



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

Account reporting year 2024

for NORLUX AS



*Ethical Trade Norway has assessed the report of NORLUX 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 UNGP and OECD's guidelines. The reports of all members are publicly accessible on Ethical Trade Norway's website.

Heidi Furustøl

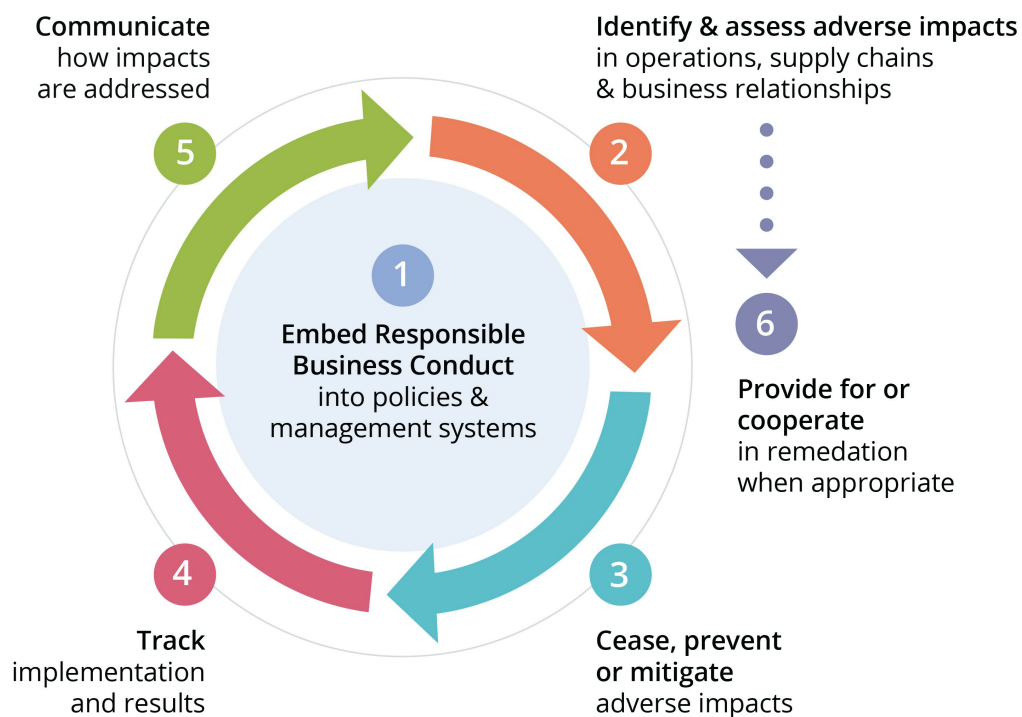
Executive Director

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

Norlux was established in 1997 and provides lighting solutions for retail, commercial and industrial buildings, hospitality and restaurant businesses, as well as outdoor areas. We have offices in Norway, Sweden, Denmark, and a partner in the UK.

Norlux works towards a sustainable business practice that respects people, communities, and the environment. Norlux considers this a prerequisite for sustainable development, which means that current generations meet their needs without compromising the ability of future generations to meet theirs. This work is currently led by a dedicated Sustainability Manager.

Norlux is an advisor, supplier, and partner of lighting solutions for the present and the future. Norlux aims to contribute to a sustainable society through the development of innovative lighting solutions.

To work purposefully with sustainable business practices, as a member of Ethical Trade Norway, Norlux is committed to actively working with due diligence assessments. Due diligence assessments are a risk-based approach to respecting and safeguarding people, communities, and the environment in our own operations and throughout the supply chain. We expect that our suppliers and partners adopt the same approach and collaborate with us to achieve this objective.

