

Norwegian Transparency Act

Annual Account pursuant to Section 5 (1).

Basic Information	Reporting entity	Website	Reporting date	Reporting period
	Lexit Group (989130897)	www.lexit.no	26.06.2024	01.07.2023 - 26.06.2024
A1. General description of the enterprise's structure and area of operations				
Description of the enterprise's own operations				
Direct ownership structure (% ownership)	Scandic Invest (62,94%) Employées, present and former (37,06%)			
Subsidiary structure	<u>5 subsidiaries in 4 countries</u> Norway (1), Denmark (1), Sweden (2), Finland (1)			
Products / Services offered (% of revenues)	Lexit Group is one of the Nordic region's leading corporations and a total provider of data capture, RFID, POS/retail, product labeling, and software solutions. Our customers are primarily located in the Nordic countries. The purchase of hardware primarily occurs through distributors in the Nordic region or Europe. Software solutions can either be others or proprietary applications. Often we also deliver various peripheral services, such as installation, service, and support Distribution of turnover: Hardware (60%), Software (11,5%) Services (21%) Aftermarket (7,5%)			
Description of the enterprise's supply chain				
Own Operations Overview	5 subsidiaries in 4 countries and 2 industries Sweden (38%), Denmark (25%), Norway (25%), Finland (12%) Computers (50%), IT / Software (50%)			
Tier-1 supply chain (Direct suppliers)	999 Tier-1 suppliers in 29 countries and 39 industries: Countries: Sweden (32%), Norway (25%), Finland (20%), Denmark (6%), Germany (3%), Netherlands (2%), United States (1%), United Kingdom (1%), France (1%), Italy (1%). Less than 1%: Ireland, China, Estonia, Lithuania, Poland, Belgium, Taiwan, India, Japan, United Arab Emirates, Spain, Austria, Latvia, Canada, Switzerland, Slovakia, Czech Republic, Slovenia, South Korea Industries: Retail and wholesale (12%), IT / Software (12%), Machinery, Equipment (9%), Electronics (8%), Transportation, Logistics (4%), Financial and Insurance Services (4%), Other (3%), Consulting services (3%), Marketing and communication services (3%), Computers (2%), Media (2%), Automotive (2%), Construction (1%), Metals, Minerals (1%), Telecommunication (1%), Plastics, Rubber (1%), Hospitality (1%), Real Estate (1%), Education services (1%), Wood, Pulp, Paper (1%), Equipment rental (1%), Food & Beverage (1%), Legal Services (1%), Civil engineering (1%). Less than 1%: Public services, Chemicals, HR services, Furniture, Personal services, Medical services, Utilities, Security services, Textile, Clothing, Footwear, Pharmaceuticals, Social services, Petroleum, Oil & Gas, Railroad and other transport equipment, Cultural and entertainment services, Research and development.			
Tier-2+ supply chain (Indirect suppliers)	Mapping to a certain degree is done where we have targeted the major manufacturers of electronics. Complete Tier-2 mapping is a project that is ongoing and the result will be shared in the next report.			
A2. General description of guidelines and procedures for handling actual and potential adverse impacts				
Identification and assessment of adverse impacts	The foremost risks from a human rights perspective and decent working conditions are linked to three key areas: Industry risk (electronics & transportation) and geographical risk. Industry risk: Within the electronics industry, issues such as funding armed conflicts, forced labor, child labor, unsafe working conditions, discrimination and impact of indigenous people are prevalent in some regions where these products are manufactured. The transportation industry grapples with substantial human rights challenges. These included low-wage labor under harsh conditions, health and safety risks and discrimination. Transportation networks also increase human trafficking risks and the industry's use of technology for monitoring raises privacy concerns, highlighting the need for strong data protection measures. Geographical risk: The geographical landscape plays a critical role in human rights risks related to our business. Different countries have varying standards and enforcement mechanisms concerning labor rights, environmental protections, and ethical business practices. The initial risk assessment showed that China and United Arab Emirates are countries with a high risk of human rights violations. The countries South Korea, India, Poland, and the USA were assessed to have a medium risk.			

