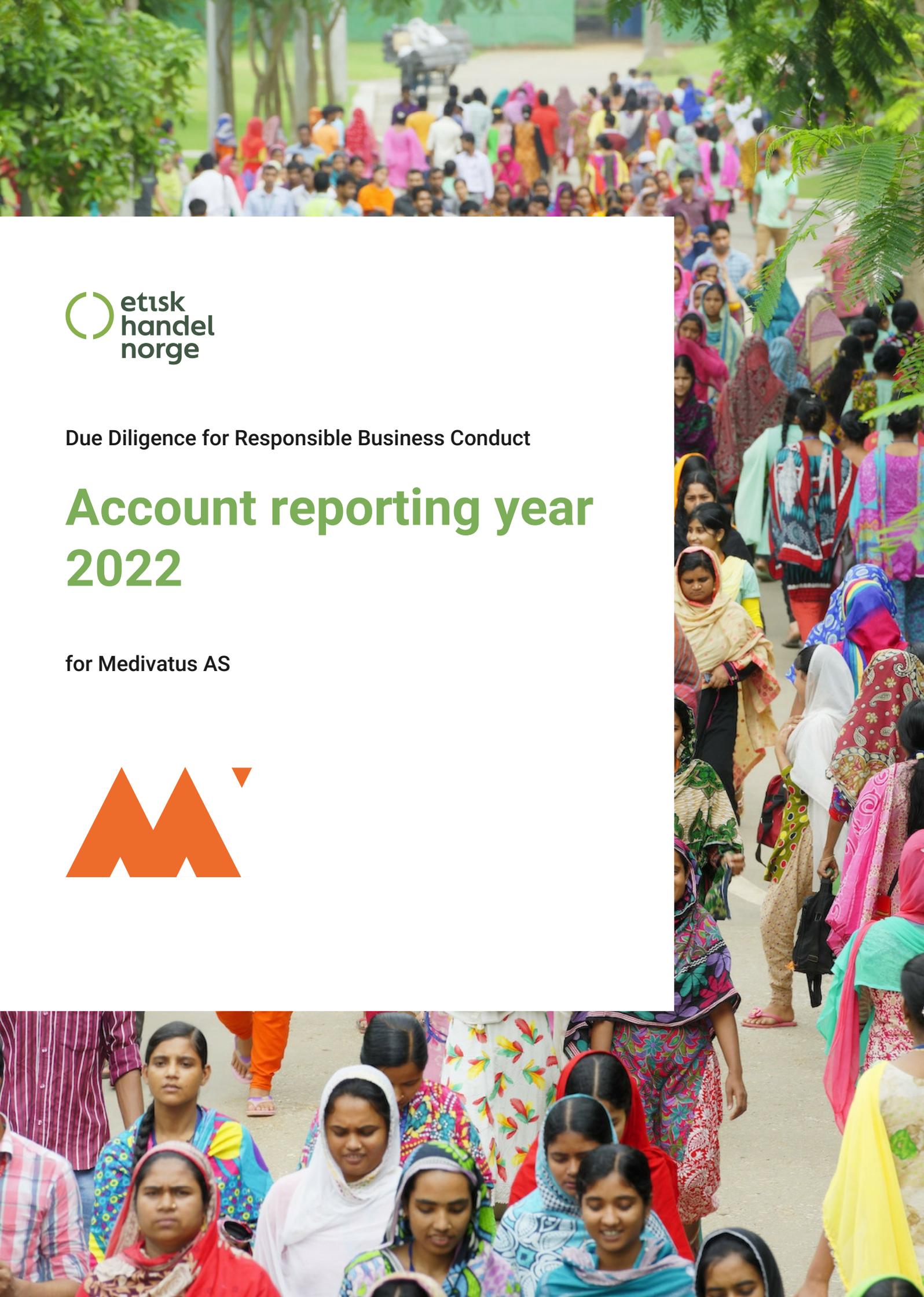




Due Diligence for Responsible Business Conduct

Account reporting year 2022

for Medivatus AS



SUSTAINABLE DEVELOPMENT GOALS



To Readers Of The Report

Business and the public sector have a great impact on people, society, the environment, and animals and can both contribute positively to development, or negatively by causing harm. Businesses therefore hold a central role in achieving UN's Sustainable Development Goals (SDGs).

