



Due Diligence for Responsible Business Conduct

# Account reporting year 2022

for Nomono AS

## nomono

*Ethical Trade Norway has assessed the report of Nomono AS to meet the criteria of our Base Level. More information about our Base Level can be found **here**.*

# SUSTAINABLE DEVELOPMENT GOALS



## To Readers Of The Report

Business and the public sector have a great impact on people, society, the environment, and animals and can both contribute positively to development, or negatively by causing harm. Businesses therefore hold a central role in achieving UN's Sustainable Development Goals (SDGs).

This report can be used as an account for the Transparency Act, but it has a broader scope with climate and the environment, circular economy, and anti-corruption indicators also being included. Our members are obligated to carry out due diligence and report annually on their work. Base level members also meet the Transparency Act's due diligence duty, and partially the Act's information duty.

Responsible business conduct is the systematic effort that businesses do to identify, prevent or mitigate adverse impacts and explain how they manage their risks of negative impact to people, society, and the environment as well as provide remediation where this is required. Norwegian authorities expect all businesses, regardless of their size, to carry out due diligence in accordance with the UN's Guiding Principles for Business and Human Rights (UNGP) and OECD's Guidelines for Multinational Enterprises. This applies to businesses, the public sector, and organisations.

Ethical Trade Norway's Declaration of Principles (our Code of Conduct) covers the areas of decent work, human rights, environment/climate, anti-corruption, and animal welfare. This report is done in full transparency and in line with UNGP and OECD's guidelines. The reports of all members are publicly accessible on Ethical Trade Norway's website.

**Heidi Furustøl**

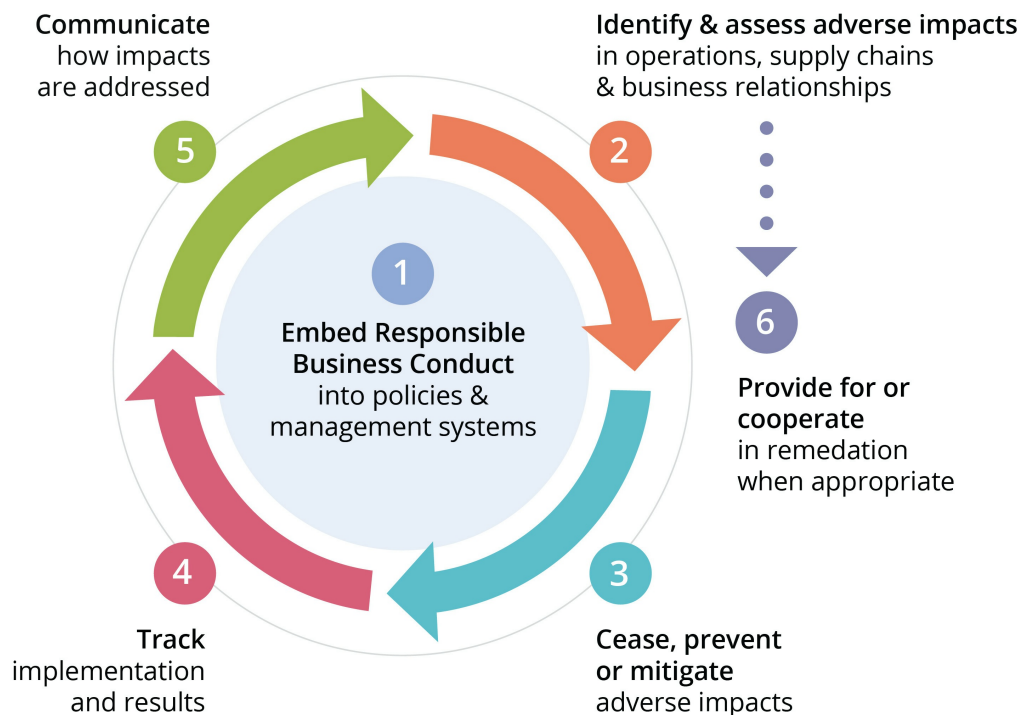
*Executive Director*

Ethical Trade Norway

# Due diligence

This report is based on the UN Guiding Principles on Business and Human Rights and the OECD model for Due Diligence for Responsible Business Conduct.

The model has six steps that describe how companies can work for more responsible and sustainable business practice. However, being good at due diligence does not mean no negative impact on people, planet and the society. It means that the company is open and honest about challenges faced and shows how this is managed in the best possible way in collaboration with its stakeholders. This report is divided in chapters following the OECD model.



# Preface From CEO

Nomono is a user-centric start-up that enables storytellers to be creative by freeing them from the complexity of audio production. We build technology that fades into the background and feels invisible, to make audio storytelling a human experience, not a technical challenge. Our products are exclusive and meant to last. This way we aim to reshape the way we think about consumer electronics and diverge from the throwaway mentality and build emotional durability instead. In this work, we aim to be honest, direct, and transparent, and with the UN Sustainable Development Goals as our North Star, we have put sustainability at the very core of how we think about everything we do, both for ourselves and with our partners and stakeholders.

We recognize that we produce integrated electronics that are known to have challenges related to the sustainability of materials sourcing, production, and end-of-life (e-waste). We work at every step of the way to minimize impact. But just as important is the direct intent of Nomono's solution, namely, to simplify processes for our users that today require many more pieces of equipment and electronic components. One of Nomono's aims is to reduce total electronics consumption by eliminating the need for many of the cables, recorders, and other hardware components that a production crew must have with them today. And as the target customers will be using the Nomono hardware in the field, the costs and environmental impact associated with the transport of equipment will be lower than today's standard.

Nomono also sees great importance in future-proofing the way we work with tech. Our goal is to build a deeper connection between user and product. We want the users to feel that they get value out of taking care of their product and choosing repair options over replacing the entire product.

We firmly believe that sustainability and responsible business conduct must be at the heart of everything and that it will provide a shared value for both our business and for society; it is the driving factor in all product development - from design to supply chain and from digital to physical product. Our goal is also to strengthen local production in Norway and the Nordics in general. We aim to change the way supply chains in consumer electronics work, to bring us into a more transparent era.

