



Verified by  
**Factlines.**

| 2024



## Due Diligence Report Under The Norwegian Transparency Act

### 1. General information & ethical guidelines

Futurehome AS is a Norwegian company that specializes in smart home technology and IoT solutions. The company provides products and services that allow homeowners to automate and control various aspects of their home environment, such as energy management, lighting, heating and security, through a centralized platform. The company's solutions include energy monitoring and management tools that help users optimize their energy consumption, reduce costs, and increase sustainability. Futurehome AS mission is to empower people to make their homes an active part of the energy transition by humanizing technology that improves the quality of life.

Futurehome AS uses Code of Conduct which describes the rules and ethical standards we have to follow in our company. It is based on leading international standards for responsible business conduct, including the UN Global Compact and the UN Guiding Principles on Business and Human Rights. Our Code of Conduct applies to all Futurehome AS employees and should be a guide when making decisions and in your daily work. Our overall ambition is to make ethical, responsible and profitable decisions. Compliance with our code of conduct is essential for maintaining the trust and confidence of our customers, partners, and the broader community. By following these guidelines, we contribute to a positive and ethical work environment that supports the success and integrity of Futurehome AS.

The ten core principles describe our expectations regarding our business conduct. Our Code of Conduct applies to all Futurehome employees and should be a guide when making decisions and in your daily work. Our overall ambition is to make ethical, responsible and profitable decisions.

The ten principles included in Futurehome AS Code of Conduct are:

- Principle 1: We comply with the law
- Principle 2: We respect our colleagues
- Principle 3: We ensure healthy and safe working conditions
- Principle 4: We protect our assets and confidential information
- Principle 5: We respect fundamental human rights
- Principle 6: We never make unlawful payments
- Principle 7: We carefully choose our business partners
- Principle 8: We avoid conflicts of interest
- Principle 9: We compete fairly
- Principle 10: We operate in an environmentally responsible manner

In line with our Code of Conduct, we carry out a Supplier Self-Assessment Questionnaire. To help us in this work we use the Factlines system. In our commitment to upholding the Norwegian Transparency Act and conducting thorough due diligence assessments, we rely on Factlines' cutting-edge digital solutions and services. As a Norwegian-owned, independent company, Factlines specializes in monitoring ethical, social, and environmental compliance throughout supply chains. Factlines offers comprehensive advisory services, develops tailored solutions, and provides digital tools to efficiently gather verifiable information directly from suppliers and subcontractors.

The process involves the annual collection of supplier information through self-reporting mechanisms. These inquiries are meticulously crafted to address the UN's Global Compact requirements, assess supplier chain transparency, and evaluate risk factors associated with ethical compliance in relevant production countries. This data forms the basis for analyzing the establishment of best practices by regulatory frameworks such as the Norwegian Transparency Act, Public Procurement Act Section 5, and our contractual provisions.

We ensure that our suppliers are well-versed in our ethical guidelines and hold them accountable for adhering to these standards throughout their production, procurement, and delivery processes. Any deviations detected through self-reporting or other indicators prompt thorough investigation and follow-up inquiries with the supplier. Depending on the severity and impact of the deviations, we may initiate improvement projects in collaboration with the supplier and other stakeholders in the supply chain.

The self-assessment includes the following topics:

- CSR – strategy and guidelines
- Supply chain: follow-up, insight and control
- Risk assessment and Due Diligence procedures
- Country risk

- Corporate management systems
- Labour rights
- People and environment
- Conflict minerals
- Anti-bribery and corruption

We inform our suppliers about our ethical guidelines and require that they deliver goods and services produced in line with these guidelines. They are also required to communicate and follow up the guidelines with their subcontractors.

If the self-assessment or other indicators show deviations, these are followed up with the supplier. The purpose is to prevent and reduce adverse impacts in cooperation with the supplier and other participants in the supply chain.

In addition, Futurehome AS is under obligation through one of its key investors to report under the SFDR & EU Taxonomy framework. This report has been submitted for FY2023 and Futurehome is committed to this framework for FY2024.

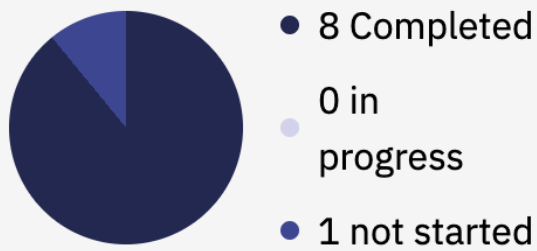
## **2. Findings from the due diligence assessments**

Futurehome AS conducted an evaluation of our key vendors through the Norwegian Factlines portal, focusing on various supply chain matters. The due diligence assessments revealed that the majority of our vendors, located in China, are classified as low-risk, with no significant risks or negative consequences uncovered.