This report can be used as an account for the Transparency Act, but it has a broader scope with climate and the environment, circular economy, and anti-corruption indicators also being included. Our members are obligated to carry out due diligence and report annually on their work. Base level members also meet the Transparency Act's due diligence duty, and partially the Act's information duty.

Responsible business conduct is the systematic effort that businesses do to identify, prevent or mitigate adverse impacts and explain how they manage their risks of negative impact to people, society, and the environment as well as provide remediation where this is required. Norwegian authorities expect all businesses, regardless of their size, to carry out due diligence in accordance with the UN's Guiding Principles for Business and Human Rights (UNGP) and OECD's Guidelines for Multinational Enterprises. This applies to businesses, the public sector, and organisations.

Ethical Trade Norway's Declaration of Principles (our Code of Conduct) covers the areas of decent work, human rights, environment/climate, anti-corruption, and animal welfare. This report is done in full transparency and in line with UNGP and OECD's guidelines. The reports of all members are publicly accessible on Ethical Trade Norway's website.

Heidi Furustøl

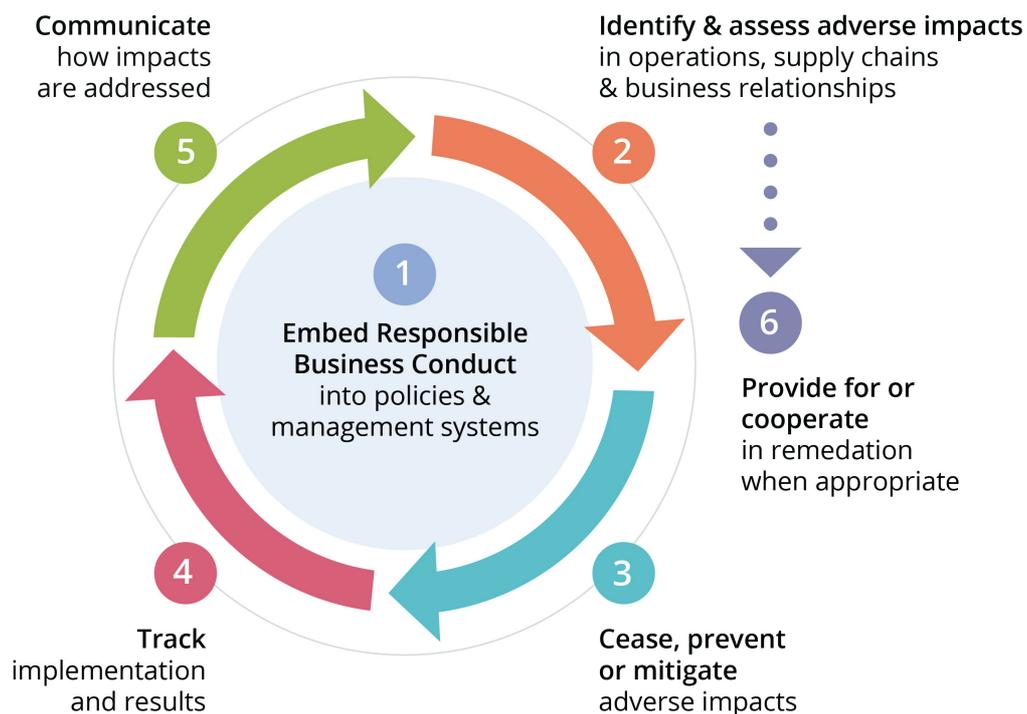
Executive Director

Ethical Trade Norway

Due diligence

This report is based on the UN Guiding Principles on Business and Human Rights and the OECD model for Due Diligence for Responsible Business Conduct.