**" Our products are exclusive and meant to last. This way we aim to reshape the way we think about consumer electronics and diverge from the throwaway mentality and build emotional durability instead. "**



Jonas Rinde  
CEO



# Company information and business context

## Key company information

### Company name

Nomono AS

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### Head office address

Strandveien 43, Trondheim

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### Main brands, products and services offered by the company

Audio Equipment and Software

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### Description of company structure

We're organized by functional specialties: Product, Revenue, Finance, and Operations. Functions are the family that each specialist has, helping to keep best practices and standards in place across a discipline. A manager heads each function to coach and guide us towards our vision. From these functions, we form cross-functional teams to collaborate on products. Through Sustainability by Design, we have put sustainability at the very core of everything, from how we drive innovation, evaluate risks, and assess growth opportunities. Hence, our due diligence for responsible business conduct is anchored on all levels (management and R&D) and across all product teams.

Nomono's internal culture also encourages collaboration with others who share our passion and build on our ideas but challenge our thinking. A truly sustainable organization cannot be shaped alone, but our sustainability strategy is based on building closer stakeholder relationships. We bring together our capabilities across the company to develop and boost stakeholder alignment and ensure stakeholder-centric decision-making.

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### Turnover in reporting year (NOK)

### Number of employees

35

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### Is the company covered by the Transparency Act?

No

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### **Major changes to the company since last reporting period**

The number of employees in the reporting year has increased from 33 to 35 - One of the positions hired is Supply Chain and Sourcing - and related to the Ethical Trade and Sustainability work.

We are late with our product and part of the reason for that is a lack of components and goods - the main reason lies in the complete product with both software and hardware working together - this is complicated but definitely manageable. In that context, there are no major changes related to the reporting for 2022 - but in general that we have been delayed, and the project has slipped by approx. 12 months

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### **Contact person for the report (name and title)**

Torun Larsen, Supply Chain

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### **Email for contact person for the report**

torun.larsen@nomono.co

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## Supply chain information

### General description of the company's sourcing model and supply chain

Nomono is a young company and is now in the prototype stage for both Hardware and software. For the supply chain hardware process, there will be a difference between the plans for 2021/2022 (prototype) and the ones for mass production in 2023.

Key raw materials and direct materials are mainly sourced from Asia at the prototype stage but will mainly be from Europe when we start mass production.

Hardware products are produced and developed in Norway. Electronics printed in Norway - Electronics, and mechanics are assembled into a finished product at our Contractor Manufacturer (CM) in Norway. For reporting years, subcontractors for electronic components and mechanics are mainly from Asia. When it comes to volume production, some of the mechanics and electronics will be moved to Europe. Components for electronics will come from Asia but will be assembled into finished electronics cards here in Norway. The product will have Norwegian origin.

The Supply Chain process of servers and software are managed by Nomono Senior iOS Developer for 2021 and 2022.

For internal purchases of office equipment etc, we have a guide that informs the employees where to buy office equipment from. As of today, this is a form available for everyone - New employees are informed about this under the Nomono Sustainability group onboarding process.

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### Number of suppliers with which the company had commercial relations in the reporting year

16

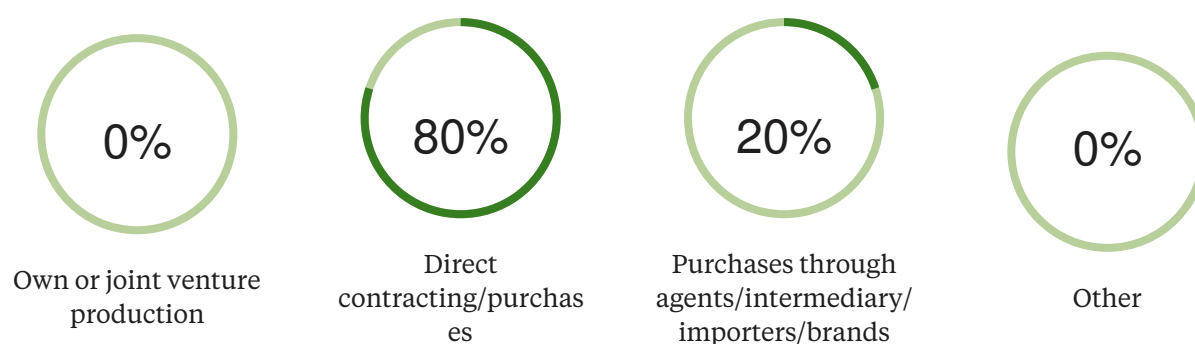
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### Comments

Direct contact and Commercial relations i Supply Chain Prototype Process.

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### Type of purchasing/ suppliers relationships



Above are approximate figures.

#### List of first tier suppliers\* (producers) by country

Norway :	6
China :	6
Denmark :	1
America :	1
Sweden :	1
Ireland :	1
Global :	1

Above are approximate figures for reporting the year 2022, The Irland supplier is for server-supplier in Ireland.

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**State the number of workers at first tier producers that the company has an overview of, and the number of suppliers this overview is based on:**

#### Number of workers

10 000

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#### Number of suppliers this overview is based on

16

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#### Numbers of workers per supplier (calculated average)

625

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#### Comments to number of workers

Contract Manufacturer (CM) and third-party manufacturer of components and/or products - Some of our manufacturer have more than one factory.



## Key inputs/raw materials for products or services and associated geographies

<b>Electronics</b>	China Norway The European Union
<b>Cardboard</b>	Norway
<b>Steel</b>	China
<b>Rubber</b>	China
<b>Plastic</b>	China Norway
<b>Magnets</b>	China Denmark
<b>Electronics (display and glass-front)</b>	USA
<b>Foam Gaskets,</b>	Sweden
<b>metal mesh,</b>	Sweden
<b>adhesive</b>	Sweden
<b>fabric,</b>	China
<b>misc</b>	China
<b>Batteries</b>	Norway
<b>Cardboard</b>	Norway
<b>software</b>	Ireland
<b>cobalt</b>	Global

We have traced the primary source of cobalt used in our batteries back to our supplier. They have been asked to identify their own source, and we are currently following up to determine the original source of the cobalt.

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**Is the company a supplier to the public sector?**

No

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## Goals and progress

### Process goals and progress for the reporting year

1

**Goal :** Follow up requirements for subcontractors on the working environment

**Status :** We have followed up by asking questions and asking about certification documents. As far as possible, we work with subcontractors who are known to our two agents.

2

**Goal :** Continue having all new employees participate in the onboarding session from the sustainability group

**Status :** We did this for our all new employees

3

**Goal :** Easily recyclable and identifiable material marking on components/ all Nomono-custom components marked with material for circularity purposes or information available online regarding materials.

