

Transparency Report

27 June 2024

(English version translated from official version in Norwegian)

for

HJR Holding AS

Dibber AS

HJR Utland AS

HJR Utland 3 AS

Læringsverkstedet Gruppen AS

Læringsverkstedet AS

Taurito AS

Åsteveit Helsesenter AS,

and their subsidiaries (groups and sub-groups)

with account for due diligence assessments as to fundamental human rights and decent working conditions pursuant to the norwegian transparency act

for the period 1 June 2023 to 31 December 2023

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1 Introduction

About a year has passed since the HJR Group published its first transparency report with an account for due diligence assessments with respect to fundamental human rights and decent working conditions under the Norwegian transparency act and the OECD Framework (the “Transparency Report 2022”). This covered the period 1 January 2022 to 31 May 2023 (the “Previous Report Period”), and is included as an attachment. As much took form in this period before and after the transparency act became effective, we considered such an extended report period appropriate for a more complete report. In this second report it is the remaining part of 2023 which is covered, that is the relatively short period from 1 June 2023 to 31 December 2023 (respectively the “Transparency Report 2023” and the “Report Period”).

The Transparency Report 2022 must be read before the Transparency Report 2023, as the latter builds on the former. Section 1 and section 3.2 of the Transparency Report 2022 contain the introduction to our transparency reporting as well as information about the HJR Group and its businesses. The Transparency Report 2023 provides updates and further information about this for the Report Period in section 2. Section 2 in the Transparency Report 2022 contains information about the transparency act and the OECD Framework. Our work with human rights and decent working condition in the previous Report Period is presented in the Transparency Report section 1, section 3.1, section 3.3 and section 3.4. Corresponding information for the Report Period is included in section 3 of the Transparency Report 2023. Finally, the concluding remarks in this report are in section 4.

Unless anything else is mentioned explicitly or appears from the context, terms defined in the Transparency Report 2022 have the same meaning in the Transparency Report 2023.



Image: The cover of the Transparency Report 2022 included in this report as an appendix.

2 Updated information on the HJR Group and its businesses for the Report Period

As mentioned the foundation for information about the HJR Group and its businesses can be found in section 1 and section 3.2 in the Transparency Report 2022. In this section are updates and further information for the Report Period.

The turnover of the HJR Group was in 2023 some NOK 7,420,000,000.

The Education Business, the Dibber Group, accounted for nearly all revenue again this year, with a contribution from the kindergarten business at around 95% and a contribution from the school business at around 5%. At the end of last year, the Dibber Group was a cornerstone in the upbringing of around 40,000 children, supported by over 12,000 employees, most of whom are dedicated pedagogues with big hearts. The Education Business was operated in 610 education units, still across 10 countries. This is shown in figure 1 and 2:

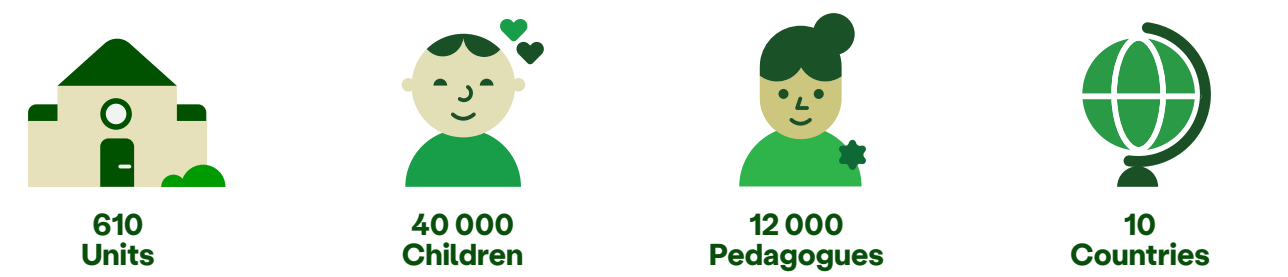


Figure 1: Dibber key numbers



Figure 2: Map which shows the geographical footprint of the Education Business per 31 December 2023

In 2023, the Dibber Group grew by some 30 education units. This was organic growth in the countries Finland, India, Norway, Sweden, Poland and Germany and an acquisition of one kindergarten in India.

The development in the Report Period is well aligned with the purpose and ambitions of the Dibber Group. In the Transparency Report 2022, we stated that the purpose of the Dibber Group is to develop lifelong learners with a heart for the world™, and that the ambitions are (i) to contribute in the upbringing of as many children as possible, (ii) be the most attractive provider of education services and (iii) to lead the development within ECD. In pursuit of this significant business development is continuously going on, both in respect of primary activities and support activities, both with respect to primary activities and support activities. This was also the case in the Report Period, and we highlight some of it hereunder:

The strategy and strategic goals for the remaining part of the strategy period, up to and including 2025, have been adjusted for changes in internal and external factors. These adjustments mainly relate to developments in our value, operation, management, and development platform, the Dibber Way™.

Within the Dibber Way™, it has also on a more tactical level been worked on further developing components such as the pedagogical (and didactical) framework for the Education Business, Dibber Childhood™, and the quality management system for this primary activity, Dibber Quality Barrell™, with a focus on the future. The trends driving this development as well as what Dibber provides from this perspective are illustrated respectively in figure 3 and figure 4.

