



Due diligence for responsible business conduct with regards to people, animals, society and the environment

# Account reporting year 2023

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

Enterprises and the public sector have a great impact on people, society, the environment, climate, and animals and can both contribute positively to development, or negatively by causing harm. Enterprises therefore hold a central role in achieving UN's Sustainable Development Goals (SDGs) and the Paris Agreement's 1,5-degree target.

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 level1 members also meet the Transparency Act's due diligence duty, and partially the Act's information duty.

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

Ethical Trade Norway's Declaration of Principles (our Code of Conduct) for Responsible Business 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 UNGPs and OECD's guidelines. The reports of all members are publicly accessible on Ethical Trade Norway's website.

**Heidi Furustøl**

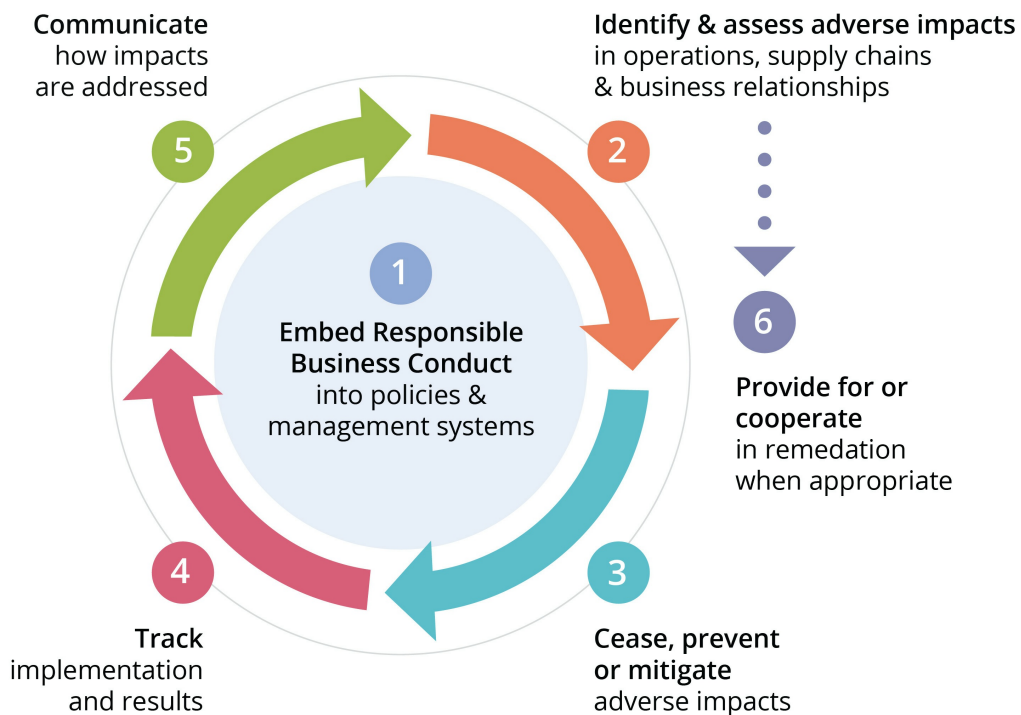
*Executive Director*

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. "**



Kristine Snyder  
*CEO*

# Enterprise information and enterprise context

## Key enterprise information

### Enterprise 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 enterprise

Audio Equipment and Software

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### Description of enterprise structure

We're organized by functional specialties: Product, Revenue, Finance, and Operations. Functions are each specialist's family, helping to keep best practices and standards in place across a discipline. A manager heads each function to coach and guide us toward 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)

5 900 000

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### Number of employees

41

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

No

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**Major changes to the enterprise since last and current reporting period**

During last year we got a new CEO, and have focused our business on operations and commercialization, down-prioritising product development. After a process of furloughs, all research and further development of our MVP Sound Capsule product is down-prioritised. While sales, marketing, and launching subscriptions in our digital product, Nomono Cloud has been our main priority and also what our new organizational design is made to optimize for.

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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 enterprise's sourcing model and supply chain

Nomono is a young company and is now in the scale-up 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 were mainly sourced from Asia in the prototype stage. As we started mass production in 2023, all plastic production was moved to Leksvika in Norway, which is more sustainable. Components for electronics will still be sourced from Asia, as there are no alternatives closer to Norway. However, the PCBA production, in addition to the assembly of the finished product will be at our Contract Manufacturer (CM) in Norway.

