



Statement of due diligence declaration in accordance
with the Norwegian Transparency Act

Curida Group 2023

Date: 9/12 - 2024

A handwritten signature in black ink, appearing to read "Anders Per Erik Larsson", written over a horizontal dotted line.

Anders Per Erik Larsson

CEO, Curida-group

Foreword

Responsible business practices are a central part of the UN Sustainable Development Goals, which represent a global agenda for achieving a better and more sustainable future for all. Due diligence is a key component of responsible business practices and entails that businesses must exercise care and take reasonable measures to prevent and mitigate harm to health or the environment caused by their products and services. This means that companies have a responsibility to ensure their activities do not harm people or the environment. By adhering to the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, we commit to identifying, preventing, and addressing risks related to human rights, the environment, and social responsibility. These international standards help us integrate sustainable practices into all parts of our business and value chain, ensuring that we contribute to a fair and sustainable future.



This report describes the Curida Group's due diligence efforts to ensure decent working conditions and human rights in the company's supply chain (LOV-2021-06-18-99)ii.

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Summary

Curida-group has conducted a thorough due diligence assessment of our 42 largest suppliers based on purchase volume. In addition to purchase volume, the Curida Group has used criteria such as geographical location, industry, and other factors to assess the risk of violations of decent working conditions and fundamental human rights.

The result of the due diligence assessment is that none of the evaluated suppliers are categorized as high risk. The majority of the suppliers are assessed as low risk, while the remaining suppliers have been given a medium risk status. The companies classified as medium risk are influenced by higher industry risk. These companies are encouraged to provide feedback on how they ensure that their business and suppliers meet the requirements regarding human rights, workers' rights, health and safety, and fair wages.

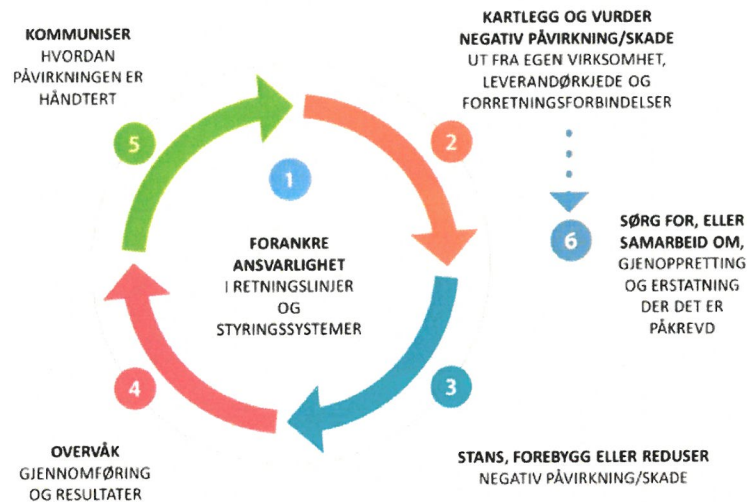
Curida-group will follow up the due diligence assessment with measures and follow-up procedures to ensure continuous compliance with human rights and labour conditions in the supply chain.

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Due diligence process

According to the OECD's due diligence guidance for responsible business conduct, the due diligence process consists of six steps that describe how companies can integrate more responsible and sustainable practices into their business model.



OECD Guidelines for Due Diligence. The process should be adapted to the risks and the company's context, including its size, operations, markets, and influence.

The implementation of a due diligence process does not necessarily mean that the business is free from negative impacts on people, society, or the environment. The process recognizes both the positive contributions businesses make to economic, environmental, and social progress and encourages businesses to be open and transparent about their challenges. At the same time, they work to identify and mitigate the negative effects of their operations in collaboration with stakeholders.

Overview of the Company and Key Information

The Curida Group is a leading player in the pharmaceutical industry in Norway. The company manufactures pharmaceuticals and medical equipment, supplying its products to a variety of international pharmaceutical companies as well as Norwegian pharmacies. This is achieved through the efforts of our 170 skilled employees across four locations in Norway. Curida is currently in a growth phase, with both revenue and profits expected to continue increasing in the coming years. This growth is driven by the addition of new products to Curida's portfolio through technology transfer and product development projects.

