

# FØYEN



## ANNUAL REPORT

## THE NORWEGIAN TRANSPARENCY ACT

ACTE AS

03.11.2023

## CONTENT

1.	THE COMPANY'S REPORT PURSUANT TO THE TRANSPARENCY ACT FOR 2023	3
1.1.	Introduction	3
1.2.	Contact information	3
1.3.	Duty to account for the due diligence	3
2.	ABOUT THE COMPANY'S OPERATIONS	3
2.1.	The company's organisation and area of operations	3
2.2.	Internal guidelines	4
2.3.	Ambitions and progress	5
2.3.1.	Overall ambitions and progress	5
2.3.2.	Ambitions for the coming year	5
3.	THE DUE DILIGENCE	5
3.1.	Focus for the company's due diligence	5
3.2.	The due diligence assessments of the company's own operations	7
3.3.	The company's supply chain and business partners	8
3.4.	The due diligence assessments of the company's products/services	8
3.4.1.	Product [Panel PC and Computers from a selected supplier list located	8
3.4.2.	Product [Certified products for marine and health markets]	
3.4.3.	Product [Components for the OEM marked]	9
3.5.	The result of the due diligence assessment	10
4.	<u>MEASURES TO CEASE, PREVENT OR MITIGATE THE ADVERSE IMPACT</u>	
5.	MONITORING OF THE MEASURES – IMPLEMENTATION AND RESULTS	10
5.1.	Introduction	10
5.2.	Procedures for monitoring	10
6.	COMMUNICATION WITH AFFECTED STAKEHOLDERS AND RIGHTS-HOLDERS	11
7.	REMEDICATION AND COMPENSATION	12

## 1. THE COMPANY'S REPORT PURSUANT TO THE TRANSPARENCY ACT FOR 2023

### 1.1. Introduction

ACTE AS shall conduct due diligence in accordance with the Transparency Act each year and publish a report on the assessments and findings.

The purpose of the Transparency Act is to promote companies' respect for fundamental human rights and decent working conditions.

This report comprises the company's duty to account for the due diligence assessments conducted by the company in 2023. In the report, the company also describes the measures that have been assessed and implemented to reduce the risk of adverse impact the company's activities may have on fundamental human rights and decent working conditions.

### 1.2. Contact information

Any inquiries in connection with this report can be directed to:

ACTE AS  
Managing Director, Jan Erik Engemoen  
jan.erik.engemoen@acte.no

### 1.3. Duty to account for the due diligence

The company is headquartered at Hvamsvingen 9, 2013 Skjetten and is resident in Norway.

On the balance sheet date<sup>1</sup>, the company has sales revenues of NOK 85M<sup>2</sup>. In the financial year [2023] the company has had an average of [9] full-time equivalents<sup>3</sup>. Consequently, the company is subject to reporting obligations.

## 2. ABOUT THE COMPANY'S OPERATIONS

### 2.1. The company's organisation and area of operations

The company is organised as Distribution company trading hardware used in or around Electronic and Electrical installations. Organisation charts for the company are attached to this report.

The company operates with Distribution of Electric and Electromechanical in Norway. The company offers the following products and/or services:

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<sup>1</sup> In principle, the balance sheet date is 31.12, see Section 1-7 of the Accounting Act. The balance sheet date may be different in the event of a deviating financial year.

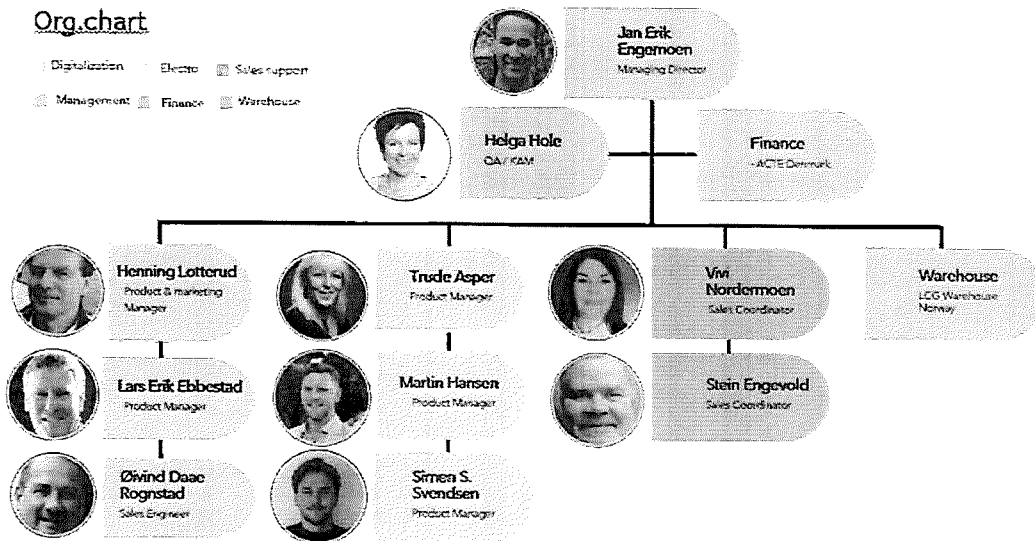
<sup>2</sup> Sales revenues shall be NOK 70 million.