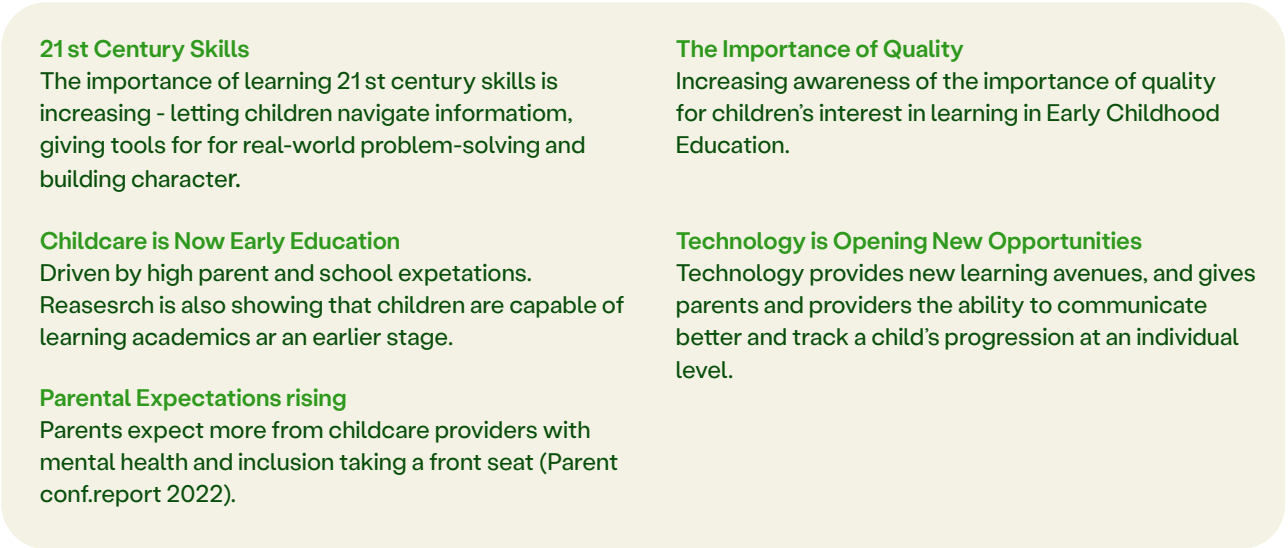


Figure 3: Trends that have been important in parts of internal business development in the Dibber Group in the Report Period

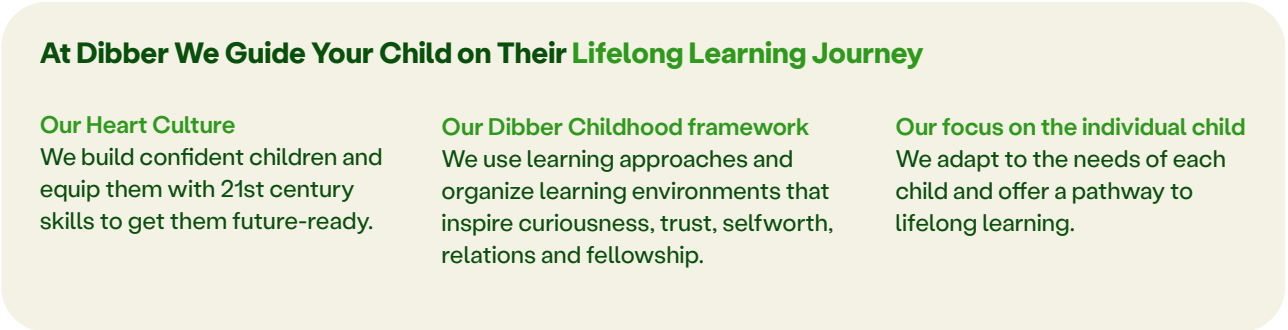


Figure 4: What the Dibber Group provides

Work has also been done to clarify and develop the different concepts that the Education Business operates with. Broadly speaking, and in simplified terms, these include (i) kindergartens and pre-schools, (ii) international baccalaureate schools (IB schools) and other school, (iii) special-needs schools and (iv) charity (corporate social responsibility).

A global human capital management system (HCM system) was acquired in the Previous Report Period. In the Report Period work has been done to implement this system with the aim of a country-by-country introduction from 2024.

In the Report Period the Dibber Group also worked on preparing the introduction of a franchise model, with the objective that education delivered through such a model shall commence in during 2024 in India. In India franchise is the dominant structure for business within early childhood education.

The day-to-day management of the Dibber Group was from the summer of 2023 expanded with chief pedagogy officer Shauna Ross and comprised from this point in time and the remainder of the Report Period in addition to her: chief executive officer Morten Vårdal, chief financial officer Atle Hørlyk, chief people and culture officer Anna Giertz Skablova, chief growth officer Pål Ødegaard and chief information officer Marvin Dsouza.

For the Health Business, the other significant business within the HJR Group, the turnover in 2023 was around NOK 71,700,000.

