

Report under the Transparency Act Oslo, February 2024

CatalystOne Solution's work on human rights and ethical trade

Introduction

CatalystOne Solutions (CO) is a fast-growing SaaS (Software as a Service) company specializing in software and services for the digitalization of HR processes and enabling positive relationships between HR, employees and managers. We are the Nordic leader in HCM (Human Capital Management) software and deliver user-friendly solutions for processes such as HR master data, performance management, talent management and learning management. We are established with locations in Stockholm, Oslo, Drammen, Copenhagen and Sandefjord and have an R&D center in Chandigarh, India.

CO's 4 values are **Dedication** – passion for people, customers and colleagues, **Agility** – flexibility and creativity, **Results** – value creation in everything we do and **Trust** – accountability in all relationships. Our values oblige us to act to the highest ethical standards and conduct business in a responsible and sustainable manner. This should be reflected in everything we do. This is also a work in progress, and we acknowledge that there is a need and room for constant improvements. CO shall be a responsible and sustainable company and support greater cooperation in business and society to solve common challenges related to human rights and decent working conditions.

We offer our employees the same level of benefits and contractual expectations as the unions propose in the respective country in which the employee is located. In Norway and Sweden, a safety representative has been elected in accordance with local legislation. A dedicated committee consisting of employee representatives and managers per location collaborates on promoting a safe and healthy work environment and ensures the well-being of employees within our organization. We conduct monthly our proprietary employee survey module, Populum, that both we and our customers can use, available in our software. We work systematically on areas for improvement by involving employees.

The software industry has several risk factors in the business with regard to human working conditions and the conditions under which products and components are produced and under which services are delivered.

In this note, we describe COs continuous due diligence work related to human rights, decent working conditions and ethical trade in line with the requirements of the Transparency Act.

Anchoring accountability

CO's code of conduct ensures that our values and ethical guidelines are integrated into all companies in the CO Group. CO places the same demands on our suppliers and their subcontractors when it comes to internationally recognised human rights. The Supplier Code of Conduct shall apply to all companies supplying products and/or services to CO.

In 2023 CO implemented a group policy for human rights with follow-up measures to ensure that human rights and labour law requirements are followed. According to International Covenant on Economic, Social and Cultural Rights, International Covenant on Civil and Political Rights, and ILO core conventions CO has identified the following human rights and labor rights as areas where CO can have a particular impact in our own operations and in our supply chain:

- i. Right to work and absence of discrimination against job seekers
- ii. Fair and favorable working conditions, including safe and healthy working conditions. Regulations related to rest, leisure, and holidays. The right to protection against any form of discrimination in employment relations. Equal pay for equal work.
- iii. Freedom of association, freedom of trade union and right to strike. The right to collective bargaining.
- iv. Satisfactory living standards for employees, including living wages.
- v. Occupational safety and health (OSH) in the workplace
- vi. The right to protection against child labor, forced labor and slavery.
- vii. Freedom of opinion, freedom of expression and the right to peaceful gatherings.
- viii. The right to protection against any form of racism and discrimination.
- ix. The right to a healthy environment and a nature where productive capacity and diversity are preserved.

Risks identified through further due diligence and entry into new markets are expected to place new demands on the content of the company's policies. This will be considered as part of the ongoing work on continuous improvement.

CO will work continuously to anchor the requirements of the Code of Conduct and policy in our operations, including through training in the Code of Conduct and by including consideration of human rights and decent working conditions in our internal routines and guidelines.

Compliance with the Transparency Act will be reported to and discussed with the company's board regularly, at least annually, and as a fixed agenda item under the topic sustainability.

Due diligence/risk assessments

The procurement process and risk assessments of suppliers are important in efforts to promote respect for fundamental human rights and decent working conditions. CO is aware that there are risk products/services where irregularities can occur in our value chain and started a systematic and continuous risk mapping and supplier evaluation in 2023. We provide the OECD guidance for Due diligence assessments for responsible business conduct form the basis for our work, and use the [OECD guidance for Due diligence self-test](#) to evaluate the ongoing work. In order to be in compliance with the Norwegian Transparency Act and in accordance with the OECD guidelines, CO has assessed and prioritized suppliers based on geography, sector, product and company.