<sup>3</sup> The number of full-time equivalents shall be minimum 50. To find out the average number of full-time equivalents it is normally sufficient to take as a basis the number of employees at the beginning and at the end of the financial year. Should the number of full-time equivalents vary throughout the year because of e.g. seasonal work, a more accurate calculation is needed.

- Computers for industrial, maritime, and medical us
- Electronics for OEM and contract manufacturing
- Finished goods used in Electro and Electromechanical installations.

## ACTE

### Org.chart



## 2.2. Internal guidelines

The company has its own guidelines on how we embed the work on human rights and decent working conditions, see Lagercrantz Code of Conduct attached to this report. The procedures comprise the work that needs to be done by the company to meet the requirements set out in the Transparency Act.

The company's guidelines were established and adopted by the company's owners Lagercrantz noted on the Swedish stock exchange. The guidelines are communicated to the company's employees and are available on the company's intranet. The company regularly conducts training related to the Transparency Act and the company's guidelines pursuant to the Act.

The guidelines describe how the company conducts its due diligence and assessment of the measures. The guidelines also contain information about the company's whistleblowing channels that are meant to uncover adverse impact on fundamental human rights and decent working conditions linked with the company's activities.

## 2.3. Ambitions and progress

### 2.3.1. Overall ambitions and progress

We work continuously on assessment of risks related to the company's activities and make use of our business contacts (suppliers and business partners<sup>4</sup>) in this respect. Furthermore, the company works continuously on implementing measures to achieve the ambitions set by the company. See items 3 and 4 of the report for guidance on the work done in the reporting year.

### 2.3.2. Ambitions for the coming year

We have set several concrete ambitions for the future.

Ambitions	Status
We shall further improve the due diligence based on our experience.	in progress
Establish a better understanding for ACTE's Code Of Conduct in the supply chain	In progress
Establish a better interaction with our suppliers related to Carbon reduction initiatives driven from different stakeholders (owner, Norwegian law, customer needs etc)	Starting

## 3. THE DUE DILIGENCE

### 3.1. Focus for the company's due diligence.

ACTE AS continuously makes assessments of the risk<sup>5</sup> of adverse impact on fundamental human rights and decent working conditions linked with the company's activities and business relationships. The company continuously tracks any violations of human rights or violations of decent working conditions that relates to the company's activities. The company's activity refers to both the company's own operations and the activities of its suppliers and business partners.

In the mapping work, ACTE AS utilizes a digital platform developed by Ignite Procurement AS. The platform simplifies the implementation of due diligence assessments in accordance with

<sup>4</sup> Terms "suppliers" and "business partners" are defined in the Transparency Act, see Section 3, first paragraph, letters d and e. The term "business connections" is used as a collective term for these two.

<sup>5</sup> The "risk" in this context means the likelihood of occurring of adverse impact on human rights and decent working conditions, and how severe the adverse impact may be for the affected parties.

the requirements of the Transparency Act. Through the platform, ACTE AS has obtained a systematic overview of first-tier suppliers, business partners, and other known subcontractors. Based on this overview, the platform has conducted initial assessments of the risk of negative impact on fundamental human rights and decent working conditions. The steps in this assessment are explained in the following:

1. Based on supplier data from R3 (top 10 suppliers) obtained from accounting data "R3", and AX ERP system, a complete overview of the company's first-tier suppliers is created. The company has manually added business partners and other known subcontractors in the platform. The overview of the company's first-tier suppliers is continuously updated through the platform.
2. In the platform, supplier information is enriched through third-party collaborations with ENIN. The platform gathers information and financial details about the company's suppliers, such as industry codes (NACE) and company structure.
3. Through steps 1 and 2, the company obtains an overview of first-tier suppliers, business partners, and other known subcontractors, along with their corresponding supplier information.
4. The classification tool in the platform has conducted an initial risk classification of the company's first-tier suppliers, business partners, and other known subcontractors based on classification rules created within the platform. The company has established the following classification rules relevant to its supply chain: geography, industry, type of product and service, production process, previously identified risks, Code of Conduct, etc. Through the classification tool, suppliers that meet defined risk parameters are classified as having high, medium, or low risk of negative impact on fundamental human rights and decent working conditions.
5. As part of the risk assessment, the company, through the platform, has sent customized questionnaires to defined business contacts to gather additional information. The company has also used the platform to request documentation and certifications from first-tier suppliers, business partners, and other known subcontractors.
6. Based on the findings in points 4 and 5, the company has assessed which actions should be taken to investigate potential negative consequences for fundamental human rights and decent working conditions. The company has implemented actions where the severity and likelihood of harm are highest and where the company has the greatest influence for positive development. The prioritization is aligned with the company's connection to and responsibility for the risk and should be proportionate to the size, nature, and context of the business.
7. The company has involved stakeholders, suppliers, and business partners in the implementation of actions.

