



Due diligence assessment

2024 - Report

Introduction

CBK Distribusjon AS`s effort in implementing the The Transparency Act

CBK Distribusjon AS (hereafter the company) is a company headquartered in Skedsmokorset, just outside Oslo. The company primarily focuses on distributing AV and IT equipment to Nordic dealers and achieved a turnover of 352 million Norwegian kroner in 2023. The company employs 38 people in Norway. As part of our commitment to employee well-being and sustainability, it has been decided to establish offices where employees reside to reduce commuting. Therefore, in 2023, the company also established offices in Moss, Oslo, and Bergen. The company also has subsidiaries in both Sweden and Finland, operating within the same core business.

Since the early 2000s, our company has been dedicated to the systematic improvement of human rights and labor conditions. In 2019, we took a significant step by pursuing certification in quality and environmental management under ISO standards 9001 and 14001. Our suppliers have consistently been held to high compliance standards, reflecting our unwavering commitment to ethical practices throughout our supply chain.

As a result of these efforts, the company was well-prepared to integrate the Transparency Act into its operations, alongside its ongoing commitment to upholding fundamental human rights and fostering decent working conditions.

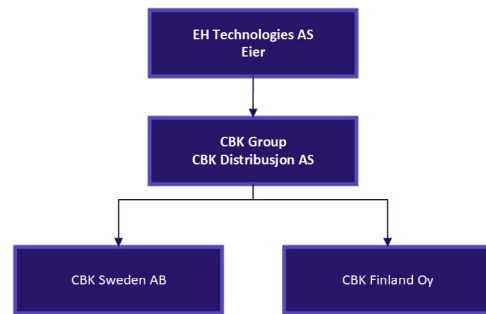
The Transparency Act seeks to foster businesses' adherence to basic human rights and fair labor practices, while also guaranteeing public access to information. It mandates that businesses disclose information and undertake due diligence assessments, among other responsibilities. (Source: <https://www.forbrukertilsynet.no/apenhetsloven>)

The company has taken the obligations outlined in the Transparency Act seriously. We have established a dedicated group with overarching responsibility for implementation, in addition to appointing a Quality Manager who has led the company's ISO initiatives for several years. The process of due diligence assessments has commenced and has been a routine practice in accordance with ISO standards in recent years.

This is the second report created based on the Transparency Act's requirements for transparency. In this report, we present an overview of the methodology and preliminary results.

Organization

The Transparency Act has been implemented at the board level in the Norwegian entity. This means that CBK Distribusjon AS takes responsibility for ensuring that the 'group', including all subsidiaries, works to implement the law and actively promotes human rights and decent working conditions.



Selskapets organisering per 1.juni 2024

In our organization, we are committed to ensuring that all employees receive a comprehensive and informative onboarding when they join our team. This encompasses carefully planned training sessions conducted by our HR department, where we place significant emphasis on introducing our ethical framework.

An integral part of our onboarding process, conducted through our HR system, involves a thorough review of the Employee Handbook. Serving as a comprehensive guide for all staff members, this handbook offers detailed insights into our policies, guidelines, and expectations, including our Employee Code of Conduct. By comprehending and adhering to these directives, our employees contribute to fostering a workplace environment characterized by respect, integrity, and accountability.



Work environment

CBK has established its own Work Environment Committee (WEC). The main task of the WEC is to ensure a safe working environment. Responsibilities include health, environment, and safety (HES) in the workplace. This involves identifying, assessing, and following up on measures to ensure a safe and health-promoting workplace for all employees.

In addition to the WEC, we have safety delegates who play a vital role in HES work. The representatives in the safety delegate collaborate with the WEC to ensure that the work environment is safe and compliant with applicable laws and regulations.

Policy

Privacy Policy: Our Privacy Policy is designed to protect the privacy of our employees, customers, and all others who interact with our organization. It outlines how we collect, use, store, and protect personal information.

Code of Conduct for Employees: Our Code of Conduct for Employees emphasizes the importance of ethical behavior, integrity, and professionalism in the workplace. It sets clear guidelines for expected conduct and responsible behavior from all employees.

Whistleblower Policy: Our Whistleblower Policy provides a channel for employees to report concerns about potential injustices, misconduct, or breaches of guidelines within the organization. We take all reports seriously and treat them confidentially. Additionally, a whistleblower channel will be established to allow external stakeholders to anonymously report wrongdoing. This will further promote transparency, accountability, and trust in our business and for our stakeholders.