### **Overall Findings**

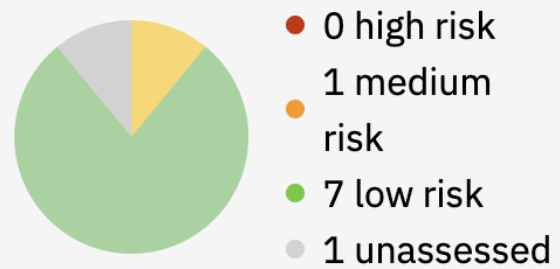
- General Assessment
  - Low-Risk Vendors: Most vendors were classified as low-risk due to their strong adherence to environmental regulations, robust labor practices, transparent supply chains, effective risk management, and ethical business conduct.
  - High-Risk Vendors: No significant high-risk vendors were identified, indicating a strong overall compliance and low-risk profile among our supply chain partners.

## Response



89% response rate

## Risk distribution



9 recipients

### Identified Risk Areas

While no significant risks or negative consequences were found, the due diligence process highlighted areas for potential improvement to maintain and further strengthen our low-risk status.

#### Environmental Compliance

- **Findings:** Strong compliance overall
- **Known Risks:** Electronics manufacturing poses higher environmental risks due to resource use and waste.
- **Actions:** Promote sustainable practices and regular audits.

#### Labor Practices and Human Rights

- **Findings:** Vendors generally ensure fair labour practices and safety.
- **Known Risks:** The industry in China is prone to labour rights issues.
- **Actions:** Strengthen training and ensure fair practices.

#### Supply Chain Transparency

- **Findings:** High levels of transparency and traceability.
- **Known Risks:** Complexity of supply chains in China requires ongoing scrutiny.
- **Actions:** Improve traceability and adopt best practices.

#### Risk Management

- **Findings:** Effective risk management practices are in place.
- **Known Risks:** Geopolitical and economic factors in China require continuous risk assessment.
- **Actions:** Update risk frameworks and conduct assessments.

## Ethical Practices

- **Findings:** High ethical standards maintained.
- **Known Risks:** Technology sectors are prone to ethical violations.
- **Actions:** Promote ethics through training and audits.

Futurehome AS remains committed to continuous improvement in these areas, ensuring that our supply chain remains low-risk, sustainable, and ethically sound.

### **3. Measures implemented.**

Through multiple improvements in 2023/2024, Futurehome has implemented measures to cover minimum safeguards, both social and environmental. The Norwegian Transparency Act has been instrumental in highlighting areas where the company was lacking. In 2023/2024 the company implemented the following measures:

- Norwegian Transparency Act Compliance
- Employee & Company Code of Conduct
- Supplier Code of Conduct
- Internal Whistleblower Policy

To maintain a low-risk, sustainable, and ethically sound supply chain, Futurehome AS will implement with our Vendors some of the following:

#### Environmental Compliance

- **Strengthen Standards:** Enforce stricter environmental policies and require relevant certifications (e.g., ISO 14001).
- **Promote Sustainability:** Encourage sustainable production methods and partner with vendors on green initiatives.

#### Labor Practices and Human Rights

- **Enforce Standards:** Help establish a code of conduct and maintain unannounced audits,
- **Monitor Conditions:** Use technology to monitor working conditions and implement fair wage programs.

### Supply Chain Transparency

- **Enhance Documentation:** Require detailed supply chain records
- **Vendor Transparency Workshops:** Conduct workshops to educate vendors on the importance of transparency and improve their reporting practices.

### Risk Management

- **Develop Frameworks:** Collaborate with vendors on risk management plans and conduct regular assessments.
- **Continuous Improvement:** Provide ongoing training and update risk management policies regularly.

### Ethical Practices

- **Strengthen Standards:** Enforce a comprehensive code of ethics and require anti-corruption policies.
- **Annual Audits:** Perform yearly audits to ensure ethical compliance.

By implementing these comprehensive measures, Futurehome AS is committed to maintaining a low-risk, sustainable, and ethically sound supply chain. Our continuous efforts in improving environmental standards, labor practices, supply chain transparency, risk management, and ethical conduct demonstrate our dedication to responsible business practices. We believe these initiatives will not only enhance our supply chain's integrity but also contribute positively to our overall mission and values. We look forward to working closely with our vendors to achieve these goals and ensure long-term success and sustainability for all stakeholders involved.

Signed with Docu Sign  
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