



# Norwegian Transparency Act

## Due dilligence report 2025

## Key facts about Navamedic and our value chain

Navamedic ASA is a Nordic pharma company and a reliable supplier of high-quality to three main areas: Consumer health, Prescription (Rx) drugs and Hospitals. The product portfolio consists of prescription and non-prescription pharmaceuticals, as well as other healthcare registered products.

Through its subsidiaries Navamedic AB in Sweden and Navamedic AS in Norway, the Group distributes more than 40 different product brands from over 20 international partners/brand owners and manufacturers in the European market. Navamedic ASA is present in all Nordic countries, the Baltics and Benelux and has sales of specific products in other European countries like Greece. As communicated in the Sustainability report (available in the 2024 annual report and on our company web-site), sustainability and corporate responsibility is high on the agenda for Navamedic. The company has established a top-down framework for ESG with involvement and support throughout the company, from the Board of Directors to management and all employees. The key elements of this framework are the UN Sustainability Development Goals, UN's guiding principles for business and human rights, Supplier Code of Conduct, Environmental ISO Certification, Employer Code of Conduct and Corporate Governance policy.

We are committed to maintaining high standards of quality and reliability, ensuring that our products meet the diverse needs of healthcare providers and patients. Our value chain is a testament to our dedication to excellence, encompassing sourcing, production, distribution, and customer engagement processes that adhere to stringent regulatory and ethical standards.

### Key information about Navamedic

**Revenues 2024:** NOK 531 million

**Employees:** 42

**Employees and branches location:** Norway, Sweden, Denmark, Finland and The Netherlands

### Information about key suppliers\*

**Number of products suppliers:** 26

**Number of logistics partners:** 10

**Number of other key suppliers:** 46

### Information about products supply

**Number of own products (brands):** 3 in addition to an extensive antibiotics portfolio of approx. 11 products

**Number of products (brands) purchased directly from product owner:** 35 (*not including variations of the same product*)

**Number of products purchased through partners:** 1

\*Navamedic has set criteria with certain thresholds. Minimum amount is 200.000NOK and they are running business, i.e. for instance not a one-time supplier of a service.

## Commitment to operating with a responsible supply chain with regards to Human Rights, Decent Working Conditions and the environment

2024 and 2025 have been a period in Navamedic marked by significant strides within all aspects of sustainability, not the least the progress we have made within gaining further visibility and overview of the potential risks within our supply chain. By continuing to improve in all aspects of understanding our supply chain, including a closer cooperation with our partners, we have a clearer picture of where and what the potential risks in our supply chain are, and we are therefore in a better position of being able to take appropriate initiatives in order to mitigate the risks. In parallel with this, Navamedic recently also published our ESG report for 2024, which is closely to our efforts in providing transparency in our supply chain. The ESG report can be found in Navamedic's 2024 Annual report, and also as a separate report on our website.

Navamedic is dedicated to achieving the highest standards of human rights and decent working conditions in our value chain. We are dedicated to these principles, and we recognize the importance of embedding them into our business operations and value chain.

Over the past year, we have made significant improvements in our ability to more accurately and appropriately assess the risks of each of our suppliers in the value chain. The results from the assessment for 2024 is described in the section for this later in this report. One of the other key areas we have made significant steps in is that we have reached a much higher level of awareness of sustainability in our company culture, where all departments have KPIs tied to sustainability and we have regular updates with the whole organization with regards to what is ongoing and/or new within our sustainability efforts. Embedding sustainability into the company culture is a prerequisite in order to succeed in these efforts, and I am proud of the progress we have made in this area.

This includes the development and implementation of relevant policies, implementing an ESG/Sustainability system and last but not least, the engagement of our entire organization in these efforts.

### ***Ongoing Monitoring and Improvement***

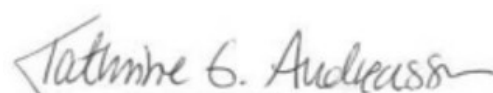
While we have made considerable progress during the last year, we also recognize that we still can make improvements and we therefore are committed to continuing on the path we are now on. The complexity of global supply chains means that we must remain vigilant and proactive. Our goal is to make sure Navamedic operates in a responsible manner while at the same time making our best efforts to ensure our partners live up to the same high standards

### ***Looking Ahead***

As we look to the future, we are committed to maintaining the momentum we have built and to keep pushing forward with our initiatives to safeguard human rights and promote decent working conditions throughout the value chain. We will continue to invest in the necessary infrastructure,

leverage advanced tools like AI, our Worldfavor platform, and to foster a culture of transparency and accountability throughout our organization.

