

Statement regarding compliance with the Transparency Act – Orifarm

2024

1. Introduction and background

The Norwegian Act on Business Transparency and Work with Fundamental Human Rights and Decent Working Conditions (the "Transparency Act") (Norw.: Åpenhetsloven) entered into force on 01 July 2022. The main purpose of the Transparency Act is to foster a higher level of transparency regarding the manufacturing of pharmaceuticals products and provide it to customers, especially relating to how businesses respect fundamental human rights and decent working conditions as part of these processes. For more information, see section 2 below.

Orifarm is obligated to have sufficient routines and mechanisms to assess, map, and follow up on possible breaches of fundamental human rights and/or decent working conditions in the supply chain.

2. The Transparency act purpose and obligations

The Transparency Act promotes respect for fundamental human rights and decent working conditions and supports the general desire for more transparency regarding the production of goods and the provision of services in these areas.

Fundamental human rights mean the internationally recognized human rights that follow from the UN Convention on Economic, Social and Cultural Rights, the UN Convention on Civil and Political Rights, and the ILO's core conventions on fundamental rights and principles in working life, as specified by section 3 (b) of the Transparency Act.

Decent working conditions mean work that safeguards fundamental human rights, health, the environment, and safety in the workplace, and that provides a living wage with reference to section 3 (c) of the Transparency Act.

The Transparency Act stipulates that enterprises such as Orifarm shall conduct due diligence assessments, examining both its own business, its supply chain, and business partners to assess potential risks of breaches of fundamental human rights or decent working environments.

The due diligence assessments shall be carried out regularly and in proportion to the size and nature of the enterprise, the context of its operations, and the severity and probability of adverse impacts on fundamental human rights and decent working conditions.

Enterprises shall prepare an annual statement of its due diligence assessments, which shall be published each year.

Orifarm confirms that procedures and internal guidelines have been adopted and that due diligence assessments have been carried out in accordance with the requirements in the Transparency Act.

This statement is made pursuant to the Norwegian Transparency Act, which requires in-scope companies to carry out due diligence and publish an account of that due diligence in accordance with Section 5 of the Act.

3. Significant role of Human rights in Orifarm

Human rights have been part of our CSR policy for many years. It constitutes our respect for human rights and our focus to avoid infringing the human rights of employees, suppliers and partner.

Orifarm submits that we contribute in a positive manner to the human rights to health and wellbeing by paving the way for accessibility to affordable and high-quality pharmaceuticals for all, while also being aware that human rights go beyond our operations and product offering.

To reduce the risk of setting aside relevant human rights for our business, Orifarm must ensure compliance with human rights related legislation. Therefore, the identification of potential risks is directly linked to our operations and to our business partners' services, and we ensure that they are mitigated and prevented.

As part of Orifarm's human rights efforts in 2023 we conducted a corporate human rights assessment. The purpose of the assessment was to better understand human rights risks and impacts across our value chain including own operations and business relationships.

This assessment provided us with a human rights risk profile, including an assessment of its salient human rights risks and management systems in place to address the identified risks, and actionable recommendations. It also served to elevate the company's overall human rights awareness.

Based on that, we are now equipped to build on current management systems and develop new practices to prevent and mitigate human rights risks. Going forward, Orifarm is committed to enhancing due diligence efforts and increasing transparency through its human rights reporting practices.

4. Guidelines and routines to handle actual and potential negative consequences for fundamental human rights and decent working conditions

Orifarm's human rights related policies are adopted according to the Norwegian Transparency Act and is to be developed in 2024 taking in account important results from the beforementioned human rights assessment.

The policies are to establish clear and uniform routines to ensure compliance with the Transparency Act. The policies shall ensure that risks of actual and potential negative

consequences on fundamental human rights and decent working conditions Orifarm has contributed to or caused are mapped, that suitable and necessary measures are taken to limit and prevent the harmful effects of deviations, that structured processes are carried out to follow up measures and analyze the effect of implemented measures, that there are appropriate and good routines for communication with affected parties in the event of deviations, and that there are effective processes for recovery where Orifarm has contributed to or caused actual negative consequences.

ESG DUE DILIGENCE PROCESS

The form and content of the due diligence assessment – suppliers.

In accordance with the UN Guiding principles on business and human rights, dated 2011, taking in account The Orifarm Group Policy for Corporate Social Responsibility, Orifarm addresses Environment Social (human rights) and Governance (ESG) risks as to suppliers (contractors) and continues to work with risks on an ongoing basis.

As a member of Pharmaceutical Supply Chain Initiative Organization, Orifarm participates in a Human rights committee, and in 2024 Orifarm will implement a project aimed at mitigating human rights risks in the supply chain – the Supply Human Rights Toolkit.

The supplier due diligence assessment consists of two processes: a supply chain risk assessment process and securing and a process mitigating potential ESG risks.

Orifarm implemented this process as part of due diligence valid for both current and new suppliers.

The main purpose of these processes is to address, secure, and mitigate high sustainability risks in the supply chain.

Our suppliers must either sign Orifarm's Supply code of conduct as a part of the supply agreement or provide mutual recognition of supply code of conduct of both parties according to best supply collaboration practices.

Orifarm sees necessity to communicate with affected stakeholders and rights-holders regarding how adverse environmental and human rights risks. Therefore we have initiated a process of implementing sustainability clauses into our contractual standards, incorporating amendments helping us secure human rights and environmental risks in our supply chain.

The form and content of the due diligence assessment – employees.

Our employees are our most important resource. Orifarm must have a good and strong professional environment with skilled and dedicated employees. We believe in and will work for equal opportunities for everyone and believe that greater diversity ensures more

perspectives and contributes to better decisions for our customers. In order for us to thrive in a hard-working and results-oriented organization, we must promote a culture based on trust and respect, where the employees enjoy being at work. All our employment contracts comply with the requirements under the Working Environment Act, and, likewise, our Employee Handbook comply with the Working Environment Act at any given time.

Orifarm has annual employee interviews in addition to established notification routines.

Orifarm Group has zero tolerance towards discrimination, harassment, crime, corruption, and breaches of environmental law, and all employees must conduct themselves with good business ethics. The Orifarm Whistleblower scheme is a tool for all employees of Orifarm to report unlawful acts and serious breaches of Orifarm Group policies or guidelines without using our ordinary reporting channels.



Erik Sandberg

Chief executive officer