In the Report Period, a significant undertaking has been given life as part of the corporate social responsibility work at the HJR Group. Creation employ pedagogical resources from the Education Business in a special educational context. These resources have been used in the Education Business for many years, earning academic recognition and demonstrating strong practical results. Creation have in the Report Period presented the developed resources for, among others, places of education in Peru, South Africa and Uganda. A few test projects have been established, generating strong interest and positive feedback. By the end of the Report Period, in addition to serving around 45,000 children in the Education Business, we had reached 4,800 children with high-quality early childhood education through Creation. All indications suggest that 2024 will be a year in which we reach significantly more children and families, particularly in less developed areas, with these high-quality resources. We are very excited about the continuation.



3 The HJR Group and Work on Human Rights and Working Conditions in the Report Period

The foundation for information about our work on human rights and decent working conditions is in the Transparency Report 2022 section 1, section 3.1, section 3.3 and section 3.4. In this section are updates and further information on this work for the Report Period. As presented in the Transparency Report 2022, the work naturally divides itself into general work and Investigations (see section 3.1 and further in the Transparency Report 2022 about this).

As to the general work, we summarized in the Transparency Report 2022 section 4 that in the period of about one year that had passed since the transparency act took effect, the HJR Group, inter alia, had: adapted its formal organisation; prepared the required governance documents; identified risk areas and prepared attaching measures and performed implementation, including work with the culture in the whole group by making the transparency act and the OECD Framework known, get everyone in the group to want to promote this and make it all part of how we do things around here. In the Report Period, we have evaluated this work and further developed it. With respect to Investigations, it was mentioned in the Transparency Report 2022 that the HJR Group use House of Control's Complete Control as its supplier-and-contract-management tool. In this tool new functionality became available in the Report Period, inter alia for risk assessments, which we have worked to implement. A new IT system for work with Sustainability was acquired and has been tested before a full implementation. No final decision on adopting this system was made before the end of the Report Period. As to the general mapping to identify risk areas for the businesses, no changes have been made. The HJR Group remains committed to procuring from reliable suppliers, maintaining control that all links in the supply chain respect fundamental human rights and have decent working conditions. However, in the Education Business, procurement is fragmented. We have initiated a process to centralize, selecting one or a few key suppliers for essential purchases in the long term, which shall add further comfort.

With regards to Investigations internally, no notifications that have required this have been received through the established notification channels. No notifications have come from anyone subjected to anything or through informal channels, and no other information that has created a need for Investigations has come to our attention. The matters we have had have been ordinary personnel matters. Further measures have, however, been taken after the Opti Acquisition. In the Transparency Report 2022 we gave this summary: "In the preliminary review phase (the 'due diligence' phase) for the transaction the discovery was made that the salary unskilled employees in Opti Baby and Kids received was lower than the average in the sector. This was explained by profit challenges owing to internal and external factors. After the completion of the acquisition the salaries of these employees were adjusted. Now these employees have a salary that is well above the minimum level defined by the authorities in South Africa and is in line with the average for the sector. In addition, the Dibber Group is working to improve salaries, insurance benefits and other welfare benefits for all employees in South Africa. The goal is to establish a standard for compensation that challenges the industry standard and ensures all employees good living conditions and to contribute to increased value creation. There are already signs of positive changes."

In the Report Period external advisors have been engaged to assess and build further on the work that was done in the Previous Report Period. The external advisors did a more thorough assessment of salary levels in the sector compared with the salary levels in South Africa. The review showed that the salary levels for employees in South Africa even with the adjustment in the Previous Report Period were somewhat below the sector standard. As a first step to resolve the matter, all salaries were increased by 5%, and a group life insurance, which represents an increase in compensation of about 4%, was given to all employees (the group life insurance does not include foreign citizens as per limitations from the insurance company).

This represented an increase in salary higher than the national standard for salary increase in 2023. Having consideration to responsible financial performance, the gap to the sector standard shall gradually be closed over the next two to three years. The external advisors also reviewed the qualifications of the employees with the target to secure that salaries better reflect relevant formal qualifications and equal pay for those with equal qualifications. Where we have not been able to confirm qualifications, roles have been adjusted, but salary levels maintained notwithstanding.

In the Report Period, no surveys, such as those performed in the Previous Report Period, or other external Investigations have been completed. No notifications through the established reporting channels were received, nor did any other information emerge that made such Investigations immediately necessary. However, work continued on following up with suppliers who had not responded in the Previous Report Period and on engaging with suppliers lacking sufficient control measures regarding sub-suppliers.



4 Conclusion

Our work on fundamental human rights and decent working conditions under the Norwegian transparency act has in the Report Period in a good way built on the work that was done in the Previous Report Period. Beyond the measures required upon acquiring information with respect to human rights and decent working conditions concerns, a focus moving forward will be on expanding supplier investigations, including surveys similar to those referenced in the Transparency Report 2022. The new global human capital management system mentioned in this report, will further strengthen two-way communication with all of our employees and also strengthen us in the work under the transparency act. Otherwise, there are reasons to believe “process will take away some focus away from substance” going forward. The HJR Group shall report in accordance with the amended Norwegian accounting act and other legislation in Norway and Europe and the CSRD for the first time in 2026. In the time before this, the work with the transparency act and the OECD Guidelines must be joined with the work pursuant to the CSRD, and the HJR Group and other enterprises must get all elements to work as a whole. This will require a lot, but take enterprises and society otherwise many steps ahead in the work with Sustainability.