The model has six steps that describe how companies can work for more responsible and sustainable business practice. However, being good at due diligence does not mean no negative impact on people, planet and the society. It means that the company is open and honest about challenges faced and shows how this is managed in the best possible way in collaboration with its stakeholders. This report is divided in chapters following the OECD model.



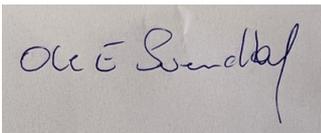
Preface From CEO

One of Medivatus' founding principles is to always strive to make a positive difference; to do whatever possible within our own sphere of influence, to improve things and be better. We are a small company, with big ambitions and we have also committed to bigger goals: the UN's Sustainable Development Goals (SDG's). This set of 17 universal goals is "a blueprint to achieve a better and more sustainable future for all by 2030". As in business, big goals are better achieved when they are divided up into smaller more manageable parts, then clearly communicated, understood and focused on by all stakeholders, the people who become genuinely committed to achieving them. When the essence of sustainability and good business conduct are a part of a company's make-up, it can be a powerful instrument for positive change.

We are in the healthcare business, an industry which has significant global connections and therefore a large responsibility towards sustainable development. We import medical goods from all over the world, from many different manufacturers. All of these manufacturers have suppliers themselves and the supply chain is often long. And inevitably, it will include countries of origin where the principles for responsible business conduct, based on UN and ILO conventions, are not always front and centre.

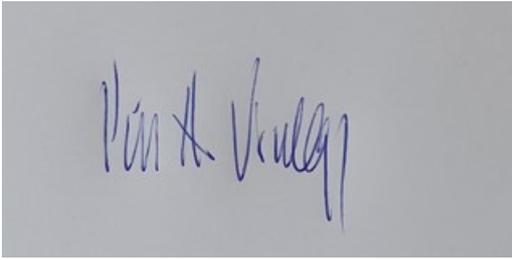
We source products for the public healthcare services who are able to directly influence the supply chain as responsible purchasers, taking their global citizenship seriously. It only makes sense for us to dovetail with our customers whose own commitment to sustainability and positive change is a priority. Simply put, we are convinced that this link and common focus will enhance progress in ethical trade and best practice in a positive way. We want to show that everyone in an organisation is responsible and can contribute, and that every contribution, no matter how small or big, can have a positive impact on our planet leaving it in a better state for the generations to come.

" Medivatus strives towards responsible business conduct that respects all people, our society and our environment. We believe responsible business conduct to be a prerequisite for sustainable development, meaning that today's generation should meet its own needs without compromising the ability of future generations to meet theirs. "



Ole-Eivind Svendby
CEO, Medivatus AS

Board Signature



Mjøndalen
01.12.2022

Company information and business context

Key company information

Company name

Medivatus AS

Head office address

Orkidehøgda 3, 3050 Mjøndalen

Main brands, products and services offered by the company

Medical technologies and surgical devices

Description of company structure

The ultimate governing body is the Board of Directors with independent non-executive chairman. In Norway there are two employees, the CEO and a Sales Manager. It is a small and lean operation.

Turnover in reporting year (NOK)

4 702 417

Number of employees

2

Is the company covered by the Transparency Act?

Yes

Major changes to the company since last reporting period

Yes. As discussed and explained in various conversations with Etisk Handel the past months, there have been significant changes in the organisation recently that were finalized in April 2022.

In 2021, Medivatus AS encountered significant business challenges due to Covid-19 ramifications that required us to pivot and seek investment. The alternative was to close all operations. The other director and co-founder (one of only two) became severely ill and needed to retire from the operation, leaving full legal and operational responsibility to one remaining employee (Gareth Martin). It was impossible to focus further on the Etisk Handel project for 2021 until our future was secured with no resources whilst seeking investors. We were successful in the latter and Validus Engros AS became our new owners as of April 6 2022.