The product will have a Norwegian origin. The Supply Chain process of servers and software are managed by Nomono Senior Software Engineer and Head of Software for 2023. 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 enterprise has had commercial relations in the reporting year

20

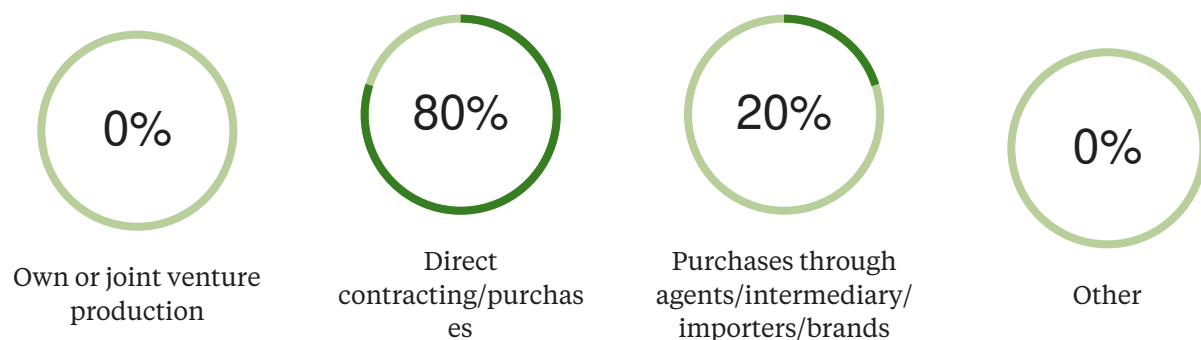
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### Comments

Direct contact and Commercial relations i Supply Chain Prototype Process.

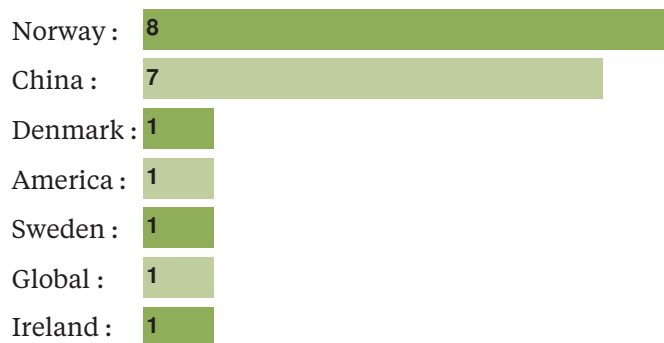
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### Type of purchasing/ suppliers relationships



Above are approximate figures.

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



Above are approximate figures for reporting the year 2023, The Ireland supplier is for server-supplier in Ireland.

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**State the number of workers at first tier producers that the enterprise 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**

20

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

500

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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 enterprise a supplier to the public sector?**

No

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## Goals and progress

### Process goals and progress for the reporting year

1

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

**Status :** Over 50% by weight of all parts are marked. None are available online at the moment (

2

**Goal :** Produce using a larger portion of recycled, or otherwise climate-friendly materials

**Status :** Reducing plastic packaging, and moved big part of plastic parts to Norway

3

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

**Status :** Sending a form related to work environment (EHN's form) yearly

4

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

**Status :** Don- Having onboarding section with new employee.

5

**Goal :** 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)."

**Status :** Started to use of EHN's tools for recording carbon production

6

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

**Status :** we have onboarding with the Ethics League for all new employees and that we anchored sustainability in our Brand Values.

7

**Goal :** 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)."

**Status :** Started to use of EHN's tools for recording carbon production

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## Goal for coming years

1

2024- 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.

2

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

3

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

4

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)."

5

2026-Further work on guidelines for design for circularity.

6

2030-Hire an expert on sustainability in tech companies.

7

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.

