

Shaping the Tunable Optics Future

REPORT PURSUANT TO THE NORWEGIAN TRANSPARENCY ACT

poLight ASA

[29.04.2025]

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

1.1. Introduction

Each year, poLight must carry out due diligence assessments in accordance with the Norwegian Transparency Act and publish an account of its findings.

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

This report fulfils the company's obligation to account for the due diligence assessments carried out in 2024. In the report, the company also gives an account of the measures assessed and implemented to reduce the risk of any negative consequences that the company's activities and business associates may have on fundamental human rights and decent working conditions.

1.2. Contact details

Enquiries about this report may be addressed to:

poLight ASA
CEO, Dr Øyvind Isaksen
oyvind.isaksen@polight.com

1.3. Duty of disclosure

The company's head office is located in Tønsberg, at Kjelleveien 21A, Tønsberg and the company is domiciled in Norway.

The company has listed securities¹ and therefore has a duty of disclosure.²

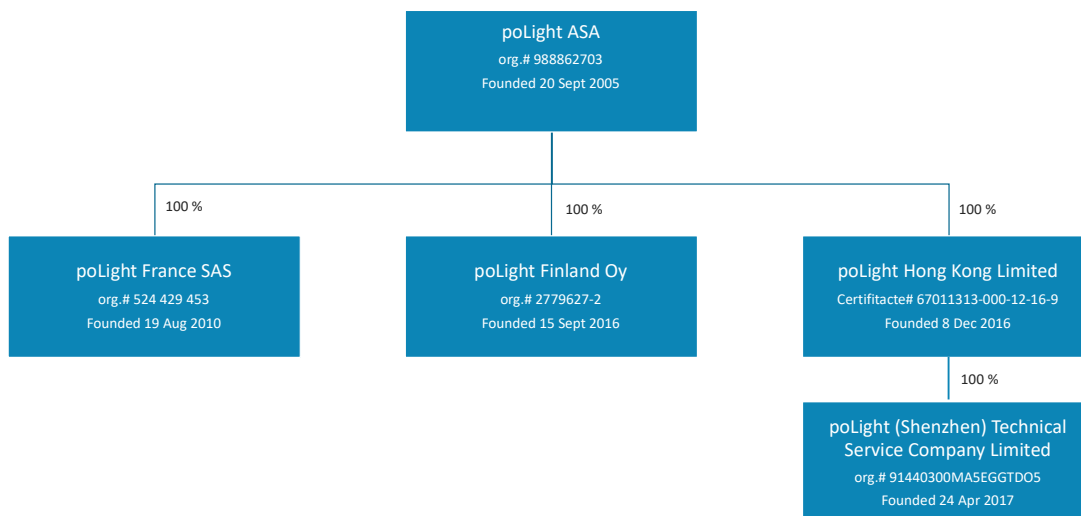
¹ Defined in Section 1-5 of the Norwegian Accounting Act.

² See Sections 2 and 3 of the Norwegian Transparency Act.

2. ABOUT THE COMPANY'S ACTIVITIES

2.1. The company's organisation and business area

The company is organised as follows:



poLight has employees and long-term consultants in Norway, Finland, France, UK, US, China, Taiwan, the Philippines and Japan. poLight ASA and its subsidiaries had 28 full-time employees at the close of 2024. In addition, 22 consultants were engaged on long-term contracts. The employees and consultants were located in eleven different countries and represented 16 different nationalities. Women made up 18 per cent of the workforce.



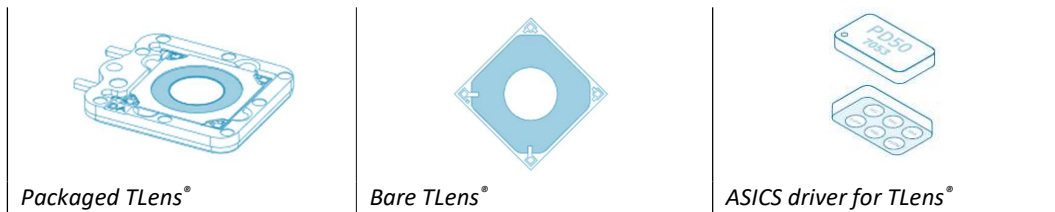
poLight ASA is a publicly traded company (OSE: PLT) that offers patented, state-of-the-art tunable optics technology, leveraging its proprietary polymer and piezo MEMS technology. Founded in 2005, its first product TLens® replicates "the human eye" experience in autofocus cameras used in

applications such as AR/MR devices, smartphones, wearables, webcams and other consumer devices, industrial barcode scanners and machine vision systems, and healthcare applications. With over 160 granted patents, poLight's technology delivers extremely fast focus, small footprint, ultra-low power consumption, no magnetic interference, and constant field of view, enabling better imaging system performance and new user experiences compared to alternative technologies.

poLight has developed a world-class team, with expertise in optics, polymers, MEMS technology, imaging applications and camera systems. This team is establishing poLight as the world leader in tunable optics. poLight is a fabless company that uses MEMS foundry, assembly and packaging services from well-established suppliers.