**Status :** Ongoing - We currently cover this at around 30% - this applies to batteries and packaging as well as some other components -

4

**Goal :** work on guidelines for design for circularity.

**Status :** The intended result will be guidelines ensuring easier repairs, with replaceable modules in case of permanent damage to a part, ensuring that the device(s) can be repaired for most known faults instead of replacing the entire device. Also guidelines to ensure Material choices and ease of disassembly allows for recycling all custom components.

5

**Goal :** We have rooted responsible business conduct in our company structure, culture, and brand.

**Status :** We have hired one resource to drive this goal forward but are looking to hire more people as soon as possible. We have had walk-throughs with the entire company to anchor our strategy further in our culture. See our 2022 goal for the brand for more info on how we have dealt with that side of things.

6

**Goal :** 100% renewable energy for all of Nomono's servers.

**Status :** Amazon energy servers - They have 65% renewable as per 2021/2022, and a goal of 100% for their cloud services by 2025. Current share, is "more than 95 %" according <https://sustainability.aboutamazon.com/environment/the-cloud?energyType=true>

7

**Goal :** Packaging from recycled sources and without the use of plastic

**Status :** for 2022, we made packaging our of 100% cardboard, of with 65% is out of recycled material.  
Still in progress with hindrances of reaching 100% due to low volume

8

**Goal :** The design principles for our brand reflect the ambitions in our sustainability strategy.

100% - in progress with finishing date this year before launch  
From our brand work in 2022, we derived four company values: "Remove Noise", "Amplify Creativity", "Act with Integrity" and "Have fun". The main focus for responsible business conduct lies in the third value "Act with Integrity". We're building a transparent organization that cares for people. That means creating a culture, business, and product that will be loved and last for years to come. Furthermore, it means that we encourage everyone to be honest and speak their mind in a considerate and constructive way. We want everything we do to feel right. This foundational value is anchored in our company's strategy and applies to any work we do, whether it is signing a supplier, choosing colors for a digital interface, or deciding on product strategies. This means that we have reached this goal and will now start to make sure that it reaches all areas of the company.

**Status :**

9

**Goal :** Implement focus and awareness culture of Sustainability goals. When employees buy something on behalf of Nomono, think through our environmental role globally and as Nomono representative employee together with the UN's sustainability goals.

**Status :** 80% see action plan

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#### Goal for coming years

1

Coming year: 100% product information including materials/manufacturing available on product.

2

Coming year: Produce using a larger portion of recycled, or otherwise climate friendly materials

3

Coming year: Follow up requirements for subcontractors on the working environment

4

Coming year: Continue having all new employees participate in the onboarding session from the sustainability group

5

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2024 - Complete the e-learning program for Nomono Sustainability Group by 2024

6

2024-The responsibility to follow Nomono's guidelines on sustainability is a part of every new employee's contract by 2024.

7

2024-Scrap and traveling emission accountant - carbon "We have started mapping the nature- and environmental impact of our company and our supply chain, as well as started an assessment of where significant negative impacts occur (base level requirement from 2023 reporting)."

8

2026-Further work on guidelines for design for circularity.

9

2030-Hire an expert on sustainability in tech companies.

10

2023-We have rooted responsible business conduct in our company structure, culture, and brand.

11

2030-our goal for our upcoming products: By increasing the volume of our current product, which is our first, we want to have enough power with our suppliers to be able to demand Sustainability also at the prototype stage.

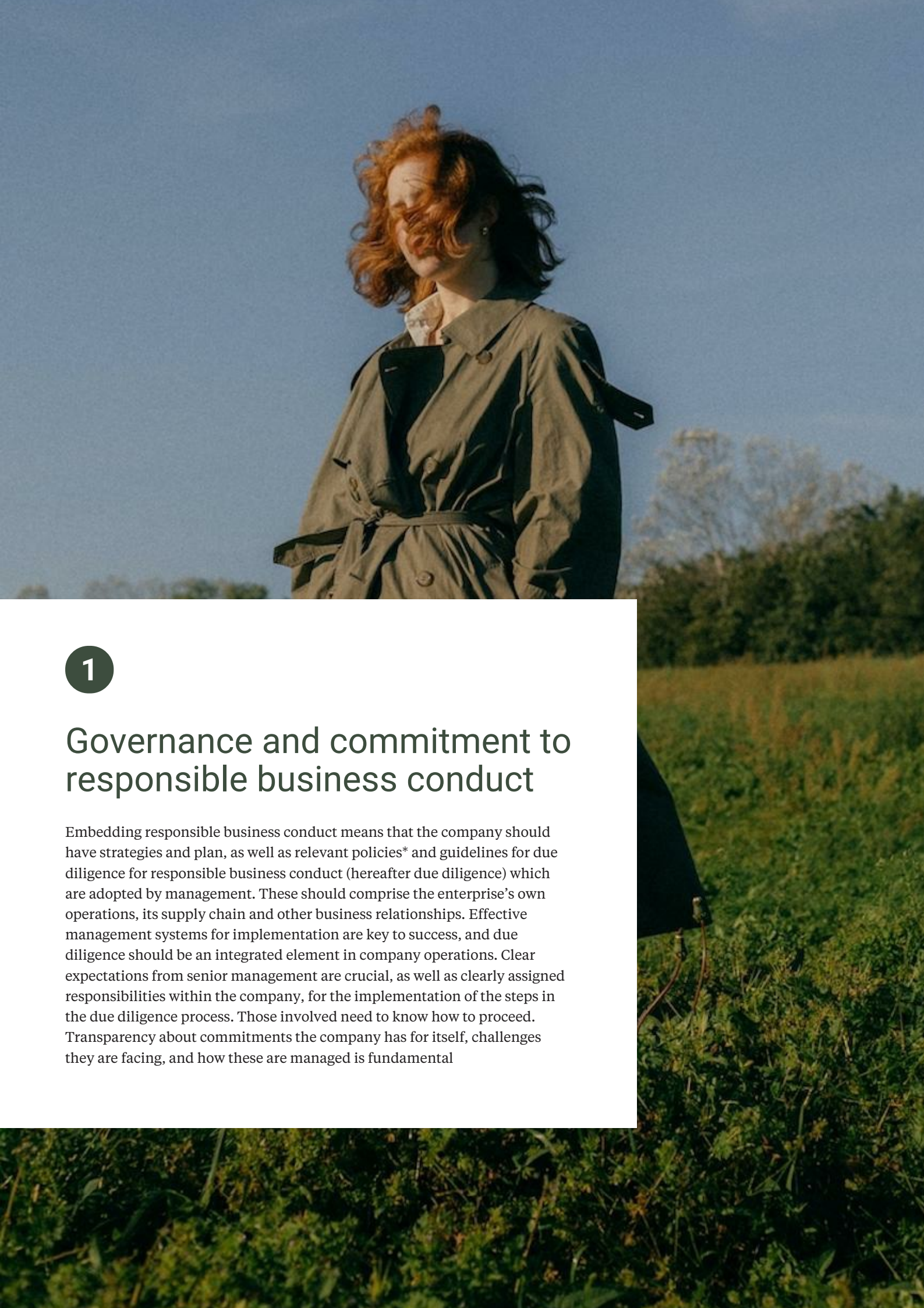
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2030-climate statement (or environmental statement) - "We have started mapping the greenhouse gas emissions of our company and our supply chain, as well as started an assessment of where significant greenhouse gas emissions occur (base level requirement from 2023 reporting)."