Signatures*

*Only official version in Norwegian is adopted and signed

HJR Holding AS

Ingerlinn Sundby
sole director, chairperson

Dibber AS

Gunnar Johansson
chairperson

Hans J Sundby
director

Veline Sundby
director

Ingerlinn Sundby
director

Morten Vårdal
CEO

HJR Utland AS

Morten Vårdal
chairperson

Atle Hørlyk
director

HJR Utland 3 AS

Morten Vårdal
chairperson

Atle Hørlyk
director

Læringsverkstedet Gruppen AS

Trude M Sydtangen
chairperson

Atle Hørlyk
director

Læringsverkstedet AS

Trude M Sydtangen
chairperson, CEO

Trude S Nordgaard
director
(employee-representant)

Linda T Griffiths
director
(employee-representant)

Atle Hørlyk
director

Ann-Kristin Dyre
director

Charlotte T Lidahl
director
(employee-representant)

Taurito AS

Pål Ødegaard
chairperson

Atle Hørlyk
director

Åstveit Helsesenter AS

Atle Hørlyk

sole director, chairperson

Tone O Kallekleiv

CEO

References

Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 amending Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU, as regards corporate sustainability reporting (CSRD)

Act 17 July 1998 number 56 on annual account etc (the accounting act)

Act 18 June 2021 number 99 on enterprises' transparency and work on fundamental human rights and decent working conditions



Attachment: Transparency Report 2022

[follows]



Transparency report

29 June 2023

(English version translated from official version in Norwegian)

for

HJR Holding AS

Dibber AS

HJR Utland AS

HJR Utland 3 AS

Læringsverkstedet Gruppen AS

Læringsverkstedet AS

Taurito AS

Åsteveit Helsesenter AS

and their subsidiaries (groups and sub-groups)

with account for due diligence assessments as to fundamental
human rights and decent working conditions pursuant to the
norwegian transparency act

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1 Introduction

HJR Holding AS (organisation number 998 812 623) is owned by Hans Jacob Sundby and Randi Lauvland Sundby. This is the company at the helm of the group that has come into being after Randi and Hans Jacob established the first Læringsverkstedet kindergarten (preschool) in Kristiansand in 2003 with the purpose to make what we value the most—our children—grow (the “HJR Group”).

Today the HJR-group encompasses both an education business (the “Education Business”) and a healthcare business (the “Healthcare Business”). The Education Business is and shall be the all-essential one. It is organised in the sub-group that Dibber AS (organisation number 998 831 067) make up with its subsidiaries (the “Dibber Group”). The Education Business consists of the kindergarten business (preschool), which is and shall still be, the main business of the HJR Group, a significant school business and a smaller property development business associated with the Education Business. The Healthcare Business is small and in a sub-group consisting of Åstveit Helsesenter (organisation number 988 413 216) and the real estate-holding company BESP Eiendom AS (organisation number 988 306 452).

In recent years the Dibber Group has been expanding internationally, and this internationalisation shall continue with increased force in the years to come. Relatedly the purpose of the Education Business in the spring of 2023 was given a new formulation as part of a revision of the Dibber brand. To account for everything that has happened since the inception and the future it now is:

“We develop lifelong learners with a heart for the world”.

Society is increasingly requiring enterprises to take responsibility for our environment and society. A huge number of directives has been introduced from various instances. We can summarize these as legal and non-legal requirements for sustainability in the wide sense (“Sustainability”). Enterprises shall ensure they meet the needs of the present without compromising the ability of future generations to

meet their own needs, now and then with a balance between economic growth, the environment and social wellbeing (Brundtland, 1987). To a great extent this is about what is associated with compliance, and typically compliance that enterprises need to inform the public about. Often it is followed up through ESG (Environmental, Social, Governance) frameworks, as the UN’s Global Reporting Initiative (GRI). The OECD Guidelines for Multinational Enterprises on Responsible Business Conduct (the “OECD Guidelines”) are at the core and have now become more than 40 years old (revised in 2023, [www1](#)).

The OECD Guidelines have been endorsed by most countries in the world ([www2](#)), and lately countries and unions of these have started to transpose the OECD Guidelines to legislation and direct obligations for enterprises. In Norway, the transparency act was adopted on 18 June 2021 and given effect from 1 July 2022. The EU adopted the Corporate Sustainability Reporting Directive (CSRD) on 5 January 2023, with effect for the first businesses from 2024 ([www3](#)). The transparency act implements the OECD Guidelines as a minimum as to fundamental human rights and decent working conditions, while the CSRD goes further both in terms of implementing the OECD Guidelines and other directives.

The purposes of the businesses in the HJR Group are to ensure Sustainability. An example from our Education Business: The right to education is enshrined in article 26 of the UN’s Universal Declaration of Human Rights from 1948. The UN’s sustainability goal number 4 is to ensure inclusive and equitable quality education and promote lifelong learning opportunities for all. Further, particularly with respect to the kindergarten business, target 4.2 for this goal is to ensure that all girls and