The company's vision is to be a reliable partner for our customers, ensuring improved quality of life. The Curida Group is committed to providing consumers with safe, high-quality products, with goals focused on continuous improvement and sustainable practices. The production of pharmaceuticals and medical equipment is carried out in compliance with strict European guidelines. These guidelines require, among other things, that all suppliers of goods and services related to our products undergo a comprehensive approval process. This ensures that we establish a thorough understanding of our suppliers and exclude unsuitable ones.

Although the guidelines to produce pharmaceuticals and medical equipment do not specifically address human rights, the supplier approval process contributes to an overall impression of the suppliers.

The Curida Group consists of four companies, with Curida Holding AS serving as the parent company to three subsidiaries. The CEO (Chief Executive Officer), CFO (Chief Financial Officer), Head of HR, and CSO (Chief Sustainability Officer) work across all the companies, following central guidelines and a shared Code of Conduct. Ås Production lab AS is centrally located in Ås, Curida AS is based in Elverum, and Curida Diatec AS operates from Fornebu in Oslo.



Overview of the supply chain

Description of the procurement model and supply chain.

The purpose of the procurement procedure for the Curida Group is to ensure a comprehensive process and to encourage environmentally friendly and sustainable purchasing. The Curida Group's procurement process is designed in such a way that the company purchases goods and services from approved suppliers. This is ensured through supplier approvals in the quality assurance system. However, smaller goods and services that do not affect the quality of the products can be purchased from suppliers who have not undergone supplier approval.

Key information

The suppliers of the Curida Group provide both products and services to the company. Services are primarily delivered by local partners, and materials and products are mainly sourced from European supplier networks. Of the 42 suppliers assessed in this process, the share of services accounted for 50 percent, while the share of materials/products was also 50 percent.

Parts and materials from global supply chains

The global value chains for the extraction of raw materials are not unique to the Curida Group. Plastic production is based on oil and gas, precious metals and minerals are extracted, and electronics are produced in large factories that supply companies worldwide. These value chains are consistent for most raw materials and their processing. The materials are extracted in similar ways and from the same countries, with similar challenges related to human rights, workers' rights, and environmental impact.

The Curida Group recognizes the need to describe the value chains that are most typical for the production of their products and essential for their daily operations. The value chains for plastic, transportation, and cleaning are particularly relevant. Below, we have included a list of negative impacts and risks in these chains to demonstrate transparency and openness:

- **Plastic:** Plastic is extracted from oil and gas, and the production chain consists of raw materials and chemicals. The extraction process can involve hazardous working conditions due to chemical poisoning. In general, mineral extraction is associated with a wide range of human rights risks, such as forced labor, child labor, land grabbing, and dangerous working conditions. Risks within the chemical industry include hazardous materials such as explosives, gases, flammable liquids, and toxic and oxidizing substances.

- **Transport:** Transport is a service and therefore does not have production as part of its value chain. However, workers in the transport industry may be exposed to poor working conditions, and the industry is known for low or non-existent minimum standards for its drivers.
- **Cleaning:** Cleaning is also a service without production in its value chain. Many workers in the cleaning industry receive wages close to or below the minimum wage level, which can lead to economic insecurity and difficulties in maintaining a decent standard of living. The industry often employs foreign workers who may be more vulnerable to exploitation due to language barriers and a lack of knowledge about their rights, which can result in forced labor, poor treatment, and unfair working conditions.

The company is aware of the risks in plastic, transportation, and cleaning value chains, and has chosen to be transparent about these challenges to demonstrate openness and accountability.

Goals and Progress of the Due Diligence Assessment

Curida-group aims to continually improve its due diligence assessment of suppliers to ensure decent working conditions and human rights upstream in the value chain. The plan for evaluating different areas in the supply chain is based on an overarching risk assessment that considers purchasing volume, industry, and geographic location.

The risk and impact increase with the volume purchased. Consequently, the Curida Group has not included suppliers and business partners with a turnover of less than NOK 1 million in the assessment at this stage, as their contribution to the overall risk profile in the supply chain is considered lower.