The membership in Ethical Trade Norway has given us with access to tools and expertise that enable us to continue our development in sustainability. 2024 has provided us with a clearer path forward, focusing on collaboration with the best quality manufacturers. The response to our due diligence inquiries has resulted in a solid platform to expand our work next year. We are certifying products to an environmental standard that is stricter than what is legally required, to be better prepared for the future. We became a member of Ethical Trade Norway in 2022, and this is the third annual report we are preparing. In addition to being a member of Ethical Trade Norway, Norlux is also certified Miljøfyrtårn (Eco Lighthouse).

Roar Aastvedt
CEO

Board Signature

This report is electronically signed. See last page for verification.

Pål Wang
Styrets leder

Jørn Furuhaug
Styremedlem

Charlotte Syvertsen Furuhaug
Styremedlem

Jørgen Flom Furuhaug
Varamedlem

Roar Aastvedt
Daglig leder



Enterprise information and enterprise context

Key enterprise information

Enterprise name

NORLUX AS

Head office address

Borgeskogen 32, 3160 Stokke, Norway

Main brands, products and services offered by the enterprise

Norlux specializes in developing innovative lighting solutions for a wide range of markets including, Retail, Hospitality, Commercial & Industrial, Office & Workplaces, Residential Interiors and Outdoor lighting.

Description of enterprise structure

Norlux specializes in developing innovative lighting solutions for a wide range of markets including, Retail, Hospitality, Commercial & Industrial, Office & Workplaces, Residential Interiors and Outdoor lighting. With 96 dedicated employees located in our sales offices and showrooms in Scandinavia, Norlux continues to offer professional consultation using the latest technology. Norlux is also represented in the UK and in Finland where we have a close collaboration with a partner. Norlux has established a strong network of production facilities providing us with high-quality and energy-efficient products.

Norlux has implemented a policy for sustainable business practices that has been approved by the Board of Directors. The policy includes common requirements that we and our suppliers are expected to follow in order to maintain a sustainable business practice that respects people, communities, and the environment. This effort is led by a dedicated Sustainability Manager and involves continuous improvement projects internally and towards our Supply Chain.

Revenue in reporting year (NOK)

385 000 000

Number of employees

96

Is the enterprise covered by the Transparency Act?

Yes

Major changes to the enterprise since last and current reporting period

Our work with sustainability and social equality has evolved rapidly this past year and is now at the forefront for both customers and suppliers alike. This has led to increased awareness and inclusion of sustainability across the supply chain.

Contact person for the report (name and title)

Mette Andersen, Sustainability Officer

Email for contact person for the report

mette.andersen@norlux.com



Supply chain information

General description of the enterprise's sourcing model and supply chain

Norlux AS is a supplier of lighting solutions that sells light fixtures and accessories, primarily under its own brand names (Norlux / Ledpro). The majority of our suppliers are located in Europe and Asia. Norlux's product and purchasing departments are located at our headquarters in Stokke. We also have a full-time employee in Asia who manages our suppliers in the region. Norlux maintains a good dialogue with the suppliers and visits them regularly. We are focused on long-lasting and good relationships with our suppliers, and several have been our partners for over 10 years. At the same time, we have increased our focus on product and environmental quality. This includes requirements for quality certification for manufacturers and certification of social conditions at production sites. Long-term cooperation with suppliers contributes to increased quality and our ability to influence the supply chain.

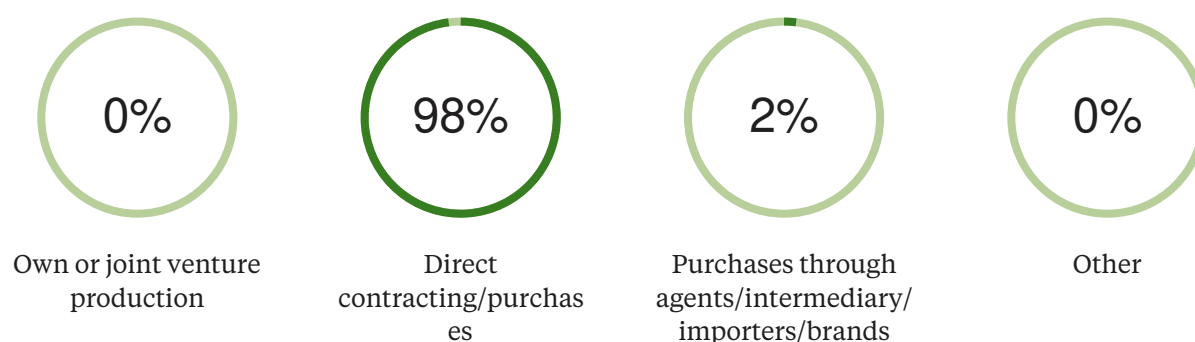
Number of suppliers with which the enterprise has had commercial relations in the reporting year

