

2023

The Norwegian Transparency Act

FARA AS

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CONTACT INFORMATION

As the ultimate authority for accountability in our organization, FARA is committed to embracing the Transparency Act as a cornerstone of our work. Through transparency, integrity, and a strong set of values, we strive to build trust in society and fulfill our responsibility to our stakeholders. Our vision is a culture marked by openness, where we actively share information, take responsibility for our actions, and continuously seek improvement to fulfill our social responsibility in a sustainable manner.

Josef Salpeter, CEO



Content and methodology

CONTENT

This report is our confirmation that we have conducted a due diligence assessment in accordance with the requirements of the Transparency Act. Initially, we provide a general description of our organization, our policies and procedures for handling potential negative consequences of violations of fundamental human rights and decent working conditions. Then we account for what we have uncovered through the due diligence assessment. Finally, we summarize our measures that have been implemented or are planned to prevent or mitigate the risk of negative consequences.

METHODOLOGY

Through the due diligence assessment, we have identified and assessed the risk of negative consequences related to human rights and decent working conditions through analyses of our supply chains. In accordance with the law's requirements, we have primarily focused on conditions at our direct suppliers. For factors associated with high risk, we have gone a step further and mapped how our suppliers relate to their subcontractors.

OUR APPROACH

The Transparency Act requires continuous due diligence assessments, which means that work with the law is never finished. We focus on implementing measures that have the potential to lead to real improvement in a thorough manner.

DEFINITIONS

- Fundamental human rights refer to the internationally recognized human rights as described in documents such as the International Convention on Economic, Social and Cultural Rights of 1966, the International Convention on Civil and Political Rights of 1966, and the ILO's core conventions on fundamental rights and principles at work.
- Decent working conditions mean work that respects fundamental human rights, as well as health, environment and safety at the workplace, and which provides a wage sufficient to live on.
- By due diligence assessment, we mean a process for mapping the risk that the business directly or indirectly contributes to a negative impact according to OECD guidelines. This involves a survey of the working conditions throughout the entire process related to the company's products and services, from start to finished delivery.
- Value chain refers to the chain of suppliers and subcontractors that supply or produce goods, services or other inputs that are part of a business' delivery of services or production of goods from the raw material stage to the finished product. Business partner refers to anyone who directly supplies goods or services to the business but is not part of the supply chain.

1. How we work with accountability.

In this chapter, you will find a summary of our organization, policies, and procedures for handling actual and potential negative consequences for fundamental human rights and decent working conditions. Our policies and procedures are our management tool to ensure that we take responsibility for our impact on society and that we are able to identify and handle potential risks and adverse consequences of our operations.

Our policies related to accountability:

Planning, management, and follow-up of accountability align with the existing organizational structure through a clear delegation of responsibilities and authority via our Quality Management System. It consists of policies, procedures, guidelines and instructions. In addition to this, all our work and operations are governed by applicable national laws and regulations. At the corporate level, there are guidelines that all employees must adhere to and where the Transparency Act is incorporate into the ethical guidelines. All policies are reviewed annually and are internally anchored by being readily accessible through internal communication channels and training initiatives.

Board decision on accountability:

The board of FARA AS decided in the board meeting on 1st March 2024 to anchor accountability in the company's guidelines. The CEO is tasked with ensuring that we have guidelines tailored to our business to comply with the requirements of the Transparency Act.



The highest level of operational responsible for accountability in our organization:

The CEO is responsible for anchoring the Transparency Act in the business.

Responsible for developing policies and conducting the due diligence:

The CQO will be responsible for the implementation and follow up of the Transparency Act.

Implementing accountability internally in our organization

We have an established routine for training all new employees in terms of quality, security and ethical regulations. Training on ethics and responsibility takes place for all employees, regardless of roles and responsibilities. Each employee must confirm that they have read and understood the company's ethical guidelines, which lie in the electronic staff manual. In the spring of 2024, information on the Transparency Act and human rights will be incorporated into the Personnel Handbook, the ethical regulations and routine descriptions for procurement.

FARA will utilize a digital solution for due diligence assessments, and data storage occurs within this platform. The digital solution is provided by Amesto Footprint, a Norwegian company that stores all data in Norway in accordance with GDPR regulations. Access to the digital solution is granted through a portal to approved users from the company. The data is stored for five years and by that allowing tracking of the development.

