

Statement in Compliance with the Norwegian Transparency Act

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The Norwegian Transparency Act

The purpose of the Norwegian Transparency Act (the “Transparency Act”), which entered into force on 1 July 2022, is to promote enterprises' respect for fundamental human rights and decent working conditions throughout their supply chains and ensure the general public has access to information regarding how enterprises address these issues.

This means that large Norwegian companies must work for decent working conditions and compliance with human rights in their supply chains and with regard to their business partners. All businesses covered by the law are required to carry out due diligence assessments and report on them annually. The Transparency Act is applicable to Plejd AS as of 1 January 2024.

Plejd AS is part of a group in which Plejd AB is the parent company (the “Plejd Group”). We cooperate within the Plejd Group to ensure that our due diligence with regards to human rights and decent working conditions - and with respect to the Transparency Act - is as effective as possible.

Our business and operating area

Operating in Norway's smart technology and home automation market, the Plejd Group is dedicated to innovation and quality. We specialize in developing cutting-edge solutions for smart lighting and home automation systems. We adhere to Norway's Transparency Act, emphasizing openness and ethical business practices. Our goal is to carry out thorough due diligence to protect the interests of both the company and its stakeholders, ensuring informed decision-making throughout our operations.

In line with the broader corporate framework, the Plejd Group continuously strives to uphold a high standard of social responsibility, employee welfare, and environmental sustainability in our corporate governance. This approach not only guides our business practices but also solidifies our reputation as a responsible corporation.

Plejd AS collaborates closely with a network of wholesalers, fostering transparent and mutually beneficial partnerships. This network ensures efficient distribution and accessibility of our solutions to electricians and end-consumers on the Norwegian market. Our adherence to transparency, due diligence, and dedication to corporate responsibility positions us as a dependable and socially responsible market participant.

This approach helps build trust with our wholesalers and amplifies our positive impact on end customers, fostering sustained growth and expanding our market presence.

Our Supply Chain

Plejd AS plays a key role in the Plejd Group's supply chain, acting as the key distributor of Plejd products developed by Plejd AB to the Norwegian market.

The supply chain consists of Plejd AB, as the sole product supplier, and logistics and distribution service suppliers that help ensure that the products are handled correctly and delivered in a timely manner, helping fulfill our commitment to excellence and customer satisfaction. We also have partners who provide services for office maintenance and employee support.

Our products are distributed to electrical wholesalers, which utilize their established channels and network to make the products easily accessible to electricians and installers nationwide.

Our commitment

Our mission is to develop and offer smart products for lighting control and home automation that our customers love and, at the same time, help create a more sustainable society. The Plejd Group wishes to do its part to create a more sustainable society and to be a positive force when it comes to ethical trading. We are therefore committed to acting according to the highest ethical standards and conducting our business in a responsible and sustainable way.

It is, however, important to us to be transparent and to acknowledge that this is a work in progress that will take time, and that there will always be room for improvement. We are also aware that our industry has several risk factors related to the working conditions under which products and components are produced.

Plejd AS publishes the account of our due diligence initiatives through this Statement According to the Transparency Act (we call it the "Statement"), which is available on our website and updated each year.

In this Statement, we explain our work with due diligence assessments related to human rights and decent working conditions and the measures we have implemented to cease, prevent or mitigate any negative impacts.

Plejd's routines for due diligence

The due diligence assessments of Plejd AS are conducted in close cooperation with Plejd AB to ensure full transparency regarding the processes and responsibilities involved. By educating our staff internally regarding the scope of the Transparency Act and enlightening them with a global picture on where injustice may have its roots, a foundation was created to address issues regarding human rights and decent working conditions.

In addition, we have adopted a plan and a process that shall be routinely followed up by key participants within the Plejd Group. This due diligence process is based on the OECD Guidelines for Multinational Enterprises. Based on these guidelines we have established the following internal guidelines and routines to handle actual and potential negative consequences for basic human rights and decent working conditions.

Due diligence assessments will be carried out according to the process outlined below (Figure 1).