Sincerely,



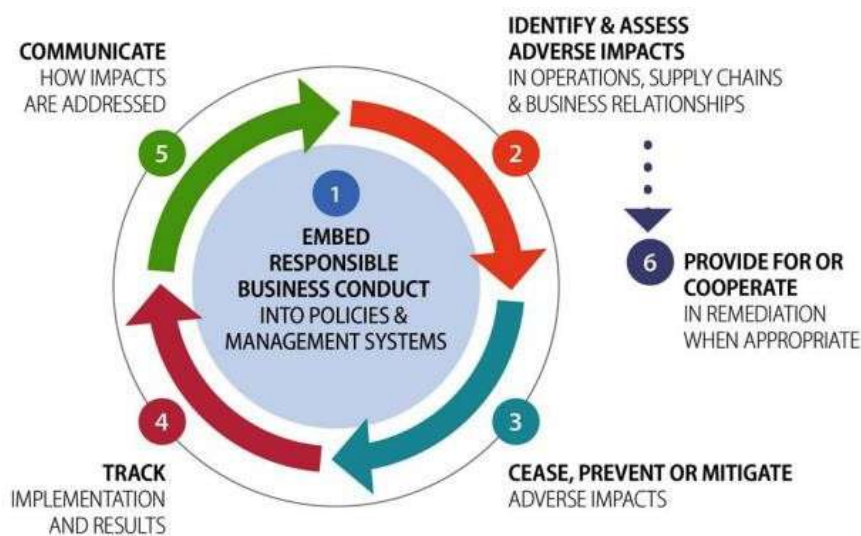
CEO Navamedic



Kathrine G. Andreassen, CEO

## Due diligence assessment

To ensure comprehensive and effective due diligence, this report is structured around the six commonly known key steps as outlined in the UN's guiding principles for business and human rights and the OECD's model for due diligence assessments for responsible business practice. The process for this assessment is illustrated in the graphic below, and a description of how Navamedic works within this model is below the graphic representation.



### 1 Embedding Responsible Business Conduct into Policies and Management Systems

At Navamedic, we integrate human rights and decent working conditions into our corporate policies and company operations. These standards shall equally apply to our own employees and employees engaged in the value chain. By setting clear expectations from our partners in our Supplier code, assigning specific responsibilities within our organization, and by following up and monitoring, we are aiming to create a sustainable framework that ensures compliance and adherence to our principles.

We aim to ensure that our suppliers have sufficient systems to uphold workers' rights, decent working conditions and environmental protection through effective risk assessments, relevant tools, and good supplier dialogue, particularly focusing on high-risk areas to implement due diligence procedures. We

do however realize that not all suppliers are as up-to-date on the different aspects of this and there is a way to go before we will reach all our goals in this area. At the same time, we have made improvements in this area over the last year by improving internal reporting, both in terms of content and frequency.

### ***Navamedic Supplier code of conduct***

During 2023, Navamedic launched the Supplier code of conduct, a comprehensive guideline and requirements for our suppliers describing Navamedic's expectations to our partners within various categories, including areas like human and labor rights, health & safety, sustainability, anti-bribery, corruption, child labor etc. We believe that having this document signed and committed to by our partners further strengthens our goal to work with the suppliers whose business is run according to the highest standards. All our Tier 1 suppliers (suppliers of our products and transporters), as well as their sub-contractors have committed to this, which was one of our key goals for 2024.

### ***Questionnaires to our partners through Worldfavor***

In addition to the Supplier code of conduct, Navamedic has distributed, through the Worldfavor application, extensive questionnaires covering the following areas:

- Business Ethics & Leadership:

To ensure that our partners adhere to the highest standards of business ethics and leadership. This involves assessment of their code of conduct and whistleblowing mechanisms, which are crucial for maintaining integrity and transparency.

- Human Rights & Labor Standards:

To perform comprehensive assessments of our partners' operations to ensure they comply with fundamental human rights and labor standards. This includes evaluating their policies and practices related to fair wages, working hours, non-discrimination, freedom of association, and the elimination of forced and child labor.

- Health & Safety Management Disclosures:

To evaluate health and safety management systems. This includes information on workplace safety protocols, employee health programs, incident reporting mechanisms, and continuous improvement plans. Our goal is to ensure that all workers operate in safe and healthy environments.

- Environmental Practices:

To evaluate our partners' environmental practices to ensure they are committed to sustainable and responsible operations. This involves assessing their efforts in waste management, resource conservation, pollution control, and compliance with environmental regulations. We also look for initiatives aimed at reducing their environmental footprint and promoting biodiversity.