Code of Conduct for Supply Chain: Our Code of Conduct for Supply Chain ensures that our suppliers and business partners operate in accordance with our ethical standards and values. This helps promote fair labor practices and responsible business conduct throughout the supply chain.

Anti-Corruption Policy: Our Anti-Corruption Policy commits us to combatting corruption in all forms and at all levels of our business. It establishes zero tolerance for bribery, extortion, and other forms of corruption.

Offensive Behavior Policy: Our Offensive Behavior Policy sets guidelines for acceptable conduct in the workplace and in all work-related situations. It prohibits discrimination, harassment, bullying, and other unacceptable behavior.

All our policies are available on our website. We encourage all employees and stakeholders to familiarize themselves with these guidelines, and use them as a guide to promote a safe, respectful, and professional work environment.

Project plan

The Transparency Act is structured around proportionality and prioritization, adopting a risk-based approach. We examined existing documentation and materials in connection with our ISO certification. In doing so, we have already implemented procedures and guidelines covering all aspects of the Transparency Act, using this as a foundation in our development and implementation of the Act. At CBK, we continuously conduct risk assessments and utilize risk assessment tools as part of our management system in this effort.

As a distributor, we operate within an industry where there exists a heightened risk of unethical labor practices. This necessitates prioritizing the enforcement of our internal protocols, providing comprehensive training, supporting our managers in their personnel oversight roles, and fostering strong partnerships with our business associates.

Operating with a risk-based approach means prioritizing investigations in areas of highest risk where our company can exert the most influence. When conducting risk assessments, we specifically look for risks related to the right to life, the right to health, occupational health and safety (HSE), the right to freedom and absence of coercion (forced labor), the right to childhood (child labor), the right to freedom of movement, the right to equality, the right to work, and the right to a standard of living.

In December 2022, we decided to invest in House of Control's transparency module to facilitate better oversight of our suppliers and their efforts regarding human rights, environmental practices, and anti-corruption measures. This module was utilized to gather all necessary information from our suppliers, customers, and partners.

Methodology

The company already possesses significant information about its supplier portfolio, primarily due to its efforts in sustainability, including the implementation of requirements related to ISO 9001 and 14001. This information is utilized in the due diligence assessment. Additionally, it will be necessary to gather additional information from suppliers, which we obtain through the transparency module provided by House of Control..

CBK Distribusjon AS poses the following questions to its suppliers:



Self-reporting of corporate social responsibility | CBK

En undersøkelse fra Cbk Distribusjon AS til { Mottaker }



Our vision is to be the best partner for the days to come. Social responsibility is part of this, and our purchases form an important part of how we exercise our social responsibility.

Together with our suppliers, we want to contribute to a faster transition towards a more sustainable society.

In this connection, we obtain information from our suppliers about how they work with sustainability, and ask all suppliers to answer these questions.

We greatly appreciate your taking the time to answer the questions.

Response due date: Monday, 19 February 2024



Human rights

1. Is it correct that the purchase of goods and services that are procured are not in violation of applicable laws and regulations, central UN conventions, ILO conventions and national labor legislation at the production site, as well as adherence to the UN Declaration of Human Rights?*

Yes

No

+ [Add attachment](#)

2. Does the business ensure diversity and equal treatment?*

Yes

No

3. What requirements are placed on your (sub)suppliers regarding diversity and equal treatment?*

+ [Add attachment](#)

4. How does the business ensure that their suppliers perform their services in an ethical and compliant manner?*

+ [Add attachment](#)

5. Is your company certified by a third party according to ISO 9001? (If yes, attach a copy of the certificate).*

Yes

No

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Employment

1. Is there any documentation demonstrating that your business complies with relevant HSE standards?

*

Yes

No

+ [Add attachment](#)

2. Is there documentation demonstrating that your (sub)suppliers comply with relevant HSE standards?

*

Yes

No

+ [Add attachment](#)

3. Does the business comply with the current regulations for employee rights?*

Yes

No

4. Do (sub)suppliers meet the currently applicable rules for employee rights?*

Yes

No

5. Does the business have a process for sharing information with employees related to employee rights?*

Yes

No

6. Does the business have a process to ensure that you neither employ children nor contribute to child labour?*

Yes

No

7. Does the business have procedures in place to ensure that (sub) suppliers do not employ children or contribute to child labour?*

Yes

No

[+ Add attachment](#)