13

2023- 50 employees- We are most likely to hit 50 employees before we reach any of the other criteria (balance sheet total or sales revenue). While we need to fulfill two out of those two criteria, we aim to have a clear structure, on how to handle inquiries, in place as we hire our 50th employee.





# 1

## Governance and commitment to responsible business conduct

Embedding responsible business conduct means that the company should have strategies and plan, as well as relevant policies\* and guidelines for due diligence for responsible business conduct (hereafter due diligence) which are adopted by management. These should comprise the enterprise's own operations, its supply chain and other business relationships. Effective management systems for implementation are key to success, and due diligence should be an integrated element in company operations. Clear expectations from senior management are crucial, as well as clearly assigned responsibilities within the company, for the implementation of the steps in the due diligence process. Those involved need to know how to proceed. Transparency about commitments the company has for itself, challenges they are facing, and how these are managed is fundamental

## 1.A Policy\* for own business

### 1.A.1 Link to publicly accessible policy for own business

<https://nomono.co/policy-for-responsible-business-conduct>

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### 1.A.2 What does the company say publicly about its commitments to respect people, society, the environment and climate?

At Nomono, we value respect for another, whether at our Trondheim office in Norway or any of our suppliers. Our goal is to go away from the general acceptance of the status quo and instead start to question every step of the way that potentially creates harm/suffering to people, animals, and the environment. Consequently, we aim to assess as many stops of our supply chain as possible and to use our position as an existing or a possible customer in favor of the ones potentially at risk. However, we are aware that we are a pre-revenue start-up with limited ability to impact the underlying problems with the supply of raw materials and the connected labor.

We set high standards for our products and have passionate employees who go the extra mile to secure better products for a better future. We want to be proud of our products and our company, and we want to be able to be transparent without feeling bad about what we are sharing.

Our ambition is to learn as much as possible from others to later share our knowledge with those who are in the same situation as we were when we started. We aim to combine these learnings with our thoughts and Nomono's foundational company values. To summarize, we want our policies and guidelines to not only inform but inspire people.

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### 1.A.3 How has the policy/commitment been developed and how is it embedded in the company?

Nomono has made sure to involve representatives from all areas within the company, to develop the policies and guidelines for responsible business conduct. We aim to create a business strategy that includes these guiding principles at all stages of the R&D process - from early research and concept design, over mechanical and software engineering all the way to supply chain and follow up for our customers.

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## 1.B Organisation and internal communication

### 1.B.1 How is the due diligence work organised within the company, and why?

Our COO, Kristine Snyder (Management/People & Culture), is responsible from the management's side, and Kobra Norouzi (Supply Chain Coordinator) is leading the Sustainability Committee at Nomono. Apart from Kristine and Kobra, this committee is consisting of four other members:

1. Torun Larsen, Supply Chain Manager (Supply Chain). Torun works with all our suppliers and has oversight over our entire supply chain.
2. Øyvind Grimnes, Senior Software Engineer (Software & Services). Øyvind makes sure our digital products live up to the same standards as our physical ones, his focus is on servers and server energy used during the operation of our digital products.
3. Osmund Bøe, Senior Mechanical Engineer (Hardware). Just like Torun, Osmund also works very closely with our suppliers. He establishes preventive engineering and design methods, like Design for Repairability and Recycling, early on in the development process.
4. Karoline Müller (Lead Designer Ecosystem) is focusing on coherence in our strategy across all products and on how we communicate and anchor our strategy in our company culture.

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### 1.B.2 How is the significance of the company's due diligence work defined and clarified for the employees through their job description, work tasks and incentive structures?

Nomono has a stated and deliberate focus on sustainable business practices, as described by our CEO in his introduction. We invite all employees to participate in our employee share ownership program, and by becoming owners the employees' incentives align with the company's objectives, also in the area of sustainability.

In reviews for future products, we make sure to discuss sustainability in logistics and reverse logistics, longevity, and repairability of the product

We also focus on this area in the onboarding of all employees, deliberating the company's strategic choices. In this onboarding session, the company also expresses expectations of the employee when it comes to the due diligence of suppliers for the product, as well as suppliers for office goods. The sustainability committee also encourages discussions on these topics within the teams and involves the sustainability committee when new risks or opportunities are made apparent.

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### 1.B.3 How does the company make sure employees have adequate competence to work on due diligence for responsible business conduct?

At Nomono we want to include responsible business conduct in the workflow of every employee. Every new employee starts with one session on responsible business conduct during their onboarding program. These sessions contain everything from how we handle internal purchases for and/or by employees, to an overview of our R&D process and how it is rooted in our guidelines for responsible business conduct. We follow up the work on the due diligence for responsible business conduct during our monthly company-wide meeting. Here, the sustainability committee addresses relevant updates on how the work with this topic is progressing, shares updates on guidelines, and invites other employees to discuss/give feedback on those guidelines.

## 1.C. Plans and resources

### **1.C.1 How are the company's commitments to respect people, society and the environment embedded in strategies and action plans?**

We try to define clear goals together with relevant stakeholders based on the experience from our day-to-day work at Nomono. Our goal is to always go the extra mile to find real solutions to real problems while being open about the ones we haven't solved yet. While our efforts in this don't have one specific budget, all teams at Nomono have their own budgets and it is highly encouraged to use it to take the necessary steps towards responsible business conduct.

Our policies are available publicly on our homepage and our aim for 2022 is to create an easy-to-understand, illustrated version of our sustainability strategy. This will then also be available on our homepage and social media.

Examples of how we want to work with the action plan further are to closely follow up internal meetings every quarter where we actively review information with the respective involved. Example apply for certifications for packaging will be one action.