- Sustainability and Sustainable Sourcing Approach:

To examine our partners' overall approach to sustainability and their specific practices in sustainable sourcing. This includes their strategies for reducing carbon emissions, enhancing energy efficiency, and utilizing renewable resources. Additionally, we assess their commitment to ethical sourcing of materials, ensuring that their supply chains do not contribute to environmental degradation or social injustices.

We follow up with all our Tier 1 suppliers on the responses we receive through these questionnaires, and it gives us valuable input for the risk assessment we do for each supplier.



### **Worldfavor**

To enhance the efficiency and effectiveness of our due diligence processes, we have integrated the Worldfavor application into our operations. Worldfavor is a tool for sustainability and risk management, offering several key benefits:

**Data Centralization:** Worldfavor enables us to centralize all data related to human rights, labor conditions and environment from our partners and value chain entities. This centralized approach facilitates easier data management and analysis.

**Standardized Assessments:** Worldfavor offers standardized assessment frameworks aligned with international standards, ensuring consistency and comparability across all our evaluations.

**Stakeholder Reporting:** The platform supports transparent reporting to stakeholders by generating comprehensive reports on our due diligence efforts and outcomes. This transparency builds trust and demonstrates our commitment to accountability.

## **2 Identifying and Assessing Actual and Potential Adverse Impacts**

After implementing the necessary framework and communicating to all the parties involved in our operations, Navamedic is able to conduct assessments to identify and evaluate actual and potential impacts on human rights and working conditions within our operations and throughout the value chain. The assessment process includes the following activities:

1. Identify the parties involved in our operational value chain, perform materiality assessment and level of impact at our operations
2. Distribute surveys and questionnaires to key suppliers
3. Collect and evaluate the feedback from suppliers
4. Perform assessment of partners operations and identify risk areas
5. Implement follow-up actions to further investigate and/or mitigate the risk

### **Navamedic assessment process**

Our due diligence process involves evaluations of our own operations as well as our key suppliers and sub-suppliers. Our assessment is, however, to a large degree dependent on the cooperation and commitment of our suppliers. The process involves the following steps:

#### **Mapping the Value Chain:**

We are aiming to increase the scope of our assessment to also include all the levels beyond direct suppliers. This includes our suppliers, their production facilities, and the subcontractors they engage with. The mapping process covers the geographical locations of our partners' main offices, production sites, and subcontracting entities. This allows us to pinpoint where the highest risks might be present based on regional and operational factors. We define the suppliers into categories upon our assessment: First we apply a threshold for which suppliers should be categorized as key suppliers, which this year was the same as last year, that a is larger than 200kNOK in size. The second key category is the Tier 1 suppliers, which are all suppliers (regardless of size) that are suppliers for Navamedic's products and our transportation partners. All key suppliers (including Tier 1) are entered into World Favor, out from which we conduct our risk assessments.

#### Assessing risk areas:

We perform an evaluation of the main risk areas by using international indexes regarding labor practices, health and safety standards, compliance with international human rights laws, corruption, water contamination risk and climate change. We focus on identifying potential risk areas in our supply chain within those categories. We also intend to conduct independent assessments of our partners' operations when necessary. This helps verify the information provided and ensures that our partners meet our stringent standards. New to the process this year is that we are using AI tools to improve our assessments. This has been particularly helpful in the cases where we have limited and/or lacking information regarding a certain supplier, and we have a much more complete risk assessment now than we had a year ago. As of the publication of this report, Navamedic has been able to make risk assessment of all our key suppliers.

#### Risk Identification and Mitigation:

By analyzing the data collected from our partners, AI and other sources, we identify areas of risk within the value chain. This includes evaluating the likelihood and severity of potential adverse impacts on human rights and working conditions.

#### Continuous Improvement:

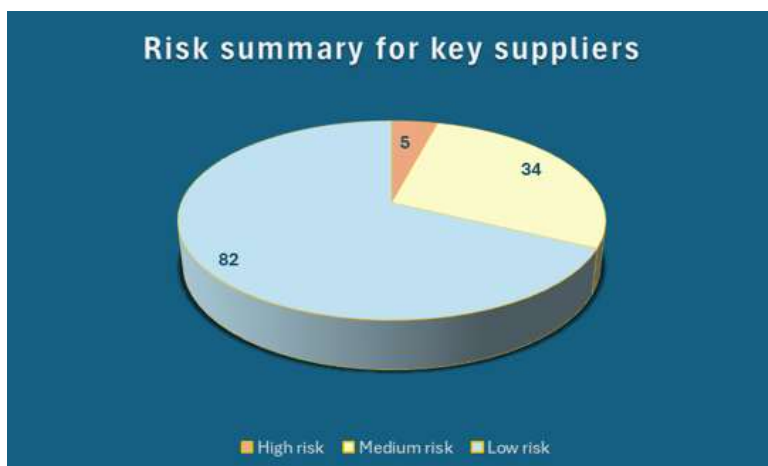
Our due diligence process is ongoing and iterative. We regularly review and update our risk assessments to reflect changes in our operations and external environments. This ensures that we remain proactive in managing risks and upholding our commitment to ethical business practices.