8

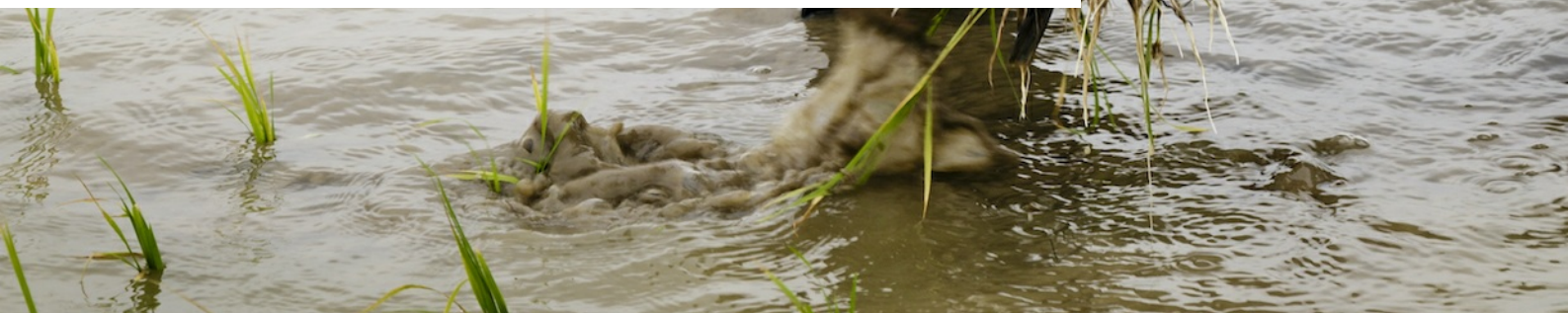
2030-climate statement (or environmental statement) - "We have started mapping the greenhouse gas emissions of our company and our supply chain, as well as started an assessment of where significant greenhouse gas emissions occur (base level requirement from 2023 reporting)."



# 1

## Governance and commitment to responsible business conduct

Embedding responsible business conduct means that the enterprise 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 enterprise operations. Clear expectations from senior management are crucial, as well as clearly assigned responsibilities within the enterprise, for the implementation of the steps in the due diligence process. Those involved need to know how to proceed. Transparency about commitments the enterprise has for itself, challenges they are facing, and how these are managed is fundamental



## 1.A Policy\* for own enterprise

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

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

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

At Nomono, we value respect for one 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 transparent without feeling bad about what we share.

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 enterprise?

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 enterprise, embedded in internal guidelines and routines, and why?

Our CEO, Kristine Snyder, is responsible from the management's side, and our Supply Chain Coordinator, Kobra Norouzi, is leading the Sustainability Committee at Nomono. Apart from Kristine and Kobra, this committee consists of four other members: 1. Torun Larsen, Supply Chain Manager. Torun works with all our suppliers and has oversight over our entire supply chain. 2. Sigurd Saue, Head of Software. Sigurd 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, Product Specialist & Senior Mechanical Engineer. Just like Torun, Osmund also works very closely with our suppliers. He establishes preventive engineering and design methods, like Design for Circularity, including design for Repairability and Recycling and emotional durability, early on in the development process. 4. Karoline Müller, Designer and Head of Growth Ops. Karoline focuses on coherence in our strategy across all products and how we communicate and anchor our strategy in our company culture. In addition, Our policy for responsible business conduct at Nomono AS is now accessible on our website at <https://nomono.co/policy-for-responsible-business-conduct>. We have distributed it within our organization for review and comments. We eagerly await feedback and are committed to implementing any necessary improvements.

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### 1.B.2 How is the significance of the enterprise's due diligence work defined and clarified for the employees through their job description (or the like), 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 enterprise 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 update on guidelines and invites other employees to discuss/give feedback on those guidelines. Within the sustainability committee, members take part in Ethical Trade Norway's internal courses to better their knowledge on responsible business conduct.

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## 1.C. Plans and resources

### **1.C.1 How are the enterprise's commitments to respect people, animals, 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 2024 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. For example, applying for certifications for packaging will be one action. Making voices heard is the vision of our company and implies both how we are aiming to change the world with our product, as well as our internal values impacting our culture. We aim to include broad and diverse in all our development processes to ensure all voices are being heard because we believe that is required to deliver great products.

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### **1.C.2 How is the enterprise'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 allocating resources.

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

### 1.D.1 How does the enterprise 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. 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.

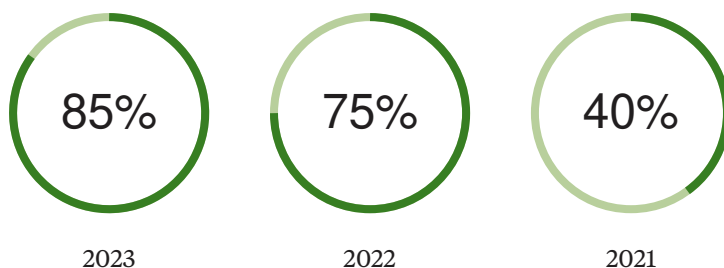
2) Third-party agreement signed between Nomono and subcontractor - these agreements take care of all points as far as possible regarding regulations and working environment.

