



2022 Account for Due Diligence for the Norwegian Transparency Act

Contents

Summary	2
1. Opening statement from the Chair of the Board of Directors	2
2. Overview of organization, responsibilities, and guidelines.....	2
2.1 Organization Structure.....	2
2.2 Areas of responsibility and distribution of tasks	3
2.3 Board decisions, guidelines, and integration of accountability and compliance	3
2.4 Procedures for addressing actual and potential consequences identified during the due diligence assessment	3
3. Policies	3
4. Supplier due diligence.....	4
4.1 Mapping of the supply chain and business partners	4
4.2 Limitation of search results and selection of parameters	4
4.3 Methodology.....	5
5. Identified risks.....	5
5.1 Internal Risks and Risk Mitigation Measures	5
5.2 Supply Chain and Business Partner Risk Mitigation Measures.....	6
5.3 Available measures	6
6. Conclusion.....	6
7. Sources and tools for due diligence assessment	7





Summary

This statement highlights EcoOnline's compliance with The Norwegian Transparency Act. The Act mandates transparency, accountability, and respect for human rights within EcoOnline's operations and supply chain. To ensure this, EcoOnline has implemented a thorough due diligence procedure that is carried out before entering into new supplier agreements. This applies to contractors, consultants, collaborators, and other service providers.

EcoOnline has also developed comprehensive policies and procedures that explicitly address human rights, emphasizing principles such as dignity, equality, and non-discrimination. In the reporting period covered by this statement, EcoOnline conducted a detailed assessment of its 50 largest suppliers.

Considering various factors and measures, the risk of breaching the Transparency Act is deemed low. This assessment reflects EcoOnline's commitment to compliance and its efforts to uphold the Act's requirements.

1. Opening statement from the Chair of the Board of Directors

This statement outlines how EcoOnline, and its subsidiaries (the "Group") are committed to the importance of transparency, accountability, and respect for human rights across operations. This statement complies with The Norwegian Transparency Act §§ 2 and 3, the OECD Guidelines for Multinational Companies, and the UN Principles on Human Rights as guiding frameworks.

2. Overview of organization, responsibilities, and guidelines

2.1 Organization Structure

EcoOnline is a software-as-a-service (SaaS) provider developing innovative solutions to help ensure workplace safety in a sustainable and efficient way. Product coverage includes areas such as chemical safety, health & safety (EHS), learning management, lone worker safety, whistleblowing, compliance management, and environmental, social and governance (ESG).

EcoOnline has a global presence, serving more than 10,000 customers in multiple countries, and maintains a diverse workforce of 900+ employees.

The Group is headquartered in Oslo, Norway, and operates business units in Norway, Sweden, Denmark, Finland, the United Kingdom, Ireland, Germany, Canada, the United States, and New Zealand.

To find out more about the nature of our business, please click here: <https://www.econline.com/>





2.2 Areas of responsibility and distribution of tasks

Primary responsibility for Transparency Act compliance rests with EcoOnline's Group Management Team (GMT), with support from compliance, risk, procurement, and ESG functions. Ultimately, EcoOnline's Board of Directors are accountable for compliance with the Act. Specific responsibilities under the Transparency Act, such as alignment with guidelines, conducting due diligence assessments, and how compliance assessment results should be published, are delegated to operational management functions.

2.3 Board decisions, guidelines, and integration of accountability and compliance

In a board resolution, EcoOnline has ensured accountability and compliance with the Transparency Act by incorporating the Act's mandate into the company policies (ref. section 3).

Additionally, EcoOnline has developed a separate guide that outlines the Transparency Act's requirements for each step of the due diligence assessment, and the publication of assessment results (ref. section 4). Both the guidelines and the guide for due diligence assessments can be obtained upon request from the Head of Compliance and Risk, lars.nordgaard@ecoonline.com or Head of ESG and Sustainability, helene.melby.brodersen@ecoonline.com.

2.4 Procedures for addressing actual and potential consequences identified during the due diligence assessment

Specific measures to counteract actual or potential negative consequences relating to fundamental human rights and decent working conditions within EcoOnline must be determined based on the identified negative consequence. This includes determining the presence of downside risk attributed to a supplier or further down the supply chain and identifying the effectiveness of counter measures.

Examples of measures include action plans, audits, internal controls, new and enhanced contractual obligations, and contractual penalties for any regulatory breaches.

3. Policies

EcoOnline has developed comprehensive policies and procedures explicitly drafted to address human rights issues and set forth its commitment to upholding the principles of dignity, equality, and non-discrimination.

