

1. General Information

Ascensia Diabetes Care Norway AS is a wholly owned subsidiary of Ascensia Diabetes Care (ADC) Holding AG, headquartered in Basel, Switzerland. ADC is a global healthcare company dedicated to improving the health and lives of people with diabetes and is part of PHC Holding Corporation. ADC specializes in the development, manufacturing, and marketing of products and solutions that make managing diabetes more effective and easier for patients.

ADC Norway AS is located in Lysaker, Bærum and serves the Norwegian market with a range of blood glucose monitoring (BGM) systems. ADC Norway is buying finished good product from Ascensia Diabetes Care Holding AG, for resale in Norway.

2. Account on Due Diligence – Introduction and Structure of the Process

The ADC Group is committed to ensuring that its entire value chain upholds human and employee rights. Our fundamental standards and expectations for suppliers are defined in the PHC Group Procurement Guidelines (https://www.phchd.com/global/~Media/phchd_g/sustainability/pdf/PHC_CSR_Procurement_Guideline.pdf) and the PHC Group Human Rights Policy (<https://www.phchd.com/global/sustainability/social/humanrights>). Additionally, our commitment to health and safety is well described by the PHC Group Environment, Health and Safety Policy (<https://www.phchd.com/global/sustainability/environment/policy>).

Additionally, ADC holds a group-wide Third-Party Due Diligence process to comply with strict legal standards across the globe and to conduct and document its Third-Party Due Diligence process. That is why, all distributors, suppliers and other vendors with a significant contract value are subject to the Due Diligence screening process as outlined in ADC's Third Party Due Diligence Policy. ADC utilizes Due Diligence program managed by an external company specialized in providing the required controls and solutions to check and monitor third parties' non-compliance and/or risk exposure. ADC takes the necessary measures and remedies if business partners do not comply with applicable laws, regulations, standards, industry codes or breach contractual terms.

From Fiscal Year 2024 onwards, existing direct suppliers will be validated through a bi-annual business review based on direct suppliers' declarations and evidence that include the following sustainability criteria:

- GHG emissions and recycling targets and progress
- Energy mix
- Sourcing of recyclable materials
- Human rights
- Diversity and inclusion policies and practices
- Labor rights
- Social due diligence

Based on the outcomes of the Business Review scorecard, ADC direct suppliers will receive scores for each discussed topic, along with detailed feedback and action points to improve performance.

ADC is committed to ensuring our people do what is right. Our foundation is the Code of Conduct (<https://www.phchd.com/global/sustainability/governance/code-of-conduct>), which encourages our employees to act with integrity, transparency, and high standards, in adherence to ethical business practices, laws, and regulations. Our Code of Conduct contains our principles and expectations for ethical business conduct that guide our people in making the right decisions. The Code of Conduct is a fundamental part of our terms of employment, all employees must adhere to it and are held accountable to its content. As part of our compliance program, the Code of Conduct training is provided once a year and all new employees receive training as soon as they join the company.

Anyone who has a compliance incident or concern and wants to report it in good faith (anonymously) is welcome to do so using the following link:

<https://www.ascensia.com/contact-us/report-a-compliance-incident/>

3. Outcomes of the due diligence assessment

We conduct a diligence assessment on a regular basis; this assessment is risk-based, proportionate and conducted in accordance with UN's Guiding Principles for Business and Human Rights and the OECD Procedure for Multinational Enterprises.

In Norway, the local due diligence assessment is conducted on predefined risk categories which include such factors as:

- Yearly value of the purchase
- Labour intensity of services provided
- Sectors of human rights high risk as defined by UN PRI¹

¹ Source: <https://www.unpri.org/human-rights/how-to-identify-human-rights-risks-a-practical-guide-in-due-diligence/11457.article> (access 20.05.2024)

We received N=9 out of 10 surveys distributed to selected local suppliers. We've identified minor human rights related to a lack of human rights policy and governance and a lack of incident communication channels among one of our office material (coffee) suppliers.

Ascensia Diabetes Care is taking significant steps to improve its global due diligence process by involving direct and indirect suppliers in the human rights risk&impact assessment. To address the duties of Åpenhetsloven, this work will be an ongoing process and ADC will update information to customers and all interested parties every year.

4. Account on measures to eliminate, reduce and prevent any actual or potential adverse impacts on workers and human rights

Based on the outcome of human rights risk&impact assessment there has been one area of human rights minor risk identified. Based on that, we've decided to scrutinize pre-contractual due diligence concerning human rights. This process will go beyond the process defined in Third Party Due Diligence Policy with a higher level of scrutiny to be guaranteed by 3rd Party System Provider. Ongoing selection of local and global suppliers will also include outputs of human rights risk assessment.

Additionally, we take appropriate measures to prevent or eliminate the (potential) impact of Tier-2, Tier-3 suppliers. Additionally, we started a plan to foster the applicability of the code of conduct to all relevant corporate functions and operations, including procurement, employment and purchasing decisions with adequate effectiveness checks.