The focus of this report has been on the largest suppliers with a turnover exceeding 1 million NOK.

Process Goals and Progress for 2023

	Goal	Status
1	Conduct a due diligence assessment of the 42 largest suppliers of goods and services with a turnover exceeding 1 million NOK.	Executed
2	Establish a procedure for conducting due diligence assessments, based on the OECD, internally within the Curida Group.	Executed
3	Establish systems for gathering supplier information and mapping purchasing practices.	In progress
4	Develop a Supplier Code of Conduct for the largest suppliers of the Curida Group.	In progress

Process goals and progress for the due diligence assessment 2023

The goal for the coming years.

Year	Goal	Comment
2024	Perform due diligence assessment on suppliers > 500,000 NOK	Expand the scope of the risk assessment and conduct an evaluation of existing and new suppliers.
	Supplier Code of Conduct: 10 largest suppliers	Increase the requirements for decent working conditions and human rights in the supply chain.
2025	Conduct due diligence assessment on suppliers > 100,000 NOK	Conduct risk assessments on the largest possible portion of our supplier portfolio.
2026	Conduct due diligence assessments of all suppliers and evaluate the purchasing procedures.	All suppliers will be risk-assessed, and the goal is to reduce our supplier portfolio, especially those we consider to be higher risk or those who do not meet the requirements we set for the supply chain.

Goals for the due diligence assessment in the coming years

The introduction of responsible business practices in policies and management systems

The Curida Group works towards responsible business practices through due diligence assessments. This is a risk-based approach to respect and safeguard people, communities, and the environment within its own operations and throughout the value chain. Halting, reducing, or preventing negative impacts on people, communities, and the environment is a fundamental prerequisite for succeeding in ethical trade.

The Curida Group's principles for responsible business practices are based on UN and ILO conventions and set minimum standards. The legislation at the production site must be respected. Where national laws and regulations address the same topics as these guidelines, the highest standard shall apply.

Responsible for ensuring compliance with the Transparency Act is the board represented by the chair of the board and the CEO of the Curida Group. Based on the policy, the company has developed ethical guidelines for its own employees, suppliers, and partners.

Identify and assess actual and potential negative consequences associated with the operations, products, and services of the businesses.

Mapping to identify and prioritize suppliers and business partners

The mapping process to identify actual and potential negative impacts in the supply chain is based on the requirements of the OECD Guidelines for Due Diligence. The Curida Group has assessed risks related to human rights violations, decent working conditions, health and safety, and living wages based on the supplier's country of origin, as well as industry and product risks. The risk assessment also considers the level of influence we have on the business. Additionally, the Curida Group has chosen to include an overview of relevant certifications held by its various suppliers.

The company has multiple suppliers of both goods and services. As part of the due diligence assessment, we have prioritized focusing on the industries and suppliers where the potential for negative consequences and violations of human rights and decent working conditions is highest.

The countries are assessed based on their membership in the OECD. All OECD countries have committed to promoting the OECD Guidelines for Responsible Business

Conduct. We therefore evaluate products and services originating in these countries with a low probability of human rights violations and decent working conditions.

The Directorate for Management and Financial Control (DFØ) has identified product categories with a high risk of violations of fundamental human rights in the supply chain. The Curida Group has mapped "Chemicals" as the product category with the highest risk among its purchases. Chemicals are present in many product groups, including rubber and plastics, as well as products used in the healthcare sector and other industries. The production of chemicals poses both environmental and social risks, particularly related to industrial accidents, working conditions, and pollution.

In our risk assessment, none of the evaluated suppliers have received a high-risk score. However, it is important to remain aware of the processes and extraction of the various materials. Therefore, we adapt the questions in our questionnaires to uncover the suppliers' procedures for managing such risks. While chemical production is expected to increase, several initiatives have emerged that promote more sustainable chemical production.

The hiring of labour from staffing agencies has been assessed by Norwegian authorities as posing a higher risk of violations of human rights and decent working conditions. For the company, this is only relevant for the transportation of goods and cleaning services at the Ås production lab and Curida Diatec.