EcoOnline policies cover a range of human rights issues, including but not limited to:

- Code of Conduct
- Supplier Code of Conduct
- Anti-Bribery and Corruption Policy
- Anti-Money Laundering and Counter Terrorist Financing Policy
- Recruitment Policy
- Equal Opportunity Policy
- Grievance Policy
- Gifts and Entertainment Declaration Procedure
- Business Partner Due Diligence Procedure
- Whistleblowing Policy

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4. Supplier due diligence

To identify and assess actual and potential adverse impacts on fundamental human rights and decent working conditions within the supply chains, EcoOnline has adopted a due diligence procedure. This due diligence procedure must be completed prior to the signing of new supplier agreements, whether related to contractors, consultants, collaborators, outsourced service providers or other service providers who perform functions for or on behalf of the Group (henceforth called “Business Partners”):

- i. The Business Partner must respond to self-assessment questionnaires covering human rights, decent working conditions, environmental responsibility, information security, and data protection.
- ii. The Business Partner must demonstrate that they have a policy prohibiting bribery and corruption or sign ours.
- iii. EcoOnline undertake an independent assessment to identify and assess actual and potential adverse impacts on fundamental human rights and decent working conditions, by considering geographic risk, sector & product risk, enterprise level risk, and relationship risk.
- iv. EcoOnline screens all entities using third party software against an international database covering sanctions, adverse media, and state ownership.

4.1 Mapping of the supply chain and business partners

To effectively deliver SaaS solutions and become the preferred provider of EHSQ tools and services, the Group works with a range of suppliers. These suppliers are grouped into four categories:

1. Infrastructure critical
2. Strategic business services
3. Other technology providers
4. Other business services.

Infrastructure critical suppliers include service hosting providers and security monitoring service providers. Strategic business service providers include financial services institutions, insurance providers, consultants, and law firms. Other technology providers and other business services providers include suppliers who provide tools and services supporting day-to-day activities, critical for delivering services to our customers.

EcoOnline initiated the due diligence assessments by compiling a comprehensive overview of suppliers and partners involved in its operations during the reporting period. This was achieved by gathering information based on an aggregated spend data. The data collection process resulted in identifying about 1,500 companies.

4.2 Limitation of search results and selection of parameters

Following the mapping of suppliers (ref. section 4.1), a working group was established to narrow down the supply chain for practical follow-up investigations. As EcoOnline already had a general overview of that it did not conduct any business, directly or indirectly, in high-risk countries or regions related to human rights, corruption, bribery, or freedom of speech, the working group decided to focus on suppliers with a significant annual contract value. Based on these criteria, the number of companies was reduced from 1,500 to 50.





As a native SaaS company, much of the Group's supply chain is represented by purchased services, illustrated by top vendors like Microsoft, Amazon, Advania, Sopra Steria, and Yonder.

4.3 Methodology

To gather and assess information from the selected companies, EcoOnline designed a supplier assessment method for data collection. This approach was chosen to obtain substantial information from multiple companies and establish a solid foundation for further follow-up.

In the assessment process we have included research covering the following risk areas:

- Geographical
- Sector & Product
- Relationship (contract value and length)
- Enterprise Level (Employment, Labor, Human Rights, Bribery & Corruption, Environment)

For data input EcoOnline have used the Dow Jones adverse media screening functionality for detecting poor history of conduct. In addition, due to the extensive library of existing documentation of supplier vetting and business partner due diligence processes, including self-reported content generated by business partners and their previously submitted business partner due diligence questionnaires.

However, as EcoOnline during 2022 underwent transformative organizational changes, and due to the new requirements introduced by the Transparency Act, the Group acknowledge the need to renew most of our signed business forms and share an updated business due diligence questionnaire with our business partners. This process has been initiated and will be assessed continuously upon receiving responses throughout 2023.

5. Identified risks

5.1 Internal Risks and Risk Mitigation Measures

Based on the investigations conducted in 2022, EcoOnline did not uncover any human rights violations or risks of indecent working conditions.

However, the nature of working in a SaaS company, with its fast-paced environment and demanding deadlines, can lead to excessive stress and psychosocial issues among the employees. These risks can have negative impacts on their mental health and well-being.

To reduce psychosocial risks, EcoOnline continuously enhance processes related to the following risk mitigation measures:

- A work-life balance initiative including flexible working hours and remote work options.
- Promoting a positive work culture that encourages open communication, support, and collaboration.
- Providing stress management and resilience training programs for employees.
- Conducting regular employee satisfaction surveys to identify areas of improvement and address concerns.

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- Offering access to counseling services or employee assistance programs to support employees' mental health.

5.2 Supply Chain and Business Partner Risk Mitigation Measures

To identify and respond to real and potential negative impacts related to its operations and supply chain, EcoOnline considers it essential to carry out due diligence. The Group is committed to ensuring that they conduct its business responsibly and have aligned its strategy with the OECD due Diligence Guidance for Responsible Conduct adopted in 2018. This guidance represents a mutual understanding among government and stakeholders on due diligence for Responsible Business Conduct (“RBC”).