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 enterprise 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. The advantage of all suppliers being screened regularly is that communication improves and that responsible and fair treatment of employees will weigh heavily if we apply pressure. We wish to focus on and develop our collaboration instead of seeking new partners solely for the benefit of the price. We want to keep lead times on timelines to avoid stress on people and production by avoiding order changes and seeking predictability. We have sent a questionnaire form to our suppliers concerning ethical trade practices and work conditions. We requested them to complete it and provide us with their certifications for review. If we do not receive a response, our plan is to refrain from working with them in the upcoming years, unless they are replaceable. In such cases, we will communicate the reasons for our decision, allowing them an opportunity to address any issues.



## 2

### Defining the focus for reporting

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

“Identify and assess” is about identifying the enterprises's risk for, and actual negative impact on, people, animals, society and the environment, including in the supply chain and through business relationships. As a first step the enterprise 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 enterprises's involvement in the negative impact on people, animals, society and the environment is central to determine which measures the enterprise 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

### PRIORITISED ACTUAL OR POTENTIAL NEGATIVE IMPACT ON PEOPLE, ANIMALS, SOCIETY, AND THE ENVIRONMENT

*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 enterprises's actual negative impacts and/or prioritized significant risks of negative impact/harm on people, animals, society and the 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
Limited freedom of association (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 for 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.

## JUSTIFICATION FOR THE PRIORITISATION OF RISKS OF NEGATIVE IMPACT ON PEOPLE, ANIMALS, SOCIETY, AND THE ENVIRONMENT

**2.A.2 Describe: a) the enterprise'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 enterprise 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.**

(a): In the initial phase of our sustainability efforts, our focus has been directed towards assessing risks in production countries. This assessment encompasses key areas such as transparency, trade unions, human health, the environment, and anti-corruption measures. Our approach is uniquely designed to consider factors like product or raw material type and specific production methods. We also used the EHN risk assessment tool, prioritizing risks based on our purchasing values. Although we have not yet begun actual product production, our ability to gather exhaustive information from suppliers is currently limited. Despite this, our objective is to improve supplier relationships as we expand our production volume. In 2022 and 2023, we emphasized mapping related to production volume as part of our strategy to achieve the organization's sustainability goals. Workers' rights and unionizing, transparency into business conduct, and the origin of critical raw materials (such as rare earth minerals) were the most salient risks according to the EHN risk assessment tool.

(b): Given our nascent stage of development and new product innovation, our current approach has limitations. With a small team, no market-ready product, and a company that's only three years old, it's challenging to detail every aspect of our plan. We remain focused on establishing a solid foundation in culture, ethics, and sustainability in the upcoming years. Our commitment to sustainability is unwavering, though some product groups or departments are not yet fully prioritized in our current efforts.

(c): At Nomono, risk mapping and identification occur in two stages. We start with an "Outline for Signing with Suppliers," then proceed to detailed assessments within our Product Lifecycle Management (PLM) system. This system allows us to assess components, parts, and suppliers comprehensively from the initial stages of product development through finalization. Our risk assessment incorporates certifications (SA8000, WRAP, ISO), international resources (Difi, CSR risk check tools), media and web searches, and country risk assessments. Additional insights come from the Chamber of Commerce and the Export Handbook. Supplier information is collected through Configuration Management team audits and direct interactions via our Self-Assessment Program, video conferences, and written communications.

(d): As a new company, certain aspects of our sustainability strategy are challenging to address comprehensively due to limited capacity. However, we are committed to developing a holistic approach that considers both people and products. We will continue to use our EHN risk assessment tool to prioritize risks annually and resolve them systematically in the future. Our PLM system will ensure comprehensive supplier and design evaluations before progressing to the purchasing and production stages.

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## ADDITIONAL SEVERE IMPACTS

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

We are still a small company that isn't scaling up the process, 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 in a blue surgical cap and gown is shown in profile, looking down. She is in a hospital operating room, with other staff members in similar attire visible in the background. The room is brightly lit with overhead surgical lights.