CO utilizes Ernst & Young's (EY) supplier assessment based on seven different main indexes to calculate a risk rating for each supplier that has been used by CatalystOne. The included indexes have been developed by recognized international actors and address issues that are relevant with regards to the Norwegian Transparency Act. The analysis is based on the latest available edition of the respective indexes. The indexes included in the analyses are as follows:

- Corruption Perception Index (CPI)
- Anti-Money Laundering Index (AML)
- Environmental Performance Index (EPI)
- Gender Inequality Index (GII)
- Global Gender Gap (GGG)
- Global Rights Index (GRI)
- Human Development Index (HDI)

EYs analysis per December 2023 have identified suppliers with moderate to high risk in relation to the Norwegian Transparency Act. This is based on the aforementioned indexes and sanctions lists. Based on an executive assessment, EY has identified a total of three countries with moderate to high risk: United States, Lithuania, and India. EY have furthermore assessed suppliers affiliated with geographies of medium- and high risk through globally recognized compliance tool ComplianceCatalyst, as a means of assessing company risks.

We have assessed suppliers towards the **sector risks** for the software industry based on CSR risk check and DFØ high risk list. For the software industry, it is often found that parts of the business are outsourced to countries in, for example, Eastern Europe or Asia, which can actualize several risk elements across a broader geographical catchment area and creates a need to exercise caution with regard to working conditions and conditions both in the Nordics/Europe as well as Asia or other parts of the world. As CO has its largest location in India, considered to be a higher-risk geographical area in terms of human rights and working conditions than the Nordic countries, we have a particular focus on relevant risk factors in our own operations and in the supply chain in India.

There are several high-risk factors for employees in the software industry related to human rights and working conditions, including:

1. Lack of protection of personal data: Employees in the software industry may gain access to sensitive personal data, and it is therefore important that this data is protected and processed in accordance with data protection legislation. Failure to protect such data may result in a risk of a privacy breach.
2. Inadequate working conditions: Employees in the software industry may be exposed to challenges such as long hours, poor pay, lack of job security and unjustified dismissal. This can affect their fundamental rights such as the right to a decent wage, job security and freedom of association.

3. Discrimination: Discrimination against employees because of their gender, race, religion or other personal characteristics is a real risk in the software industry. Companies must strive to create an inclusive and ethical work environment that respects diversity and includes equal opportunities.
4. The right to privacy and freedom of expression: Employees in the software industry may have insight into the company's sensitive data and technology, and it can be challenging to balance the right to freedom of expression with the duty of confidentiality. It is also important to respect employees' privacy rights, for example by avoiding collecting unnecessary personal data and protecting the data from unauthorized access.

In the following areas, particular risks related to CO's direct or indirect impact through our operations and value chain have so far been identified:

1. Working and employment conditions at subcontractors (including risks such as violation of basic workers' rights, decent working conditions, conditions; related to OSH and gender equality in the workplace)
2. Working and employment conditions at suppliers and manufacturers (including risks such as violation of basic workers' rights, decent working conditions, conditions; related to OSH and gender equality in the workplace)
3. Transportation (including risks such as social dumping)
4. Cleaning/facility management (including risks such as social dumping)

Both risks related to our own operations and the supplier chain will be assessed on the basis of actual reporting, while risk assessments related to the value chain backwards after the first and second supplier level will be based on desktop research.

Suppliers selected for further review based on the above-mentioned risk assessment, will be reviewed either through EY Due Diligence Questionnaire or through systematic means of review with the aim of further mapping and verifying that internal compliance in the company is in accordance with CatalystOne's supplier requirements and the requirements arising from the Norwegian Transparency Act.

When we uncover errors, deficiencies or breaches of laws, regulations and our ethical guidelines, the subcontractors and suppliers are followed up and given a deadline to rectify the situation.

New contracts/agreements with long-term suppliers will contain requirements for the supplier's self-declaration and signing of CO's Supplier code of conduct.

Reporting and disclosure of information

CatalystOne conducts annual due diligence and risk assessments that are presented to the executive management team and the board of directors.

The annual and sustainability reports for 2023 contain for the first time a report in line with the requirements of the Transparency Act, including our work on due diligence and follow-up of human rights and decent working conditions in our operations and value chain.

Inquiries and questions related to CO's work with human rights and decent working conditions can be directed to transparencyact@catalystone.com and will be answered no later than three weeks after the inquiry is received.

CatalystOne's whistleblower system (Integrity Line) is available on our web site for employees and any other person for submitting anonymous reports on violation of laws, the Code of Conduct or guidelines.

Reports are received in accordance with the requirements of our Code of Conduct and of data privacy and data security. And that they are processed, stored, and archived with the necessary confidentiality.