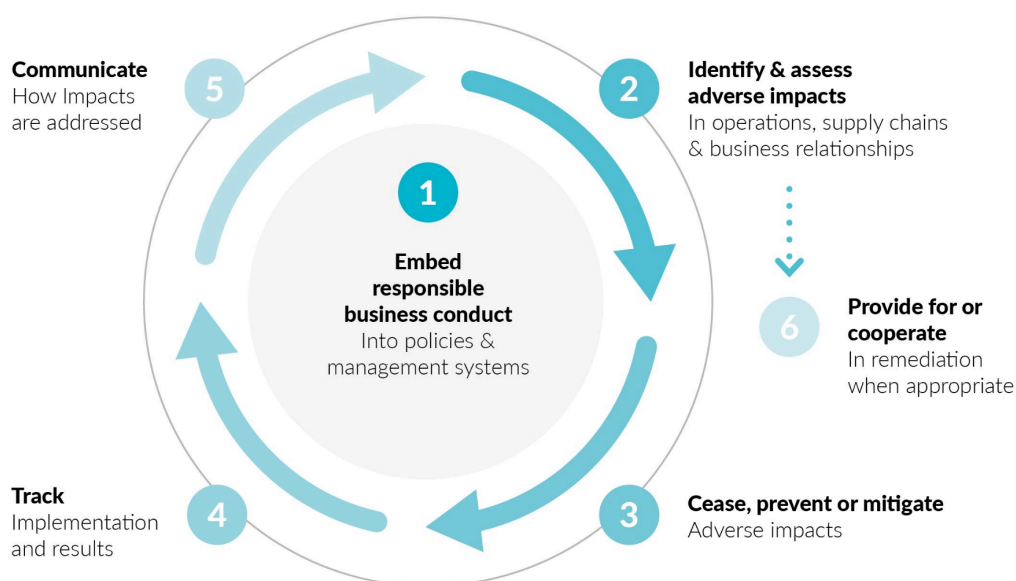


Figure 1. Due diligence process and supporting measures (OECDs' six steps from OECD Due Diligence Guidance for Responsible Business Conduct, 2018)

1) Embed responsible business conduct

The work with the Transparency Act has been embedded by the Board of Directors and the management of Plejd AS during 2023. The Boards of Directors of Plejd AS and Plejd AB shall be informed annually about the work and of any changes that may occur.

In connection with the work to embed responsible business practices, the Board of Directors of Plejd AB has also adopted a Code of Conduct for Suppliers for the Plejd Group that sets out our expectations for our suppliers and business partners.

2) Identify and assess adverse impacts

We perform risk assessments to identify and assess actual and potential adverse impacts.

We conduct our risk assessments by mapping out our supply chain to maintain a clear overview of whom we are doing business with and where our suppliers are located. Based on that information, we evaluate if one or more of our suppliers falls into any risk groups. Our evaluation is done based on our own judgment and knowledge of the suppliers, official guides (including but not limited to the ITUC Global Rights Index, the Transparency Corruption Perceptions Index and the Global Slavery Index) and other information provided by ethical trade organizations and local sources (such as reports from local trade unions and authorities).

The risk assessments are furthermore based on information that we collect from our suppliers through a self-assessment questionnaire. The questionnaire is sent out to our suppliers and we follow up with further inquiries on outstanding questions and information that we consider unreliable. We will repeat this process as necessary in order to eventually map our entire supply chain.

Based on our risk assessments, we will prioritize which risks and/or actual negative impacts to follow up on. We will prioritize cases where:

- There is a high probability of potential negative impact or damage
- Risks or negative impacts are of high severity or large in scope
- There is a high probability that we can contribute to actual change.

We will deprioritize risks that have been satisfactorily handled by our suppliers, at other levels in the supply chain or by trade associations.

3) Cease, prevent or mitigate

Based on our risk assessments and the priorities we make, we will implement suitable measures to cease, prevent or mitigate any significant risks of negative consequences or actual negative consequences.

This may include both general and specific measures such as negotiating contracts, carrying out factory visits, setting stricter minimum requirements, using our influence with specific suppliers, and cooperating with responsible partners and other companies. If no other measures prove to be effective, we will cease work with certain suppliers after a thorough assessment of the risks and/or actual negative consequences involved.