### 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, animals, 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 enterprise is involved in the negative impact is key to taking the appropriate action. Negative impact that the enterprise causes or contributes to must cease, be prevented and be reduced. To address negative impact directly linked to the enterprise, 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 enterprise’s own policy documents and management systems. Effective management of the negative impact on people, animals, 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 enterprise’s prioritized negative impact on people, animals, society, and the environment

<b>Salient issue</b>	<b>Limited freedom of association (We source some parts from the US and China, where unionizing options are limited or restricted.)</b>
<b>Goal :</b>	Nomono aims to have full insight into/influence over the entire supply chain, including any workers within said supply chain. The goal is to make sure any worker related to our supply chain is treated with respect and has their human rights met.
<b>Status :</b>	Production and assembly of almost all custom parts has been moved to Norway. This has enabled more control over and better communication with production facilities.
<b>Goals in reporting year :</b>	As a step toward moving all production to Norway to gain more insight into workers' rights, our goal for the reporting year was to move the main plastic part production to Norway. That is now done and does no longer require follow-up.

**Describe already implemented or planned measures to cease, prevent or mitigate negative impacts and reasoning behind the selected measures :**

When working with Nomono, any production/sourcing partner is asked to sign our "Guidelines for Suppliers" document. In paragraph 2 of the aforementioned agreement, we specify the importance of workers' rights and the significance of freedom of association (ref. ILO Conventions Nos. 87, 98, 135, and 154).

In our risk assessment, we have noticed that rubber and silicon parts in particular are a salient risk. Our plan is now to find out where geographically these parts come from, how Hapro communicates with these parts' suppliers, and to understand their sub-supplier situation.

**Describe actual or expected results of measures mentioned above, as well as goals and activities for the coming reporting year :**

Through the above-mentioned actions, we expect to gain more insight and have a more open dialogue with our suppliers outside of Norway. While the agreement itself is hard for us to enforce, it highlights our focus on workers' rights, enables us to ask the right questions in negotiations, and fosters more open conversations with suppliers. For this year, we aim to move tools and production for the remaining custom part production to Norway to have more direct insight into workers' rights and possibilities for on-site inspections.

<b>Salient issue</b>	<b>Issues with transparency of the supply chain of our suppliers in China.</b>
<b>Goal :</b>	Nomono aspires to achieve complete visibility across the entire supply chain, encompassing all its components. The aim is to guarantee transparency at every stage, ensuring that all stakeholders involved in our supply chain operations are accounted for and that the flow of goods is conducted with utmost clarity and openness.
<b>Status :</b>	We are currently working on assuring that all our suppliers/partners in China have signed the above-mentioned "Guidelines for Suppliers". Specifically pointing to §10 and §12 in the agreement.
<b>Goals in reporting year :</b>	We aimed to get as many partners/suppliers as possible to sign the "Guidelines for Suppliers". All but three (two of them in the Nordics), have signed it.

**Describe already implemented or planned measures to cease, prevent or mitigate negative impacts and reasoning behind the selected measures :**

It is hard to receive transparent/verified information from Chinese partners and suppliers. On top of that, due to our low volume, it is hard to influence their practices. While we couldn't mitigate or prevent risks we did not know existed, we have kept an open dialogue and nudged suppliers to give us more insight.

**Describe actual or expected results of measures mentioned above, as well as goals and activities for the coming reporting year :**

While we still don't have the transparency we wish to have, we see somewhat better communication with suppliers in China. In the past year, we have managed to achieve a signing rate of 83% of our "Guidelines for Suppliers". For China, we're currently down to one company that hasn't signed the agreement yet. The goal for this year will be to get to 100% and, with that, have all Chinese partners/suppliers on the agreement.



<b>Salient issue</b>	<b>The origin of raw materials (ex. cobalt) for electronics is not possible for us to control for the time being.</b>
<b>Goal :</b>	Gain more insight into and potentially influence the production of our critical raw materials such as Cobalt.
<b>Status :</b>	Research started.
<b>Goals in reporting year :</b>	Investigate the issue by asking our supplier about the origin of the Cobalt. The supplier did not answer.

**Describe already implemented or planned measures to cease, prevent or mitigate negative impacts and reasoning behind the selected measures :**

Being more inquisitive toward our suppliers and asking them to do the same with their sub-suppliers is all we can do for the time being. We try to bring it up whenever we have the chance and will look into changing the batteries in our product.

**Describe actual or expected results of measures mentioned above, as well as goals and activities for the coming reporting year :**

Creating a shift in a low-transparency, multi-billion-dollar industry is something we can contribute to but unfortunately not do alone. What we can expect by asking the right questions, is to create more discourse, on the topic of f.ex. cobalt mines, within the relevant fields. We plan to investigate other innovations in the field and communicate our interest for ethically-sourced alternatives.

