

Procedures on The Transparency Act (Åpenhetsloven)

1. OUR COMMITMENT TO ACTING RESPONSIBLY

Upheads AS (“**the Company**”) is committed to comply with all applicable laws and regulations in accordance with our Code of Conduct and underlying procedures

The Company opposes modern slavery and any form of human right's violations, including indecent working conditions associated with the Company's supply chains, as also enshrined in our Code of Conduct. This Procedure (“**The Procedure**”) is prepared to provide guidance and instructions on the Company's compliance and commitment to the act relating to enterprises' transparency and work on fundamental human rights and decent working conditions (“**The Transparency Act**” or “**The Act**”, NO: Åpenhetsloven).

The Procedure does not purport to be all-inclusive, and it is expected that all Company employees that are involved in processes directly or indirectly linked to the requirements of the Transparency Act use their own sound judgement.

2. APPLICABILITY AND RESPONSIBILITIES

The Procedure also applies to the Company's subsidiaries and their employees worldwide. The Company shall use its best efforts to ensure that the Procedure, or procedures that set out the same standards with respect to supply chain management, are implemented in its majority owned companies.

It is the overall responsibility of the Company's Chief Executive Officer (“**CEO**”) to ensure that local managers in subsidiaries implement and complies with the Procedure.

3. THE REQUIREMENTS UNDER THE TRANSPARENCY ACT

3.1 Introduction and purpose of the Act

The Transparency Act enters/entered into force on 1 July 2022. The Transparency Act can be found here:

- In English: <https://lovdata.no/dokument/NLE/lov/2021-06-18-99>
- In Norwegian: <https://lovdata.no/dokument/NL/lov/2021-06-18-99>

The purpose of the Act 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. Further, the Act ensures the general public access to information regarding how enterprises address adverse impacts on fundamental human rights and decent working conditions.

The Act builds on international procedure and consensus about the requirements for responsible business conduct as well as Norwegian traditions of transparency and access to information.

The Consumer Authority (NO: Forbrukertilsynet) is the independent administrative body tasked with supervising and enforcing the Transparency Act. Guidance from the Consumer Authority may be found on their webpage available at <https://www.forbrukertilsynet.no/apenhetsloven>

3.2 Key requirement under the Act: Conducting due diligence (NO: Aktsomhetsvurderinger)

3.2.1 Introduction

The Company is committed to conduct due diligence of suppliers and other business partners under the Act. Such due diligence shall be conducted on a regular basis and be risk based, proportionate and in accordance with UN's Guiding Principles for Business and Human Rights and the OECD Procedure for Multinational Enterprises. Useful information regarding due diligence on supply chains can be found here:

- UN's Guiding Principles for Business and Human, available at: <https://www.unglobalcompact.org/library/2>- OECD Due Diligence Guidance for Responsible Business Conduct, available at <https://www.oecd.org/investment/due-diligence-guidance-for-responsible-business-conduct.htm>

The due diligence shall comprise the Company's suppliers (and their sub-suppliers) and other business partners that supply goods or services directly to the Company (that is not part of the supply chain).

3.2.2 Direct suppliers and sub-contracting

The Company's requirements to conduct risk-based due diligence measures under the Act comprise both direct purchase from suppliers as well as indirect purchases from such suppliers. The requirements under the Act and the available risk mitigating tools will, however, be different, see paragraph below.

Direct purchases from suppliers that entail an inherent risk of human rights and labour abuses, require a more pro-active and cautious approach from the Company in terms of background checks and follow-up measures, such as audits. When sourcing indirectly through (lower risk) suppliers that may have high-risk suppliers in their supply chain, the main mitigating tool is to address the Company's expectations to the supplier through an agreement. Such agreement should include obligations for the supplier to address, mitigate and report on human rights and labour rights risks in the supplier's supply chain.

3.2.3 Examples of relevant risks

Examples of relevant risks that the Company should identify and mitigate under the Transparency Act are:

Child labour, discrimination, sexual harassment, and violence against women, forced labour, occupational health and safety (e.g., worker related injury and ill health), violations of the right of workers to establish or join a trade union and to bargain collectively, non-compliance with minimum wage and the use of hazardous chemicals.

3.2.4 Due diligence requirements under the Transparency Act, Section 4

For the purposes of the Transparency Act, the Company's due diligence commitments mean to:

- a) Embed responsible business conduct into the Company's policies

The Company's Board sets the overall "tone from the top" and has the overall responsibility to ensure that the Company has in place adequate measures in relation to responsible business conduct. The Company's CEO is responsible for the day-to-day implementation of such measures. Thus, business ethics is a Board and management responsibility in the Company. Social sustainability and human rights are embedded in the Company's framework for responsible

- b) Identify and assess actual and potential adverse impacts on fundamental human rights and decent working conditions that the enterprise has either caused or contributed toward (or that are directly linked with the enterprise's operations, products or services via the supply chain or business partners)

Under the Company's Third- Party Risk Management Procedure ([TPRM](#)), the Company's suppliers have been subject to a risk assessment, including human rights and labour 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 on-boarding and follow-up measures.

