

# TRANSPARENCY ACT REPORT

## 2023

QUORUM SOFTWARE NORWAY AS

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## 1. About this report

This account has been published in accordance with the requirements of the Norwegian Transparency Act. The document covers the full operations of Quorum Software Norway AS, including its branches and subsidiaries for the work undertaken during the fiscal year from 1st January 2023 to 31st December 2023.

The Norwegian Transparency Act (Åpenhetsloven) entered into force on July 1st 2022. The Transparency Act imposes enterprises to carry out human rights due diligence in their own business and value chain, publish an account of the due diligence assessments, as well as provide information upon request.

## 2. About Quorum Software Norway AS

Quorum Software Norway AS, (QSN), is part of the group of companies of Quorum Software (Quorum) which is headquartered in Houston, United States of America.

Quorum is a leading provider of energy software that powers growth and profitability for energy businesses worldwide by connecting people, workflows, and systems with decision-ready data. In addition, Quorum helps energy companies to create value by offering energy and software experts through services of consultancy, software implementation, managed services and ongoing support.

Quorum has more than 1450 employees working with over 1500 customers worldwide.

The legal entity being subject to this report is QSN which has a wide portfolio, covering many parts of the energy chain, with the main customer range belonging to the Oil & Gas industry segment. Its core business offers two main solutions within ERP and logistics.

- Energy Components (ERP solution)
- DaWinci (logistics solution)

As a vertical software developer, Quorum's software solutions are sold alongside professional services to implement and support/maintain the solutions together with and on behalf of the customer.

In Norway, QSN is headquartered in Sandnes, with offices in Bergen, Trondheim and Oslo. As per end of December 2023, QSN had 119 employees, serving more than 100 customers in close to 40 countries. The employees of QSN are working mainly with software development, sales and consultancy services.

## **2.1 Who we are and who we want to be as a responsible company**

Our mission at Quorum is to empower our customers to streamline operations that drive growth and profitability across the energy value chain. We are committed to reducing our environmental footprint and transforming our business to support the clean energy transition for a sustainable future, while empowering our customers to do the same.

Integrity and generosity are two core values for QSN. We strive towards responsible and transparent business conduct, and to positively impact the communities in which we operate. We are committed to protecting the human rights of people who work throughout our value chain, and to continuously improve our work with assessing and mitigating human rights risks.

## **3 Corporate governance**

QSN is 100% owned by the Norwegian holding company, Octagon Bidco AS, with the operating parent company being Canadian 3ES Innovation Inc.

QSN has branches in Australia and Finland, and subsidiaries in Brazil and Czech Republic. Branches and subsidiaries are solely responsible for consultancy operations and have no vendors or contracts linked to them. QSN provides all administrative support. Reporting from branches and subsidiaries are consolidated at QSN, and further reported to the parent company.

QSN has a Board of Directors composed of executives from Norway and the US. The QSN Board of Directors collaborates with the Board of Directors of Q&A Ultimate Parent GP LLC which is the parent entity of all operating companies including 3ES Innovation Inc. The Board of Directors of QSN is responsible for oversight of operating and financial matters of QSN and bears the overall responsibility for compliance with legislation and regulations as well as for the implementation of appropriate and effective initiatives to ensure that the company reaches its goals. This includes addressing critical business issues such as customer support, vendor management, employee relations and human resource management. Labor issues or disputes, human rights issues, and key operational activities are supervised and arbitrated by the QSN Board of Directors in their governance capacity.

### **3.1 Established policies and procedures**

It is essential for Quorum to ensure that we conduct our business in an ethical and responsible manner, and comply with all applicable legal requirements in all countries and markets we operate. QSN's commitment to respecting human and labor rights is incorporated in our governing systems. The Code of Conduct (CoC), Supplier Code of Conduct (ScCoC) and our Modern Slavery Policy, applicable to all Quorum entities, lay the foundations for the corporate behavior.

Key policies that anchor our work with human rights are laid out in the following corporate policies that we have implemented in QSN.

- Vendor Management Policy and Standard: requires that we conduct a due diligence of vendors and third parties to assess and continuously monitor our suppliers and business partners throughout the lifecycle of the engagement. The documented Vendor Due Diligence Assessment Process details what information is required and needs to be collected for an informed assessment to be made.
- Global Procurement Policy: outlines the process to be followed when contracting vendors and third parties, and the internal input required for reaching this goal.
- Modern Slavery Policy states that Quorum supports and protects internationally recognized human rights, and that it expects its vendors and third parties to adhere to key associated principles for human right protection.
- Supplier Code of Conduct: sets some minimum requirements with regards to Human Rights, fair labor conditions, environment and anti-bribery/anti-corruption that need to be adhered to by all suppliers and subcontractors working with Quorum.

Quorum is committed to promptly resolving any instances of non-compliance with the aforementioned policies, and reserves the right to ultimately terminate its relationship with any non-compliant vendor.

Quorum has a corporate whistleblower policy, covering also the Norwegian branch, that enables and encourages both employees and external parties to raise concerns of actual or potential breach of these policies so that the company can investigate and take appropriate action. Any requests or reports submitted through the whistleblower channel are treated with confidentiality and submitted to /handled by HR together with the legal department.