By taking these steps, Navamedic demonstrates its dedication to transparency and accountability in managing human rights and working conditions across our value chain. We are committed to continuous improvement and ensuring that our operations and those of our partners align with the principles of the Norwegian Transparency Act and international standards for responsible business conduct.

### Navamedic assessment results

Navamedic has first looked at the different categories of suppliers/partners based on their importance and relative size of supplier and then the potential consequence and likelihood that a supplier has an inherent risk of non-compliance with human rights and decent work conditions.

Navamedic has defined 121 suppliers as key suppliers based on criteria related to size, location and type of industry they operate in. As shown below, out of the 121 key suppliers, 82 are defined in the low risk category, 34 are defined in the medium risk category and 5 have been identified in the high-risk category. A categorization of 'high risk' does not necessarily mean there is an issue, but more often it is due to the significance of the supplier and that we may not have complete information regarding all their sustainability efforts and compliance to international standards. Navamedic therefore subsequently focus on the high-risk suppliers to identify actions and follow-ups to fully understand the risk and what consequences this should have.



In addition, we perform assessment based on feedback provided to our questionnaires and our independent evaluation to estimate the likelihood that certain adverse effects can occur.

Based on the evaluation performed, we are aiming to isolate and understand the risks that Navamedic should further evaluate and monitor.

Navamedic is also assessing the risks in light of our partners subcontractors' locations. The overview below summarizes the locations where our partners and part of their sub-contractors are located. Providing a full list of an entire value chain is quite complex and even though Navamedic has made improvements in this area, it is still something we are working on to improve further. We do, however, believe that the most critical parts of value chain are considered and evaluated as we seek to dive deeper into understanding the whole value chain of the products we sell from inception of the API (Active Pharmaceutical Ingredients) to the finished and sold product.

		Main operations (HQ)		Sub-contractors	
Country					
Belgium					
Denmark					
Finland					
France					
Germany					
Greece					
Ireland					
Italy					
Lithuania					
Spain					
Netherlands					
Norway					
Sweden					
		Switzerland			
		UK			
		USA			
		Iceland			
		Austria			
		Brazil			
		Bulgaria			
		Czech republic			
		Hungary			
		Poland			
		The Netherlands			
		China			
		India			

Risk identified are primarily related to the missing information from the entities involved in the value chain, especially sub-contractors to our suppliers. In addition to the missing documentation, we identified certain cases where policies and code of conduct are not shared with us. This does not necessarily mean that any adverse effects are present but for Navamedic it might be a need for additional evaluation.

### 3 Ceasing, Preventing, or Mitigating Adverse Impacts

Based on the assessment performed and in case concrete adverse impact is identified, Navamedic shall undertake necessary actions to address and manage the risks. These actions assume:



- Creating action plan, assigning responsibilities and defining the timeline
  - Execute the planned activities and evaluate effectiveness
- Decide on further actions in case of discrepancies

## 4 Track

Navamedic have in some cases, where our assessments have shown a higher potential risk, established proper follow-up routines in order to shed more light on whether there are appropriate measures in place to mitigate the risk, or if we need to consider alternative actions. These routines are also an improvement we have put in place during the last period.

## 5 Communicating How Impacts Are Addressed

Navamedic maintains transparency by communicating our due diligence efforts and outcomes to stakeholders. This involves:

- Public reporting on our website and in sustainability reports.
- Engaging in stakeholder consultations to gather feedback and improve our processes.
- Responding promptly to inquiries about our human rights and working conditions practices.

## Final remarks

As stated previously, Navamedic is dedicated to transparency in all aspects of the value chain. This report describes our current status, including the main efforts and analysis, and also some of the improvements we aim at achieving during the coming period. At the same time, whereas we are proud of the steps we have taken and where we are today, we still have an ambition to gain deeper knowledge of our supply chain beyond our suppliers and sub-suppliers. This is one of the goals over the coming period.

Sincerely,

The Board of Directors of Navamedic ASA