

Papirfly Transparency Act

The Transparency Act, adopted by the government on July 1, 2022, aims to promote companies' adherence to human rights and decent working conditions while ensuring public access to information. The Act introduces obligations such as providing information and conducting due diligence assessments.

Papirfly AS is an international company that highly values these principles. We operate in accordance with the Transparency Act and actively collaborate with suppliers and business partners to foster respect for fundamental human rights. Maintaining long-term and open dialogues with all third parties is a key aspect of Papirfly's strategy, consequently contributing to the overall success of our initiatives.

As part of our strategies, Papirfly AS strives to influence stakeholders within complex value chains to assume responsibility for safeguarding basic human rights and decent working conditions for all individuals involved. The process of due diligence assessments involves identifying, preventing, and addressing actual and potential negative incidents, both within our own operations and with our suppliers and partners.

Papirfly AS is committed to continuously working towards protecting human rights, irrespective of gender, orientation, ethnicity, religion, political affiliation, or other personal characteristics. This commitment extends to our own organisation, suppliers, and partners, and remains a top priority for Papirfly AS.

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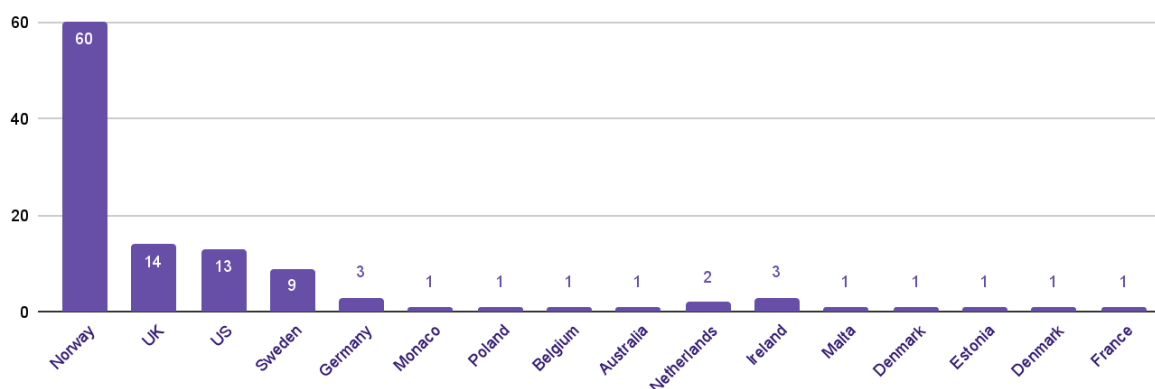
Due diligence shall be carried out regularly and in proportion to the size and nature of the enterprise, the context of its operations and the severity and probability of adverse impacts on fundamental human rights and decent working conditions in accordance with the OECD Guidelines for Multinational Enterprises. For the purposes of this Act, due diligence means to:

- A. embed responsible business conduct into the enterprise's policies
- 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. Fundamentally those that are directly linked with the enterprise's operations, products or services via the supply chain or business partners
- C. implement suitable measures to cease, prevent or mitigate adverse impacts based on the enterprise's prioritisations and assessments pursuant to (B)
- D. track the implementation and results of measures pursuant to (C)
- E. communicate with affected stakeholders and rights-holders regarding how adverse impacts are addressed pursuant to (C) and (D)
- F. provide for or co-operate in remediation and compensation where this is required.

Software as a Service (SaaS) companies typically present a lower risk for issues related to human rights and labour conditions. This is because SaaS companies are typically office-based, high-skilled environments with fewer physical risks.

Due to the fact that Papirfly only works with companies located in the EU, Switzerland, US and UK, an overwhelming majority of the companies are at a very low risk of violating human rights and having inhumane working conditions.

In addition, our suppliers also adhere to the "Supplier Code of Conduct" provided by Papirfly.



Papirfly reached out to a list of 113 suppliers over the period spanning May23–May24, questioning the following:

1. Do you have a strategy and goals for the company's sustainability work?
2. Have you established a process to follow-up sustainability with your subcontractors, including a routine for handling deviations?
3. Does the Transparency Act apply to your business? If "No", state the reason why the law does not apply to your business.
4. If the Transparency Act applies to your business: Have you carried out a due diligence assessment in accordance to the Transparency Act?

It is important to note that all of the companies to receive a questionnaire are companies with the largest volume of transactions.

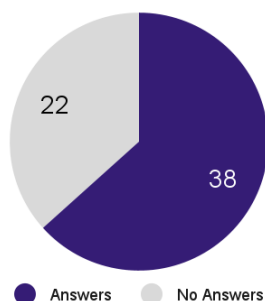
In 2023, the total cost to suppliers from Norway amounted to 21,8 mNOK. The received answers accounted for 18,6 mNOK, which represents 86% coverage. In 2024, the total cost to date is 8.9 mNOK, with the respondents accounting for 8,3 mNOK, covering 92% of the total. The cumulative cost is 30,1 mNOK and the answers received account for 26,9 mNOK, representing 89% coverage.