Duty to provide information:

We have established a channel to receive inquiries through our website that will be an integral part of our non-conformity system. Through our e-mail address, businesses and any can send questions about the Transparency Act. In addition, we have appointed one responsible to follow up all inquiries within 3 weeks. The inquiries are treated internally as part of our stakeholder procedures. Critical inquiries are processed immediately.

Collaboration with our suppliers:

On our website, information is posted on how we work to ensure responsibility, care assessments and specific requirements for the suppliers. Purchasing agreements and policy documents are updated to ensure compliance with the Transparency Act. All suppliers must answer questions about ethics and social responsibility before signing new agreements.

Communication

FARA has established a routine for training of all new employees in quality, safety, and ethical regulations. Training on ethics and accountability is provided to all employees, regardless of their roles and responsibilities. In the new electronic employee handbook, each employee is required to confirm that they have read and understood the company's ethical guidelines. Information on the Transparency Act and human rights will be incorporated into the employee handbook, ethical regulations, and procurement procedure descriptions by 2024. On the company's website, information will be posted on how FARA ensures accountability, conducts due diligence assessments, and outlines specific requirements for suppliers. Procurement agreements and policy documents will be updated to ensure compliance with the Transparency Act.



Collaboration for accountability: Our efforts to strengthen accountability among our suppliers

By conducting a thorough due diligence assessment, we have analyzed our business areas to identify any reprehensible conditions in our supply chains. As a responsible business, we have used the findings from the analysis to implement systems and measures that influence the degree of accountability of our suppliers and business connections. These systems and measures have as their main goal to maintain and strengthen our high standard of accountability throughout our supply chain. Below is a summary of how we systematically work with our suppliers to ensure that our standard for accountability is maintained.

It is important that we can be sure that our own business, as well as our suppliers of products and services, runs their business without this coming at the expense of basic human rights and decent working conditions. Our risk assessment is based on mapping our own business, supplier chains and partners. For suppliers and partners, a survey and risk assessment have been carried out based on land, industry and input factors. We have used the method developed by Amesto Footprint to identify and assess negative influence or damage. Their method uses recognized sources for each of the categories, including the high -risk colon - prepared by the Directorate for Management and Financial Management (DFØ) for sustainable procurement. We have initiated work on revising our policy documents and purchasing agreements where applicable, with a view to securing human rights and decent working conditions throughout our value chain. We have implemented systems that affect the degree of responsibility of our suppliers and business associations. We will update the conditions in contracts and agreements where applicable, to clarify our expectations of ethics and sustainability throughout the value chain. As part of this work, we have created new prequalification processes, which will result in us only working with suppliers and business associates that meet our high standards for ethics and sustainability. We will allocate resources for training/ guidance to help our suppliers and business associates understand and comply with our requirements for ethics and sustainability. The resources will be used to ensure that our partners have the necessary skills and tools to conduct a sustainable business. In the future, this work will be the subject of annual review. Securing human rights and decent working conditions with suppliers and subcontractors is a continuous process and will in the future become a natural part of the supplier dialogs and all purchasing agreements.

2. Our risk areas

In this chapter, we provide a summary from our mapping of our suppliers and business partners. The purpose of the mapping has been to identify potential risks of violations of human rights and decent working conditions in our supply chains. This mapping is the basis for the implementation of relevant measures that we describe in the next chapter.

OUR BUSINESS AREAS

26.11 Production of electrical components

27.90 Production of other electrical equipment

46.51 Wholesale of computers, additional equipment for computers as well as software

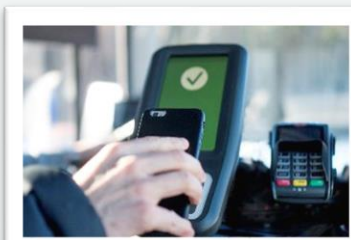
46.52 Wholesale trade in electronics equipment and telecommunications equipment and parts

62.010 Programming services

OUR RISK AREAS

Wholesale and production of ICT and electronic components

Programming services



Identification and prioritization of risk areas

Below you will find an overview of how we have identified and prioritized the risk areas relevant to us. We have used both internal and external data sources to ensure that we have a comprehensive understanding of the risk picture. We have also taken into account the relevant legal requirements and guidelines, including international standards and agreements, which regulate our business.

For suppliers and business associates, a survey and risk assessment have been carried out based on country of operation, industry sector and input factors. We have used the method developed by Amesto Footprint to identify and assess negative influence or damage. Their method uses recognized sources for each categories, including the High-Risk product list that is maintained by The Norwegian Agency for Public and Financial Management (DFØ), and Global Rights Index.