Overview of poLight's products:

- **TLens®**: The ideal tunable optics solution for the latest autofocus camera applications and laser-based systems. Available in two versions (Silver and Silver Premium) that are already in mass production. Can also be delivered including package for easy handling/integration.
- **PD50 Asic driver**: A low-power companion ASIC that drives the entire TLens® product family.



poLight addresses the following market areas. Its customers are mainly based in China, Taiwan, Japan, Europe and US.



Smartphones, Wearables, Accessories

- Smartphones represent a large addressable market each year with billions of cameras
- 1.2 billion phones per year with 1 front camera and an average of 3 rear cameras
- Camera function remains a key killer app
- Wearables, accessories like webcams offer consumer volume opportunities
- Potential addressable market for TLens®/poLight technology estimated at 2.5 billion units per year



Industrial Barcode/Machine Vision

- Evolving from 1D laser to 2D imaging code scanners
- Lasers replaced by camera systems, where autofocus will improve efficiency in scanning and portfolio
- Barcode and machine vision technology is spreading to new industries
- OEM scan engine vendors today are increasingly looking to enable machine vision capabilities on their current offerings



Augmented/Mixed Reality (AR/MR)

- AR/MR is expected to grow significantly as the technology is rapidly advancing
- Initial AR/MR HMD/smartglasses deployments are in *enterprise* (industrial, commercial, educational, etc.) but soon expanding to *consumer* (entertainment, gaming, productivity, etc.) markets



Others

- New opportunities are emerging that could represent significant potential
- Healthcare and automotive are two other examples of new opportunities for poLight technology

2.2. Internal guidelines

poLight is committed to respecting fundamental human rights and ensuring decent working conditions.

poLight operates in accordance with the ethical guidelines set out in the poLight Code of Conduct (CoC), [poLight COC's](#), which all employees, members of the board, suppliers and partners are made aware of.

poLight's CoC states that: "poLight expects dedicated employees, who treat others with respect and maintain open communications. There shall be no discrimination or harassment on the grounds of age, gender, disability, race, sexual orientation, ethnic origin, religion or political affiliation. poLight shall be an attractive workplace with an inclusive working environment. poLight expects its employees to not act in ways that could harm the poLight brand. When we are working in cultures other than our own, we treat everyone – individuals as well as organisations – with respect, and act in accordance with national laws and regulations. We also pay attention to local etiquette and values in the countries where we are working. In meetings with contacts outside poLight, we behave with professionalism and courtesy. poLight supports and respects internationally recognised human rights, including those set out in the International Labour Organization's conventions. The company respects the right to freedom of association and opposes any form of child labour, forced labour or discrimination, and requests all representatives and suppliers to abide by the same principles."

Since the company's products are mainly manufactured using subcontractors, this report will focus primarily on this aspect. Routines/processes have been established to ensure that poLight provides

its own employees/consultants with decent working conditions and respects their fundamental human rights. For example:

- poLight conducts quarterly management reviews, which address all parts of the value chain with respect to risks and opportunities.
- All managers carry out quarterly MUST (mutual understanding and special topics) meetings.
- Annual employee appraisals are performed.
- The CEO holds one-to-one meetings with all employees to get a 360-degree view of the organisation, how it works and if there are any HR-related challenges that need to be addressed.
- During the annual poLight seminar, the Management highlights the importance of the CoC and ESG-related topics in general.
- The company have an Health, Safety and Environment (HSE) function

The company's whistleblowing procedure is described in the CoC.

poLight's procedures related to Norwegian Transparency Act were endorsed and adopted by the company's Board of Directors on 27 June 2023. These procedures have been communicated to the company's employees and have been posted on its intranet page. The Chief Operating Officer (COO) is responsible for all sub-suppliers in the manufacturing of poLight's products. The COO therefore also has primary responsibility for the supplier due diligence process. The procedures describe how the company carries out its due diligence assessment and evaluates the appropriate response. The procedures also contain information about the company's whistleblowing channels and grievance mechanisms, whose purpose is to help detect any negative consequences for fundamental human rights and decent working conditions associated with the company's activities, and establish how such information is to be followed up. Key external suppliers are also made aware of the whistleblowing channels through poLight's CoC.

