



# DISCLOSURE TRANSPARENCY ACT

Neo Monitors AS  
For period July 1- December 31, 2022

28 June 23

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## BACKGROUND

### BRIEFLY ABOUT THE COMPANY AND IMPLEMENTATION OF THE TRANSPARENCY ACT

#### Introduction

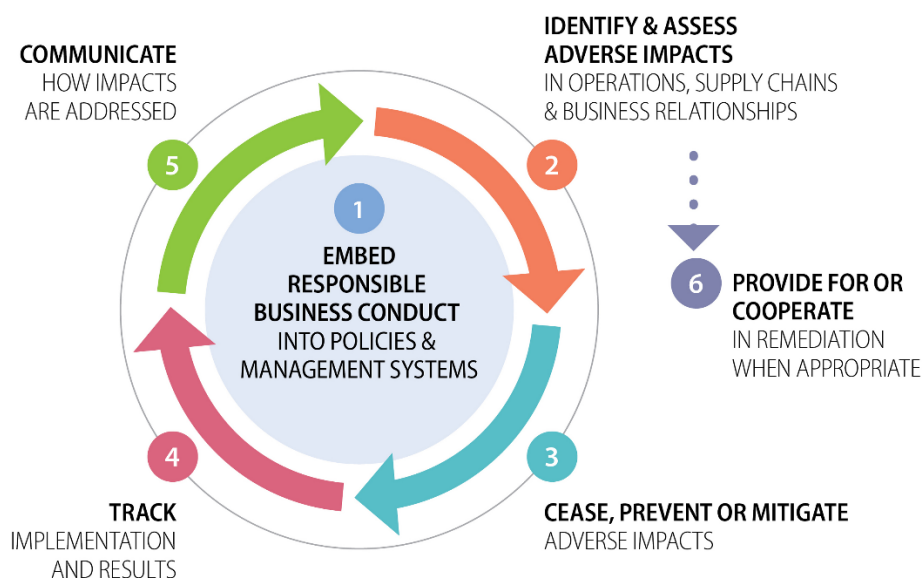
Neo Monitors AS, org.nr. 986 076 832 (hereinafter referred to as the "**Company**") is covered by the Act on Business Transparency and Work with Fundamental Human Rights and Decent Working Conditions (hereinafter referred to as the "**Transparency Act**") and is thus obliged to conduct and account for due diligence assessments intended to ensure fundamental human rights and decent working conditions.<sup>1</sup>

Among other things, the Transparency Act requires the enterprise in question to identify and assess actual and potential negative consequences for violations of human rights and decent working conditions, both internally in the Company and in its supply chain. The enterprises covered by the Act must publicly account for the due diligence assessments that are carried out. The report shall be updated and published on the Company's website by 30 June each year and otherwise in the event of significant changes in the Company's risk assessments.

Due diligence assessments shall be carried out in accordance with the OECD Guidelines for Multinational Enterprises in the field of Human Rights, which are consistent with the UN Guiding Principles on Business and Human Rights (UNGPs).

The Company has worked to implement the Transparency Act in line with the OECD Due Diligence Model for Responsible Business Conduct:

#### DUE DILIGENCE PROCESS & SUPPORTING MEASURES



In the model, the due diligence process is divided into six stages, which must be adapted to the individual enterprise's size, nature, context, as well as the severity of and likelihood of negative consequences.

<sup>1</sup> The Act applies, inter alia, to: "Larger enterprises domiciled in Norway offering goods and services in or outside Norway", cf. section 2, paragraph 1 of the Transparency Act. "Larger enterprises" means "Enterprises covered by section 1-5 of the Norwegian Accounting Act, or that on the date of the balance sheet exceed the limits for two of the following three conditions: 1) sales income: NOK 70 million, 2) balance sheet total: 35 NOK million and 3) average number of employees in the financial year: 50 full-time equivalents», cf. Section 3 (a) of the Transparency Act.

## KEY INFORMATION ABOUT THE COMPANY

### NAME OF THE COMPANY

Neo Monitors AS, org.nr. 986 076 832

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### ADDRESS HEADQUARTERS

Prost Stabels vei 22, 2019 Skedsmokorset

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### PRODUCTS AND SERVICES

Neo Monitors AS is a production Company engaged in the production of advanced electronic products and services, including measurement and control instruments related to dust and gas. The Company is categorized in electronics manufacturing.

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### DESCRIPTION OF COMPANY STRUCTURE

The Company is owned by Nederman Holding AB in Sweden.

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### TURNOVER IN 2022

189,5 MNOK

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### NUMBER OF EMPLOYEES

53

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## METHODOLOGY: THE DUE DILIGENCE PROCESS

### ANCHORING OF RESPONSIBILITY

Neo Monitors AS has at a board meeting anchored the executive responsibility in the board, to ensure that the requirements that follow from the Transparency Act are implemented, safeguarded, and complied with. In addition to the Board assuming executive responsibility for promoting and respecting human rights and decent working conditions in the Company, the Company has been assigned the following mandates:

- Børre Larsen, Chief Executive Officer  
Mandate: Overall responsibility for safeguarding and complying with the Transparency Act in the Company.
- Børre Larsen, Chief Executive Officer  
Mandate: Overall responsibility for incorporating routines for handling the duty of disclosure and ensuring that these are complied with in the Company.