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### **1.C.2 How is the company's strategies and action plans to work towards being responsible and sustainable followed up by senior management and the board?**

All policies and policy changes need to be passed by senior management and the board, while action plans are created in line with the policies by the product teams and the sustainability committee. Nomono's management also works on providing and relocating resources.

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## 1.D Partnerships and collaboration with business relationships, suppliers in particular

### 1.D.1 How does the company emphasise the importance of responsible and sustainable business conduct in its business relationships, particularly in the supply chain?

Link to publicly available guidelines for suppliers: <https://nomono.co/guidelines-for-suppliers>

We require that our suppliers comply with the Nomono Supplier's Code of Conduct and implement accordingly measures in own supply chains.

Nomono strives to get all suppliers to sign ethical guidelines. The suppliers' traceability in the chain in relation to subcontractors - we encourage our subcontractors to take the questions further - and down the chain.

Nomono will request management systems and certifications.

Nomono routines for communication of expectations are divided into two groups.

1) Directly from our supplier (CM) who has routines for suppliers. They visit regularly where possible - and where it is not possible, they will submit their own approval form for signing the supplier.

2) Third-party agreement signed between Nomono and subcontractor - these agreements take care of all points as far as possible regarding regulations and working environment.

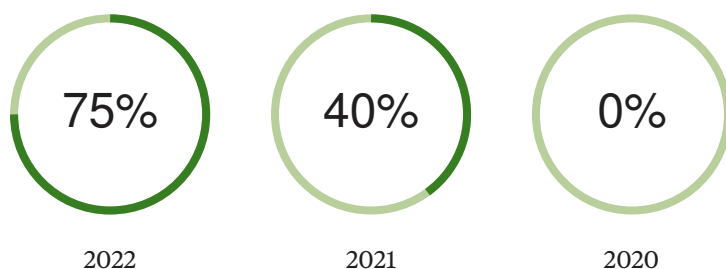
We strive to get all subcontractors to sign our Nomono Code of Conduct. For some subcontractors in some countries, this can be challenging. In these cases, we request their document to start the process from the subcontractor's point of view. In this way, we want to put pressure and expectations on what we demand as a company and manufacturer.

Nomono as a company, we want to clarify the importance of accountability and sustainability in our supplier contracts, which include the company's ethical guidelines, guidelines for suppliers, domestic worker policy, migrant worker policy (incl. guidelines for the use of staffing agencies), animal welfare policy, responsible materials, and fiber policy m.m. Our suppliers are responsible for disseminating and following up compliance with these policies further down the value chain.

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## Indicator

### Percentage of the company's suppliers that have accepted guidelines for suppliers



Above are approximate figures.

## 1.E Experiences and changes

### 1.E.1 What experiences have the company encountered during the reporting period concerning responsible business conduct, and what has changed as a result of this?

We believe that our power as a start-up lies in being a good example of how much can be done in the consumer electronics sector, even without having any revenue yet. During our work with responsible business conduct, we have realized that real change does not happen in isolation. With this in mind, we have learned that transparency and collaboration, with anyone from suppliers to our competition, are the key to ethical and sustainable success.

One very important lesson we have learned during the reporting period is that responsible business conduct should not be an afterthought. Rather, it should be guiding the entire research and development process. Moreover, we do see the need for long-term plans. Especially for a small company like us, we realize that we can't do everything at once - it is neither feasible from a production/supply chain point of view nor from a financial/business point of view. In other words, we need and want to survive to make an impact.





## 2

### Defining the focus for reporting

## Identify and assess the company's impact on people, society and environment

“Identify and assess” is about identifying the company's risk for, and actual negative impact on, people, society and the environment, including in the supply chain and through business relationships. As a first step the company should get an overall risk picture, before subsequently prioritising further mapping and measures where the risk of negative impact is the greatest, i.e. salient issues. The company's involvement in the negative impact is central to determine which measures the company should implement in the next step of the due diligence model. Involvement of stakeholders, especially those affected, is central when assessing risks. It is also important to consult with stakeholders when implementing measures to manage the negative impact.



## 2.A Mapping and prioritising

### STATEMENT ON SALIENT ISSUES

*Prioritising one or more risk areas on the basis of severity does not mean that some risks are more important than others, or that the company should not take action on other risks, but that risks with the greatest negative impact are prioritised first. Mapping and prioritisation are a continuous process.*

**2.A.1 List the company's prioritised risk of negative impact on people, society and environment. Take note that the prioritized risk that you list in the table below will be exported to step 3 of this report, where you will be asked to answer how you work with stopping, preventing, or reducing the negative impact.**

Salient issue	Related topic	Geography
Due to our low volumes in 2022 and 2023 we will have little power to influence our suppliers' practices and choose the suppliers with the least negative impact.	Freedom of association and collective bargaining Harsh and inhumane treatment Wages Working hours Environment	Global
We source some parts from the US and China, where unionizing options are limited or restricted.	Freedom of association and collective bargaining Harsh and inhumane treatment Wages Working hours	China Northern America
Issues with transparency of the supply chain of our suppliers in China.	Environment Use of materials	China
The origin of raw materials (ex. cobalt) for electronics is not possible for us to control at the time being.	Freedom of association and collective bargaining Child labour Harsh and inhumane treatment Wages Working hours Use of materials	Global Africa

The follow up will be to set alerts in our ERP system - as well as have quarterly meetings in the Supply Chain and in the Sustainability group. This will be the way we systematize how we follow up.



## DETERMINATION OF SALIENT ISSUES

**2.A.2 Describe: a) the company's routines for mapping and identifying risk and show how the negative impact was identified and prioritised in this period: b) eventual aspects of the company that have not been covered in this report (product groups, own products, departments etc.) and why you not chose to prioritize these in the continued work: c) how information was gathered, what sources were used, and which stakeholders have been involved/consulted: d) whether you have identified areas where information is lacking in order to get an overview, and how you are planning to proceed to collect more information/handle this.**