In the analysis tool within the platform (interactive dashboard), analyses of the supply chain have been developed based on supplier data, the outcome of risk classification, and gathered information from the supply chain. In section 3.2, the following information generated by the analysis tool in the platform is provided:

- a. The number of first-tier suppliers, business partners, and other known subcontractors, along with their corresponding supplier information.
- b. Overview of the company's first-tier suppliers, business partners, and other known subcontractors who have been presented with and have responded to questionnaires relevant to the company's due diligence assessment.
- c. Overview of the company's first-tier suppliers, business partners, and other known subcontractors who have indicated:
  - a. That their business is covered by the Transparency Act.
  - b. That a due diligence assessment of their business has been conducted in accordance with the requirements of the Transparency Act.
  - c. That the results of the due diligence assessment have been documented in a report in accordance with the requirements of the Transparency Act.
- d. Further classification of the company's first-tier suppliers, business partners, and other known subcontractors based on risk profiles high, medium, and low.
- e. Overview of first-tier suppliers, business partners, and other known subcontractors where actions have been implemented, as described in step 6 above.

Relevant factors for the due diligence related to the company's activities and business conditions include, among other things:

- The context of the company's operations
- The company's business model
- The company's position in the supply chain
- The type of product and services

In the following, we will account for any significant risk of adverse impact on human rights or decent working conditions identified through the company's due diligence assessments. The report also includes any uncovered violations of human rights or decent working conditions.

### 3.2. The due diligence assessments of the company's own operations

ACTE AS is a value-add distributor 100% owned by Lagercrantz AB noted on the Swedish stock exchange. ACTE AS does not manufacture own products, only reselling products into the Norwegian market from a mix of suppliers with a global presence. ACTE follow our top 10 suppliers making sure they are ISO14001 and/or ISO9001 certified. ACTE does not handle chemicals locally or resell chemicals. ACTE will always comply to local regulations for freedom of association, wages and working conditions.

### 3.3. The company's supply chain<sup>6</sup> and business partners

The company has commercial relationships with 15 direct suppliers in the reporting year. The company's suppliers are in the following country/geographic area<sup>7</sup>:

R3 Year-end top – 10 (focus suppliers)

Country/geographic area	Number of suppliers
Germany	1
Taiwan	3
USA	1
Japan	1
Sweden	2
Switzerland	1
Denmark	1

The classification tool in the platform displays the following classification of the company's first-tier suppliers, business partners, and other known subcontractors:

### 3.4. The due diligence assessments of the company's products/services

#### 3.4.1.

##### Product

Panel PC and Computers from a selected supplier list located in Taiwan

ACTE AS only use suppliers with ISO14001 and ISO9001 certification, or with documentation confirming compliance of similar certifications of statements.

In addition, we overview their use of social engagement. ACTE AS conducts meetings at the suppliers regularly to oversee the organisation and structural changes if any.

<sup>6</sup> "Supply chain" means any participant in the chain of suppliers and subcontractors that supply or produce goods, services or other inputs that are part of an enterprise's provision of services or production of goods from the raw material stage to the finished product; see Section 3(d) of the Transparency Act. With reference to the proportionality limitation in the second paragraph of Section 4 of the Transparency Act, Føyen suggests limiting the mapping to direct suppliers and particular subcontractors. However, this limitation is a subject to an assessment that each company must make itself.

<sup>7</sup> The place of production or a concrete supplier do not have be named, see the preparatory work of the Transparency Act. However, geographical area is relevant in the due diligence assessment.



We use the suppliers code of conduct as a guideline in these discussions aligning them with LCG COC when applicable. Zero tolerance for forced labour, controlled wages and good working conditions are considered and overviewed periodically.

## Product

**Certified products for marine and health markets, manufactured in Japan and Denmark**

ACTE AS only use suppliers with ISO14001 and ISO9001 certification, or with documentation confirming compliance of similar certifications of statements.

In addition, we overview their use of social engagement. ACTE AS aim to conduct meetings at the suppliers regularly to oversee the organisation and structural changes if any.

We use the suppliers code of conduct as a guideline in these discussions aligning them with LCG COC when applicable. Zero tolerance for forced labour, controlled wages and good working conditions are considered and overviewed periodically.

