TECHSTEP

SUSTAINABLE SUPPLY CHAIN POLICY

Contents

1. DEFINITIONS

Supplier	Any party that Techstep uses to procure services.
Producer	Any party producing & branding the goods that Techstep sells, hardware or software.
Example	Techstep can use Ingram Micro (a Supplier) to purchase devices from Apple (Producer).

2. PURPOSE

The purpose of this policy is to define the actions that Techstep takes to ensure that it:

- has a view on the position of its Suppliers and largest Producers with regards to the natural environment, labour rights, human rights and anti-corruption / anti-bribery
- has an action plan in case Suppliers or Producers are deemed a risk on sustainability

3. SCOPE

3.1.1 All Techstep Suppliers fall under this policy.

3.1.2 The largest Producers that Techstep uses fall under this policy through.

4. SUPPLY CHAIN RISK MANAGEMENT

The following steps describe the approach taken by Techstep to risk management in its supply chain with regards to sustainability.

4.1 Risk Assessment

4.1.1 Techstep will assess Suppliers whose accounts exceed NOK 1M and contact the Supplier if any questions arise during the assessment.

4.1.2 Techstep will assess Suppliers whose accounts are NOK 250 000-1M, possibly together with the Suppliers.

4.1.3 New Suppliers will be assessed as part of the tender process.

4.1.4 Suppliers where purchases total under NOK250 000 are only assessed in Exception (see 4.6).

4.1.5 Techstep will assess Producers that produce goods of which Techstep sells in excess of NOK 1M.

4.1.6 The following elements are used to assess the risk level of a Supplier or Producer.

4.1.7

Location of Supplier
• EU / EEA
• Non EU / EEA
Complexity of Supply Chain
• Local Supplier, local product
• Local Supplier, global product
• Global Supplier, global product
Response to Questionnaire / Annual (Sustainability) Reporting (see appendix 1)

• Code of conduct containing 4 core elements	
• Position on UN SDG	
• Position on Global Compact	
• Position on Global Compact principles	
• Reporting according to GRI	
Size of account	
• > NOK 1M	
• NOK 250 000 – 1M	
• < NOK 250 000	

4.2   Risk Ranking

4.2.1   The following score is awarded per area:

Location of Supplier / Producer	
• EU / EEA	1
• Non EU / EEA	2
Complexity of Supply Chain	
• Local Supplier, local product	1
• Local Supplier, global product	2
• Global Supplier, global product	3
Response to Questionnaire / Annual (Sustainability) Reporting (see appendix 1)	
• Code of conduct containing 4 core elements	1
• Code of conduct not containing 4 core elements	4
• Subscribes to UN SDG	2
• And has put one or multiple SDGs in focus	1
• Does not subscribe to UN SDG	3
• Subscribes to Global Compact	1
Does not subscribe to Global Compact and:	
• Agrees with Global Compact principles	2
• Does not agree with Global Compact Principles	4
• Reports according to GRI	1
• Reports partly according to GRI	2
• Does not report according to GRI	3
Size of account	
• > NOK 1M	4
• NOK 250 000 – 1M	2
• < NOK 2500 000	1
Point deduction	
Based on a Supplier's or Producer's Annual Report, Sustainability Report or other publications a discretionary discount can be applied on the risk score of up to 5 points.	-5

4.2.2   The following are the minimum and maximum scores excluding deduction.

Size of account	
• > NOK 1M	10 – 23
• NOK 250 000 – 1M	8 – 21
• < NOK 250 000	Assessment only as Exception (see 4.6)

4.3 Prioritization

4.3.1 Techstep deems the following a risk:

- Supplier accounts of NOK 250 000 – 1M with a score over 15
- Supplier accounts > NOK 1M with a score over 16

4.3.2 During Risk Mitigation large accounts will be prioritized.

4.4 Risk Mitigation

4.4.1 Any Supplier deemed a risk will be given the opportunity for dialogue, and to provide mitigation plan to improve their sustainability score. The timeframe provided for remedy is 6 months.

4.4.2 Suppliers unwilling to go into dialogue or Suppliers that are unwilling to provide a remedy in 6 months will be replaced.

4.4.3 Suppliers willing to go into dialogue and who present an improvement plan but are unable to provide a remedy within 6 months will be followed up closely and kept as Supplier for 12 months before re-assessment. If a re-assessment does not show improvement they will be replaced.

4.5 Follow Up

4.5.1 Each Supplier is assessed during the tender process.

4.5.2 Re-assessment of existing Suppliers and Producers takes place every every 2 years.

4.5.3 Re-assessment of existing Suppliers and Producers takes place 12 months after agreement is reached on an improvement plan specified in 4.4.

4.6 Exception Handling

4.6.1 Suppliers and Producers can be re-assessed in case unexpected information is received

4.6.2 Unexpected information can be received:
- Directly from the Supplier or Producer
- Through yearly reporting / press releases
- Through the media
- Through other means

4.6.3 If this information necessitates a new assessment Techstep will perform a new assessment, possibly with the Supplier or Producer.

4.6.4 Based on the results on the assessment Techstep will enact the process described in 4.4

4.7 Reporting

4.7.1 Every Supplier or Producer assessment will be closed with a report.

4.7.2 Every assessment created based on an exception described in 4.6 will be closed with a report.

4.7.3 All reports will be summarized into a Techstep Supplier Sustainability Report.

4.7.4   This internal report will be updated every 2 years.

5.   RESPONSIBILITIES

5.1   Monitoring and review

5.1.1   This policy must be adhered to when assessing current Suppliers or when taking on new Suppliers.

5.1.2   The Techstep ASA Management Team is responsible for ensuring production of Reports mentioned in 4.6.

5.1.3   The Techstep ASA Management Team is responsible for approval of Reports mentioned in 4.6.

6.   RECORDS MANAGEMENT

All records relevant to administering this policy are managed in a recognised Techstep recordkeeping system.

APPENDIX 1

Techstep Supplier Sustainability Questionnaire

Question	
General	
Does your organization have a code of conduct?	Y / N
If yes, does it include elements on human rights?	Y / N
If yes, does it include elements on labour rights?	Y / N
If yes, does it include elements on environmental protection?	Y / N
If yes, does it include elements on laws and regulations?	Y / N
If you have no code of conduct, are you planning on implementing one in the next 12 months?	Y/N
Do you expect your Suppliers to have a code of conduct?	Y/N
Do you have any other demands on your Suppliers that are focused on environmental protection, human rights, labour rights or anti-bribery?	Y/N
UN Sustainable Development Goals	
Does your organization support the UN SDGs?	Y / N
Does your organization focus on 1 or more specific SDGs?	Y / N
If yes, please specify which SDGs you focus on.	
UN Global Compact	
Does your organization subscribe to the UN Global Compact?	Y / N
If not, does your organization agree to support and actively implement the following 10 principles taken from the UN Global Compact:	
Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and	Y / N
Principle 2: make sure that they are not complicit in human rights abuses.	Y / N
Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	Y / N
Principle 4: the elimination of all forms of forced and compulsory labour;	Y / N
Principle 5: the effective abolition of child labour; and	Y / N
Principle 6: the elimination of discrimination in respect of employment and occupation.	Y / N
Principle 7: Businesses should support a precautionary approach to environmental challenges;	Y / N
Principle 8: undertake initiatives to promote greater environmental responsibility; and	Y / N
Principle 9: encourage the development and diffusion of environmentally friendly technologies.	Y / N
Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	Y / N
Global Reporting Initiative	
Does your organization partly report according to the GRI?	Y / N
Does your organization fully report according to the GRI?	Y / N