In our first phase (Base Level), we have focused on risk in production countries in relation to transparency, trade unions, human health, the environment, and corruption. We have also adapted to the work with this so that we can take into account the type of product / raw material and the type of production etc. Since we do not have a product in production yet, we do not have the ability to get all the information from suppliers but we aim to build the relationships with suppliers further as we go up in volume. In 2023 and 2024, we will have a high focus on further work with mapping concerning volume so that it will be easier for us as a company to achieve the goals we have set ourselves. Nomono routines for mapping and identifying risk will happen in two steps. First, through our "Outline for Signing with Suppliers" and then, through separate fields in our PLM system - so that we assess all components, parts and suppliers at line level from the time we start developing a product until it is completed. Please see the attachment 'Nomono - Kartlegging leverandører'. Sources used are certifications - such as SA8000, WRAP, ISO and International sources such as Difi, CSR risk check tool, Media and web search, country risk, Chamber of Commerce, Export handbook, Information from the different suppliers is collected from audits done by our CM and ourselves through the Self-Assessment Program and video meetings and written contact with the suppliers. Routine for mapping will be to create tasks in our PLM system which means that we are forced to approve the supplier to approve a design and a product before a new product or supplier goes into purchase and production. There are some simple reasons why we have not included some things - the reason is that we are in the early stages of company structure and new products. It is an idea that we should have full focus on Sustainability both on people and product - Since we have only existed for three years and are few people and do not yet have a product, it can be difficult to write about this in detail. We want to prove that we have a thorough and good plan for practicing culture, ethics, and sustainability in the years in front of us. For start of 2023 we have already implemented the part in our PLM/ERP tool - and we have sendt information/Questions to all suppliers.

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## ADDITIONAL SEVERE IMPACTS

**2.A.3 Describe any other negative impacts on people, society and the environment that were identified in the mapping of the business, supply chain or other business relationships during the reporting period and how these have been handled.**

We are still a small start-up so for the time being, we have not been able to visit all factories and suppliers. To prevent us from ending up with a supplier who does not follow our general policies, we have decided to not sign with any supplier who hasn't been visited by any of our trusted local contacts.

The recurring follow-up is to set alerts in our PLM system - as well as have quarterly meetings in the Supply Chain and in the Sustainability group. This will be the way we systematize how we follow up.

A woman with curly hair is shown in profile, looking out of a window. The view outside the window is a blurred green landscape, possibly trees or foliage. The lighting is soft and natural, suggesting daylight. The woman is wearing a dark jacket or sweater. The overall mood is contemplative and serene.

### 3

#### Management of salient issues

## Cease, prevent or mitigate negative impacts

“Cease, prevent and mitigate” is about managing findings from the risk assessment in a good way. The most salient negative impact on people, society and the environment should be prioritised first. This does not mean that other risks are insignificant or that they are not handled. The way the company is involved in the negative impact is key to taking the appropriate action. Negative impact that the company causes or contributes to must cease, be prevented and be reduced. To address negative impact directly linked to the company, e.g. in the supply chain, the business must use its leverage to influence the entity causing the negative impact to cease, prevent or mitigate it. This involves developing and implementing plans and routines to manage risk and may require changes to the company's own policy documents and management systems. Effective management of the negative impact on people, society and the environment is a major contribution to the achievement of the Sustainable Development Goals (SDGs).

### 3. A Cease, prevent or mitigate

3.A.1 For each salient risk, add a goal, progress status and describe the measures you have implemented to handle the company's prioritized negative impact on people, society and the environment

Salient issue	<b>Due to our low volumes in 2022 and 2023 we will have little power to influence our suppliers' practices and choose the suppliers with the least negative impact.</b>
Goal :	Produce using a larger portion of recycled, or otherwise climate friendly materials
Status :	We have started production of parts for the product and will use this as a baseline to improve.
Goals in reporting year :	Find ways of increasing our influence on our supply chain.

Completed measures and reasoning :

-Negotiate long-term contracts with higher MOQ

Goals and activities for the coming reporting year :

Further work on produce using a larger portion of recycled, or otherwise climate friendly materials

Salient issue	<b>We source some parts from the US and China, where unionizing options are limited or restricted.</b>
Goal :	Move more of our production to Norway and Scandinavian countries in general.
Status :	Since we're still in the prototyping stage, we still produce in China/ the US.
Goals in reporting year :	Create a plan of how to transfer the production of parts to Norway and the Scandinavian countries. Assess and influence working conditions and environmental effects of our suppliers abroad.

Completed measures and reasoning :

- Start the process of outlining a grievance system for workers in countries where they don't have access to unions.
- Find credible sources and, where possible, visit factories and suppliers.

Goals and activities for the coming reporting year :

Create a plan of how to transfer the production of parts to Norway and the Scandinavian countries.  
Assess and influence working conditions and environmental effects of our suppliers abroad.

Salient issue	<b>Issues with transparency of the supply chain of our suppliers in China.</b>
Goal :	Move more of our production to Norway and Scandinavian countries in general.
Status :	Since we're still in the prototyping stage, we still produce in China/ the US.
Goals in reporting year :	Create a plan of how to transfer the production of parts to Norway and the Scandinavian countries. Assess and influence working conditions and environmental effects of our suppliers abroad.

Completed measures and reasoning :

-Inform and involve and ask for sub-supplier agreement signature - collaboration agreement signature.

Goals and activities for the coming reporting year :

Continue to try to move more production to Scandinavia. For the Chinese suppliers, we will continue our work to follow up supplier agreement .

Salient issue	<b>The origin of raw materials (ex. cobalt) for electronics is not possible for us to control at the time being.</b>
Goal :	Put pressure on our suppliers to mine/excavate/source ethically sourced raw materials.
Status :	Not started yet.
Goals in reporting year :	Assess and influence working conditions and environmental effects of our suppliers abroad.

Completed measures and reasoning :

- Ask for more transparency in the sourcing process of our suppliers
- Plan out how to reduce the use of "black-box" materials (or how to include them in a closed circle) for future products

Goals and activities for the coming reporting year :

Assess and influence working conditions and environmental effects of our suppliers abroad.

## OTHER ACTIONS RELATED TO MANAGEMENT OF NEGATIVE IMPACTS

**Describe the company's general measures to cease, prevent or mitigate negative impacts, including in the supply chain.**

### **3.B.1 Reduction of nature- and environmental impact**

- Trusted local contacts instead of traveling all over the world
- Trying to use the train when possible (instead of by airplane)
- Not shipping air in the packaging
- Maintain 95% of server energy is coming from renewable sources
- Actively designing for disassembly and minimal carbon footprint
- Since, according to "Being wise with waste: The EU's approach to waste management, 2010", repairability and longevity is the best way to prevent pollution and damage to the environment, the final product is designed to have a long lifespan and repairable parts.
- we are not producing yet, but we are planning to have a circular supply chain (repairability, possibility for refurbishment, and resale)

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### **3.B.2 Reduction of greenhouse gas emissions**

Considering that all production kits are for domestic consumption and necessary tests are done in Norway and Europe, the assembly and production of electronic parts are done in Norway. Such kits travel shorter distances, resulting in less greenhouse gas produced due to transportation.