The strategy consists of six components:

1. Embed responsible business conduct into policies and management systems.
2. Identify and assess actual potential adverse impacts associated with the enterprise’s operations, products, or services.
3. Cease, prevent, and mitigate adverse impacts.
4. Track implementation and results.
5. Communicate how impacts are addressed.
6. Provide for or cooperate in remediation when appropriate.

To assess the different suppliers of adverse media, EcoOnline works with an external provider, Dow Jones. This external tool helps the Group to conduct adverse media checks to flag financial or reputational issues while avoiding non-threatening noise. Although some of the identified top 50 suppliers' sectors or adverse media results could identify substantial risk, the supplier assessments' findings could not find evidence that the Group engage with high-risk entities per se.

Based on an assessment of the Group's activities, and the Group's 50 most critical Business Partners, the Group's overall exposure to risk of breach on human rights and decent working conditions, is considered to be low.

5.3 Available measures

Although EcoOnline does not have data from all its external suppliers at present, the company has evaluated potential measures to be implemented and defined procedures for their execution. The suitability of these measures will be determined based on the identified negative consequences, whether the risk lies with a supplier or further down the supply chain, and the effectiveness of the proposed measures.

Potential measures include action plans, audits, internal controls, strengthening contractual obligations, and implementing sanctions for breaches of contract, where applicable. The possibility of longer-term contracts with EcoOnline may serve as an incentive for suppliers to accept stricter contractual obligations and engage in action plans, reducing the risk of negative consequences.

6. Conclusion

In assessing the risk of breaches concerning the Transparency Act and the UK Modern Slavery Act, EcoOnline considers its risk to be low. This assessment is based on several factors and measures in place to ensure compliance and mitigate the risk of such breaches:

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- i. Commitment to Transparency: EcoOnline places a strong emphasis on transparency in its operations. The Group has implemented robust policies, procedures, and systems to ensure compliance with relevant legislation and promote transparency throughout its organization. This commitment includes adhering to the requirements of the Transparency Act and the UK Modern Slavery Act.
- ii. Supplier Due Diligence: EcoOnline conducts thorough due diligence on its suppliers to assess their compliance with transparency, working conditions and anti-slavery requirements. By carefully selecting suppliers and engaging in ongoing dialogue, the Group minimizes the risk of partnering with suppliers who may not meet the necessary standards.

In conclusion, EcoOnline's commitment to respecting and promoting human rights and decent working conditions is deeply ingrained in policies, procedures, and initiatives.

By adhering to the UN Principles on Human Rights, EcoOnline are committed to continuously reviewing and improving its policies and programs to ensure they meet the evolving needs of its workforce and align with legal requirements and best practices.

By staying informed of changes in legislation and industry standards, EcoOnline ensure that its risk mitigation strategies remain effective and up to date.

7. Sources and tools for due diligence assessment

EcoOnline utilized various sources and tools during the due diligence assessment process. These include:

- OECD sector guidance: <https://www.oecd.org/investment/due-diligence-guidance-for-responsible-business-conduct.htm>
- The Ten Principles of the UN Global Compact: <https://unglobalcompact.org/what-is-gc/mission/principles>
- The Transparency Act: <https://lovdata.no/dokument/NLE/lov/2021-06-18-99>
- The Modern Slavery Act: <https://www.legislation.gov.uk/ukpga/2015/30/contents/enacted>
- Assessment of Human rights and employment: [Countries and Territories | Freedom House](#)
- Assessment of Bribery and corruption: [2022 Corruption Perceptions Index: Explore the... - Transparency.org](#)
- Assessment on Sector & Product Risk: [Adverse Media Screening & Checks | Dow Jones Professional](#)





This statement is made in accordance with Act relating to enterprises' transparency and work on fundamental human rights and decent working conditions (Transparency Act) and constitutes the Group's account for the due diligence as required by Section 5 for the financial year 2022, commencing January 1, 2022, and ending December 31, 2022.

This statement was approved by the Board of EcoOnline AS and signed by Chair of the Board in accordance with Section 3-5 of the Accounting Act.

Markus Nagel

29-06-2023 | 21:47 CEST

Markus Nagel

Date

Chair of the Board
EcoOnline AS

Legal entities covered in this statement:

Erling Lux Holco; Erling Lux Bidco; Erling Holdco AS; Erling Bidco AS; EcoOnline Holding AS; EcoOnline AS; EcoOnline AB; EcoOnline OY; EcoOnline ApS; Chymeia Aps; Nordic Port AB; EcoOnline UK Ltd; Munio AS, Biome Env. Ltd; Safe Apps Ltd; Airsweb Limited; EcoOnline GmbH; EcoOnline Info Exchange Ltd; EcoOnline Simple Compliance Ltd; eCompliance Management Solutions Inc.; EcoOnline Sypol Ltd; EcoOnline ePermits Ltd; and Mango Software Ltd.

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