In 2023, FARA had a total of 48 suppliers. The total purchase from these suppliers amounted to NOK 29,7M in 2023. For this year's due diligence assessment, we defined a purchasing size criterion of 1,2M NOK. This led us to identify eight suppliers, out of the original 48, that were subject to a more detailed risk assessment. These eight suppliers accounted for 80% of our total purchases in 2023. However, as one of these suppliers will not be relevant for our 2024 purchases, we narrowed down the list to seven suppliers for a thorough assessment. All these suppliers are located in the Nordics and represent a variety of NACE codes.

Prioritizing the most critical risk areas for our business

For the priority of risk areas, existing data was collected, compiled and analyzed. In cases where the methodology did not provide satisfactory answers to priority risk areas, we also made specific inquiries to the relevant suppliers. For uncovered risk areas where it was not possible to obtain data that confirmed the assumptions on human rights violations and/or workers, we have made a plan to engage in dialogue with the relevant suppliers.



1 Wholesale and production of ICT and electronic components

A risk area is a possible reprehensible condition we have uncovered in our supply chain through the due diligence assessment. To classify as a reprehensible condition, the condition must have the potential to contribute to negative impact or harm. You can find the action plan on how we will handle this risk area in the next chapter.

Wholesale and production of ICT and electronic components: The production of products within the information technology sector largely takes place in factories in China and other Asian countries. There is great documentation showing that there are issues with workers' rights in these factories, particularly in the form of low wages, forced overtime, exploitation of students as labor, and dismissal of union leaders. Forced labor and child labor in the electronics industry in China are generally reported. It is high risk of forced labor when assembling and assembling ICT products. Chinese suppliers to major electronics brands have been linked to the use of forced labor in the Xinjiang region and elsewhere through participation in work programs under the auspices of the Chinese authorities. The human rights risks are assumed to be somewhat lower for assembly than for the production of components.

2 Programming services

A risk area is a possible reprehensible condition we have uncovered in our supply chain through the due diligence assessment. To classify as a reprehensible condition, the condition must have the potential to contribute to negative impact or harm. You can find the action plan on how we will handle this risk area in the next chapter.

Programming services: Offshore programming carries an elevated risk because outsourcing can fragment the responsibility for labor standards and make it difficult to supervise and determine accountability. Larger companies may seek to absolve themselves of human rights responsibilities by outsourcing to smaller companies in countries with different requirements than the country in which the company itself operates. Such smaller companies can more easily get away with labor exploitation, while the larger companies higher up in the value chains protect themselves against reputational damage and legal liability.

