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Morten Andresen
Board member

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Daniel Holth Larsen
Board member

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Margrethe Blom-Pettersen
Employee representant

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Kenneth Rønningen
Employee representant

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Johan Folkunger
CEO