The Company has introduced guidelines for suppliers and business partners, routines for handling the duty of disclosure and plans for risk analyses and due diligence. It has also been decided that the Board shall draw up a concrete plan to ensure compliance with the requirements set out in the Transparency Act, as well as for how the Company shall work with this in practice.

The aforementioned guidelines and procedures will be introduced to specify how the Company shall work with fundamental human rights and decent working conditions, and will enable the Company to work systematically and efficiently with:

- i. mapping, control and follow-up of internal conditions and the supply chain,
- ii. preparation of risk analyses and due diligence, and
- iii. handling access requests.

It has been decided that the Board, in accordance with the overall responsible parties (ref. the mandates mentioned), shall update relevant routines and guidelines as necessary.

### MAPPING AND IDENTIFICATION OF RISK

#### INTERNAL IN OWN BUSINESS

We have started work on mapping internal conditions in the Company, to identify which areas pose a risk of negative impact on human rights and decent working conditions.

NEO Monitors AS is a Company engaged in production, marketing and sales of advanced electronic products and services. The business carried out by the Company is not in a risky industry, and the work carried out is not particularly exposed to risk except for some handling of gas. The Company has anchored its work on human rights and decent working conditions in its internal guidelines and routines.

The Company has a quality system and personnel handbook, including notification routines, in place, which are easily accessible on the Company's intranet pages.

The areas that have been mapped and assessed in more detail in relation to violations of fundamental human rights and decent working conditions are areas where we believe there is the highest risk of negative impacts on human rights and decent working conditions in this specific activity. The list below is not complete, but examples of areas where we have conducted due diligence internally:

- Working
- Salary
- Discrimination
- Labour rights/ environment
- Work with health, safety, and environment
- Forms of affiliation for employment
- Respect for the right to join trade unions

Carried out risk assessments generally show a low-risk picture internally in the business. Despite this, there is always room for improvement in relation to the importance of regular reviews of guidelines and routines in general. No actual negative consequences or significant risk of negative consequences have been identified, but a few areas for improvement have been proposed. Among the measures being considered for implementation are efforts to raise awareness among employees about the importance of the Transparency Act and our work with this. Furthermore, we will have an increased focus on our routines and guidelines, including whistleblowing systems, so that employees are aware of where they can turn if they should experience censurable conditions in our business, as well as our routines for handling such reports. It is expected that proposed measures will help further reduce already low risk.

## AT OUR SUPPLIERS

We have started mapping and assessing actual and potential negative impacts on fundamental human rights and decent working conditions at our suppliers.

We have conducted a survey of our suppliers to identify which areas pose a risk of negative impact on human rights and decent working conditions.

We have a total of 1,141 suppliers in 2022. The suppliers are both Norwegian and foreign.

We have carried out a risk evaluation of our suppliers. To determine which of these we should turn to for further follow-up under the Transparency Act, we have based our work on country risk, industry risk, product risk and known risk.

Country risk in particular forms the basis for rough sorting of foreign suppliers. We have based our work on several indexes such as the Global Rights Index, Global Slavery Index and Children's Rights in the Workplace Index. We have chosen to follow up the suppliers from which we have procured the most, and who come from countries with a higher risk of violations of fundamental human rights and decent working conditions.

We have also assessed the Norwegian suppliers in relation to industry risk and included other parameters such as ratios indicating the supplier's financial condition (so-called z-risk), and whether the supplier has received an auditor's note. This may give an indication of whether the supplier does not adhere loyally to the applicable rules regarding workers' rights but does not have to do so. Furthermore, the Company has made use of other indicators such as the size of turnover from the

individual supplier compared to turnover from the other suppliers to the Company, in addition to the ratio of the supplier's total turnover compared to the turnover to us. The latter gives an indication of the influence we have on the individual suppliers if they find that, for example, workers' rights are not adequately safeguarded. Based on the above procedure, we have arrived at a high-risk list. Assessments have then been made as to whether some of the suppliers should be given a lower priority or a higher priority among themselves. For example, some suppliers have been removed from the high-risk list because they are no longer suppliers, that they are only sole proprietorships, or because they are group companies that they have good control over.

Against this background, we have selected one Norwegian and four foreign suppliers for further follow-up. In our inquiries, we have asked specific questions in relation to the areas we believe have the highest risk of violations of workers' rights, etc. at the selected supplier.

We have not uncovered actual negative consequences or significant risks of negative consequences for fundamental human rights and decent working conditions.

## SUMMARY AND THE WAY FORWARD

In our work on the Transparency Act, we have so far entrenched accountability in the board, started work on mapping and assessing actual and potential negative consequences for fundamental human rights and decent working conditions internally in the Company, as well as in relation to our suppliers. So far, we have not identified any actual or significant risk of negative consequences for fundamental human rights and/or decent working conditions.

Our work with the Transparency Act is a continuous process, where we will conduct due diligence on a regular basis. Among other things, we plan to follow up the improvement items after the internal review, as well as to follow up responses from our suppliers.

Furthermore, we will continue our efforts to raise awareness among our employees and among our suppliers about the importance of the Transparency Act. One of our most important tools to ensure that we do not attract rogue actors is to have good systems and routines for uncovering actual or significant risks of negative consequences on human rights and decent working conditions at our suppliers, so that we reduce the risk of violations of fundamental human rights and decent working conditions.