

Norwegian Transparency Act Statement 2025

Key facts about Navamedic and our value chain

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

Through its subsidiaries Navamedic AB in Sweden (including branches in Denmark and Finland) 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 both distributes own product and product brands purchased from product owners and partners.

Navamedic is present in all Nordic countries, the Baltics and Benelux and has sales of specific products in other European countries like UK and Greece.

As stated in our Sustainability Report (available in the 2025 annual report on our website), sustainability and corporate responsibility is high on our agenda. The key elements in the sustainability 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.

This statement covers Navamedic Group, including the Norwegian entities Navamedic ASA where all Norwegian employees are employed and Navamedic AS where the operation in Norway occur.

Key information about Navamedic

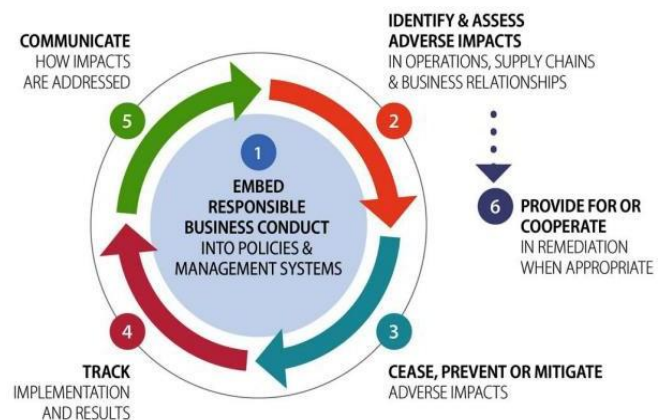
Revenues 2025: NOK 565.4 million

Employees: 38 FTEs

Employees and branches location: Norway, Sweden, Denmark and Finland

Due diligence assessment

In accordance with the Norwegian Transparency Act, Navamedic annually conducts due diligence assessments and prepares this report as a summary of the assessments. 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 to the right.



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 of conduct, 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 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

Navamedic launched a Supplier code of conduct in 2023: 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 and child labor. We believe that having this document signed and committed to by our partners further strengthens our goal of working with the suppliers whose business is run according to the highest standards. All our Tier 1 suppliers have committed to this, and indirectly their sub-contractors.

World Favor

To enhance the efficiency and effectiveness of our due diligence processes, we have integrated the World Favor application into our operations. World Favor is a tool for sustainability and risk management, offering several key benefits such as; data centralization related to human rights, labor conditions and environment from our partners and value chain entities, standardized assessment framework aligned with international standards and a platform for stakeholder reporting.

Questionnaires to all our partners through World Favor

Through the World favor application, Navamedic also distribute extensive questionnaires covering 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 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.

Complaints management

Multiple channels can be used by stakeholders to submit complaints. Navamedic encourages internal reporting as a first step in the Code of conduct. Alternatively, concerns or complaints can be addressed to a nominated outside legal counsel.

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 can 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 aim 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. Threshold is set to an amount of NOK 200 000. Secondly, we divide our suppliers into three categories, Tier 1, Tier 2 and Tier 3.

Tier 1 – Product partners and manufacturers

Tier 2 – Transport companies/logistics (3PL) partners

Tier 3 – All other suppliers (marketing, finance etc.)

All key suppliers in Tier 1, Tier 2 and Tier 3 are entered into the World Favor system where the risk assessment is conducted.

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.

All key Tier 1 and Tier 2 suppliers submit the questionnaire that is reviewed by Navamedic, while Tier 3 suppliers have been assessed using an AI analysis in World Favor. Navamedic has been able to do a risk assessment of all our key suppliers, which is performed continuously also for potential new 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 identified 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, 83 are defined in the low-risk category, 34 are defined in the medium risk category and 4 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 with international standards. Navamedic therefore subsequently focuses on the high-risk suppliers to identify actions and follow-ups to fully understand the risk and what consequences this should have.



Navamedic is also assessing the risks in light of our partners subcontractors' locations. The location of our partners and subcontractors is mainly in Europe, while some are located in Asia and Americas. Providing a full list of an entire value chain is quite complex and 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.

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.

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.

As an example, an external audit of a supplier was performed by an external party in 2025. No critical findings were identified.

No critical actual adverse impacts on human rights and decent working conditions have been identified in our due diligence process in 2025, however there are some instances of missing documentation from certain suppliers.

3 Ceasing, Preventing, or Mitigating Adverse Impacts

All suppliers with a classification of 'High Risk' or 'Medium Risk' are asked for additional documentation related to the area the elevated risk is linked to. Based on the assessment performed and in case concrete adverse impact is identified, Navamedic shall undertake necessary actions to address and manage the risks. This is relevant for all key suppliers assessed at 'High Risk'. Some suppliers classified as 'Medium Risk' may also require a follow-up plan. 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 appropriate follow-up routines in order to shed more light on whether there are proper measures in place to mitigate the risk, or if we need to consider alternative actions.

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 through our sustainability report.
- 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 improvements we aim to achieve going forward. 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.

The Board of Directors and CEO of Navamedic ASA