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Human Rights Due Diligence Report Nordic BioSite

This document describes compliance with regards to requirements set forth in the Norwegian Transparency Act applicable to the Norwegian company Nordic BioSite AS. The report is established by the Swedish mother company Nordic BioSite AB which holds complete ownership of the Norwegian company Nordic BioSite AS.

Background

The Norwegian Transparency Act requires certain companies to carry out due diligence activities to ensure they are operating responsibly, respecting both human rights and decent working conditions based on the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct. Herein, we aim to assess actual and potential negative impacts for human rights and working conditions in our value chain. Nordic BioSite's policies and routines are used to define and implement appropriate measures to mitigate and prevent negative impact. This report should also be considered as applicable to similar national laws in the Nordic countries and how Nordic BioSite comply with the OECD Guidelines on a global scale.

Operational governance

Nordic BioSite has been a leading supplier of products for life science research for over 20 years. Our company consists of a highly skilled employee base across Europe who provide products, expertise, and support to thousands of researchers. The regulatory field protecting human rights, labour rights and the environment within the countries in which Nordic BioSite operates are generally strong as ILO conventions and UN declarations have been ratified into national legislations. Nordic BioSite comply with local laws and regulations, as well as regulations and directives provided by the European Union and/or EES.

In addition to regulatory considerations, Nordic BioSite have implemented an environmental and quality management system in accordance with the ISO 9001:2015 and ISO 14001:2015 standards, covering both management of health and safety risks related to psycho-social and physical work environment as well as actions that Nordic BioSite should take to reduce environmental impact, which consequently may harm human health. The management system provides us with tools to identify, measure, act and follow up on potential and actual risks related to the work environment and the natural environment. Moreover, the management system requires us to actively keep track on regulatory development covering these topics and to revise our policies and routines accordingly.

Responsibility

The responsibility within Nordic BioSite to adhere to current human rights and labour laws lies ultimately with our CEO. The operative responsibility is delegated to our quality team that also runs the ISO operation. Additionally, we have the safety representatives elected by the staff as a part of this process. The ISO team together with

management is also responsible for identifying and manage external risks that might arise.

Policies and routines to manage internal risks

- Routine for systematic work environment (in ISO 9001:2015)
- Code of Conduct
- Policy against misuse/abuse
- Policy against offensive special treatment
- Personnel handbook
- Management of chemical substances (ISO 14001:2015)

Value chain governance

As a distributor our core business is to supply the lifescience market with third-party products. Potential downstream risks within our sector includes product safety and side effects that may surface after controlled clinical trials and approval. Potential issues related to product safety, such as toxicity of materials, biohazards, manufacturing defects, or inadequate disclosure of product-related risks, can lead to exposure to health effects of the user of the product. However, the products for biomedical research and diagnostics are heavily regulated and we rely on careful selection of our suppliers with regards to product safety and quality standards. All products are regulated by the chemical substance regulation REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals) with the purpose of protecting the environment and human health from the risks that can be posed by chemicals. REACH states that in cases where an article contain a hazardous substance, so called Substances of Very High Concern (SVHC) in a concentration higher that 0,1% by weight, the supplier is required to communicate information such information to authorities as well as downstream in its value chain. In general, these substances should be avoided to protect human health. When it comes to products used for diagnostics purposes, this is highly regulated by the CE-mark which is obtained only by complying to the in vitro diagnostics regulation (IVDR) set out by the EU commission. This regulation has been brought forth in the sole interest of patient safety, on both individual level but also on public health. Where applicable, the suppliers have certified production such as ISO 13485 or similar. This is an advantage towards the market as a sign of quality but also product safety. In summary, considering the rigorous regulations around products and production, we deem the product safety risks as low.

Nordic BioSite's suppliers are located all over the world including regions where social safeguards are comparatively weak, as such the upstream supply chain is where we deem the greatest risk for potential negative impacts. In order to review such risks, Nordic BioSite have developed a risk assessment tool, that allows us to map our suppliers based on high-risk regions, i.e. suppliers and/or second tier sub-suppliers that

operates in regions with higher risk of negative impact on human rights and working conditions. This country risk assessment is based on the Freedom House “Political and Civil Rights Rating” as well as the “Labour Rights Index Rating”, two robust indices for measuring the human rights and labour rights safeguards per country. Below is a summary of the different values that are measured upon.