## OTHER ACTIONS RELATED TO MANAGEMENT OF NEGATIVE IMPACTS

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

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

We aim to reduce the impact on nature and the environment by designing for disassembly to maximize the reuse and recycling of components and materials and avoid sending our products to landfills. --Since, according to the "Being Wise with Waste: The EU's Approach to Waste Management, 2010" repairability and longevity are the best ways to prevent pollution and damage to the environment, the final product is designed to have a long lifespan and repairable parts.

Some practical examples of this is reducing the number of assembly processes requiring glue making critical features as modular as possible to locate any mistakes, and making repairs as easy and unobtrusive to the total product as possible.

We also do our best to choose materials and production processes optimally within the boundaries set forth by all relevant product/safety standards. Our plastic parts are made with recyclable material, and with few material/color variations, to minimize waste in production. Material from non-conforming parts can be reused immediately in the next part.

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

In 2023, we moved all custom plastic parts production to our production partners in Norway, which greatly reduced the transportation of goods. Easier inspection also contributes to reduced scrap rates with increased quality control possibilities. In the near future, it will enable us to recycle any defective, or outdated parts back into our production of new parts based on similar material types and colors, allowing a partially closed-loop system for our plastics production.

Compared to last year, we have reduced the use of plastic in the packaging in our upstream supply chain. USB cables and other similar parts are no longer packed in individual plastic bags, but rather shipped in a single outer packaging.

After our launch this year, and faced several challenges both in production, logistics and reverse logistics. At our current production volume, we can identify many of these problems, and improve on them before scaling up our operation. Some key aspects that we focus on is handling of reverse logistics, modularity, Software updates and improved fixtures for repairing damaged products.

In connection with our cloud product, we closely monitor the energy consumption of the AWS servers we use. Currently, 99% of our server usage is attributed to servers running on 100% renewable energy. Amazon has shifted the target to power all its operations with 100% renewable energy forward from 2030 to 2025. In addition, we have focused on reducing energy consumption in the Cloud by more efficient processing, optimized scheduling of computation nodes, and minimization of idle running resources and overhead.

This year, we also started calculating and tracking greenhouse emissions in production and in business travels, but given that this is the first year of tracking, we cannot comment on reduction but will use this to track changes in the coming years.

An important factor that is not covered in our tracking, due to the speculative nature of the amount saved, is the downstream effect of the use of our product. A single person traveling to record a podcast episode, as compared to an interviewer, an audio professional, and the necessary gear for on-site recording of audio is a large, but not quantifiable factor.

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

In our choice of components, materials, and suppliers, we have a lot of technical and regulatory requirements with regards to e.g. safety and quality. Due to our limited choice in how to fulfill many of these requirements, we focus on managing the robustness of the product, and the design in order to answer the questions – Will the product have a long lifetime? Will the customer have need for this product for a long time? Where can we adapt our product efficiently?

To answer these questions, we keep focus on having a robustly built product, and ensure a long use time for the product. We keep support for our existing products with FW updates, and keep adding functionality both to the physical product, and to the Nomono Cloud.

In parts of our product that are not affected by strict requirements, we have looked at what is absolute must-have, and what are nice-to-have, but not needed. Most customers have a USB-C charger, so we choose not to provide this, as this also would lead to a greater amount of variation in our production line due to different power outlets in our different markets. Keeping product variation low means that we can still deliver products quickly, but have less need for keeping a lot of unsold, maybe unused products in stock. We have also identified which parts of the plastic casing that are not important for safety and compliance to see where we can use recycled plastics and try to optimize a closed-loop system for any scrap in our production.

Where at all possible, we try rather choosing suppliers that are local, or close to local, especially for any custom parts. This makes it easier to track status on worker conditions and do inspections on our end. This also builds robustness in our supply chain against disruption due to trade embargoes, war etc, keeping need for stock of parts at a minimum, and rather order just in time.

Our cardboard suppliers are registered with FSC (Forest Stewardship Council)

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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. Our cardboard suppliers are registered with FSC (Forest Stewardship Council).

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.