Our risk procedures include checks via supplier monitoring, risk evaluation, supplier questionnaire and internal audits:

Monitoring

An ongoing 24/7 system, Prevawe, monitors suppliers and alerts potential risks. Significant risks for adverse impacts at own subsidiaries or in the supply chain are identified through a risk-based assessment where each supplier or own subsidiary is scored on a scale of 0 - 100 based on a combination of country-, industry-, commodity-, media-, assessment- and grievance-based risk factors in the dimensions of *fundamental human rights* and *decent working conditions*. The risk assessment is carried out regularly once per year. Additional risk assessments may be carried out ad-hoc in case of significant changes to the enterprise's own operations or supply chain.

Supplier questionnaire

Significant suppliers is given a Supplier Questionnaire with questions related to their own processes, Code of Conduct, policies etc. The answers from these are matched with the outcome of the monitoring (see below). Each response and match can result in further actions.

Internal audits

Idnet and Informa have ISO certifications, which means that their own processes are evaluated and followed up by both internal and external audits. (Idnet: ISO9001+ ISO14001, Informa ISO14001 + ISO45001)

Reports of negative impacts in the group's own operations or in the supply chain are received through various channels: Prewave platform (incl. media monitoring), our complaint processes, and other channels (e.g. results of internal whistleblower reports, etc.). Each case is evaluated by Lexit Group responsible process team according to its severity for those affected (e.g., unchangeability of the incident, number of people affected, etc.) and the company's own contribution to determine whether a report received represents an actual negative impact.

Implementation of suitable measures to cease, prevent or mitigate adverse impacts

Suitable measures to cease actual adverse impacts are selected from a range of remedial measures (such as corrective action plans, supplier engagement and industry co-operation) based on a combined determination of severity, own contribution and the enterprise's own degree of influence on actual remediation.

Suitable measures to mitigate significant risks and prevent adverse impacts are selected from a range of preventive measures, including contractual requirements (Code of conduct), risk-based control measures (assessments, audits media monitoring, etc.) and capacity building measures (awareness trainings, supplier engagement, etc.) based on a combined determination of probability of adverse impacts and the enterprise's own contribution and degree of influence on mitigation.

Guidelines and routines

The company's due diligence on human rights and decent working conditions is anchored in the following guidelines and routines: [Lexit Group Code of Conduct](#)

The Lexit Group Human rights policy outlines the Groups 's commitment to fundamental human rights and decent working conditions in its own operations and supply chain. Our policies and routines assigns organizational responsibilities for due diligence processes on the identification and assessment of adverse impacts as well as the implementation of suitable measures to cease, prevent and mitigate adverse impacts. The Groups Code of Conduct serves to communicate the company's expectations for adherence to fundamental human rights and decent working conditions to its suppliers and business partners.

Channel for Transparency / Grievance requests

kundecenter@lexit.no

Section B. Adverse impacts identified	B1. Information regarding <u>actual adverse impacts</u> identified		
	Number of actual negative impacts identified		
		<i>Fundamental human rights</i>	<i>Decent working conditions</i>
	Own operations affected	0	0
	Tier-1 suppliers affected	0	0
	Tier-2+ suppliers affected	0	2
	Description of actual negative impacts identified		
	Own operations	No actual negative impacts on Fundamental human rights and Decent working conditions have been identified within our own operations in the reporting period.	
	Tier-1 suppliers	No actual negative impacts on Fundamental human rights and Decent working conditions have been identified within Tier-1 suppliers in the reporting period.	
	Tier-2 suppliers	<p>Lexit Group has not caused, either directly or indirectly, the following events. It is only linked with it because the business relationship:</p> <p>Labor demonstration happens at Samsung, South Korea In response to wages negotiation labor demonstrations happened at Samsung, South Korea</p> <p>One day strike happens at Samsung, South Korea In response to wages negotiation, labor demonstrations happened at Samsung, South Korea</p> <p>2 workers in health and security accident happens at Samsung, South Korea Exposure to X-ray radiation happens at Samsung, South Korea</p> <p>Labor demonstration happens at DHL, Italy In response to risk of transferring work to another location labor demonstrations happened at DHL, Italy</p> <p>Man fell from skylift at DHL, Germany Fatal accident happened at DHL, Germany</p>	
	B2. Information regarding <u>significant risks of adverse impacts</u> identified		
	Number of significant risks of adverse impacts identified		
		<i>Fundamental human rights</i>	<i>Decent working conditions</i>
	Own operations affected	0	0
	Tier-1 suppliers affected	42	28
	Tier-2 suppliers affected	0	2
	Description of significant risks of adverse impacts identified		
Own operations	No significant risk of adverse impact on Fundamental human rights or Decent working conditions have been identified within our own operations in the reporting period.		
Tier-1 suppliers	<p>42 suppliers were identified as significant risk of adverse on fundamental human rights by Prevawe platform: 40 of them were related to industry (Electronics, Transportation, Construction & Textile) and 2 are related to country (China and United Arab Emirates) and not based to actual events.</p> <p>28 suppliers were identified as significant risk of adverse on decent working conditions by Prevawe platform: 25 of them were related to industry and 3 are related to media monitoring.</p>		
Tier-2 suppliers	2 suppliers were identified as a significant risk of working conditions based on media monitoring.		