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### **3.B.3 Adapting own purchasing practices (sourcing)**

- Working out contracts, deliverables, costs, and deadlines before signing a contract to prevent unpredicted/sudden pressure on suppliers. This means long-term forecasts to avoid quick decisions and late purchases to avoid last-minute decisions.
  - Internal guidelines for where to buy supplies for offices, to prevent indirect/unknown support of negative impact. See attached print from our internal Confluence page - Routines for buying stuff.
- for reporting for 2022 there were no major changes - but for 2023 we will send all tools for plastic molding to Norway so that all plastic in the product will be Norwegian produced. In that way, it is easier for us to follow up suppliers in relation to ethical trading criteria. There will be annual visits to the factory in the future.

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### **3.B.4 Choice of products and certifications**

We are designing products with high value density, making it possible and viable and from a business perspective to return products for repairs etc. An important aspect of our requirements for the product as a whole, and its components is that the quality is high enough to make the product last, repairable and in the end recyclable. To this goal we have requirements for all suppliers that they have the relevant certifications for environment and quality.

Our products are not entirely modular, and there is some glue in our assembly procedure to help make the product more robust. We strive to make the most likely causes of failure easily repairable, and to add the necessary infrastructure to make sure as many products as possible are returned for repair, refurbishing and resale or recycling.

In packaging, we aim to use an absolute minimum of plastics, and to use recycled materials while still maintaining a high degree of protection for our products, to reduce unnecessary damages and returns. Our packaging design also takes the entire lifecycle into consideration, with packaging efficiency, elimination of non-necessary materials, and even features within the product itself meant for reduction of wasted materials. To ensure quality and compliance, we follow the relevant framework, for instance ISO 9001 quality control as a requirement for our suppliers. All relevant parts in electronics are RoHS and REACH-compliant etc.



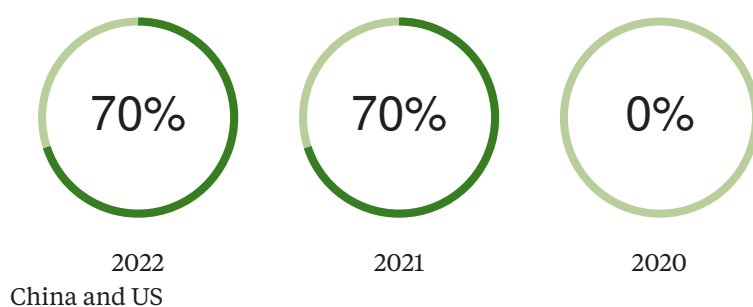
### 3.B.5 Actively support free trade union organisation and collective bargaining, or where the law does not allow it, actively support other forms of democratically elected worker representation

Our guidelines for suppliers aim to create a workplace with trade union opportunities.

- We encourage all our employees to organize themselves in Nomono for those countries and parts of the world where it is not legal, we encourage you to go through and return the guidelines for suppliers.

## Indicator

### Percentage of supplier located in countries with restrictions on trade union rights or collective bargaining



### 3.B.6 Contribution to development, capacity building and training internally and of suppliers and workers in the supply chain

- We have not yet mapped the need for training suppliers and workers in the supply chain
- Meeting with all suppliers to review guidelines for suppliers.
- We have started training the entire company, and especially the sustainability committee, in responsible business management. -Participated in Ethical Trade's workshops

### 3.B.7 Combatting corruption and bribery in own company and supply chain.

Through our "Guidelines for Suppliers", we ask our suppliers to have a system in place to manage complaints related to human rights, labor rights, the environment, and corruption. Nomono AS, including all employees, shall never offer or receive illegal or inappropriate monetary gifts or other remuneration to achieve private or business benefits in their own interest or in the interest of customers, agents, or suppliers (from our "Policy for Responsible Business Conduct").

We have systems to detect corruption - We have accounting programs such as Tripletex and Folio that detect if there are gaps employees spending. Our tools and processes will detect giving or accepting bribes or inappropriate gifts, double-dealing, and defrauding investors.

### 3.B.8 Other relevant information concerning the company's work to reduce, prevent, and manage negative impact on people, society and environment

Currently, our outline for signing with new suppliers is very focused on corruption and people and focuses less on the planet and animals. In connection with preparing for next year's Ethical Trade base level requirements, we have started to prepare for the latter by exploring opportunities to track our impact on the planet.



## 4

# Track implementation and results

Tracking implementation of actions and results relates to measuring the effects of the systematic approach and own work in each step of the due diligence process, showing whether the company conducts sound due diligence work. The company needs to have procedures and routines in place in order to uncover and critically assess own conclusions, prioritizations and measures that have been made as part of the due diligence process. For example, is mapping and prioritisation of salient issues done in a scientifically sound and credible way? Does it reflect the actual conditions in the supply chain? Do measures aimed at ceasing, preventing and reducing the company's negative impact work as intended? Is negative impact remediated where relevant? This may apply to measures taken by the company alone or carried out in collaboration with others. The company's experiences from working on due diligence should be used to improve procedures and routines in the future.



## 4.A. Track and assess

### **4.A.1 Describe the assignment of responsibility for tracking the effect of measures implemented to cease/prevent/mitigate salient risks of negative impact on people, society and the environment, as well as how the tracking is done in practice**

As mentioned earlier in this report, Nomono's current size and the fact that we don't have any revenue yet brings our focus towards educating all of the employees collectively and giving each and every one the responsibility to do their best in finding alternatives to common practices and following up the work on this continuously. Also, the Sustainability group plus COO and Supply Chain have the main responsibility of bringing this to the board - as well as in the organization and externally to subcontractors - and also to customers. In addition, there are people from the mechanics, software, and design groups in the formation of the site sustainability group so that we can consider an approach to sustainability that is as applicable as possible to different groups and enter into a practical solution in this field. Also, these people should learn more about sustainability and inform their groups.

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### **4.A.2 Describe how the company ensures that measures taken to identify, prevent and reduce negative impact actually work**

We have our "Guidelines for suppliers" as a first tool in identifying and preventing possible negative impacts. Our hope is that, even though our ordering quantity is a lot lower than most companies, we can start to touch upon certain topics already despite the fact that we cannot use them as demands. If the company/supplier is in the Scandinavian countries, we make sure that they are following our guidelines and that we visit production sites and clarify our encouragement for unionizing. Further, if the company/supplier is abroad we ask trusted local sources to get more insight into their practices by visiting the companies.