Our cardboard suppliers are registered with FSC (Forest Stewardship Council)

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### 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

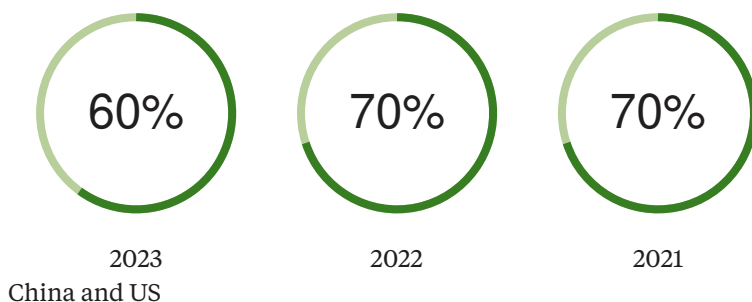
In regions where legal constraints may limit union activities, we encourage adherence to our supplier guidelines. For example, during the events in April, we demonstrated our commitment to these principles by supporting the strikers at Hapro, one of our primary suppliers. Despite the associated costs and implications for our production during this critical period, we stood by our commitment to uphold labor rights. We expressed support verbally to the people on strike, and their project managers, and adjusted expectations and communicated deliverables internally to prepare for the possibility that the strike could go on a long time.

In regions where legal constraints may limit union activities, we encourage adherence to our supplier guidelines. For example, during the events in April, we demonstrated our commitment to these principles by supporting the strikers at Hapro, one of our primary suppliers. Despite the associated costs and implications for our production during this critical period, we stood by our commitment to uphold labor rights.

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## Indicator

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



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### 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 in responsible business management, especially the sustainability committee.
- we planned to have a presentation related to one topic related to sustainability, and the first one was the about circular economy, and its effects on the supply chain and how applicable it is to NOMONO -Participated in Ethical Trade workshops
- For suppliers, our main supplier are located in Norway like Hapro, Lupro, and IV mIV Moulding Leksvik AS, which all have good routines

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### 3.B.7 Combatting corruption and bribery in own enterprise 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 enterprise's work to reduce, prevent, and manage negative impact on people, animals, society and the environment**

This year, during tracking of production, and calculating GHG we identified low-investment possibilities to both reduce scrap, and improve

We work on getting feedback both from the higher-ups in our production partners, and also get feedback about what could be changed in our products to better help the working conditions of the assembly workers. A direct result of this is a reduction in the number of glued parts in our assembly, starting with the parts that were identified as the worst process, and have gotten very positive feedback from the assembly workers on the changes made.

The code running our cloud service has also been further optimized to use less energy, both with an optimization of the code itself, and through a focus on the machines that run the code, to better allow for utilizing the most appropriate machine for each job, and avoiding machines that are overpowered for the task.



## 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 enterprise conducts sound due diligence work. The enterprise 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 enterprise's negative impact work as intended? Is negative impact remediated where relevant? This may apply to measures taken by the enterprise alone or carried out in collaboration with others. The enterprise'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 a) assignment of responsibility for tracking the effect and result of measures implemented to cease/prevent/mitigate salient risks of negative impact on people, animals, society and the environment, as well as how the tracking is done in practice, b) who is responsible for evaluating the enterprise's implementation and work with due diligence, and how the evaluation is done in practice.**

Our tracking of negative impact on the environment is based on converting all components of the product to CO<sub>2</sub>e and multiplying by the number of products sold. Tracking of this is handled by the supply chain team, which consists of logistics professionals, and engineers.

We also use our accounting tool for registering travel expenses to count the amount of airplane travel domestically, internationally, and transcontinentally, as well as the amount of km driven based on what type of car is used.

These calculations are using the conversion factors for GHG for 2023 from <https://ghgprotocol.org/> where not specified to be otherwise. These factors are estimates, with an average amount of scrap, and might differ based on the energy source used for manufacturing.

For our cloud solution, we get power used, as well as where the energy is coming from, and CO<sub>2</sub>e directly, and trust the data provided by our suppliers.

There are smaller purchases where we have guidelines for approved suppliers, but do not track due to the small - this includes material for 3D-printed prototypes, furniture bought from the office etc.

Our Cloud product runs on AWS servers. AWS commits to reach net-zero carbon emissions by 2040, but already by 2025 they plan to power their operations with 100% renewable energy. We monitor AWS' reported status on the specific server locations that we use and have observed that almost 99% of the AWS servers we use are attributable to 100% renewable energy, an improvement from 90% two years back.

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### **4.A.2 Describe how the enterprise 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. We hope that, even though our ordering quantity is a lot lower than most companies, we can start to touch upon certain topics already even though 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 are working on tracking, and quantifying now, which will help prioritize work. Until we have previous numbers to compare with, our effort goes into trying to establish routines and systems for tracking accurately. Additionally, we have a dashboard and transparency on sales that all employees can access, providing visibility into our performance and facilitating informed decision-making. This enables us to continually improve our processes and minimize negative impacts throughout our supply chain.