Identify and assess actual and potential negative consequences for responsible business practices.

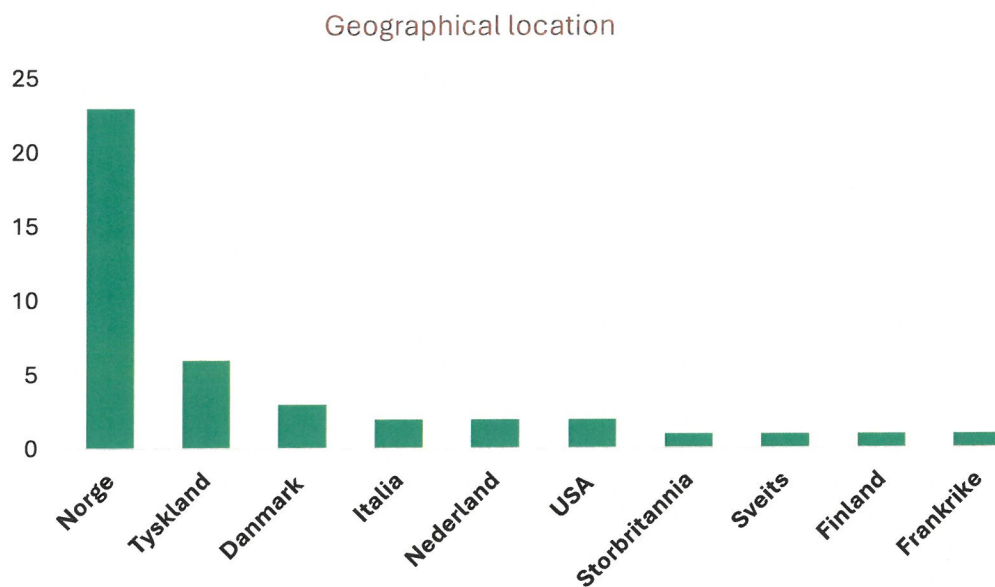
The company's focus in the risk assessment for 2023 has been on our 42 largest and most important suppliers, with a total turnover of 150 million NOK.

Below is an overview of the key findings from the risk assessment of the supply chain and business partners in 2023.

Based on the responses, the suppliers were given a score of 1 to 5, where the risk ranges from low risk to moderate risk and high risk.

Risk assessment based on the suppliers' geographical location

The top 42 suppliers and business partners of the Curida Group originate from the following countries: Germany, France, Italy, Norway, Finland, Switzerland, the USA, Denmark, the Netherlands, and the United Kingdom. Most of the company's supply chain is therefore located in Europe. The largest suppliers of materials are based in Germany, France, and Italy.