27

Comments

The number of suppliers is reduced and will continue to shrink as we increase our focus on sustainability, the social work environment and environmentally sound products.

Type of purchasing/ suppliers relationships



List of first tier suppliers (producers) by country

China :	19
Turkey :	1
Finland :	1
Germany :	1
Norway :	2
Italy :	2
Sweden :	1

State the number of workers at first tier producers

Number of workers

4 760

Comments to number of workers

This is an estimate, some numbers are dating back to 2023.

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

Aluminum	China
Aluminum	Turkey
Electronics	China
Electronics	Germany
Polycarbonate	China

All our products are tested and approved according to the RoHS directive. Raw material origin is a focus area for 2025, but we have already established that about 1/3 of the aluminum used in our products is recycled.

Is the enterprise a supplier to the public sector?

Yes

Goals and progress

Process goals and progress for the reporting year

1

Goal :

Checklist for visiting Suppliers
Process for Approval of new Suppliers
Update Purchasing Process
Collaborate with Suppliers for new requirements for CE marking
Schedule for in-house training

Status :

Our process goals for 2024 have been completed with one exception.

1. We will initiate collaboration with our Suppliers in reference to the updated regulations for wireless transmitters this spring. The delay is due to a one-year postponement of the new regulation.

The other process goals for 2024 have been completed.

2. We have a new web-based checklist for visits to suppliers complete with uploading pictures. This tool has proven very helpful for, and it will continue to aid us in the Due Diligence work.

3. A new process for Approval of new Suppliers has been implemented, and it is starting to show us how useful these guidelines are. We can now rule out Suppliers that will not be able to deliver the documentation we require for all our products.

4. We have updated our Purchasing Process to comply with new requirements for the Eco Lighthouse Certification. However, we recognize the need for additional improvements to better help us be aware of potential unwanted purchases, so this work continues into 2025.

5. All employees have received two rounds of in-house training in 2024. In addition, we have expanded our recycling scheme with additional recycling fractions to reduce waste. This addition has proven to be a valuable tool for training as well. In light of our focus on a leaner Supply Chain we have increased our collaboration with Suppliers, and a few have received ESG training as well. The notion that a Supplier is a Partner has been well received, and we will continue down this path.

Process goals for coming year

1

1. Collect product information on a raw material level (CAS numbers) to prepare for Climate Reporting
2. Identify areas where we can collaborate with Suppliers to make improvements
3. Continue the work on our Purchasing Process to better avoid unwanted purchases. This includes increase awareness of corruption and human rights in our Supply Chain.
4. Initiate dialogue with Suppliers about raw materials origin

A modern interior space featuring several large, circular, white pendant lights hanging from a ceiling with horizontal wooden slats. The lights are illuminated, casting a warm glow. In the background, a large window looks out onto a cityscape at night.

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://norlux.com/en/wp-content/uploads/sites/3/2025/02/12.a.04-Policy-for-Sustainable-Business-Practices-2.pdf>

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

Norlux aims for a sustainable business practice that respects people, communities, and the environment. Sustainable business practices are important for meeting our customers' expectations for high quality and trust that we maintain a high and sustainable standard in the production of goods. At the same time, we are committed to contributing to our objectives in accordance with the UN Guiding Principles on Business and Human Rights: Good Health and Well-Being, and Responsible Consumption and Production. Through sustainable business practices, Norlux contributes to the UN Sustainable Development Goals, which serve as the world's common action plan for sustainable development.

