

NORSK ELEKTRO OPTIKK AS

Norwegian Transparency Act Statement (Åpenhetsloven)

Introduction

Norsk Elektro Optikk AS (NEO) is committed to operate in accordance with the Norwegian Transparency Act. This means that NEO will work to promote respect for basic human rights and decent working conditions in our production- and supply chain.

NEO was founded in 1985, and is a wholly-owned subsidiary of Norsk Elektro Optikk Holding AS, which in turn is wholly-owned by the Irma Salo Jæger and Tycho Jægers Foundation. The Foundation's purpose is, among others, to provide contribution to research in the field of applied physics. Today, this contribution is provided through the operations of Norsk Elektro Optikk AS.

NEO's business is the development, production and sale of high-quality hyperspectral cameras. The company's own R&D department is focused on product development and participation in publicly and privately funded research projects within optics and electronics.

NEO's production facilities are located in Østensjøveien 34, Oslo. Subsidiaries of NEO in Umeå, Sweden and in Boston, USA carry out service production. NEO has around 50 employees in Norway.

The Board consists of external members with varied backgrounds within research, industry and law. The management of the company is carried out by a management group consisting of seven people.

In this document, we outline how the company works with due diligence assessments related to decent working conditions and human rights.

Accountability

NEO's ethical guidelines promote that the company must be operated in a way which ensures the confidence and trust from our partners, customers, suppliers and employees. Our intentions and actions should never reside in the gray area of any laws, regulations, norms, common research ethics or other relevant industry ethics. We should not engage in activities or operations that may compromise these.

Risks uncovered in our due diligence assessments will result in updated requirements of the contents of our company guidelines. This is to be considered a continuous work in progress.

Internal routines for reporting violations of human rights and decent working conditions in our suppliers` operations and facilities can be found in our employee handbook.

Possible breaches of laws and regulations or guidelines, including ethical guidelines, or other irregularities in the workplace, must immediately be addressed with the responsible manager.

Risk Mapping

The company's production involves the purchase of components within optics and electronics. NEO is aware that the extraction of raw materials and suppliers' production in the field of optics and electronics carry risk factors related to decent working conditions and human rights in a number of countries. Technical components often have complex value chains and carry risk related to human rights violations and harmful environmental impact during raw material extraction and processing. There is also a risk of forced- and child labor in these value chains.

The purchasing process and risk assessments of suppliers are particularly important in our work to promote respect for basic human rights and decent working conditions. NEO understands that irregularities may occur in our production- and supply chain, and we therefore work continuously with risk mapping and supplier evaluation.

Within the following areas of NEO`s supply chain, risk has been identified:

- Conflict minerals
- Transportation
- Metals (steel, copper, aluminum)
- Working- and employment conditions at suppliers and manufacturers
- Technology components have a complex value chain with numerous links and steps, and suppliers

Transportation is considered a risk area due to the global nature of NEO`s supply chain; consisting of many links and steps in which materials, components and completed products must be transported across national borders. This is an area that is not well mapped and documented by NEO, as shipping is included by many suppliers.

Supplier follow-up and measures for risk reduction

In 2022, NEO conducted a mapping of purchases made from all suppliers. As NEO considers a country's laws, legal safeguards, work organization and culture to be significant risk factors for violations of human rights and for poor working conditions, suppliers are listed per country.

NEO has assessed that there is a low risk of breaches at suppliers with production located in Europe and North America. The risk is considered to be significantly higher for suppliers with production located in Asia, Central America and Latin America. NEO places an emphasized focus on these suppliers.

Furthermore, NEO has also looked at the industry our suppliers operate in, for example a supplier of cables produced in Norway will have a lower perceived risk than, for example, a supplier of services (tradespeople) where there may be a greater risk of illegal workers and unfair pay and working conditions.

NEO has drawn up and sent out a questionnaire to the selected suppliers who have been assessed as having an increased risk of breach.

The purpose of the questionnaire is to obtain information on the following:

- Company information including country of operation, scope and type of operation and contact details.
- Confirmation that the supplier has familiarized itself with the Norwegian Transparency act through <https://www.forbrukertilsynet.no/the-transparency-act>
- Quality management, environmental management and compliance with industry standards in the country of operation.
- Social responsibility, EHS, working environment, discrimination, corruption and data security in accordance with human rights.
- Due diligence of subcontractors.

NEO intends to assign our suppliers a risk score based on NEO's assessments of the answers, and a risk score based on the country in which the company, production and suppliers are located. This process is being developed and improved, to ensure that the application of such risk scores will result in higher quality.

Questionnaire Results:

Suppliers who, as a result of the questionnaire responses, are considered to be high-risk due have been provided with our "Vendor Due Diligence Questionnaire", and they have answered satisfactorily. All suppliers who have received the questionnaire have replied affirmatively that they comply with all applicable regulations, industry standards and legislation in their respective countries of operation. No deviations from regulations, including human rights, have been recorded. NEO therefore considers that no measures are necessary at the present time. To ensure that information is continuously up to date, this process will be repeated annually, the next time in 2024.

Implemented measures or planned implementation of measures

Due diligence assessments have been carried out on our risk-suppliers, and no negative findings have been identified. No actions are considered to be required at this time. The due diligence assessments constitute a continuous process.

Reporting and publication of information

Inquiries and questions relating to NEO's work with human rights and decent working conditions can be addressed to neo@neo.no and will be answered no later than three weeks after the inquiry has been received.

Original version of this document, written in Norwegian, was approved by NEO's board of directors.

Oslo, June 15 2023

Erik Rosen
Board Member

Gunnar Rustad
Board Member

Einar Wahlstrøm
Chairman of the Board

Hilde Nakstad
Board Member

Trond Løke
CEO/Executive Director