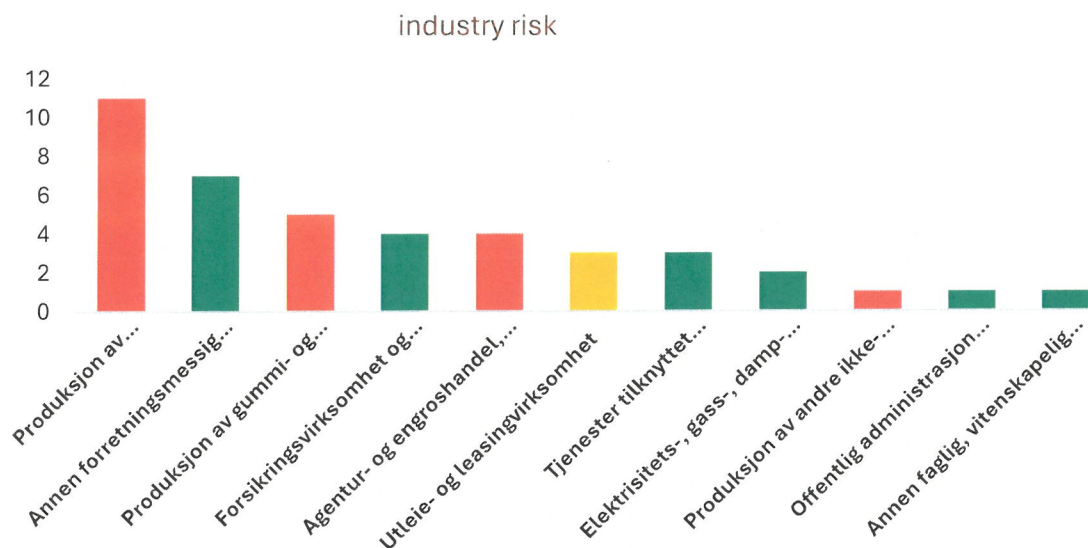


All OECD countries have committed to promoting the OECD Guidelines for Responsible Business Conduct. Therefore, we consider products and services from these countries to have a low likelihood of human rights violations and decent working conditions issues. All suppliers in this due diligence assessment are in OECD countries and are thus categorized as low risk for human rights violations and decent working conditions issues, based solely on geographic location.

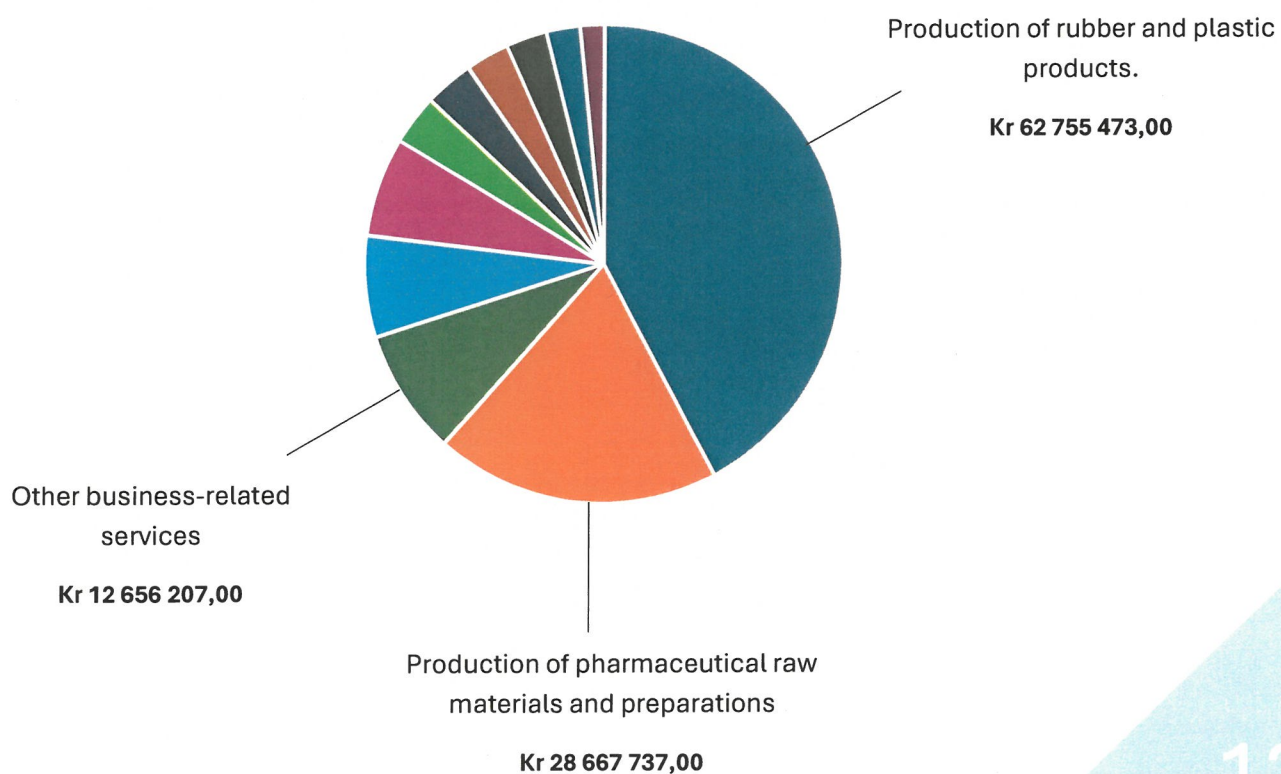
Although the assessed countries show low risk on these parameters, continuous monitoring and evaluation are still necessary. This ensures that the supply chain remains responsible and in line with international standards for human rights and ethical business practices.