8. Does the business have procedures in place to ensure that you do not engage in discrimination?*

Yes

No

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Environment and climate

1. Does the business actively work for a more sustainable climate and environment?*

Yes

No

2. Is surveying the climate and environment part of your business processes?*

Yes

No

3. Does the company have procedures in place for training employees in the work to achieve a sustainable climate and environment?*

Yes

No

4. Does the company report annually on climate and the environment?*

Yes

No

5. Does the business take necessary precautions where there is a risk of serious damage to health, the environment and safety?*

- Yes
- No

6. Which of the following international principles are covered by your guidelines? Multiple choice questions - it is possible to answer several options:*

The UN Global Compact's 10 principles

Key UN conventions, such as the UN Declaration of Human Rights, the Convention on the Rights of the Child, the Convention on Civil and Political Rights, on Economic, Social and Cultural Rights and on Racial Discrimination

ILO conventions and in particular the core conventions on freedom of association and the right to collective bargaining, prohibition of child labour, prohibition of forced labor and prohibition of discrimination

OECD guidelines for multinational organizations, with clear expectations for oversight in areas such as human rights, labor rights, the environment, anti-corruption and transparency

Something different? Please describe below:

7. Do the business guidelines (as outlined above) also apply to your direct subcontractors?*

- Yes
- No
- Partially
- Do not know

8. Is the business certified according to a standard/certification? Multiple choice question - it is possible to answer several options: Please attach standards/certificates.*

ECO-lighthouse

ISO 14001

EMAS

Something different? Please describe below:

No, not certified

Feel free to add a complementary description.

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Anti-corruption

1. Is it documented that the business distances itself from all forms of corruption?*

- Yes
 No

2. Does the business comply with international conventions on corruption?*

- Yes
 No

3. Is a regular review of risks carried out to prevent involvement in corruption?*

- Yes
 No

4. Have procedures been implemented for follow-up and documentation of suppliers related to anti-corruption?*

- Yes
 No
 Do not know

5. Does the business have guidelines and routines for reporting harassment, corruption and other objectionable conditions/illegalities?*

- Yes
 No

6. Does the business have a Supplier Code of Conduct that the suppliers undertake to follow?*

- Yes
 No

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Wind-up

1. I confirm that I personally have the necessary authority to complete and submit this questionnaire on behalf of our company.*

Yes

No

2. Completed by*

+ [Add attachment](#)

3. Position title*

+ [Add attachment](#)

4. E-mail*

+ [Add attachment](#)

5. Date of submission*

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Objects

As per CBK's procurement process, the due diligence assessment covers all suppliers of CBK Distribusjon AS and its subsidiaries. This includes the procurement of goods and services from suppliers where our annual purchases exceed 50,000 NOK, as well as suppliers directly influencing the quality of our products/services (such as logistics services) and relevant to our significant environmental aspects.

Assessment of suppliers post questionnaire survey

Assessment and approval of new suppliers are based on the responses from the questionnaire stored in House of Control. A certificate (ISO 9001 or 14001) grants 10 points. Additionally, they receive 1 point if they meet specific requirements. If they answer no to any questions in the survey, they receive 1 negative point. The maximum achievable score is 50. The results of the survey are summarized in the document "Internal Supplier Evaluation."

Evaluation of a new supplier is conducted based on the following criteria:

- Quality, environment, labor conditions, and anti-corruption
- Code of Conduct
- Creditworthiness
- Delivery reliability

Approval of new supplier

New suppliers undergo prequalification before entering into agreements. Prequalification is based on the risk assessment for the respective supplier or product to be delivered. As a guideline, approval is based on the following results from the supplier questionnaire:

- As a minimum requirement, suppliers must take necessary precautions where there is a risk of serious harm to health, environment, and safety, and have documentation to support this.
- Suppliers scoring below 20 points will be evaluated.

The level of requirements we set for the supplier also depends on the extent to which the goods and services affect our own quality standards and environmental impact. If the overall result is generally low, the supplier may be contacted so that we can together identify relevant measures to improve future collaboration. Where we have no alternative but to approve a supplier scoring below 20 points, the selection of this supplier shall be justified in the specific information field.

Reassessment of already approved suppliers

Approved suppliers are reassessed at least once every three years. The same questionnaire as shown above is sent to the supplier, and the assessment is conducted by the employees in the company who have the most interaction with the supplier, in collaboration with the Quality Manager, based on established assessment criteria.

If the overall result is generally low, the supplier is contacted to explore the conditions for future collaboration. If it is determined that the supplier is no longer approved, they shall be blocked.