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 CEO for assessing the effect of the measures and further work.



## 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. Enterprises 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 enterprise's actual and potential negative impacts on people, animals, 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 enterprise 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 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 enterprise publicly communicates its own work on identifying and managing negative impact/harm

We try to be as transparent as possible, both internally and externally. During 2023, we launched our first physical product, and have spoken in several seminars about among other things - our challenges in designing for sustainability, operating a supply chain, and our mission statement of making voices heard. 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 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 market and its main stakeholders have been going too slow for too long. We believe that start-ups like us can provide a fresh perspective, and all the while we get bigger and a more influential voice in the market we have the opportunity to make some companies and people rethink their strategies when developing and buying things. This voice we use by joining panel discussions about sustainability and producing in Norway, joining podcasts that discuss designing for sustainability, and writing our blogposts about the same topics.

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### 5.A.3 Describe the enterprise'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.

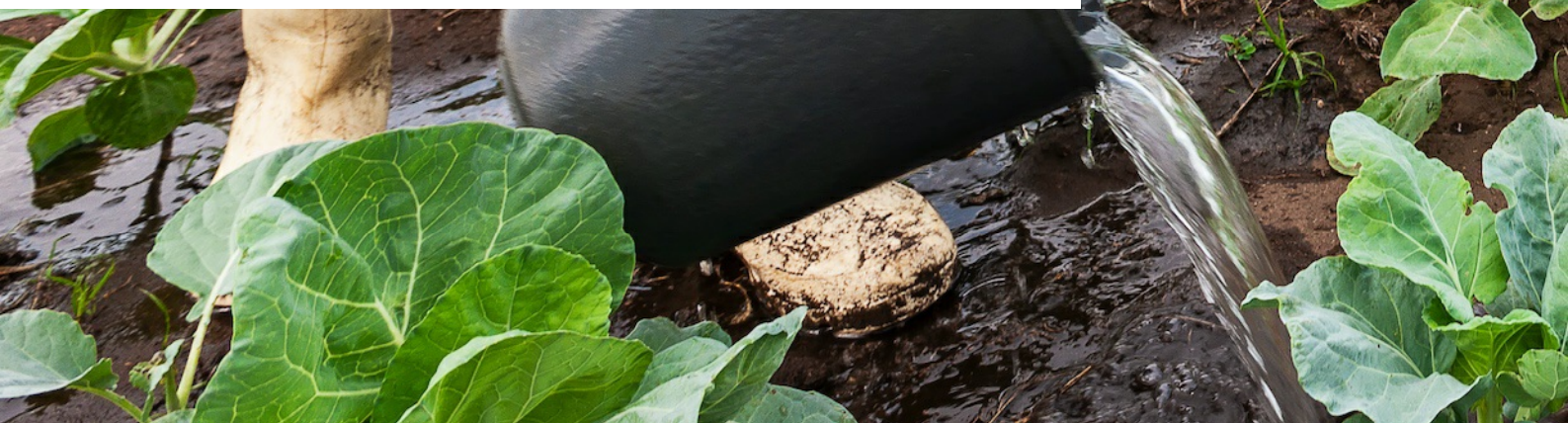
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6

## Provide for or cooperate to ensure remediation when appropriate

Once an enterprise has identified that it has caused or contributed to negative impact on people, animals, society or the environment, the enterprise 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 enterprise's policy for remediation of negative impacts on people, animals, 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 Nonomo 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 Nonomo), 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 company policy.

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

In the reporting year 2023, 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 enterprise does to ensure that employees in own enterprise and other stakeholders, especially impacted workers and local communities have access to whistleblowing systems and 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, raise conflicts, or provide other feedback in the workplace. This is often done through internal practices within each workplace, but in some cases, it is also facilitated via their unions to ensure access to a complaint mechanism. Additionally, we are using Human as our HR system to facilitate this process. Our main suppliers already have tools for this, but we want to strive for all our subcontractors and their workers to have access to a complaint mechanism by setting this up in our third-party subcontractor contract.

We highlight this in our supplier questions, emphasizing the importance of employees' ability to voice concerns and influence their workplace in the supply chain.

In our communication, we aim to have a written dialogue with existing industry stakeholders to assess how labor risks are handled.

Contact details:

Nomono AS  
Torun Larsen, Supply Chain  
[torun.larsen@nomono.co](mailto:torun.larsen@nomono.co)