2.3. Objective and progress

2.3.1. Overall description of goals and progress

We continuously perform risk assessments on the company's activities and use of business associates (suppliers and business partners³). The company also works continuously on the implementation of measures to realise the company's goals and objectives. See Sections 2 and 3 of the report for a description of the work performed in the reporting year.

³ Suppliers ('supply chain') and business partners are defined terms in the Norwegian Transparency Act, see Section 3(1) (d) and (e). The term business associates is used here as a collective term for these two groups.

Objective	Status last report	Implemented in the reporting year
We will further develop our due diligence assessment based on the experience we gain.	<ul style="list-style-type: none"> • Employees have undergone awareness training. • Transparency Act compliance follow-up has become a fixed agenda point at management meetings with key suppliers. • All suppliers and sub-suppliers have been requested to comply with poLight's CoC. • The Transparency Act has been included in the supplier audit template. This was tested during the on-site audit of our key suppliers in the Philippines. 	<ul style="list-style-type: none"> • Increased our local Asia supply Chain Team (implying that we are closer to our assembly partner with own resources and can better monitor the situation) and continued awareness training with focus on key personnel and new employees • Compliance with Transparency Act become part of scorecard (supplier evaluation) for Tier 1 and partly Tier 2 suppliers
We will enhance internal skills in relation to sustainability and responsible purchasing practice.	<ul style="list-style-type: none"> • Employees have undergone awareness training during poLight's yearly seminar • An ESG double materiality assessment has been carried out. • Compliance with poLight's CoC is established as a requirement early in the selection process for new suppliers. 	<ul style="list-style-type: none"> • Continue awareness training • Compliance with Transparency Act has been included in template for supplier selection

2.3.2. Goals for the coming year

We have set ourselves the following specific goals for the future.

Objective	Status
<ul style="list-style-type: none"> • We will work to further strengthen our due diligence process and supporting measures through enhanced supplier dialogue to obtain further facts and a more detailed understanding of the identified risks: <ul style="list-style-type: none"> • Send questionnaires to specific business associates to obtain further information. • Follow-up goals (part of scorecard) for identified risks at Tier 1 suppliers. • Evaluate to establish a separate Supplier and Business Partner COC • Evaluate to establish a separate notification channel for external partners where they can report potential issues 	<p>Commenced</p> <p>Commenced</p>
<ul style="list-style-type: none"> • We will continue to enhance internal skills in relation to sustainability and responsible purchasing practice. This will be included in the onboarding process for new employees, especially those in high-risk areas. 	Commenced

3. DUE DILIGENCE ASSESSMENT

3.1. Overall description of the company's focus on its due diligence assessment – methodology

poLight performs regular assessments of the risk that its business operations and wider supply chain could have an adverse impact on fundamental human rights and decent working conditions.

poLight follows its own procedures, as described below, in its assessments.

0. Representatives of the company, both management and local staff, conduct regular audits in which the supply chain, as well as all aspects addressed in the company's Code of Conduct (CoC), are reviewed. This provides a good basis for focusing on the action areas related to the Norwegian Transparency Act. Key minutes should be kept of meetings regarding this interaction.
1. A complete list is maintained of the company's active Tier 1 suppliers. This information comes primarily from Operations and R&D.
2. An initial risk classification is made of the company's Tier 1 suppliers, business partners and other known subcontractors. The suppliers are classified as having a high, medium or low risk of adverse impacts on fundamental human rights and decent working conditions, based on geography, signed CoC, type of company, audits finding and physical meetings
3. As part of the risk assessment process, poLight sends questionnaires to specific business associates in order to obtain further information.
4. Based on the findings in point 2 and 3 above, the poLight assesses what further steps must be taken to determine the existence of any negative consequences for fundamental human rights and decent working conditions. The company has implemented measures in areas in which the degree of severity⁴ and the probability of harm are greatest, and where the company is most likely to be able to exert a positive influence. This prioritisation is based on the extent of the company's connection to and responsibility for the risk concerned, and must be commensurate with the size, nature and context of the business activities.

Below is an account of the significant risks of adverse impacts on human rights and decent working conditions that have been identified through the company's due diligence assessments. The account also includes any verifiable violations of human rights and decent working conditions. The work related to the manufacture of the company's products is mainly performed by subcontractors, and the report primarily focuses on these. The company's procedures incorporate systems for uncovering any challenges seen in the context of the Norwegian Transparency Act, including in relation to internal activities. As in 2023 no problem areas were uncovered in 2024, other than an occasionally high workload, especially for those resources that support the company's subcontractors in Asia.