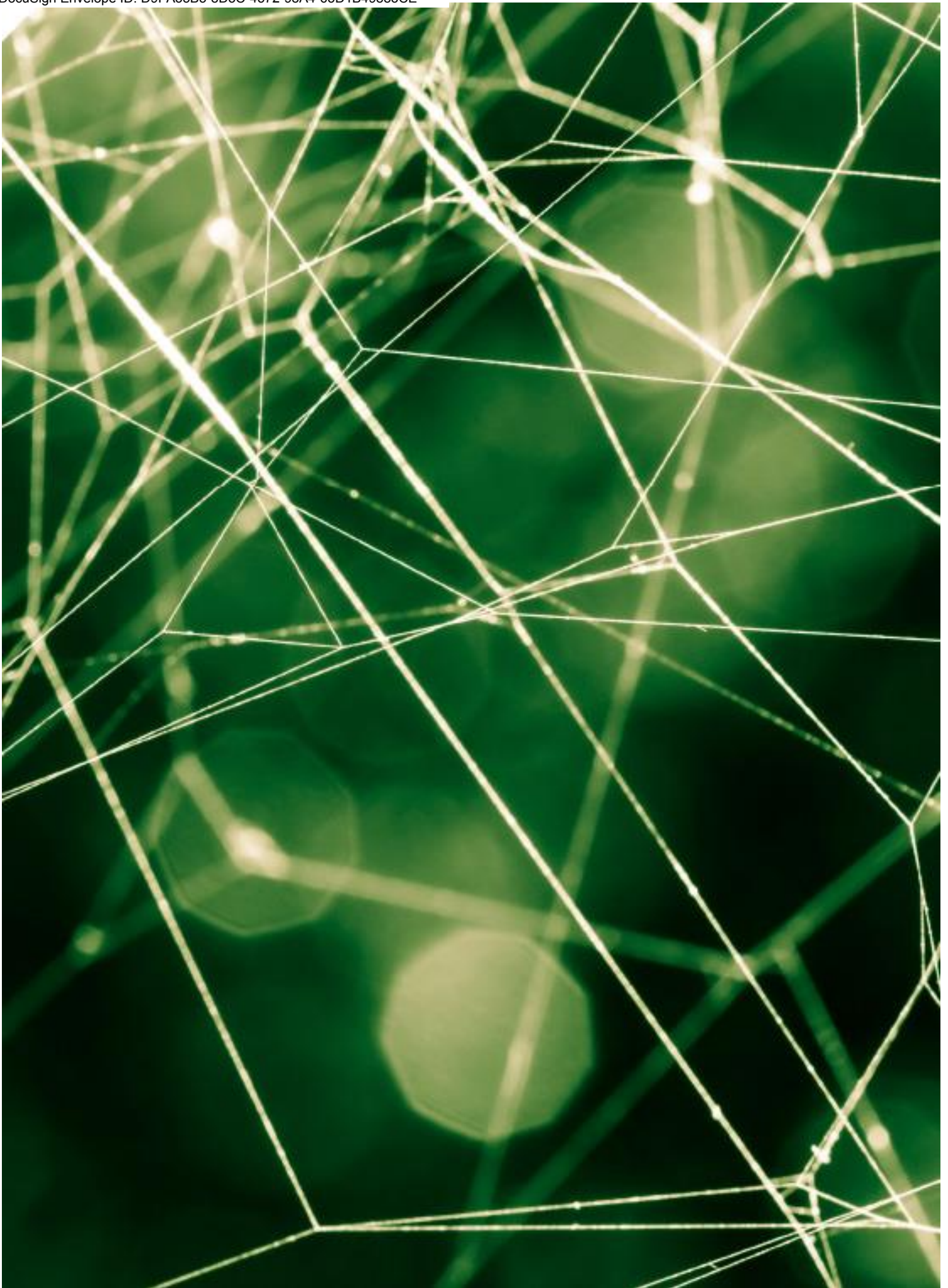
Our involvement in the various risk areas

Through the due diligence assessment, we have mapped the risk that our business can directly or indirectly cause negative impact. We have also involved our suppliers in the mapping to prioritize which risk areas we should focus on first.

We have conducted an assessment based on mapping our own business, supplier chains and partners. A dedicated project group has been given a clear mandate to ensure responsibility throughout the organization, with suppliers and partners. The analysis of our involvement in the various risk areas was done through desk research and a number of project meetings. In addition, we have engaged Amesto Footprint to assist in the work on the assessment assessments and reporting. This work continues this year and will be the subject of an annual review in the future. Securing human rights and decent working conditions with suppliers and subcontractors is a continuous process and will in the future become a natural part of the supplier

dialogs and all purchasing agreements. We have selected suppliers based on, among other things, how much purchase we make from these, which countries they operate in and what input factors that the supplier's products and services consist of. Through the assessment, we have mapped that there is little probability that FARA directly or indirectly may have caused a negative impact on some of the risk areas. Our potential influence ends up in the category that the negative influence can be associated with our organization and/or business connections.

Normally, caution assessments of FARAs supplier database will be repeated annually or by significant changes. New suppliers will be evaluated in connection with pre-qualification. Further, we have undertaken a comprehensive risk and impact assessment of our own operations, as well as our suppliers, based on established criteria. here, suppliers have been screened according to how much purchasing we make from these, which countries they operate in and what input factors that the supplier's products and services consist of.



3. How we manage our risk areas

We have an ongoing dialogue with our suppliers and business partners. The risk of violations of human rights and decent working conditions is part of this dialogue. If the risk areas change, we have routines to update our guidelines. In this chapter, you can read more about how we handle our risk areas.

The overall guidelines for responsible business in the business are rooted in our vision and in our procedures for ethics and corporate social responsibility, ethical guidelines and guidelines for procurement. We are certified according to the quality management systems: ISO 9001: 2015 Follow -up of new risk areas therefore follows planning, management and follow -up of responsibility The organizational structure with a clear delegation of responsibility and authority via a management system. It consists of guidelines, policies, overall measurable goals and detailed action plans. In addition to this, our work is governed by laws, guidelines and regulations.