We try to reduce our negative impact by choosing the right materials and making sure our supply chain (both upstream and downstream) has an as little negative impact as possible.

In Asia we have two representatives who know the Ethical Trade criteria. We can use them to visit factories - this to avoid too much travel, and at the same time they have good communication between them which is positive. - We are aware of the challenges associated with the use of local representatives. We have an annual meeting to talk about and ensure how we want to reduce negative impact - this is done by concretizing our demands and our focus as well as putting pressure on the various departments.

We want to monitor and evaluate through self-evaluation forms of subcontractors and annual meetings with our two contact persons - at these meetings we will review all suppliers for whom they are 'responsible' -

The communication will be presented to the management team, which has the final responsibility together with the COO for assessing the effect of the measures and further work.

A man and a woman are in an art studio. The woman, with curly hair, is sitting on a wooden stool, looking towards the camera. The man, with a beard, is standing next to her, holding a paintbrush, and looking at the camera. They are surrounded by large wooden panels with abstract paint splatters in various colors like green, brown, and white. The floor is made of light-colored wooden planks.

## 5

# Communicate how negative impacts are addressed

A prerequisite for good external communication on due diligence for responsible business conduct is that it builds on concrete activities and results. Companies should make relevant documents concerning due diligence publicly accessible, i.e. policies, codes of conduct, guidelines, processes and activities related to identifying and handling the company's actual and potential negative impacts on people, society and environment. Communication should include information about how the risks have been identified and handled, as well as the effect of the measures/activities. The Transparency Act (Åpenhetsloven) §5 requires companies to publicly account for their human rights due diligence on an annual basis.

## 5.A External communication

### 5.A.1 Describe how the company communicates with affected stakeholders about managing negative impact

We aim to have an open dialogue with suppliers throughout the entire process. This enables us to discuss the harder questions, for example managing negative impact. We are obligated to do our best to ensure that this is handled immediately and with input from the people affected by it. Going forward, our aim is to conduct surveys among our suppliers' workers in high-risk countries. Further, we always have a direct contact at factories, to minimize the distance between us and the workers.

Nomono communicates through our local representatives who know the criteria for ethical trade, at the same time we communicate directly by e-mail, video and through the criteria we have set up for our suppliers.

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### 5.A.2 Describe how the company publicly communicates its own work on identifying and managing negative impact/harm

We try to be as transparent as possible. Since we are pre-revenue for the time being, we mainly aim to educate ourselves about sustainability work, responsible business conduct, and Nomono's role in making change happen. Our communication about this is mainly through policies and strategies on our homepage but our aim is to expand how and where we communicate to reach a broader audience via social media and other platforms.

In our work with responsible business conduct, we have actively worked toward getting input from all parts of the company and starting discussions that engage Nomono's employees. We believe that everyone at nomono has input for these types of questions. Our main focus so far has been on understanding the pre-defined notions within the consumer electronics industry. We believe that this will give us the foundation to work on our way of creating our own version with people, animals, and the planet in mind.

We have stumbled on quite a few things that have proven to be challenging. For one, we do see that many consumer tech businesses (and their customers) still see the product's supply chain as a bit of a black box. We do see non-transparent parts in our supply chain as well, especially when it comes to raw materials for our electronics. Other than that, we also realized that there is a lot that can be done but that the marked and the main marked shareholders have been going too slow for too long. We believe that start-ups like us can give a fresh perspective, and all the while we get bigger and a more influential voice in the marked we have the opportunity to make some companies and people rethink their strategies when developing and buying things.

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### 5.A.3 Describe the company's routines for maintaining and answering external inquiries related to the information requirement imposed by the Transparency Act

While we are not yet at the size or revenue level that would require us to answer external inquiries related to the information requirement imposed by the Transparency Act, we do aim to answer anything we can as truthfully as possible. We have identified two routes to do so, they both start with the inquiry being sent to Kobra, the head of the sustainability committee (Ethics League). In the cases where the answer can be found in our Ethical Trade Norway report, she will refer to that. In other cases, she will start a conversation with the rest of the Ethics League to find a suitable and correct answer to the question.





## 6

### Provide for or cooperate to ensure remediation when appropriate

Once a company has identified that it has caused or contributed to negative impact on people, society or the environment, the company must provide for, or cooperate in, remediation. Remediation may involve financial compensation, a public apology or other ways to remediate the negative impact. Another aspect of remediation is that companies should provide for, or cooperate with legitimate complaint mechanisms, to ensure that workers and/or local communities can raise complaints and be heard.



## 6.A Remediation

### 6.A.1 Describe the company's policy for remediation of negative impacts on people, society and the environment

If Nonomo has identified that we as a company have caused or contributed to the damage or negative impact, it will be handled by delivering some form of improvement to the parties affected by our practices. The following 4 steps will be used by the Nomono Security Board, which deals with risk assessment for all parts of the company with a focus on compliance-related issues, to provide appropriate remediation.

1. Assess: The damage will be assessed together with the affected party to determine the cause and who in particular is affected.
2. Discuss & Research: What type of compensation or remediation is chosen, will be based on how similar cases have been handled by other companies and "the perspective of those affected on what is appropriate" (OECD, p. 88. 2018. Due Diligence Guidance for Responsible Business Conduct).
3. Implement: In practice, we will implement the agreed-upon remediation as soon as possible. These compensations can include compensations for victims, legal help (for the cases in which the negative impact was caused by another party than the affected one or Nomono), and long-term solutions such as grievance systems to prevent similar situations.
4. Follow up: While we follow up on our specific practical actions, we will also be going through our guidelines and practices to find out how this negative impact can be avoided in the future. This step is done internally and the changes are based on our own company policy.

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### 6.A.2 If relevant, describe cases of remediation in the reporting year

In the reporting year 2022, no cases have been reported where a remedy has been necessary.

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## 6.B. Ensure access to grievance mechanisms

### **6.B.1 Describe what the company does to ensure that workers and local communities have access to effective grievance mechanisms when this is needed**

We aim to ask all manufacturers what tools they have in place so that employees have the opportunity to make complaints/suggestions or raise conflicts or other feedback in the workplace. This is often through own practice at the individual workplace, but in some cases also via their trade unions. Ensure access to the complaints mechanism. We want to aim for all our subcontractors and their workers to have access to a grievance mechanism by setting this up in our third party subcontractor contract.

We highlight this in our supplier questions by communicating the importance of employees' ability to complain/influence their own workplace in the supply chain.

In our communication we aim to have a written dialog with existing industry stakeholders to assess how labor risks are handled"

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