Deviation at the supplier

If the supplier causes quality deficiencies for our business or has a significant environmental impact, the supplier shall be contacted so that we can collectively determine the conditions for future collaboration. We establish a deviation that is managed within our corrective action program, ensuring that the issue is addressed and documented.



Suspend a supplier

If a supplier is to be suspended, this is prominently noted in the approved supplier list to prevent any further procurement.

Management assessment and actions

The assessment of the results shall be conducted annually by top management, in connection with our monthly ISO meetings. The evaluation should result in decisions regarding measures aimed at preventing/correcting quality deficiencies, minimizing environmental impact, and reducing environmental risks caused by suppliers/manufacturers.

CBK conducts regular evaluations and reviews of our due diligence assessments, actions, and plans to ensure compliance with our commitments. We do this through internal audits with Samcert and external audits with RISE.

Results of the overarching due diligence assessment

Results of service suppliers

At CBK, we have a total of 35 active service suppliers. Facility Services provides canteen and cleaning services, ensuring a clean and productive work environment. Eltek Holdings manages our administrative services such as accounting and payroll management. Wenst & Young conducts audits and financial advisory to ensure accurate financial reports. Our office and warehouse spaces are leased from Gneisveien 32 AS, providing us with nice and functional facilities. SEKO Elektro AS is responsible for electrical work, ensuring that our electrical systems are always in good condition.

The following decisions have been made:

- 33 suppliers exhibit high delivery reliability and a high level of service.
- We have observed that two suppliers demonstrate moderate performance in both delivery reliability and service level. Therefore, we have initiated a constructive dialogue with them to improve their performance.

Results of product suppliers

Out of a total of 93 active product suppliers in our portfolio, 37 of high significance have completed the questionnaire survey, and the following decisions have been made:

- No suppliers are being suspended.
- 34 suppliers are approved
- 2 suppliers need to be evaluated due to low scores (below 20 points)
- 1 supplier has been contacted due to responses conflicting with our guidelines.

Other findings from the due diligence assessment

- 14 suppliers score 40 or higher (maximum score is 50).
- 30 suppliers are ISO 9001 certified.
- 24 suppliers are ISO 14001 certified.
- 33 suppliers are actively working to ensure a more environmentally friendly and sustainable environment.
- All suppliers participating in the survey comply with current regulations regarding employee rights.
- All suppliers participating in the survey ensure that the procurement of goods and services acquired is not in violation of current laws and regulations, and adhere to the UN Declaration of Human Rights.

Communication

CBK aims to be transparent about the assessments conducted and ensure constructive dialogue with all our stakeholders, including customers, suppliers, owners, employees, etc.

CBK publishes an annual sustainability report, providing comprehensive insights into our efforts. You can download the ESG report below and learn more about how we fulfill our corporate social responsibility.

Contact information

We have two individuals responsible for the established procedures and for handling requests for information from the public or other entities in accordance with the Transparency Act.

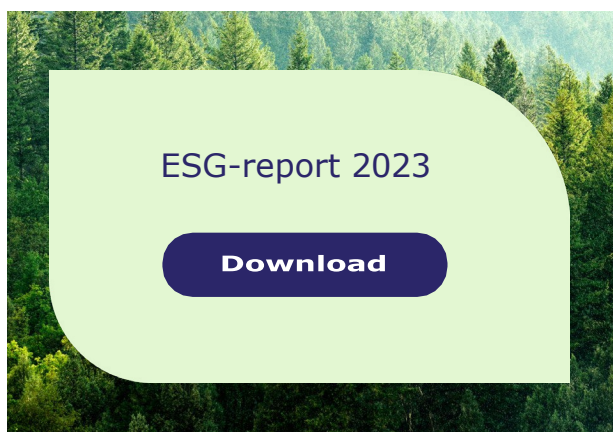
For questions or comments regarding this report, please contact:

Nikoline Vang: nv@cbk.no

Melly Tinmark: mt@cbk

Conclusion

CBK will continue its efforts in actively working with the Transparency Act in the time to come. Our procurement policy and ethical guidelines will ensure implementation and, importantly, establish good practices to consider human rights and decent wages and working conditions throughout our operations. This will be an ongoing effort that the entire organization will be part of.





CBK GROUP

Gneisveien 30
2020 Skedsmokorset
Norge

T +47 22 90 37 00
W www.cbk.no
M salg@cbk.no

Org nr. 995 971 003 MVA
Konto nr. 8101.85.98833