Section C. Measures				
C1. Measures planned / implemented to <u>cease actual adverse impacts</u>				
Measures planned / implemented to cease actual adverse impacts				
Type of measure	Description	Own operations	Suppliers	
Statement request	Statement requested from supplier on adverse impacts and status of remediation	n/a	n/a	
Corrective Action Plan	Corrective action plan aligned with supplier containing remediation steps	n/a	n/a	
Stakeholder engagement	Engagement and dialogue with affected stakeholders	n/a	n/a	
Supplier engagement	Conducting worker surveys, establishing of grievance mechanisms at the supplier	n/a	n/a	
Industry co-operation	Co-operation with industry peers for joint remediation with increased influence	n/a	n/a	
On-site audit	On-site audit to inspect and control implementation of remediation measures	n/a	n/a	
Awareness training	Conducting trainings for workers and/or management to build awareness	n/a	n/a	
Description of results or expected results				
<p>Lexit Group has not caused, either directly or indirectly, the following events. It is only linked with it because the business relationship. We do not have direct control over how these suppliers operate their businesses or over their own supply chains, and we are such a small customer in relation to them that we have difficulty influencing them.</p>				
C2. Measures planned / implemented to <u>mitigate significant risks of adverse impacts</u>				
Measures planned / implemented to mitigate significant risks				
Type of measure	Description	Own operations	Suppliers	
Code of conduct	Written commitment to the enterprise's code of conduct	Yes	Yes	
Maturity assessment	Assessing the maturity level based on publicly available certifications and policies	-	Yes	
Self-Assessment	Self-assessment assessing the maturity of standards, policies and certifications	-	Yes	
Media monitoring	Identification of adverse reports in public media using Artificial Intelligence	Yes	Yes	
Awareness training	Conducting trainings for workers and/or management to build awareness	Yes	-	
Stakeholder engagement	Engagement and dialogue with affected stakeholders	Yes	-	
Supplier engagement	Conducting worker surveys, establishing of grievance mechanisms at the supplier	-	Yes	
Desk Audit	Desk-based audit to inspect and control implementation of remediation measures	-	-	
On-site audit	On-site audit to inspect and control implementation of remediation measures	-	-	
Description of results or expected results				
Own operations	<p>No significant risk of adverse were identified within our own operations. As preventive measures, a range of measures were implemented. These measures encompass a variety of policies aimed at upholding integrity and promoting fair practices across our operations.</p> <ol style="list-style-type: none"> 1. A group-wide Code of Conduct has been implemented. 2. A group-wide Whistleblower process is implemented in Norway, Sweden and Denmark. Informa in Finland has its owns process but will use the same system from fall 2024. 3. A group-wide onboarding process including training on the code of conduct and the whistleblowing routine, is implemented in Norway, Sweden and Denmark. Informa in Finland has its owns process but will use the same system from fall 2024. 4. A group-wide process for employee review is implemented in Norway, Sweden and Denmark. Informa in Finland has its owns process but will use the same system from fall 2024. 5. A group-wide leadership program is under implementation 6. HR has undergone training in Nordic Labor Law. 7. Trainings of safety representatives and in occupational health has been conducted. 			
Tier-1 suppliers Tier-N suppliers	<p>As preventive measures, a range of measures were implemented:</p> <ol style="list-style-type: none"> 1. Significant suppliers signed our Code of conduct or confirmed that their own code aligns with the requirements and expectations of ours. 2. Significant suppliers also responded to our Due Diligence Questionnaire regarding their own processes, policies, and procedures. 3. We have participated in the UN Global Compact's Human Rights Accelerator program. 4. We have implemented a group-wide process for supplier monitoring and risk assessment. 5 The adherence to the code of conduct is tracked via media monitoring and stakeholder engagement. 			