Risk assessment based on industry

Of the 42 companies included in this year's risk assessment, 12 different industries were identified in which the companies operate. Most of the companies belong to the industry "Production of pharmaceutical raw materials and preparations."



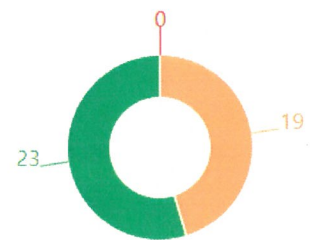
Purchasing volume per industry



According to DFØ - The Directorate for Administration and Financial Management's high-risk list, suppliers in the following industries have the highest risk for human rights violations and poor working conditions: "Production of pharmaceutical raw materials and preparations," "Production of rubber and plastic products," "Production of non-metallic mineral products," "Wholesale and agency trade, excluding motor vehicles," and "Non." The risk in these industries is based on the extraction of minerals and the use of chemicals, as described under "Main Information" on page 7.

Production of rubber and plastic products" and "Production of pharmaceutical raw materials and preparations" are on the list of high industry risk, and these are also the two industries from which the company has the highest procurement. The Curida Group will prioritize all the mapped companies with high industry risk for further follow-up.

In the overall assessment of the risk evaluation based on geography, industry, and influence, we have assessed 19 suppliers as posing a medium risk for violations of human rights and decent working conditions. These companies will be required to provide feedback on how they ensure that their business and suppliers meet the requirements regarding human rights and workers' rights.

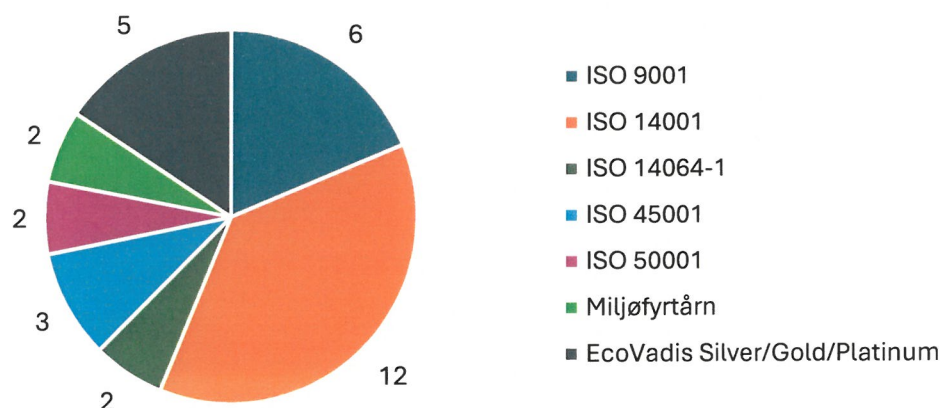


Risk assessment based on certifications

The Curida group has also chosen to include certifications for quality, environmental management, social responsibility, and climate reduction. The company has mapped out the following list:

- Six of the companies are ISO 9001 certifiedⁱ
- 12 of the companies are ISO 14001 certifiedⁱⁱ
- Two of the companies are ISO 14064-1 certifiedⁱⁱⁱ
- Three of the companies are ISO 45001 certified^{iv}
- Two of the companies are ISO 50001 certified^v
- Two of the companies are Eco-Lighthouse certified^{vi}
- Five of the companies are EcoVadis Silver/Gold/Platinum certified^{vii}

Certifications



These certifications provide the Curida group with assurance that their suppliers operate with high standards in quality, environment, safety, and sustainability, which is essential for maintaining a reliable and responsible supply chain.

Risk assessment and prioritization

The Curida Group's risk assessment of the supply chain for 2023 has evaluated geographic location, purchase volume, and industry. Based on this assessment, the company will identify priority areas for action and highlight suppliers or industries that are significant for responsible business practices. Overall, the risk for the companies included is considered low, as no individual companies have been identified with high risk according to our criteria. However, several companies have been identified as medium risk based on industry. These companies will be monitored to ensure good practices and to verify that there are no human rights violations among the evaluated suppliers.