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

The policy for our own operations is based on the Ethical Trade Norway's principle declaration and relevant focus areas based on conducted risk assessments. We have achieved our goal to be in direct dialogue and have a physical presence at production facilities for at least 80% of our purchases by 2024. Going forward, we will map our products down to the raw material stage so that we can assess which components need to be focused on regarding human rights and the environment. The principle declaration has been approved by the management team and the Board of Directors.

1.B Organisation and internal communication

1.B.1 How is the due diligence work organized within the enterprise, embedded in internal guidelines and routines?

The policy for Due Diligence within our own operations is based on the ethical trading principles declared by Ethical Trade Norway and relevant focus areas based on conducted risk assessments. We will map our products down to the raw material content in order to evaluate which components need attention with regard to human rights and the environment. The principles declaration has been adopted by the management team and the board. The day-to-day responsibility for completing the Due Diligence work lies with the Sustainability Officer. This work is shared with others as necessary. Results are compiled by the Sustainability Officer and sent to our CEO, who informs the Board of Directors.

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?

Norlux has updated the reporting line for the position of Sustainability Manager to report directly to the CEO in recognition of the importance of our Sustainability efforts. The job description for the Sustainability Manager outlines all areas of responsibility in reference to Due Diligence. This responsibility allows the process to be driven forward internally and externally.

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

Norlux employees undergo bi-annual training in person, in addition to postings on our intranet and project participation. Moreover, the key employees participate in our Due Diligence training aimed at Suppliers, as well as presentations to prospective new customers. Our relatively small size ensures that everyone's understanding of Due Diligence is on par with our guidelines.

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?

The Due Diligence journey is enlightening and rewarding, and we move forward with a deeper commitment to transforming our organization. Starting with our updated and Board of Directors approved Policy for Sustainable Business Practice and Code of Conduct for Suppliers, we uphold those principles for all strategies and action plans.

1.C.2 How are the strategies and action plans for sustainable business conduct followed up by senior management and the board?

The Board of Directors receive updates at their regularly scheduled meetings, or as needed, with our progress and results by senior management. They provide feedback and input on our ongoing work.

1.D Partnerships and collaboration with business relationships

1.D.1 How does the enterprise communicate the importance of responsible business conduct in its business relationships?

We have developed minimum criteria that we require our suppliers to follow. This is communicated in the meetings we have with our partners. The minimum criteria are:

- The supplier has signed our ethical guidelines (Code of Conduct for Suppliers).
- The supplier has provided us with a contact person for the follow-up of our ethical guidelines and can demonstrate a system for monitoring adherence to the guidelines.
- Traceability: the supplier has an overview of and shares information about where different parts of the product are produced and must be able to document the origin of the raw materials.
- Access: the supplier grants the company access to the production site and associated facilities such as cafeterias and dormitories.
- The supplier must have a quality and environmental certification/environmental management system equivalent to Miljøfyrtårn, ISO 9001/ISO 14001, EMAS, or similar.

An environmental certificate must be presented. Upon renewal of certification, the updated certificate should be sent to Norlux. If the supplier does not have an environmental certification, the following documentation must be provided: Information about who in the company is responsible for overseeing the environmental work, the company's greatest environmental impact, and what the company is doing to minimize these impacts. Confirm that the company, at a minimum, complies with environmental legislation in the respective production country. We have contacted all suppliers on the list that covers >80% of purchased goods in 2024. We have received satisfactory responses from all.