⁴ The degree of severity is determined on the basis of the scale of the risk (the degree of severity of the negative consequence/impact), scope (how many are affected by the negative consequence) and the possibility of remedial action (any limitations in the possibility of restoring individuals/groups to a situation similar to the one that existed prior to the harm taking place).

3.2. The company's supply chain⁵ and business partners

The company had commercial relations with three Tier 1 suppliers in the reporting year. The company's suppliers are located in the following countries/geographical areas⁶:

Country/geographical area	Number of suppliers
The Philippines	1
Italy	1
France	1

Number of known subcontractors used: 11

Country/geographical area	Number of subcontractors
China	2
Taiwan	3
Germany	3
USA	3

The company had commercial relations with four business partners⁶ in the reporting year. The company's business partners are located in the following countries/geographical areas:

Country/geographical area	Number of business partners
France	1
Taiwan	2
Italy	1

⁵“Supply chain” means any party in the chain of suppliers and subcontractors that supplies or produces goods, services or other input factors included in an enterprise's delivery of services or production of goods from the raw material stage to the finished product, see Section 3(d) of the Norwegian Transparency Act.

⁶ “Business partner” means any party that supplies goods or services directly to the enterprise, but that is not part of the supply chain, see Section 3(e) of the Norwegian Transparency Act. Examples of business partners may be the company's cleaning services provider, IT platform operator, external accountant etc.

3.3. Due diligence assessments related to the manufacturing of the company's products

All TLens® products are manufactured at internationally recognised factories. The core elements of TLens® are produced in Europe, and the driver chip is also designed and supplied by a European partner. These are certified for compliance with good practices in accordance with standards and legislation regarding working conditions and the handling and disposal of chemicals and gasses. Assembly and testing are performed at large factories in Asia. The most important factory we use is a member of the RBA (Responsible Business Alliance). The RBA has special focus on environmental and ethical accountability.

3.4. Results of the due diligence assessment

The due diligence assessment found no evidence that the company's suppliers are engaged in human rights abuses or failing to provide decent working conditions. All our Tier 1 suppliers and 90 per cent of our Tier 2 suppliers have confirmed that they comply with the prerequisites described in our CoC

- Particular attention is paid to poLight's manufacturing sub-supplier in the Philippines. poLight has its own employees based at the supplier's factory and closely monitors the situation. Management also meets frequently the supplier at management level. The activity at this supplier is advanced (high-tech) and, in our experience, the operators and engineers it employs are highly qualified and well managed.
- As mentioned in last year's report poLight has two sub-suppliers in China. Both companies have confirmed that they comply with the prerequisites described in our CoC. However, given the difficulties in obtaining adequate attention and responses to our inquiries on details/documentation, we will in addition to continued follow up initiate R&D efforts to identify possible alternative suppliers.

4. MEASURES TO STOP, PREVENT OR LIMIT NEGATIVE CONSEQUENCES

The company has not uncovered any violations in 2024 and will focus on further developing the way in which it follows up and reports in accordance with the Norwegian Transparency Act. We have implemented the following measures based on the assessment:

Assessed violations/risk of violations	Implemented measures
The company has one Tier 1 supplier in Philippines and two Tier 2 suppliers in China.	<ul style="list-style-type: none"> Continue close follow-up of Tier 1 suppliers, with a special focus on the Philippines. Our local poLight team in the Philippines has been increased further, and per end 2024 we have totally 7 employees, who work closely with our supplier. In additional frequent physical management meetings are conducted during the year Continue close follow up of Tier 2 suppliers, with a special focus on China. Both sub-suppliers in China reviewed and confirmed their compliance with poLight's CoC . However, due to inadequate attention and response to our follow-up requests, we will evaluate phasing out these suppliers if we can establish suitable replacements.

5. COMMUNICATION WITH AFFECTED STAKEHOLDERS AND RIGHTS HOLDERS

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/negative consequences as mentioned.

6. RECTIFICATION AND COMPENSATION

The company has not uncovered any matters requiring rectification in the reporting year.

Grethe Viksaas (sign)
Board Chair

Marianne Bøe (sign)
Board Member

Svenn-Tore Larsen (sign)
Board Member

Jean-Christophe Eloy (sign)
Board Member

Thomas Görling (sign)
Board Member

Dr Øyvind Isaksen (sign), CEO