We will carry out an care assessment annually in accordance with the requirement of the Transparency Act. In addition, we have initiated work on revising our policy documents and procurement agreements with a view to securing human rights and decent working conditions throughout our value chain. This work continues in 2024 and will in the future be the subject of an annual review. Securing human rights and decent working conditions with suppliers and subcontractors is a continuous process, and will in the future become a natural part of the supplier dialogs and all purchasing agreements.



Action plans and follow up of our risk areas

A vital part of being compliant with the Transparency Act is to work continuous with fundamental human rights and decent working conditions. We also need to secure that we have implemented routines for ongoing monitoring and evaluation.

Here is a summary of our action plan for handling the mapped and prioritized risk areas.

We have conducted a thorough risk assessment of our suppliers, resulting in a prioritized list of suppliers over two defined risk areas and into three follow-up categories.

- 1 suppliers in category 1: Supplier has good routines and further follow-up is not necessary.
- 2 suppliers in category 2: Supplier has started working on improving their routines and must be followed up.
- 1 supplier in category 3: It is unclear what routines are in place and supplier need to be investigated further.

- Inform the FARA employees about the Transparency Act and how to raise any concern.
Deadline: 31.03.2024

- Extend the review before the next assessment to include suppliers with a purchase value above NOK 500K.
Deadline: 01.08.2024

- Extend the review before the next assessment to include suppliers outside Europe.
Deadline: 01.08.2024

- Follow up the actions w the Transparency Act with the Fara management team monthly
Deadline: Rolling

- We will follow up on the suppliers that falls into category 2 and 3 to ensure necessary documentation, and to understand how they work to secure human rights.
Deadline: 01.06.2024

- Update company policy to provide guidance on how future negative impacts can be avoided and managed, and ensure they are followed.
Deadline: 01.06.2024

- Make the Transparency Act Report from FARA available on our web site
Deadline: 31.03.2024

Responsible for action plan and to implement the plan and follow up:

Chief Quality Officer



4. The way forward

As an organization, we are committed to ensuring human rights and decent working conditions at all levels of our supply chain. Ensuring accountability in our own business, with our suppliers, and business partners is an ongoing process that will be followed up continuously and minimum on a yearly basis. Our action plan ensures that the prioritized actions are followed up, and that we maintain our standard of accountability.

How to follow upon the actions in the future

We will follow up mapped suppliers who cannot document satisfactorily when it comes to ensuring human rights and decent working conditions with them and their subcontractors. Initially, the company will establish a dialogue with the specific suppliers about their work related to human rights and decent working conditions throughout the value chain. If the suppliers cannot document such work satisfactorily, then we will require that this work be implemented. We will revise our routines, policy documents and procurement agreements so that the requirements related to human rights and working conditions will be made clear. And we will evaluate whether there is purchasing cooperation that addresses human rights within the uncovered risk areas.

Summary and conclusion

Through the work of accountability in our own operations, with our suppliers and business partners, we have increased competence internally and externally when it comes to risk areas for violations of human rights and decent working conditions. Before next year's process, we will conduct an evaluation of our internal and external processes. In the evaluation, we will summarize what we have learned by following up the due diligence assessment in our own operations and with our suppliers and business partners. We will look at what has worked well and what we should continue with, and what we want to improve and possibly new aspects we want to include in the next reporting cycle.



5. Contact information

Our routines for handling inquiries:

An important element of the Transparency Act is the duty of information. Everyone can contact us in writing and ask for information on how we handle risk areas related to our business. On our website, we have published information about our work on the Transparency Act. This statement is available to those who want more in-depth information. The statement will be updated by June 30 each year, or by significant changes in our guidelines. In addition, we will share this report with all our suppliers as part of our supplier dialogue initiative. The report has also been divided into our internal communication channel so that all employees have access to this account.

If you have any questions, please feel free to contact us:

The CQO will be responsible for the implementation and follow up of the Transparency Act.

reinert.sannerud@fara.no



Making Travel Easy

This due diligence assessment has been carried out in accordance with the Act relating to enterprises' transparency and work on fundamental human rights and decent working conditions (Transparency Act). Amesto Footprint is responsible for the report's structure and method, while the reporting company is fully responsible for the content and execution of the due diligence assessment.

1st March 2024

DocuSigned by:

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William Robert Delaney
Chairman of the board

DocuSigned by:

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Laurent Albert Eskenazi
Board member

DocuSigned by:

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Robert Peter Clay
Board member