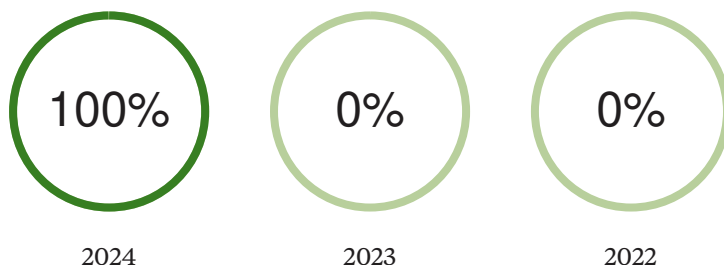
- Climate accounting: The supplier must, upon request, be able to present a CO2-e account for their operations. Alternatively, they should be able to provide the necessary information for a third party to conduct a CO2-e calculation.

- Packaging: Norlux expects the supplier to continuously work on optimizing packaging to minimize climate impact. Only recyclable materials should be used. We encourage our suppliers to avoid plastic and polystyrene. Efforts should be made to work on solutions that provide good space utilization during transportation, but without increasing risk.

You can read our Supplier Code of Conduct here: <https://norlux.com/en/wp-content/uploads/sites/3/2025/01/Code-of-Conduct-for-Suppliers.pdf>

Indicator

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



Norlux Supplier Code of Conduct was distributed to Suppliers for the first time in spring 2024. We have a 100% response rate and all have returned the signed documents.

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?

A year in with a dedicated Sustainability Manager, we find this resource to be of great value to all aspects of operations. Our most significant change has been a new approach to a more collaborative partnership with Suppliers. In conjunction with this collaboration, we have worked extensively with our colleague in China to prepare for the next step, which is to determine the origin of raw materials. She has received training in Sustainability and Due Diligence and her work is invaluable to our efforts.

A modern bathroom interior featuring a wall of vertical glass tiles in a light blue or teal color. A white ceramic sink is visible in the lower right corner, equipped with a gold-colored faucet. A small, dark, oval-shaped mirror is mounted on the wall above the sink. The lighting is soft and even.

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 prioritized significant risks and/or actual negative impacts on people, animals, society and the environment.

Salient issue	Related topic	Geography
Labor Rights and Human Rights	Forced labour Freedom of association and collective bargaining Child labour Wages Corruption	China
Labor Rights	Freedom of association and collective bargaining Corruption	Turkey
High CO2-e emissions	Environment	China
HSE violations	Occupational Health and safety	China

Based on the results from the Salient Risk Tool analysis, we have prioritized the highest risk factor issues from 2024 for investigation.

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 prioritized b) activities or sections of the enterprise not covered in this report , if any (product groups, own products, departments etc.), and why c) how the information was gathered, what sources were used, and which stakeholders have been involved d) whether you have identified areas where information is lacking, and how you are planning to proceed to collect more information about this.

a. We have used the Salient Risk Assessment Tool available to us from Ethical Trade Norway to evaluate raw materials and processes in connection with the production of our goods. We conduct an annual assessment for new and existing issues. From previous years' assessments, we are aware of the most at-risk countries and high-risk issues. The Salient Risk Tool gathers information from a wide variety of sources under these topics:

Forced Labour

This risk score is based on the Global Slavery Index (GSI), by the Australian NGO Walk Free. The GSI provides national estimates of modern slavery for 160 countries.

Freedom of Association & Collective Bargaining

This risk score is based on the following two indexes, ITUC Global Rights Index and Freedom in the World report. The highest risk score of the two indices is used.

Child Labour

This risk score is based on the following three indexes, Children in employment data from the World Bank, Child labour data from UNICEF and The Human Development Index (HDI). The highest risk score of the two first indices is used. Where these lack data, the country score from the Human Development Index is used.

Gender Equality

Risk to gender equality is calculated based on the The Gender Equality Index (GII) and the The Global Gender Gap Report. The risk score is based on the average of the scores from the two indices.

Living Wages

Risk for lack of living wages is calculated based on the gap between living wages and legal minimum wages according to data from WageIndicator Foundation.

