

## Workers in the value chain and the Transparency Act

Techstep is dedicated to upholding and championing internationally proclaimed human rights and workers' rights, as evidenced by our ESG policy and commitment to the UN Global Compact. We want to ensure a responsible value chain and do our part in minimising adverse impacts on people and our planet.

Collaboration with our partners and suppliers is pivotal to our value chain, as they play a crucial role in providing the products and services necessary for delivering mobile technology solutions to our customers. However, this collaboration also entails shared responsibilities. We actively address environmental impact concerns within our supply chain and remain vigilant about potential social and compliance risks, including human rights infringements.

While we acknowledge that we do not exercise direct control over working conditions or environmental emissions in our supply chain, we believe in advocating for positive change. Our approach involves responsible sourcing, where we set clear expectations for our third-party partners. We challenge them to continually improve and foster ethical and sustainable business practices.

### Policy commitment and governance

Techstep's ESG (Environmental, Social and Governance) policy has been adopted by the Board and commits Techstep to conducting due diligence assessments for responsible business practices. The company's procurement policy and supplier management procedure establish principles for selecting and monitoring suppliers, including processes and routines for due diligence assessments. These assessments consider potential ESG risks, aligning with the UN Guiding Principles on Business and Human Rights and the OECD Due Diligence Guidance. Additionally, Techstep's Supplier Code of Conduct specifies our expectations for sustainable and ethical business practices to suppliers and subcontractors. New suppliers are familiarised with the Supplier Code during the onboarding process, while existing suppliers perform self-assessments as part of the due diligence process.

The responsibility for responsible business practices and overseeing supplier due diligence and reporting lies with the Sustainability and Compliance function, which reports directly to the executive management, audit committee and the Board. The work involves collaboration with representatives from other parts of the organisation such as procurement related to customer deliveries, internal IT operations and security, depending on relevance.

### Supplier management and due diligence practices

Techstep uses a risk management tool to monitor and oversee suppliers and partners. Suppliers are classified and prioritised based on specific criteria, including direct spend, strategic or operational importance, and the proximity of our relationship with them or their activities.

Techstep's due diligence process is based on the OECD Due Diligence Guidance for Responsible Business Conduct and the UN Guiding Principles on Business and Human Rights, and we are committed to ongoing improvement based on learnings and new regulations. Our supplier assessment procedure aims to verify to what extent our suppliers live up to expectations set by international guidelines, industry standards, our Supplier Code of Conduct, as well as by customer requirements.

New third-party parties undergo a due diligence assessment during the onboarding process, while existing third parties are assessed based on classification. Techstep achieves this through a combination of

supplier evaluation and self-assessments that suppliers and partners must complete, with the frequency and scope reflecting the classification and prioritisation of each individual supplier. Additionally, we maintain a regular dialogue with our key suppliers. The primary source of information from major global players is their public reporting which serves as the foundation for all communication.

Suppliers identified as high-risk undergo more comprehensive follow-up and evaluation by gathering additional information directly from the relevant supplier or obtaining documentation from external sources. Furthermore, we actively monitor relevant news and media coverage to identify potential events that could impact the risk profile of Techstep's supply chain, particularly in countries and regions where such risks are known. The information is then discussed directly with the supplier and handled in accordance with the OECD Due Diligence Guidance model.

If we uncover a risk or encounter a situation in the supply chain, we will address this directly with the supplier. The aim is to challenge them on how they handle the situation and assess the impact of any measures they may implement. Our own handling and potential contributions to recovery will be carefully evaluated in each individual case.

## Main findings from 2024 assessment

In 2024, Techstep has further developed the procurement and supplier management processes. The effort included implementing a new Governance, Risk and Compliance (GRC) tool. This ensures improved oversight of vendor human rights and working conditions risks, compliance tracking and risk mitigation strategies. The due diligence of new and existing suppliers has been an ongoing effort in 2024 and in total 89 suppliers have been evaluated using our methodology, where suppliers are prioritised based on specific criteria. All suppliers categorised as Tier 1 or Tier 2 are evaluated, as well as about 30% of Tier 3 suppliers. This means that Techstep is progressing towards the 2025 due diligence ambition.