The two companies are still separate entities, with the ambition to merge to one company before the end of 2023. Validus is part of a wider group of companies that are also working on common Corporate Social Responsibility projects which we will use time to plug into appropriately and align with these. We have therefore devised a plan of action to consolidate and organize ourselves in this regard, preparing for the next level.

Medivatus is strongly committed to its progress with Etisk Handel Norge.

Contact person for the report (name and title)

Ole Eivind Svendby, CEO

Email for contact person for the report

oes@medivatus.com

Supply chain information

General description of the company's sourcing model and supply chain

Medivatus purchases medical devices from a number of countries where they are manufactured. We then import these and sell to public hospitals (mainly) around Norway, Scandinavia and the UK.

Number of suppliers with which the company had commercial relations in the reporting year

12

Comments

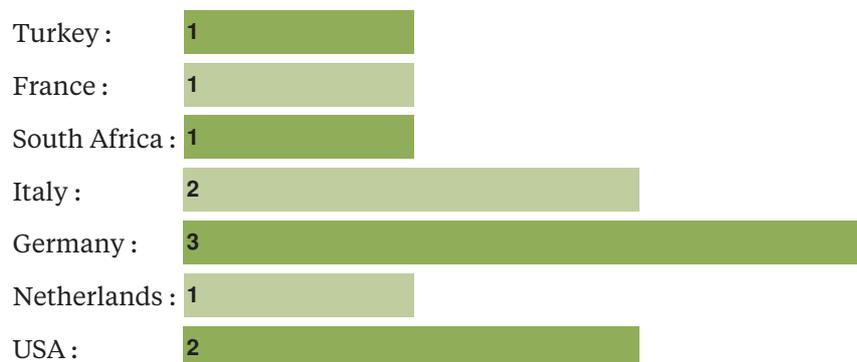
This is approximate as it does vary somewhat, some are regular suppliers and some are one off's. We do market ourselves as an in-sourcing specialist for medical devices so we have a high discovery rate of new potential suppliers.

Type of purchasing/ suppliers relationships



We purchase exclusively from manufacturers of medical devices in countries outside Norway.

List of first tier suppliers* (producers) by country



Medivatus supplier mix is largely EU/USA although w

State the number of workers at first tier producers that the company has an overview of, and the number of suppliers this overview is based on:

Number of workers

Number of suppliers this overview is based on

Comments to number of workers

We do not know many details about workers in our manufacturers or their suppliers. This is something we will build in to our supplier questionnaire. Alos, we effectively have one customer in Norway when it comes to procurement of medical devices.

Key inputs/raw materials for products or services and associated geographies

Titanium	Germany France
Stainless steel	Germany France
Polyethylene	USA
PEEK	Netherlands
Carbon Fibre	Turkey

Is the company a supplier to the public sector?

Yes

Goals and progress

Process goals and progress for the reporting year

1

Goal: Our goal for 2022 is to board approve our own business policy in line with EHN.

Status: Done Q1 - 2022

2

Goal: Communicate to the organisation and initiate due diligence to clarify way forward, develop a plan with clear roles and responsibilities.

Status: Done Q2 - 2022

3

Goal: Send out CSR guidelines to all of our suppliers.

Status: Done Q4 - 2022

4

Goal: Publish CSR on our web.

Status: Done Q4 - 2022

Goal for coming years

1

The plan for 2023 is to have a fixed agenda item at the Management Meeting that deals with ethical trade and the Transparency Act. An extended management meeting is every quarter to ensure that this becomes something that the entire management team focuses on and continues to work on.

2

Develop a procurement practice evaluation plan beyond which is already underway.

3

Prepare a plan to monitor the effect of measures (KPI's) initiated by the project group working on "Ethical Trade" in Medivatus.