The result of the evaluation will help set the company's focus going forward. The measures are described in more detail in section 7 below.

Stop, prevent, and reduce negative consequences

Action plan to stop, prevent, and reduce negative consequences

To ensure and increase the standards for decent working conditions and human rights, the Curida group will implement the following requirements for its 10 largest suppliers:

- The UN guidelines for human rights
- Prohibition of child labour and forced labour
- Guidelines and Procedures for Preventing and Handling Harassment and Abuse in the Workplace
- Let your employees organize themselves into trade unions and participate in collective bargaining

In Curida, ethical guidelines have been implemented and made available to all employees in the employee handbook. Efforts for equality and against discrimination will be developed in 2024, and this equality report will be published on our website.

For internal mapping and assessment of negative impacts on human rights and decent working conditions, the company conducts an employee survey twice a year. This survey assesses equality, discrimination, harassment, and well-being in the workplace.

In addition to the company survey, the management of the Curida Group works closely with safety representatives and union representatives through, among other things, health and safety committee (AMU) meetings, safety inspections at all locations, and an annual HSE review.

Ongoing corrections are being implemented based on feedback from union representatives, safety delegates, and identified deviations. No negative findings have been made during the current reporting period.

Other measures to reduce negative consequences

Sustainability and climate actions

In addition to the requirements for decent working conditions and human rights, the Curida group aims to set expectations for ESG aspects in its supply chain. The company will prefer suppliers that have a strategy that takes into account and implements sustainability goals and actions in their overall strategy.

Certification

If the choice is between multiple suppliers, environmental and social orientation should be included in the decision-making basis. The Curida Group aims to increase collaboration with suppliers certified according to internationally recognized standards such as ISO 9001, ISO 14001, ISO 26001, and Eco-Lighthouse (Norwegian standard). This is a goal to best ensure that the company complies with national and international laws and regulations, as well as a commitment to continuous improvement over time.

Combating corruption and bribery in our own operations and supply chain

The Curida Group has a zero-tolerance policy for corruption and bribery. This is clearly stated in our ethical guidelines. The ethical guidelines apply to all employees, and training and signature are mandatory. Violations are reported in the HSE system.

Follow up on implementation and results

In the due diligence process, the Curida group has identified the need to develop and implement a Supplier Code of Conduct. This will be signed by our 10 largest suppliers in 2024. Subsequently, the number of suppliers required to sign it will increase annually. By setting requirements for our suppliers, we demonstrate to our stakeholders that this work is important to us. The contract will be renewed annually, and the group will follow up on the commitments with continuous communication. Suppliers who do not meet our requirements for human rights, labor rights, and living wages will be phased out by the end of 2026.

Communicate how consequences are handled

The due diligence statement for responsible business practices will be updated and published on the Curida Group's website on an annual basis, www.curida.no. We aim to set an industry standard for open and transparent external communication and have therefore chosen to follow the OECD's guidance on due diligence for responsible business conduct for external communication.

A separate email address, post@curida.no, will be used for handling and responding to external inquiries regarding the Transparency Act.

Inquiries will be followed up by Ørjan Leiknes Apeland, Chief Sustainability Officer at Curida Group.

Offer compensation when necessary

The Curida group will develop procedures for handling situations where it may be relevant to offer or collaborate on compensation. We are open to contributing to investigations into the consequences of our impact and finding solutions for compensation where necessary.

References

ⁱ ISO 9001:2015 - Quality management systems — Requirements

ⁱⁱ Ledelsessystemer for miljø – ISO 14001

ⁱⁱⁱ ISO 14064-1:2018 - Greenhouse gases

^{iv} Arbejdsmiljøledelse – ISO 45001

^v ISO - ISO 50001 — Energy management

^{vi} Dette er Miljøfyrtårn | Stiftelsen Miljøfyrtårn

^{vii} EcoVadis Medals and Badges: Recognizing our Customers' Achievements | EcoVadis