

ZiVID

The Norwegian Transparency Act Report 2023

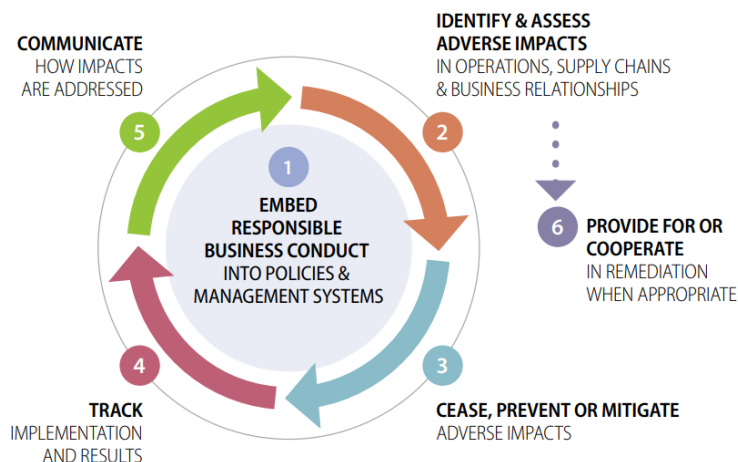
Purpose

The purpose of the Transparency Act is to promote enterprises' respect for fundamental human rights and decent working conditions in connection with the production of goods and the provision of services, and ensure the public has access to information on how businesses deal with negative consequences for basic human rights and decent working conditions.¹

Enterprises can significantly contribute to economic, environmental, and social progress, particularly when they mitigate the negative impacts of their operations, supply chains, and other business relationships.

Therefore, the Act grants the general public the right to access information about how businesses handle these consequences. To fulfil these obligations, Zivid has undergone the due diligence process outlined by the OECD, in addition to committing to our Code of Conduct.²

Due diligence process & supporting measures



¹ Transparency Act, see <https://lovdata.no/dokument/NLE/lov/2021-06-18-99>.

² OECD (2018) OECD Due Diligence Guidelines for Responsible Business Conduct.

The objective of this process is to recognize and evaluate potential adverse impacts and risks associated to human rights and working conditions.

About Zivid AS

Founded in Oslo, Norway in 2015, Zivid is a market-leading, pure play provider of industrial 3D machine vision cameras and vision software for autonomous industrial robot cells, collaborative robot (cobot) cells and other industrial automation systems.

Zivid brings human-like vision to customers' industrial automation systems. Our market-leading 3D colour cameras and software enable customers to boost efficiency and productivity in a range of applications including de-palletizing, bin-picking, pick and place, assembly, packaging, material handling, robotic welding, inspection, and quality control. Zivid 3D machine vision enables smarter factories and warehouses of Industry 4.0.

With headquarter in Oslo, Norway, approximately 85 employees, 25 nationalities and offices in 5 countries, we extend our presence globally, spanning various markets, cultures, and geopolitical regions. Zivid has sales offices located in Germany, China, South Korea and the US in addition to Norway.

Supply chain

Zivid's supply chain is a dynamic network that plays a pivotal role in the seamless production of 3D cameras. It involves a strategic collaboration with various component suppliers who contribute essential parts to the manufacturing process. These suppliers are carefully chosen for their expertise and quality offerings, ensuring that the final product meets the company's high standards.

Beyond traditional component suppliers, the supply chain extends to encompass key business partners who provide crucial support services. This includes providers of office space, salary administration, accounting services, and other essential functions that contribute to the company's operational efficiency.

Zivid's suppliers are spread in geographic locations across Europe, Asia and North America. Suppliers vary in size and their products range from raw materials to off-the-shelf finished goods. Among Zivid's top 25 suppliers, 64% are in Europe, 28% are in Asia and 8% are from North America.

The company's commitment to building strong partnerships across its supply chain reflects its dedication to delivering high-quality products while maintaining a robust and mutually beneficial business ecosystem.

Due diligence assessment

Our expenditures are prominently shaped by the top 25 suppliers, collectively constituting a substantial 80% of the total costs. Suppliers representing less than 20% of total spend on a one-year base are excluded from further analysis.

According to the Transparency Act, suppliers are defined as business relations who supply or provide goods, services or other input factors that are part of Zivid's delivery of services or production of goods from the raw material stage to the finished products. All other business relations are classified as business partners. Business partners are important for the day to day running of the business but are not part of Zivid's core products and services.

Out of these top 25 suppliers, 40% can be called as business partners with who the company collaborates to support its operations, including providers for office services, human resources and salary services for foreign employees, insurance services, canteen management, IT services, and accounting services. These partnerships contribute to a comprehensive and well-rounded business infrastructure. It is worth highlighting that the majority (75%) of Zivid's primary business partners are based in Norway, meaning they are bound by the stringent regulations outlined in Norwegian legislation; therefore, we have not included these suppliers in the assessment.

For our supplier assessment we chose risk-based approach, where the risk level (low, medium or high) was established on a variety of internationally recognised indexes that provide comprehensive insights into country risk level regarding human rights and decent working conditions. Chosen indexes covered measurements of human rights, labour conditions, discrimination, corruption, and other fundamental rights.

For a more in-depth examination, we paid focus on suppliers that are falling under risk levels medium and high. As recently we conducted extensive visits to our primary suppliers and we did not notice any behaviour that goes against our ethical guidelines during these visits, we did not investigate these companies any further for now. For the remaining suppliers, the risks were discussed on a case-by-case basis using a self-assessment questionnaire that covers the areas of human rights, bribery, corruption and fraud, money laundering etc.



The suppliers in need of risk assessment have been evaluated using historic knowledge about them and their operations amongst Zivid employees and public data. They will be followed up closely in the coming year, with visits planned to several of them. They will also be included in future surveys, and we will pay especially high attention to what and how they respond. As of now, we do however not deem that there is elevated likelihood of breach with fundamental human rights or working conditions at these suppliers.

Conclusion

Due diligence under the Transparency Act is a continuous process and is performed for the most significant and critical suppliers. As per our current knowledge, we do not consider any of our partners or suppliers to be in breach with our requirements concerning fundamental human rights and working conditions. We do however acknowledge that certain suppliers are located in geographies with elevated risk profile and will work closely to mitigate the risk.

Next steps

We anticipate a similar commitment from our partners and suppliers. As a globally operating company, our due diligence procedures are designed to enhance our ability to identify, prioritize, and address potential and actual negative impacts on the people, societies, and environments directly or indirectly connected to our value chains.

Zivid has developed the Code of Conduct and will incorporate it into all new supplier contracts. Meaning, when we enter into contracts with new suppliers, we will carry out a specific quality check of the supplier, including a focus on human rights and decent working conditions.

Contact information

Do you have any questions regarding how we work with the Transparency Act? Send your request via mail to Zivid AS, Gjerdrumsvei 10a, N-0484 Oslo, Norway or contact Thomas Dertz, CFO, via email at thomas.dertz@zivid.com.