1

Governance and commitment to responsible business conduct

Embedding responsible business conduct means that the company should have strategies and plan, as well as relevant policies* and guidelines for due diligence for responsible business conduct (hereafter due diligence) which are adopted by management. These should comprise the enterprise's own operations, its supply chain and other business relationships. Effective management systems for implementation are key to success, and due diligence should be an integrated element in company operations. Clear expectations from senior management are crucial, as well as clearly assigned responsibilities within the company, for the implementation of the steps in the due diligence process. Those involved need to know how to proceed. Transparency about commitments the company has for itself, challenges they are facing, and how these are managed is fundamental



1.A Policy* for own business

1.A.1 Link to publicly accessible policy for own business

<https://medivatus.com/policy-for-responsible-business-conduct/>

1.A.2 What does the company say publicly about its commitments to respect people, society, the environment and climate?

Medivatus shall conduct due diligence for sustainable business practices. That is: make your own risk mapping of negative impacts on people, society and the environment, and stop, prevent and reduce such impacts.

1.A.3 How has the policy/commitment been developed and how is it embedded in the company?

Policy has been developed by a working group and endorsed by the Board. All Medivatus employees are informed about the policy and it is also available on Medivatus.com

1.B Organisation and internal communication

1.B.1 How is the due diligence work organised within the company, and why?

Gareth Martin has overall responsibility and also has the operational responsibility for due diligence. It is an integral part of the organization, as it is important to our partners to show our proactive attitude towards ethical trade. Our customers also set strict requirements for ethical trade.

1.B.2 How is the significance of the company's due diligence work defined and clarified for the employees through their job description, work tasks and incentive structures?

Medivatus is a small company with few employees, so all employees are involved in the work of Ethical Trade and Due Diligence.

1.B.3 How does the company make sure employees have adequate competence to work on due diligence for responsible business conduct?

Several of Medivatus' employees participate in courses, workshops and webinars organized by Ethical Trade.

1.C. Plans and resources

1.C.1 How are the company's commitments to respect people, society and the environment embedded in strategies and action plans?

Medivatus' commitment to respecting people, the society we inhabit and the environment is anchored in our top-down strategy, supported by the Board. We are in the process of building departmental level (tier 2) business plans this year however these are not complete. We will ensure that all elements of Etisk handel will be incorporated.

1.C.2 How is the company's strategies and action plans to work towards being responsible and sustainable followed up by senior management and the board?

The plan for 2023 is to have a fixed agenda item at the Management Meeting that deals with ethical trade and the Transparency Act. Extended leadership meeting is every quarter. This was decided by the working group in Q4 - 2022.

1.D Partnerships and collaboration with business relationships, suppliers in particular

1.D.1 How does the company emphasise the importance of responsible and sustainable business conduct in its business relationships, particularly in the supply chain?

Medivatus AS strives towards responsible business conduct that respects people, society, and the environment. These guidelines for suppliers have been developed as a complement to our Policy for Responsible Business Conduct. To achieve responsible business conduct we wish to work in close partnership with our suppliers and business partners. Medivatus AS considers collaboration to be a prerequisite for responsible business conduct, and key to the achievement of the UN's Sustainable Development Goals. Guideline for Suppliers to Medivatus AS is published on our website - www.medivatus.com/csr/

Indicator

Percentage of the company's suppliers that have accepted guidelines for suppliers



2022

We will follow up those who have not responded during Q1 – 2023

1.E Experiences and changes

1.E.1 What experiences have the company encountered during the reporting period concerning responsible business conduct, and what has changed as a result of this?

We have experienced that the work with Etisk handel is something that affects the entire company. Not just the board and the management team.



2

Defining the focus for reporting

Identify and assess the company's impact on people, society and environment

“Identify and assess” is about identifying the company's risk for, and actual negative impact on, people, society and the environment, including in the supply chain and through business relationships. As a first step the company should get an overall risk picture, before subsequently prioritising further mapping and measures where the risk of negative impact is the greatest, i.e. salient issues. The company's involvement in the negative impact is central to determine which measures the company should implement in the next step of the due diligence model. Involvement of stakeholders, especially those affected, is central when assessing risks. It is also important to consult with stakeholders when implementing measures to manage the negative impact.