Norway Suppliers May23 – May24			
	2023	2024	Total
Total cost, in mNOK	21.8	8.9	30.1
Respondents' coverage	18.6	8.3	26.9
	86%	92%	89%

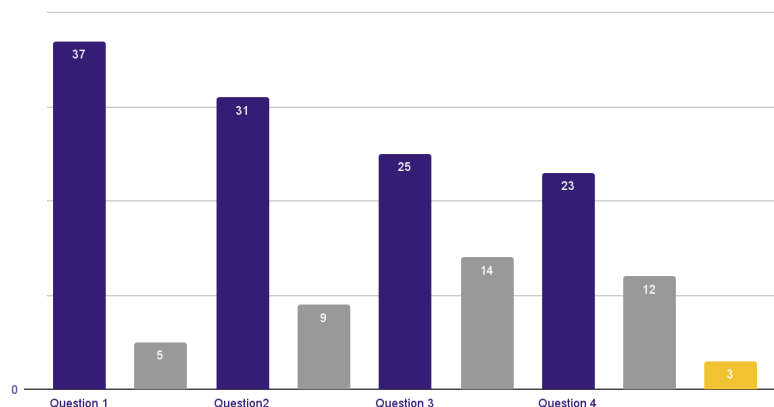
In 2023, the total cost to suppliers from other countries amounted to 14,1 mNOK. The received answers accounted for 7,4 mNOK, which represents 52% coverage. In 2024, the total cost to date is 6,7 mNOK, with the respondents accounting for 5 mNOK covering 75% of the total. The cumulative cost reaches 20,8 mNOK and the answers received account for 7,0 mNOK, representing 61% coverage.

International Suppliers May23 – May24			
	2023	2024	Total
Total cost, in mNOK	14.1	6.7	20.8
Respondent's coverage	7.4	3.3	7.1
	52%	75%	61

Norway Suppliers



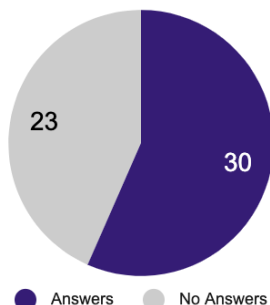
Norway Suppliers



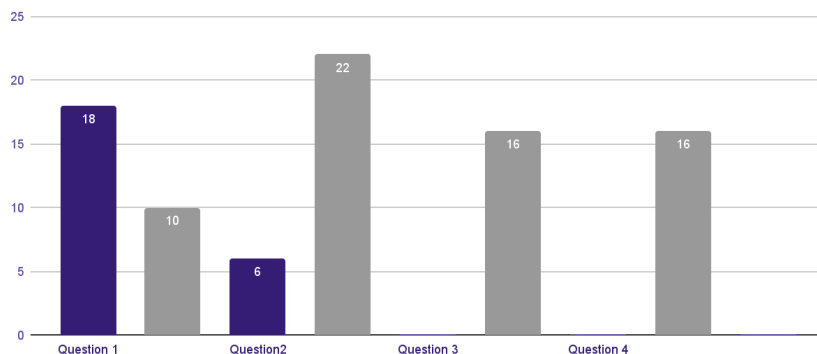
Of the Norwegian suppliers that answered the questionnaire, 90% confirmed they have a set strategy and goal for sustainable work. Almost all of these companies also have an established process on following-up with sustainability when it comes to their subcontractors. 64% of our suppliers have stated that the transparency act applies to them. However, out of the remaining 36%, none meet the conditions in order to follow, report and disclose with regards to the Transparency Act. The conditions are as follows: Sales revenue of over 70 mNOK, Balance sheet total of 35 mNOK, Average number of employees in a fiscal year greater or equal to 50.

At this point in time of reporting, 60% of the companies have completed their due diligence assessment, 31% do not meet the conditions required to report in accordance with the Transparency Act, while 8% of our suppliers are in the process of carrying out their due diligence assessments

International Suppliers



International Suppliers



Out of 53 International suppliers only 57% responded to the questionnaire. Out of all who responded, 64% have set a strategy and goal for sustainability and 21% have set up a process to follow-up sustainability with their suppliers.

All our international suppliers have answered that the Transparency Act does not apply to their companies, and therefore have not carried out any due diligence assessments. The reason our international suppliers do not comply with the Transparency Act is that this act is not applicable in their respective countries.

After careful review of the answers provided, we can safely conclude that we have a very low risk of breaching the Transparency Act law. The reason being, that our suppliers are in countries in which there are strict policies for employee rights and humane working conditions. In addition, a vast majority of our suppliers also have a set method of tracking their adherence to the Transparency Act for their contractors and subcontractors

The implementation of the Transparency Act is an ongoing endeavour for Papirfly AS, and we are dedicated to making continuous improvements in this area as it is important to take responsibility for its supply chain to ensure stakeholders impacted by Papirfly's operations are treated fairly and that its suppliers respectfully manage environmental, social, and governance issues.

With over 150 direct suppliers, we require each of them to approve Papirfly's Code of Conduct. This Code of Conduct describes the requirements related to human rights and sustainability. The way we make sure that our suppliers abide by this Code of Conduct is through regular dialog, supplier evaluation and third-party audits.

-- Signature page --

Date: 04.07.2024

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Erik Langaker
Chairman of the Board

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Michael Tupanjanin
Board Member

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Joakim Kjemperud
Board Member

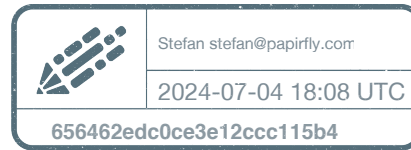
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Kyle Ferguson
Board Member

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Kent Zehetner
Board Member



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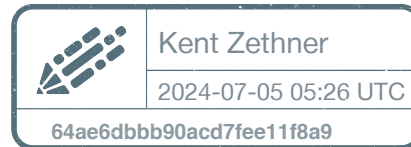
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