Corruption

Risk for corruption is calculated based on the Transparency International Corruption Perception Index (CPI)

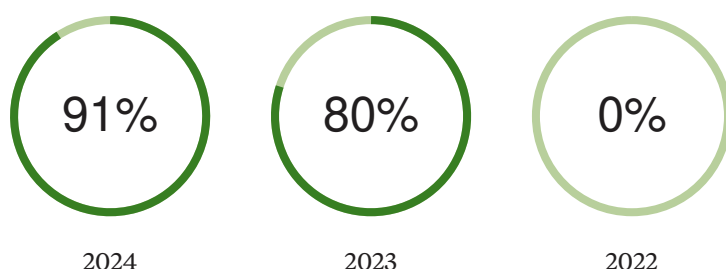
b. We have selected materials and processes based on the highest volume. There are areas we have not yet evaluated. This is in part due to little experience with the results of our inquiries, as well as resource constraints. Areas not included in the evaluation for 2024 include electronics and raw material polycarbonate. It will be included in future evaluations.

c. We have collected data based on more than 80% of our procurement and broken it down by country of origin and type of raw material. The Salient Risk Analysis assesses each raw material and assigns a risk value based on the entered data. For the 2024 risk assessment, we have selected one raw material with a risk value of 3.2 and one process (aluminum production) with a risk value of 3.3. We have chosen to limit the selection to these two because they constitute a significant portion of our products (60-80%). We believe that the insights gained from this process will better prepare us to work with other raw materials and processes in the future. Since February 2024, we have maintained an ongoing dialogue with producers regarding raw material content and production methods. We have established a product data standard that involves collecting detailed raw material information to enable the products to achieve environmental approval, in addition to calculating their CO2-e footprint.

d. We are aware that information is lacking for the upstream Supply chain past our Suppliers. This is on a prioritized task for 2025. We also recognize that the standard approach to managing a business relationship will be challenged, as we believe more direct contact with our counterparts for each Supplier is beneficial. This approach will be discussed with select Suppliers in 2025.

Indicator

Percentage of suppliers in high risk supply chains that have been mapped



We are working to reduce the number of Suppliers in high-risk supply chains to better be able to collaborate and strengthen our partnership.

ADDITIONAL SEVERE IMPACTS

2.A.3 Describe other risks of negative impacts on people, animals, society and the environment that were identified but not prioritized, and how these have been handled.

We have identified risks of negative impacts that are not prioritized this year. We will continue to monitor the raw material extraction and productions processes going forward.



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 Describe goals and progress status for the measures you have implemented to reduce the enterprise's prioritized negative impact

	Labor Rights and Human Rights
Goal :	Our primary goal is to establish where the aluminum was extracted, and by whom.
Status :	We will start in 2025.
Goals in reporting year :	Our primary goal is to establish where the aluminum was extracted, and by whom. We have several Suppliers who has given us information about their Supply Chain, and we will start looking into this in 2025.

Describe already implemented or planned measures :

The plan is to contact our Suppliers' vendors who deliver aluminum. This will be done in collaboration with our Suppliers. We will use the assistance of our employee based in China for the direct work needed. We understand that working with this selection will set us on a path in collaboration with producers that is new for both parties, and the journey will not be straightforward. We have chosen to be transparent with our producers about what we are working on, and the feedback so far has been positive. If something unacceptable arises, the practice will be terminated from our side. Termination could range from switching raw materials to ceasing the purchase of the product.

The course of action will depend on our ability to influence the situation — whether we should take measures to prevent or reduce negative impacts or harm ourselves, or whether this can be better addressed by others.

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

Expected results for 2025 is that we will find the extraction site for the aluminum for at least two Suppliers.