Our employees receive regular awareness training on these principles, policies and operational procedures.

### 3.2 Defined areas of improvement

As part of QSNs continuous focus on strengthening our corporate governance structure, the following actions and improvements have been defined:

Target	Status
Create a Human Rights Policy	In Progress

## 4 Risk assessment in accordance with the Transparency Act

In accordance with the Norwegian Transparency Act, QSN has during 2023 developed a tool to execute high-level assessments of its supply chain. The target for such supplier due diligence is to identify where risks to fundamental human rights and decent working conditions are most likely to be present, based on country and industry risk data. Thereafter, significant risk categories are prioritized for further in-depth risk assessments to identify and assess potential adverse impacts and to suggest mitigating measures.

### 4.1 Risk assessment methodology

- 1) Based on output from our ERP system, Netsuite, we created a complete list of QSNs external vendors including their country of business operations. In addition, based on headcount mapping in our Human Resource system, ADP, we added a complete list of all internal vendors.
- 2) All vendors were then categorized as either suppliers or business partners, based on the definition provided by the Transparency Act. A supplier is any vendor that delivers or produces goods, services and other input that becomes a part of QSNs goods and/or services. A business partner is any vendor that delivers goods and/or services directly to QSN, but does not meet the criteria of being a supplier.
- 3) All vendors have further been categorized into separate groups based on nature of goods or services they provide to QSN.
- 4) Based on the combination of country and nature of business, each vendor received a score (Low, Medium, High) related to where risks are most likely to be present on the following categories:
  - Global Rights and Labor Rights
  - Human Rights
  - Decent Working conditions
- 5) We summarized above findings into a list providing a risk exposure picture of potential negative impact along the value chain.
- 6) The suppliers identified as high or medium risk are to be individually assessed unless relevant knowledge of the supplier in combination with contracting quality would be deemed sufficient to not initiate any individual follow up.

In the risk assessment, 146 vendors were identified, of which 29 vendors have been defined Suppliers:

<b>Business Partner</b>	<b>117</b>	<b>Business Partner</b>	<b>117</b>
Accountant/auditor	12	Australia	2
Banking and financial services	10	Brazil	10
Cars and other vehicles	3	Czech Republic	9
Consultancy, training and education	5	Finland	12
Event excl. catering and/or cleaning	13	Ireland	1
Event incl. catering and/or cleaning	2	Latvia	1
Hotel and accommodation	2	Netherlands	1
Insurance	8	Norway	70
IT consultants and developers	1	Sweden	2
IT hardware	5	United Kingdom	2
IT software and licenses (automated solution)	7	United States of America	4
Legal services	1	Azerbaijan	1
Marketing gear (signs, logos, etc)	2	Oman	1
Marketing, PR and communication services	3	Hong Kong	1
Office rent (excl. cleaning/canteen/caretaker)	2	<b>Supplier</b>	<b>29</b>
Office rent (incl. cleaning/canteen/caretaker)	5	Australia	1
Parking fee, rent and toll crossings	1	Brazil	1
Power supplier	1	Canada	1
Public fees, other fees, interest payments	6	Czech Republic	1
Recruitment	4	Finland	1
Restaurant/canteen/catering	4	India	1
Security company with alarm system	3	Indonesia	1
Subscription	6	Malaysia	2
Telephone and internet	5	Netherlands	2
Transport services (goods and passenger transport)	2	Norway	7
Office supplies	2	Sweden	1
Translation	1	Switzerland	1
Handyman services, reparations (technical)	1	United Arab Emirates	1
<b>Supplier</b>	<b>29</b>	United Kingdom	4
IT consultants and developers	21	United States of America	3
IT software and licenses (automated solution)	8	Spain	1
<b>SUM ALL VENDORS</b>	<b>146</b>	<b>SUM ALL VENDORS</b>	<b>146</b>

In total 12 vendors have been identified where individual follow-ups will be conducted during 2024:

<b>Business Partner/ Supplier</b>	<b>Country</b>	<b>#</b>
Business Partner	Norway	1
Supplier	Norway	5
Supplier	Switzerland	1
Supplier	United Kingdom	2
Supplier	United States of America	2
Supplier	Spain	1
<b>SUM ALL</b>		<b>12</b>

## 5 Due diligence findings and way forward

We have conducted a high-level risk assessment of our supply chain and identified 12 vendors where we plan to initiate individual assessments based on questionnaires to gather further information. Data collection for the assessments have currently not started, but will be conducted during 2024.

Based on the outcome of the individual assessments, should any irregularities be identified, QSN will impose actions to improve the situation. Such actions may range from initiating a temporary ban period, during which any commercial relationship with the vendor will be suspended until the observation is permanently resolved, to the termination of the supplier relationship altogether.

We will re-evaluate those suppliers thereafter and conduct a risk assessment of all suppliers at frequent intervals.

The identified risks and impacts may be subject to change as we continue to conduct our in-depth risk assessment. Yet, it provides a direction for where we should target our efforts to promote, respect, and support human rights and decent working conditions in our own business operations and supply chain.

## 6 Contact information

Should you have some questions to this report or any further enquiries about Quorum's compliance with the Norwegian Transparency Acts, please send those to:

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NORWAY

Sandnes, 22 March 2024



George Claiborne Myers  
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