boys have access to quality early childhood development, care and pre-primary education so that they are ready for primary education. Every day some 12,000 employees of the Dibber Group go to work to make the world a better place through education of our most valuable resources. At the same time the HJR Group must contribute to this balance between economic growth, the environment and social well-being that lies in Sustainability. All subjects dealt with in the OECD Guidelines as well as other subjects associated with Sustainability have been a part of leadership and management of the HJR Group since its inception. Of particular interest are fundamental human rights and decent working conditions, as particularly addressed by the transparency act; environment; corruption; consumer protection, including the protection of personal data, knowledge- and technology sharing; competition; money laundering, sanctions and taxation. The HJR Group has worked with the matters comprised by the transparency act for years. The transparency act involves, however, a new and external approach. The HJR Group has prepared this report for transparency about ourselves and our work on the part of Sustainability that is about fundamental human rights and decent working conditions under the transparency act for the period 1 January 2022 to 31 May 2023 (respectively the "Transparency Report" and the "Report Period"). A period beyond the accounting year 2022 has been considered

appropriate in this first report for the HJR Group under the transparency act. In the HJR Group are in addition to HJR Holding AS in the Education Business Dibber AS, HJR Utland AS (organisation number 913 634 535), HJR Utland 3 AS (organisation number 913 852 966), Læringsverkstedet Gruppen AS (organisation number (826 157 062), Læringsverkstedet AS (organisation number (organisation number 878 620 852), Taurito AS (organisation number 921 161 239) and in the Healthcare Business Åstveit Helsesenter AS (organisation number 988 413 216) enterprises that are comprised by the transparency act either independently or as group or sub-group, confer the transparency act section 2 first subsection and section 3 first subsection letter a. The Transparency Report covers the requirement pursuant to the transparency act section 5 first subsection on giving an account for the due diligence assessments these enterprises shall conduct pursuant to the transparency act section 4.

In section 2 is a brief explanation for the transparency act and the OECD Guidelines and the requirements the framework make for the enterprises that are comprised by the transparency act. A closer presentation of the HJR Group and its work on fundamental human rights and decent working conditions (due diligence) pursuant to the transparency act in the Report Period is in section 3. A few concluding remarks are in section 4.



2. The transparency act and the OECD Guidelines and framework

The transparency act implements the OECD Guidelines for inter alia Norwegian enterprises, and has pursuant to the transparency act section 1 with this as basis as purpose to

“ promote enterprises respect for fundamental human rights and decent working conditions in the production of goods and delivery of services, and to ensure the public access to information about how enterprises address negative implications for fundamental human rights and decent working conditions.

In broad terms the transparency act imposes three sets of obligations on the enterprises within scope: A first set is that which follows from the transparency act section 4 first subsection first sentence about enterprises performing due diligence assessments in accordance with the OECD Guidelines. The term due diligence has here a much wider meaning than in ordinary parlance. According to the transparency act section 4 first subsection second sentence it comprises to:

- a embed responsible business conduct into the policies of the enterprises;
- b identify and assess actual and potential adverse impacts on fundamental human rights and decent working conditions that the enterprises have either caused or contributed toward, or that are directly linked with operations, products or services of the enterprises via supply chains or business partners;
- c implement suitable measures to cease, prevent or mitigate adverse impacts based on the prioritisations and assessments of the enterprises pursuant to letter b;
- d track the implementation and results of measures pursuant to letter c;
- e communicate with affected stakeholders and rights-holders regarding how adverse impacts are addressed pursuant to letter c and d; and
- f provide for or co-operate with respect to remediation and compensation where required.

The due diligence assessments shall pursuant to the transparency act section 4 second subsection be performed regularly and in accordance with the size, nature and context of the enterprises as well as the likelihood and severity of negative impacts on fundamental human rights and decent working conditions. In other words, there is a requirement for a permanent, risk-based leadership and management system to identify and handle actual and potential adverse implications enterprises may have on fundamental human rights and decent working conditions and to inform the public about these matters.

A second set of obligations is that imposed in the transparency act section 5 about specifically to account for due diligence assessments by 30 June every year and in between if there is significant change. Pursuant to the transparency act section 5 first subsection second sentence the account shall at least include:

- a a general description of the enterprises' structure, area of operations, guidelines and procedures for handling actual and potential adverse impacts on fundamental human rights and decent working conditions;
- b information regarding actual adverse impacts and significant risks of adverse impacts that enterprises have identified through its due diligence assessments; and
- c information regarding measures enterprises have implemented or plans to implement to cease actual adverse impacts or mitigate significant risks of adverse impacts, and the results or expected results of these measures.

The third set of obligations is attached to that enterprises pursuant to the transparency act section 6 first subsection first sentence on written request shall give everyone information about how the enterprises handle actual and potential negative implications for fundamental human rights and decent working conditions. Together with other provisions this is given a comprehensive regulation in the transparency act sections 6 and 7.

The OECD Guidelines are recommendations developed by the OECD to promote responsible business practices and sustainable development. The OECD Guidelines were developed by the OECD countries and several non-member countries in 1976. In 2011 the OECD Guidelines were updated to be aligned with the United Nations Guiding Principles on Business and Human Rights (the “UNGP”) adopted by the UN Human Rights Council the same year, and another new edition of the OECD Guidelines was released in 2023 (www1). Both the OECD Guidelines and the UNGP are based on international minimum standards for business, including the UN’s covenants on civil and political rights, economic, social, and cultural rights and ILO’s core conventions. The purpose of the OECD Guidelines is to guide enterprises on how to ensure their activities respect human rights, contribute to good societies and minimize negative environmental impacts. Participating governments have committed to adapt their legislation to comply with the OECD Guidelines. The implementation of the OECD Guidelines involves also the establishment of national contact points in each member country, which shall support enterprises in complying with the guidelines. The OECD and others have developed further literature which shall support the enterprises in following the OECD guidelines, such as the OECD’s “Due Diligence Guidance for Responsible Conduct” (together with the OECD Guidelines the “OECD Framework”). The OECD Framework provides more specific instructions on how enterprises should conduct due diligence assessments and manage risks.