- Wages and overtime pay
- Working hours
- Employment contract
- Parental leave
- Health and Safety
- Discrimination
- Child labour and forced labour
- Trade union rights

The results of the measurements are compiled as index that can be used to classify each country with the respect to negative risks in the above areas. For countries that are classified in the lower part of the scale, there is no/very low rights in place for the individual when it comes to possibility to form unions, democratically voice their opinions, fair wages and decent working conditions. Moreover, incidents of child labours and forced labours are more likely to occur, as well as poor safety when it comes to workers health terms.

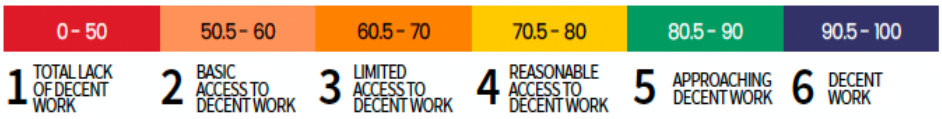

Fig 1. Freedom House classification of Human Rights and Labour rights.
Sources: Human Eights: https://freedomhouse.org/report/freedom-world#Data
Sources: https://labourrightsindex.org/lri-2022-documents/lri-2022-final-7-oct.pdf

Using our supplier base, we have populated a list presenting the number of suppliers we have per country and the country-specific risk category according to the indices. The majority of our suppliers are situated in countries graded as low negative risk for human rights and labour rights (green colour code in Table 1). By the same measurement we conclude that six of our suppliers situated in countries with high negative risk (colour code red and orange) namely China and South Korea, in the Asian region. In addition to this measurement, we have also decided to actively include an additional scope of our most valuable suppliers (by revenue), even though these suppliers are situated in areas approaching decent work (value index 5), in order to gain a more comprehensive insight when it comes to human rights and labour rights at second and third supplier tiers.

Region	Country	Country risks	Number of suppliers
Asia	China		5
	South Korea		1
	Taiwan		1
	Japan		2
Americas	United States		51
	Canada		4
Europe	France		1
	Slovakia		2
	Spain		1
	Czech Republic		1
	United Kingdom		12
	Estonia		2
	Germany		9
	Switzerland		1
	Netherlands		6
	Sweden		3

Table 1. Nordic BioSite supplier base with respect to country.

Other parameters included in the tool include if the supplier has signed Nordic BioSite's Supplier Code of Conduct, if we have had a site visit at their facilities or if there has been an audit conducted by third-party. The tool is dynamic and subject to continuous updates.

To manage these potential risks in the supply chain, Nordic BioSite have two main documents that outlines sustainability requirements on our suppliers:

- Supplier Code of Conduct
- Supplier Assessment

The Supplier assessment is a document that we use to screen our suppliers based on good governance during procurement and if certain cases for existing suppliers. We gather information on the quality and environmental work by checking if they are certified against sustainability standards. For existing suppliers, we assess their performance with regards to customer service, shipment, delivery time, product performance (non-conformities) etc.

Approved suppliers must subsequently sign and comply with our Supplier Code of Conduct which includes requirements that the supplier and its sub-suppliers are obliged to respect the UN declaration on human rights, and the core ILO conventions in addition to the national laws covering labour and human rights.

To ensure compliance with the Supplier Code of Conducts, we recently developed a supplier self-assessments questionnaire that high-risk suppliers, based on the result from the above described supplier risk assessment tool, are required to respond to. These will be done in a digital survey format onwards. Moreover, we conduct regular visits at our supplier's sites and/or meet with their representatives in person.

Follow-up and management of actual risks

Suppliers are followed-up on regular basis with a frequency of maximum three years according to our supplier assessment routine. In addition, high-risk suppliers will be followed-up yearly. Should a risk be identified, an action plan would take form using internal processes around this. The action taken would be in proportion to the risk detected ranging from a minor remark up to an immediate termination of the business contract.

Action plan

- Check list to use at visits to assess compliance.
- Update supplier assessment with Supplier Code of Conduct.
- Send out a survey yearly assessing the supplier within the area of human rights and labour rights.
- Create routine around action plan if a risk has been realised.