## Product

**Components for the OEM marked. Supply to local contract manufacturers.**

ACTE AS buys components from a wide range of suppliers with contract manufacturers globally. We only buy components from the source (original brand). The brands included are major suppliers to the global electronic industry all located in USA, Germany, Italy, Taiwan, Japan and Switzerland. ACTE does not source components from sanctioned areas or areas with reduced trust or lack of traceability.

ACTE AS only use suppliers with ISO14001 and ISO9001 certification, or with documentation confirming compliance of similar certifications of statements.

In addition, we overview their use of social engagement. ACTE AS aim to conduct meetings at the suppliers regularly to oversee the organisation and structural changes if any.

We use the suppliers code of conduct as a guideline in these discussions aligning them with LCG COC when applicable. Zero tolerance for forced labour, controlled wages and good working conditions are considered and overviewed periodically.

### 3.5. The result of the due diligence assessment

The due diligence has revealed the following findings that the company has identified and prioritised in the reporting year:

Product/Service	Identified violations of human rights/decent working conditions	Geography	How were the violations of human rights/decent working conditions uncovered?
Product	None	All relevant countries based on our line card and top 10 supplier base.	

In the following, the company will describe the measures we have implemented to prevent, mitigate, or cease the impact and risks identified in the section above.

We have implemented the following measures based on the investigation:

No actions need to be taken in 2023.

We have based our investigation on top focus suppliers by internal risk management, suppliers' evaluation form and information on supplier's web site. Some sites have also been visited.

## 4. MONITORING OF THE MEASURES – IMPLEMENTATION AND RESULTS

### 4.1. Introduction

We work continuously on monitoring the implementation of the measures and the outcome.

### 4.2. Procedures for monitoring<sup>8</sup>

Managing director of ACTE AS has the overall responsibility for monitoring the implementation and outcome of the measures taken. ACTE AS has the following procedures for monitoring the implementation of "process for monitoring".

<sup>8</sup> The Transparency Act does not require an account for how the enterprise implements and carries out the identified measures. Føyen, nevertheless, recommends that the company provides a brief description of how this is done. This is to document that the company follows up the measures the company itself has identified as necessary.

- We monitor the implementation and the effect of the company's internal obligations, activities, and goals for the due diligence.
- We regularly carry out internal and/or third-party assessments or audits of the achieved results and communicate the results at relevant levels within the company.
- We receive regular feedback from our suppliers to confirm that the risk-reducing measures are being followed and/or to confirm that damage in fact has been prevented or reduced.
- We receive regular feedback from representatives and trade unions of the affected employees.
- We study reports that are released concerning Electric and Electronic manufacturing and distribution and read surveys conducted within the industry sector.
- We learn from the experience and the feedback that the company has acquired through our due diligence assessments and use it to improve the process and results in the future.

Based on these measures, we have worked out a progress plan for the remediation that we keep up to date. The progress plan follows the systematics in item 3.

## 5. COMMUNICATION WITH AFFECTED STAKEHOLDERS AND RIGHTS-HOLDERS

### ACTE AS

The company has not uncovered any violations of human rights or decent working conditions in the reporting year. Nor has the company uncovered any significant risk of violations as mentioned.

The company has communicated how actual impact have been handled, including measures implemented and their outcome, to the following affected stakeholders<sup>9</sup>:

- Owner, Lagercrantz AB
- Management
- Employees

ACTE AS uses this dialogue actively to strengthen our efforts to identify and monitor the results of our work.

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<sup>9</sup> «Stakeholders» includes among other employee representatives, workers unions, representatives for local communities, civil services, investors, industry associations.

## 6. REMEDIATION AND COMPENSATION

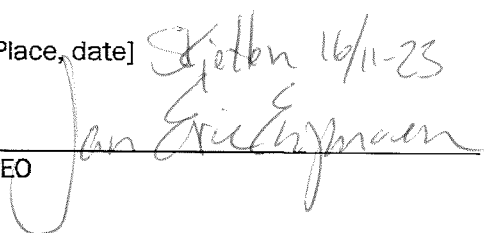
The company has not uncovered any cases requiring remediation in the reporting year.

We are in process of developing internal guidelines for remediation in order to ensure remediation and compensation for damages.

We continue to follow applicable international standards and we are in dialogue with stakeholders in order to reveal potential necessity for remediation.

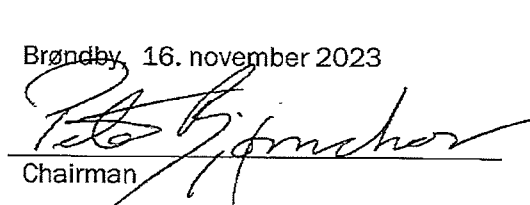
[Place, date]

CEO

*Stjernen 16/11-23*  
  
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Brøndby, 16. november 2023

Chairman

  
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