3. The HJR Group and its Work on Human Rights and Labor Conditions

3.1 Introduction

In this section the HJR Group and its work on human rights and decent working conditions as per the requirements, guidelines and guidance in the transparency act and the OECD Framework in the Report Period are presented more closely. The HJR Group has in connection with the introduction of the transparency act customized its work on fundamental human rights and decent working conditions, though much is continued. It has also influenced the approach to other subjects within Sustainability.

In section 3.2 the businesses in the HJR Group are further described after the introduction in section 1. In section 3.3 the work on fundamental human rights and decent working conditions in the HJR Group in the Report Period is described in general, further to what is done in section 1. This work involves internal and external (supply chains and business partners) specific investigations to map and assess actual and potential negative consequences for fundamental human rights and decent working conditions and associated measures ("Investigation(s)"). Those Investigations which have been performed in the HJR Group in the Report Period are elaborated on in section 3.4. Together this covers the requirement to an account for the due diligence assessments the HJR Group shall perform under the transparency act section 5 first section and demonstrates how the HJR Groups complies with other obligations under the transparency act.

3.2 A Detailed look at the Businesses within the HJR Group

The HJR Group primarily consists of the Education Business. Of a turnover of around NOK6,423,000,000 in 2022 the Dibber Group delivered almost all of it. The Dibber Group is North-Europe's biggest provider of kindergarten services (commonly referred to as early childhood development, ECD, [www4](#), and early childhood education and care ECEC, [www5](#)). The Dibber Group also runs schools in Norway under the trademark (or services mark) Children's International School (CIS) and in Sweden under the trademark Dibber. The school business accounted in 2022 for about 6% of the turnover in the Dibber Group. Most of the around 12,000 employees are pedagogic employees who run the kindergartens and work for children's development. The Dibber Group is an important contributor in the upbringing of around 40,000 children. The Education Business takes place in over 600 education units divided among 10 countries. This is shown in figure 1 and 2.



Figure 1: Dibber Key Figures

The internationalisation of the Education Business has happened both with new establishments and acquisitions. The Dibber Group grew by approximately 50 education units in 2022, which also included the establishment in two new markets: Poland and South Africa. The establishment in South Africa was relatively significant with the acquisition of the kindergarten chain Opti Baby & Kids in the Johannesburg area (the "Opti Acquisition"). In March 2023 we started our two first kindergartens in India.



Figure 2: Map which shows the geographical footprint of the Education Business per 31 May 2023.

To “develop lifelong learners with a heart for the world” the Dibber Group is Driven by Heart™. This is a slogan that in the Dibber Group, inter alia, implies the balance inherent in sustainability: financial aspects must be balanced with other values. The HJR Group is highly value-driven, and historically has expressed this through value pairs in its value platform. In connection with the mentioned rebranding of Dibber, the formulation of these value pairs is renewed and as show in Figure 3.

Warm-hearted & Professional

Warm-hearted

We live the Heart Culture in our relationships with children, parents, and colleagues. We take a warm-hearted approach to every situation and create a safe, inviting environment around us

Professional

We commit to being our best by becoming lifelong learners who stay updated in our professions. We endeavor to build a network of professionals who can support and inspire each other.

Playful & Driven

Playful

We create an environment of playfulness around us by nurturing a culture where we have fun, celebrate, and enjoy working in the Dibber family.

Driven

We set high goals for our children, colleagues, and company and believe we can achieve them, together, Dibber dares to dream big, imagining the possibilities, while embodying quality.

Generous & Committed

Generous

We encourage our children, colleagues, and company to rise up to the challenges of an ever-progressing world. We are solution oriented, embrace collaboration, and give space for people to grow.

Committed

We have established a solid foundation that allows us to adapt and move forward while holding firm to our core. We are committed to sharing Dibber Way globally. This allows us to adapt and move forward while holding firm to our commitments and core.

Figure 3: Dibber' value pairs

The value pairs also express this balance between profitability and other values. Without profitability there will not be any business and competitiveness to achieve purposes, but the profitability must come in the best possible way and be long-term. This is important in the entire HJR Group. The Dibber Group promises the following to customers, employees, and other stakeholders (figure 4):



Figure 4: The Dibber Group's promises

The ambitions of the Dibber Group are to contribute to the upbringing of as many children as possible, be the most attractive provider of educational services, and to lead the progress in early childhood development and care.

The Dibber Way™ is an overarching leadership and management system in the Dibber Group. It shall ensure the highest quality of everything delivered to children, caregivers and the society otherwise, a total quality management system (TQM). All behaviour in the Dibber Group shall be in accordance with the Dibber Way. Sustainability and compliance have always been a part of the Dibber Way. The system also encompasses the balanced-goal management (balanced scorecard) that applies in the HJR Group on a general basis, also to ensure the mentioned equilibrium inherent in Sustainability.