4) Track

To conclude the process, we will follow up on the measures taken to evaluate the results and to assess if any additional measures need to be implemented. This could include steps such as a follow-up audit, discussing the progress of follow-up actions with the supplier or business partner, and updating our own due diligence process to better identify and address significant risks and negative consequences in the future. At this stage suppliers are also reevaluated and their risk level is updated based on the provided information. Key parameters such as response rate and data related to questionnaires and audits are presented to stakeholders and adverse impacts are evaluated.

5) Communicate

Information about our work in accordance with the Norwegian Transparency Act will be published through this Statement on our website. This Statement will be updated annually by 30 June.

6) Provide for or cooperate

The Plejd Group will ensure that we take accountability for any adverse impact directly caused by the company. Potential grievances can be reported through the transparency@plejd.com email or through our [Whistleblowing Platform](#), if applicable.

The Plejd Group will also cooperate with any legitimate third party remediation mechanism that may arise from external stakeholders.

Due diligence assessment

During 2024, the Plejd group has continued to implement due diligence processes into our operations to ensure that human rights are respected and that decent working conditions are ensured in the supply chain. Building on the initial implementation work performed in 2023, we have improved our risk assessment method and continued reinforcing internal routines to work with due diligence.

The board of Plejd AS continues to maintain oversight for this work, delegating responsibility to the departments actively working with the company's supply chain. The departments have undergone additional internal training to understand how to identify and assess risks using these improved methods and to implement this into their work.

While the risk criteria in our original assessment provided a useful starting point for evaluating the Plejd Group's supply chain, we have adopted a more standardized due diligence, enabling our process to scale with the company's growth.

The updated approach's risk factors were based on the OECD Due Diligence Guidance for Responsible Minerals Supply Chains and the OECD Due Diligence Guidance for Responsible Business Conduct, covering upstream and downstream risks for suppliers within our industry. The following risks were highlighted:

- Human rights violations
- Employment violations
- Environmental degradation
- Financial crimes

We conducted a reevaluation of our Tier 1 suppliers using the updated risk assessment process in addition to the criteria we originally identified as necessary for our assessment:

- The suppliers' work with due diligence, split into various sections: Working Conditions, Environment, and Supply Chain Management
- Establishment of and adherence to social policies within the organization
- Agreement to comply with the Plejd Group's Code of Conduct for Suppliers (or an equivalent standard)
- Additional documentation provided (ISO 9001, ISO 14001, etc.)

In parallel with the reevaluation of risks within the supply chain, we have continued to communicate our Supplier Code of Conduct with all existing and new suppliers, ensuring all suppliers we work with adhere to our requirements or can provide an equivalent Code of Conduct that addresses the same requirements.

Plejd AB Tier 1 Suppliers 2024 Risk Assessment

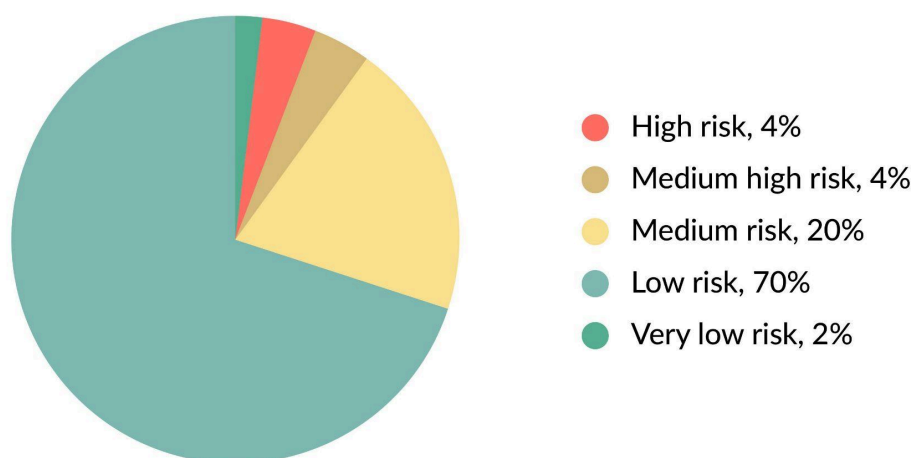


Figure 2: Last year's risk levels for all our Tier 1 suppliers.