	Labor Rights
Goal :	Goal for 2024 was to communicate our zero-tolerance for forced labor and lack of free organizing to our Suppliers.
Status :	All Suppliers have received and signed our Supplier Code of Conduct.
Goals in reporting year :	<p>The production of LED casings in Turkey use 100% recycled aluminum. The high-risk issue here is labor conditions and possible corruption.</p> <p>Establish a good dialogue with our Supplier about the issue and outline what type of information we require to satisfy the inquiry. Our goal is to document working conditions for a number of employees. This could be done by observation or with an audit by a third-party.</p>

Describe already implemented or planned measures :

We have had a training session with the CEO of the Supplier.

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

The FoA and CBA are institutional in origin on a much higher level than within a company. Our role in this can be to have a dialogue with our supplier about how better working conditions will yield more profit and therefore should be addressed within their organization.

	High CO2-e emissions
Goal :	Measure our own CO2-e footprint for Scope 1, 2, and 3.
Status :	Good quality estimate will be available for 2024. Work is ongoing.
Goals in reporting year :	Finalize the smaller details in our emissions estimates and deliver a complete and accurate CO2-e footprint for 2025.

Describe already implemented or planned measures :

We gather and calculate CO2-e emissions on a product level for many products. We already report complete footprint for Scope 1 and Scope 2.

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

We expect to have a complete and accurate CO2-e footprint for the year 2025. Activities for 2025 will include the ongoing collection of product data on raw material level, and product EPD generation by the second half of 2025.

	HSE violations
Goal :	Ensure compliance for HSE regulations in our Supply Chain.
Status :	Completed for own Supply Chain, ongoing for lower levels of Supply Chain.
Goals in reporting year :	Ensure compliance for HSE regulations for first level of the Supply Chain.

Describe already implemented or planned measures :

Checklist for factory visits implemented and in use. This checklist will be completed for each visit to document HSE compliance.

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

Going forward, we will use the checklist for visits to Suppliers delivering raw materials to our Suppliers.

3.B Other actions related to management of negative impact

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

As many of our products are slated for approval with the Swedish Byggvarubedömningen, we are phasing out all toxins from our line of products.

3.B.2 Reduction of greenhouse gas emissions

We are communicating to our Supply Chain that we look for and prefer recycled packaging. This is a project that will take some time to show results.

3.B.3 Improvements in own purchasing practices

We are reporting our total CO2-e footprint annually, and we have ambitions to reduce it, year by year going forward. Optimizing packaging is a long standing project for Norlux and we continue to pursue less packaging materials, while at the same time not allowing for transport damage.

3.B.4 Choice of products and certifications

As many of our products are slated for approval with the Swedish Byggvarubedömningen, we are phasing out all toxins from our line of products. We are working towards complete transparency concerning product and packaging content.

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

This is stated in the Supplier Code of Conduct, which every Supplier has signed.

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

We are actively pursuing and providing training for employees and Suppliers, as well as new and existing customers. Our goals and efforts are presented to every point of contact, and we ask repeatedly for additional contacts in our Supply Chain. This approach is unfamiliar, especially in China, and at this point it is a work in progress.

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

This is stated in the Supplier Code of Conduct, which every Supplier has signed. Internally, we hold bi-annual trainings for all staff, where all aspects of our work is detailed and discussed.

3.B.8 Other relevant information concerning the enterprise's work to reduce, prevent, and manage negative impact

We started the work for measuring our Scope 3 CO₂-e footprint in early 2024. During the year, we discovered that we have several Suppliers that participate in a wide range of carbon footprint reducing activities. This includes recycled packaging, 100% recyclable packaging, renewable solar power, and much more. This has been a boost for us to double our own efforts to reduce our emissions.

From the onset, the LED light industry has been a smaller contributor to CO₂-e emissions. This is in part due to the average size of the product and the high level of savings when replacing incandescent lighting with LED. In addition, we are participating in the WEEE program for recycling electronic products. All our products are recycled when they have reached the end of their life. The material recycling degree for our products is 81%. The energy recycling degree is 12%, which leaves only 8% to landfill. All numbers from 2023. This already high degree of recycling is promising, and it will go up in the coming years.

We will continue to work for our products to be easier to install and repair, be free of toxins, have a longer lifespan and be easier to recycle.