The maturity of our suppliers' sustainability efforts varies across different product categories and services. When it comes to mobile devices and related electronic products, we prioritise collaboration with suppliers who share our commitment to sustainability and uphold rigorous ethical standards through their operations and supply chains. Around 98% of our spending on mobile devices and related electronics is attributed to suppliers who are active members of the Responsible Business Alliance (RBA), as well as the RBA-adjacent Responsible Minerals Initiative and Responsible Labour Initiative. These initiatives ensure that our suppliers actively support the rights and well-being of workers and communities worldwide, particularly those affected by the global electronics supply chain. Rigorous audits, assessments, grievance mechanisms, corrective actions and comprehensive documentation are integral components of their commitment. Additionally, their circular economy approach involves offering product return programmes and progressively incorporating recycled materials into their products. This long-term strategy aims to reduce the negative impact on both people and the environment, including minimising electronic waste and reducing the extraction of new raw materials.

When it comes to software providers, Techstep only works with best of breed, market-leading suppliers with a strong focus on sustainability and high security standards in place. The risk of privacy concerns or other ESG risks among the software providers are thus considered low. While our distributors, responsible for delivering products to customers, may be less mature in terms of environmental, social and governance (ESG) practices, we've witnessed significant improvements in this area over recent years.

Our risk assessment indicates that certain suppliers – due to the type of products they manufacture, geographic location and supply chain complexity – entail higher inherent risk related to violations of human rights and workers' rights. The supply chain of mobile devices and other electronics is often lengthy and complex, with limited traceability and transparency, particularly at the product level. Brand owners typically outsource all production and/or assembly to various suppliers, who in turn have an extensive and intricate chain reaching down to raw materials. Additionally, production and assembly occur in countries known for high risks of violations of human and labour rights. Findings shows that safeguarding workers rights, such as forced labour, overtime and health and security at the workplace are the most important issues. Further out in the value chain, the risks are weaker labour rights and increased risk of salient human rights issues such as child labour and conflict minerals. Techstep maintains a proactive approach towards main manufacturers/ brand owners of mobile devices to advocate increased transparency and traceability, and to advance responsible business conduct.

## The Norwegian Transparency Act: Advancing responsible business practices

The Norwegian Transparency Act, which took effect on 1 July 2022, has significantly shaped our approach to responsible business practices at Techstep. Our efforts related to the Transparency Act are an integral part of our broader commitment to promoting sustainability within our value chain. We focus particularly on mitigating the highest potential risks related to human rights violations, poor labour standards, and negative environmental impact. These risks affect not only our organisation but also others, including employees in our supply chain. e

### **Risk assessment and mitigation in own operations**

Techstep's code of conduct, aligned with the UN Global Compact and ILO's eight core conventions on labour standards, sets clear expectations for our employees and external stakeholders. Techstep also adheres to the Norwegian Working Environment Act and other relevant employment rules in the countries where we operate. Risk assessments and updates to central documents, including stakeholder analyses, are part of our ongoing work.

Techstep holds certifications in accordance with ISO 9001 (quality management), ISO 14001 (environmental management) and ISO 27001 (information security), reflecting our commitment to maintaining high standards in our operations.

Techstep's most salient risk areas identified include working conditions related to work/life balance and privacy. While these risks are not considered very high, we remain committed to addressing them continuously through our risk assessment processes. Importantly, our operations have not revealed any forms of human rights or worker's rights breaches.

### **Requests for Information**

Techstep has a transparent and open mechanism on its website to allow for information requests under the Transparency Act.

During 2024, Techstep received nine due diligence requests from customers. All questions were answered within three weeks, or a specific deadline set by the customer, with supplementary information showing Techstep's processes for following up supply chains and ensuring respect for

human rights and decent working conditions. The company regularly reviews the documentation to ensure that all inquiries can be answered in the best possible way.

### **Reporting concerns**

Techstep's whistleblower channel is open for both employees and external stakeholders to raise concerns without fear of retaliation or reprisal and to provide fair investigation. There were no reported cases during 2024.