The day-to-day management of the Dibber Group is chief executive officer Morten Vårdal, chief growth officer Pål Ødegaard, chief financial officer Atle Hørlyk, chief information officer Marvin Dsouza and chief human resources officer Anna Giertz Skablova. The Dibber Group has as an extension of the headquarter in Oslo a global capabilities centre in India.

In addition to the Education Business there are only very limited businesses. Åstveit Helsesenter AS provides specialized inpatient and outpatient rehabilitation services, amongst others to patients placed in the health and work program, in Åsane in Bergen under an agreement with Helse Vest. The subsidiary, BESP Eiendom AS, owns the property where the health centre operates. The Healthcare Business had a revenue of approximately NOK67,700,000 in 2022. Tone Overøie Kallekleiv is the chief executive officer of Åstveit Helsesenter AS. Another limited business is connected to a property in Bøverdalen in Jotunheimen in Norway. Bøvertan AS (organization number 912 390 500) owns and manages this. The use of the property is primarily for events within the HJR Group, but it also hosts a free summer camp for families who lack the financial means to go on holiday, as part of corporate social responsibility work in Norway.

3.3 HJR Group's Work on Human Rights and Labor Conditions in the Report Period

The HJR Group initiated its work on fundamental human rights and decent working conditions under the transparency act in the spring of 2022. As prescribed in the transparency act section 4 second subsection and presented in section 2, the work has been risk-based and based on the guidance provided by the OECD Framework. At the higher level the Education Business has been prioritized over the other very limited businesses. These are small and only in Norway.

The management (boards of directors and day-to-day management) of the enterprises within the scope of the transparency act have taken the lead in the work and collaborated closely with the management of the other companies. In the Education Business at the top level, in Dibber AS, a permanent committee for Sustainability (the "Sustainability Committee") has been established. The Sustainability Committee is appointed by the day-to-day management. The committee is on the same level as the day-to-day management in the sense that it provides advisory input either on the initiative of the day-to-day management or on its own initiative in matters concerning Sustainability. In case there is disagreement between the day-to-day management and the committee, the matter shall be escalated to the board of directors. The Sustainability Committee also works on implementing decisions of management, which involves coordinating the work on Sustainability throughout the Dibber Group. The committee includes the person leading the work on Sustainability in the Dibber group, along with other individuals responsible for or with a particular interest in Sustainability-related topics, such as the chief legal officer, the group data protection officer, a human resources director, the head of procurement in Dibber AS as well as representatives of other functions within this part of the group. In each country the local management has established their own working groups for the work on the transparency act and other Sustainability topics in collaboration with the Sustainability Committee. In the Healthcare Business a separate group responsible for Sustainability has been established, including for the following up of the transparency act.

The management of the enterprises that fall within the scope of the transparency act have prepared proposals for resolutions, governance documents with guidelines and procedures and made implementation plans, inter alia as to how to incorporate

everything in the existing leadership and management systems and culture, including in the Dibber Way™. The Sustainability Committee and the group for Sustainability in the Healthcare Business have participated in this work. The boards of directors of the companies in the HJR Group have then passed the relevant resolutions. An overarching governance document for the transparency act has been developed and adopted for the entire HJR Group (the "Transparency Policy"). The Transparency Policy stipulates that there shall on a continuous basis be performed mapping and assessment of actual and potential negative impacts on fundamental human rights and decent working conditions, with corresponding measures (including any stakeholder communication and remediation) and follow-up of these measures, at two levels throughout the HJR Group. This involves (i) a general mapping to identify risk areas and (ii) Investigations. The identified risk areas shall guide the work on fundamental human rights and decent working conditions, including which Investigations are conducted. For the Healthcare Business no internal risk area has been identified. The Healthcare Business is also in itself Sustainability and well-developed, with strong internal controls. Externally, it has been found that there is no particularly high risk of negative consequences, but the industries food, textile, and IT have been highlighted after analyses of the supply chains of the Healthcare Business. Save for the Opti Acquisition no specific internal risk areas have been identified for the Education Business either. Sustainability has been a focus for years, as mentioned. Both in new establishments and acquisitions of the Education Business fundamental human rights and decent working conditions have been essential in the prior investigation phase and the implementation phase (including integration). In new establishments and acquisitions in countries in which there is a higher risk of negative consequences, subjects such as working hours; wage

level; environment, health, safety (EHS) and privacy are more closely monitored in particular. Externally the supply chains for contracting services, textiles and foods have been identified as high risk, particularly in relation to that part of the Education Business which is conducted in the United Arab Emirates (UAE), India and South Africa.

The code of conduct for employees both in the Education Business and the Healthcare Businesses have been reviewed and updated in light of the transparency act, the OECD Framework and the Transparency Policy (the ethical guidelines or internal code of conduct). These are also reviewed annually as part of the quality work. For the Education Business an external code of conduct has also been prepared for suppliers and other business partners and their suppliers (external ethical guidelines or external code of conduct). For the internal code of conduct whistleblowing channels have been established for a long time, and the same has now been established for the

external code of conduct. The governance documents have been strengthened with further global and local governance documents and other measures as well as other necessary measures.

According to the Transparency Policy new agreements and contract renewals with suppliers and partners shall include a requirement for compliance with the external code of conduct. Both the internal and external codes of conduct are available at www.dibber.com.