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 a) assignment of responsibility for tracking the effect and result of implemented measures, as well as how the tracking is carried out in practice, b) who is responsible for evaluating the enterprise's implementation and work with due diligence, and how the evaluation is carried out in practice.

a. As a part of our Purchasing process, all Suppliers sign our Supplier Code of Conduct and respond to a survey with questions about their social work environment. In addition, every Supplier sends a copy of their annual third-party audit of said environment. The collection of this information is completed by the Purchasing Department. The monitoring of the results is done by the Sustainability Manager. Any discrepancy we would like to address is turned over to our employee in China or addressed in person with leaders.

The survey also contains questions about the Suppliers own Supply Chain. This information forms the basis for the quest for raw material origin we will begin in 2025.

b. The formal responsibility for the follow-up of due diligence lies with the CEO. The CEO delegates tasks as needed to complete the Due Diligence implementation and work. The Board of Directors receive quarterly updates on our Due Diligence efforts, or more often if needed, from the CEO or upper management. Additionally, we have an independent third-party auditor of our Due Diligence efforts annually, Ethical Trade Norway. We are obligated to deliver an annual report with documentation to show what we have done, and how it has been carried out. This report is available on our website, as we are legally bound to do.

4.A.2 Describe how you track the effect, and/or demonstrate the probability of effect, of measures taken to reduce negative impact.

A first for reducing negative impact is to avoid rouge actors. Our products are electrical and require a large set of certificates and approvals in order to import and sell. This serves as the first measure of reducing a negative impact. Suppliers that cannot deliver the required certificates will not be considered.

We have remarked a safety issue to a Supplier after a factory visit in 2024. This was done verbally, and in a conciliatory tone, simply to focus on a lapse in PPE. Long term, this will lead to more awareness and perhaps better habits.



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

If a negative impact is identified, we will communicate openly with all affected stakeholders.

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

We have a section on our website where all our Due Diligence work is described. Please visit

<https://norlux.com/en/sustainability/transparency-act/>

In addition, starting with the Ethical Trade Norway 2024 report in English, all our stakeholders can now access our Due Diligence information.

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

All inquiries are forwarded to our Sustainability Manager.

A modern interior hallway with warm, ambient lighting. The walls are a light, neutral color, and the ceiling features recessed lighting fixtures. A large mirror is mounted on the wall, reflecting part of the hallway. The floor is made of large, light-colored tiles. The overall atmosphere is clean and contemporary.

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 impact

Our policy is to enter into a dialogue with affected stakeholders if negative impact is discovered. Please see our Policy for Sustainable Business Practice.

<https://norlux.com/en/wp-content/uploads/sites/3/2025/01/Policy-for-Sustainable-Business-Practices-2024.pdf>

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

We have not uncovered any cases in need of remediation in 2024.

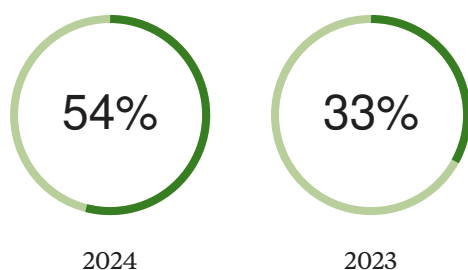
6.B. Ensure access to grievance mechanisms

6.B.1 Describe what the enterprise does to ensure that employees and other stakeholders, especially impacted workers and local communities have access to whistleblowing systems and grievance mechanisms

For our largest producers, we have a locally employed representative who visits production facilities and engages in dialogue with employees. If we uncover negative impacts on workers or local communities, we will seek to mitigate and restore the damage through dialogue with our partners. In addition, we request an independent third-party audit of HSE each year from our Suppliers.

Indicator

Annual independent audit for HSE for all Suppliers



We request a copy of an independent audit annually from our Suppliers. This is mostly BSCI audits, and some Smeta audits.

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