Plejd AB Tier 1 Suppliers 2025 Risk Assessment

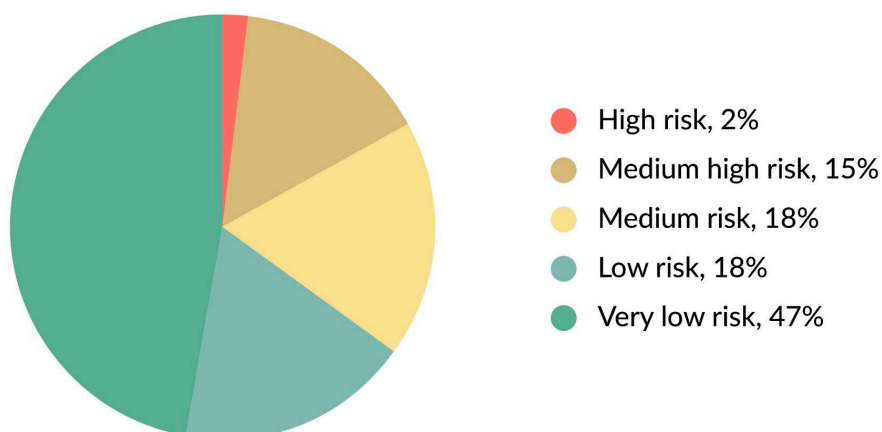


Figure 3: This year's reassessed risk levels for all our Tier 1 suppliers, utilizing the new approach and additional supplier data collected throughout the year.

Using more accurate risk factors for our assessment, we were able to see a decrease of the risk levels of many of our Tier 1 suppliers. As new suppliers were added, their risk levels were low due to their geographic location as well as the continued implementation of due diligence laws across many regions. As we work to establish agreements with new suppliers in high risk areas, we will conduct audits and ensure their adherence to our Code of Conduct.

Actual Negative Consequences

Our work, so far, has not identified any actual negative human rights consequences. Through ethical guides, we know that some geographic areas face indecent working conditions and modern slavery. Therefore, we at the Plejd Group will continue investigating and gathering evidence to adhere to guidelines and ensure our suppliers do the same.

Significant Risks of Negative Consequences

The electronics industry is particularly vulnerable to exploitation, especially in low-income and less regulated regions. This is reflected in our geographical risk analysis, which is based on the 2024 Labour Rights Index and the 2024 Global Rights Index. Some of the countries where our supply chain operates lack protections such as the right to join trade unions and anti-discrimination laws. These conditions can give manufacturers the ability to operate using unethical practices and create unfair advantages.

Through our ongoing risk assessment work, we have identified some areas of concern within our supply chain related to the level of national enforcement of workers' rights and the lack thereof. Therefore we see a need to further investigate many of our suppliers in these regions that have not yet been thoroughly assessed, due to the possibility of risks pertaining to human rights and working conditions. Additional measures are planned to ensure transparency for this group of suppliers as they pose the biggest gap in our supply chain related to key focus areas.

These risks could have direct consequences for our supply chain operations and therefore we will be conducting follow up actions. We are also aware that risks relating to decent working conditions have a negative impact in the communities local to the organizations.

Further Measures to Implement

In order to further limit the possible risks of negative consequences within our supply chain, we will work to implement the following measures:

- Continue the work to include our Code of Conduct for Suppliers into our supplier agreements to influence suppliers to work to identify and mitigate risks in their supply chains.
- Continue to integrate key aspects from our Code of Conduct into our supplier audits and assessments to address geographical risks discovered in certain regions.
- Start assessing the risks of our Tier 2 suppliers prioritizing those with the highest exposure towards the market.
- Integrate legal, business, and quality factors into our supplier catalog in order to have more thorough risk assessments across our supply chain.

Communication and requests for information

Plejd AS will continue to communicate our findings and assessments through this statement, which will be updated on a yearly basis on our website. If you require further information regarding our work in connection to the Norway Transparency Act, please submit your inquiries to transparency@plejd.com. We will respond within three weeks of submission.

Approved by:



Babak Esfahani (CEO and sole Director)

Date of approval:

2025-06-27