- c) Implement suitable measures to cease, prevent or mitigate adverse impacts based on the Company's prioritizations and assessments pursuant to (b)

The Company has instigated several preventive and mitigating measures:

- I. Background checks of medium and high-risk suppliers under the TPRM with subsequent follow-up actions and dialogue with suppliers
- II. Supplier contracts that contain adequate compliance clauses, including the Company's expectations to suppliers' working conditions and compliance program, duty to inform of breaches and the Company's right to conduct audits
- III. 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.
- IV. Regular audits/supplier meetings

- d) Track the implementation and results of measures pursuant to (c)

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 are shared within the Company's organisation, 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.

- e) Communicate with affected stakeholders and rights-holders regarding how adverse impacts are addressed pursuant to (c) and (d)

The Company has certain disclosure obligations under section 5 of the Transparency Act, see item 3.3 below. In addition, when concerns in relation to human rights or labor conditions are raised by or on behalf of affected stakeholders, the Company should be prepared to communicate on how the Company addresses these concerns.

- f) Provide for or co-operate in remediation and compensation where this is required

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. Examples of remediation measures are providing public statements or offering compensation to affected parties.

3.3 Publishing statements regarding due diligence processes

The Company has an obligation under Section 5 of the Act to publish a statement concerning the due diligence processes pursuant to Section 4. The statement shall at least include:

- a) a general description of the Company's structure, area of operations, procedures for handling actual and potential adverse impacts on fundamental human rights and decent working conditions
- b) information regarding actual adverse impacts and significant risks of adverse impacts that the Company has identified through its due diligence
- c) information regarding measures the Company has implemented or plans to implement to cease actual adverse impacts, mitigate significant risks of adverse impacts, and the results or expected results of these measures.

The statement shall be made easily accessible on the Company's website. The Company shall in annual reports inform where the statement can be accessed.

The statement shall be updated and published no later than 30 June of each year and otherwise in case of significant changes to the enterprise's risk assessments. It shall be signed in accordance with the rules in Section 3-5 of the Accounting Act, i.e., the statement shall be signed by the Company's Board of Directors and the CEO.

CCO (Chief Compliance Officer) shall prepare a draft of the statement before it is reviewed and discussed by the CEO and the Board of Directors.

3.4 Requests for information

3.4.1 Introduction

The Company may receive requests for information in relation to the Company's compliance with the Transparency Act. It is imperative that the information provided by the Company is adequate and that it has been properly quality assured internally according to the procedures outlined below in 3.4.3.

3.4.2 The Company's obligation to provide information

Under Section 6 of the Act, any person has upon written request, the right to information from the Company regarding how the Company addresses actual and potential adverse impacts pursuant to Section 4 (due diligence processes). This includes both general information and information relating to a specific product marketed by the Company.

A request for information may be denied pursuant to Section 6, second paragraph, by the Company if:

- a) the request does not provide a sufficient basis for identifying what the request concerns
- b) the request is clearly unreasonable
- c) the requested information concerns data relating to an individual's personal affairs
- d) the requested information concerns data regarding technical devices and procedures or other operational and business matters which for competitive reasons it is important to keep secret in the interest of the Company or a third party whom the information concerns.

The right to information regarding actual adverse impacts on fundamental human rights with which the Company is familiar, applies irrespective of the limitations in the above paragraph.

The right to information does not cover information that is classified pursuant to the Security Act (NO: Sikkerhetsloven) or protected pursuant to the Intellectual Property Rights Act (NO: Åndsverksloven), cf. Section 6, fourth paragraph.

The information shall be provided in writing and shall be adequate and comprehensible.

The Company shall provide information within a reasonable time and no later than three weeks after the request for information is 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 shall be provided within two months after the request is received. The Company shall then, no later than three weeks after the request for information is received, inform the person requesting information of the extension of the time limit, the reasons for the extension, and when the information can be expected.

If the Company denies a request for information, the Company shall inform about the legal basis for the denial, the right and time limit for demanding a more detailed justification for the denial and that the Consumer Authority is the supervisory and guidance body.

Any person whose request for information is denied by the Company may within three weeks from the denial was received, demand a more detailed justification for the denial. The justification shall be provided by the Company in writing, as soon as possible and no later than three weeks after the demand for a more detailed justification was received.

3.4.3 Internal procedures associated with information requests

CCO is responsible for handling external requests for information under Section 6 of the Act. All handling of requests shall be documented in writing.

The first step is to assess whether the request meets the conditions under Section 6 of the Act or if it shall be denied. If the request shall be denied based on Section 6, second or fourth paragraph, a draft statement elaborating on the grounds for denial shall be prepared. If the request shall be accommodated, CCO shall ensure that relevant information is gathered in a timely manner.

A draft response (whether request is provided or denied) shall be submitted to the CEO and shall be subject to the approval by the CEO before the response is provided to an external party.

In matters concerning potential human rights/labor conditions abuses in the Company's supply chain that may entail any legal risk and/or reputational damage to the Company, the CEO shall consult with the Board of Directors before a response is provided to an external party. Reference is made to the Company's Crisis Management Procedure that apply accordingly in such matters.