In all of the HJR Group work has been done to implement. The Investigations carried out during the Report Period are described in section 3.4. The HJR Group also has noted publicly accessible information concerning both actual and potential negative consequences for fundamental human rights and decent working conditions associated with the businesses of its suppliers and will follow this up.



Systems for handling requests on information and complaints pursuant to the transparency act sections 6 and 7 have been established.

Anyone may make requests and other inquiries pursuant to and attaching to the transparency act for

the HJR Group on a group-level:

transparency@hjrholding.com

the Education Business:

transparency@dibberfamily.com

the Healthcare Business:

apenhet@astveithelsesenter.no

For the HJR Group and the Education Business the system is served by the Sustainability Committee, and for the Healthcare Business by the working group that is established for Sustainability.

3.4 Investigations

As to the HJR Group internally, based the mentioned mapping, it is only the Opti Acquisition that has implied a need for a more detailed review and analysis. In the preliminary review phase (the “due diligence” phase) for the transaction the discovery was made that the salary unskilled employees in Opti Baby and Kids received was lower than the average in the sector. This was explained by profit challenges owing to internal and external factors. After the completion of the acquisition the salaries of these employees were adjusted. Now these employees have a salary that is well above the minimum level defined by the authorities in South Africa and is in line with the average for the sector. In addition, the Dibber Group is working to improve salaries, insurance benefits and other welfare benefits for all employees in South Africa. The goal is to establish a standard for compensation that challenges the industry standard and ensures all employees good living conditions and to contribute to increased value creation. There are already signs of positive changes.

The HJR Group has, counting big and small, around 26,000 suppliers and business partners. In other words, to investigate the external side of the businesses in the HJR Group must not only be risk-based but also strategic. As a first external Investigation after the introduction of the transparency act, the HJR Group has in the Report Period performed a survey. It has been done among the ten suppliers and business partners that represent the greatest risk with respect to negative consequences for fundamental human rights and decent working condition (other subjects in the OECD

Guidelines was not included this time). This means in the Education Business ten supplier relationships for Dibber AS (group level), ten vendor relationships for the global capability centre in India (group level) and ten vendor relationships for each country and ten vendor relationships in the Healthcare Business. In Norway also ten vendor relationships were investigated for the school business specifically.

The HRJ Group uses Complete Control from House of Control as its supplier-and-contract-management tool. A module in House of Control attaching to this supplier-and-contract-management tool is the transparency act software. The Investigation has been performed using this software.

The response rate has been acceptable globally (circa seven out of ten). The response has mostly been reassuring, but one finding is that for about half of the respondents better control of sub-suppliers can be established. The Investigation has a weakness in that it is difficult to verify answers at the same time as the respondents have an incentive to provide the “correct” answers to maintain the relationship with the HJR Group. The result of this Investigation has not required measures additional to those that are performed on general level, other than following up those of the suppliers that have not responded and to enter into a dialogue with those suppliers that do not have satisfactory control measures for their sub-suppliers.

4. Conclusion

The HJR Group has made significant progress in the work related to fundamental human rights and decent working conditions under the transparency act. In the year that is passed since the act come into effect, the HJR Group has, inter alia, adapted its formal organisation; prepared the required governance documents; identified risk areas, and prepared associated measures; performed Investigations and prepared associated measures; performed implementation and prepared the Transparency Report. This also includes extensive work with the culture in the whole group, making the transparency act and the OECD Framework known, motivating everyone to wanting to promote this and making it all a part of how we do things around here.

At the time of completion of the Transparency Report, the HJR Group is evaluating the work that has been done and planning the further work. A focus going forward will be to perform more Investigations among the suppliers. As for other enterprises, the HJR Group stands at a crossroads. The work on the transparency act and the OECD Guidelines must be conjoined with the work pursuant to the CSRD. The European Commission has also proposed Directive on corporate sustainability

due diligence (“CSDDD”), which also will implement the OECD Guidelines ([www6](#)). For the HJR Group is it about getting all the elements to work as a whole. A new IT system which supports the work on the transparency act, CSRD, CSDDD and other subjects within Sustainability will be procured and strengthen us further in further in this important work.

Signatures*

*Only official version in Norwegian is adopted and signed

HJR Holding AS

Ingerlinn Sundby
sole director, chairperson

Dibber AS

Gunnar Johansson
chairperson

Hans J Sundby
director

Veline Sundby
director

Ingerlinn Sundby
director

Morten Vårdal
CEO

HJR Utland AS

Morten Vårdal
chairperson

Atle Hørlyk
director

HJR Utland 3 AS

Morten Vårdal
chairperson

Atle Hørlyk
director

Læringsverkstedet Gruppen AS

Trude M Sydtangen
chairperson

Atle Hørlyk
director

Læringsverkstedet AS

Morten Vårdal
chairperson

Trude S Nordgaard
director
(employee-representative)

Linda T Griffiths
director
(employee-representative)

Kristel Bjørnes
director deputy
(employee-representative)

Trude M Sydtangen
director

Atle Hørlyk
director

Trude M Sydtangen
CEO

Taurito AS

Svein Lunde
chairperson

Atle Hørlyk
director

Åstveit Helsesenter AS

Svein Lunde
chairperson

Atle Hørlyk
director

Tone O Kalleleiv
CEO

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[Early Childhood Education and Care, OECD](#)
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