2.A Mapping and prioritising

STATEMENT ON SALIENT ISSUES

Prioritising one or more risk areas on the basis of severity does not mean that some risks are more important than others, or that the company should not take action on other risks, but that risks with the greatest negative impact are prioritised first. Mapping and prioritisation are a continuous process.

2.A.1 List the company's prioritised risk of negative impact on people, society and environment. Take note that the prioritized risk that you list in the table below will be exported to step 3 of this report, where you will be asked to answer how you work with stopping, preventing, or reducing the negative impact.

Salient issue	Related topic	Geography
Manufacturer in Turkey and outside Europe/USA	Discrimination	
Product content	Occupational Health and safety	
Packaging	Occupational Health and safety	

DETERMINATION OF SALIENT ISSUES

2.A.2 Describe: a) the company's routines for mapping and identifying risk and show how the negative impact was identified and prioritised in this period: b) eventual aspects of the company that have not been covered in this report (product groups, own products, departments etc.) and why you not chose to prioritize these in the continued work: c) how information was gathered, what sources were used, and which stakeholders have been involved/consulted: d) whether you have identified areas where information is lacking in order to get an overview, and how you are planning to proceed to collect more information/handle this.

This is an important and useful work, which requires more resources than we assumed. We will therefore have more focus and involve more people in the work ahead.

ADDITIONAL SEVERE IMPACTS

2.A.3 Describe any other negative impacts on people, society and the environment that were identified in the mapping of the business, supply chain or other business relationships during the reporting period and how these have been handled.

In our sustainability work so far, we have not identified any other negative impacts that our business affairs, relations nor supply chain may have on any persons, society or the environment.

A woman in a blue surgical cap and gown is shown in profile, looking down. She is in a hospital operating room, with other staff members in the background. The lighting is bright and clinical.

3

Management of salient issues

Cease, prevent or mitigate negative impacts

“Cease, prevent and mitigate” is about managing findings from the risk assessment in a good way. The most salient negative impact on people, society and the environment should be prioritised first. This does not mean that other risks are insignificant or that they are not handled. The way the company is involved in the negative impact is key to taking the appropriate action. Negative impact that the company causes or contributes to must cease, be prevented and be reduced. To address negative impact directly linked to the company, e.g. in the supply chain, the business must use its leverage to influence the entity causing the negative impact to cease, prevent or mitigate it. This involves developing and implementing plans and routines to manage risk and may require changes to the company's own policy documents and management systems. Effective management of the negative impact on people, society and the environment is a major contribution to the achievement of the Sustainable Development Goals (SDGs).

3. A Cease, prevent or mitigate

3.A.1 For each salient risk, add a goal, progress status and describe the measures you have implemented to handle the company's prioritized negative impact on people, society and the environment

Salient issue	Manufacturer in Turkey and outside Europe/USA
Goal :	Qualify negative discriminatory conditions that may be found in the supply chain, prioritise and act accordingly.
Status :	This is always work in progress.
Goals in reporting year :	In 2023 we will be reviewing our manufacturers that have a higher salient risk profile, and deciding if alternative suppliers may be sought, or whether we have some

Completed measures and reasoning :

As of today, we have identified two suppliers that we will seek to replace.

Goals and activities for the coming reporting year :

These manufacturers identified have been mapped and a board decision has been taken to replace with more compliant alternatives by 2024.

Salient issue	Product content
Goal :	Obtain more detailed documentation as to the raw materials that make up the finished products we purchase.
Status :	This is something we will work to obtain and will be ongoing as new suppliers are signed.
Goals in reporting year :	This was to map and identify the existing suppliers and detail what we could from the documentation provided.

Completed measures and reasoning :

The product content as far as possible was analysed and identified for the portfolio we carry. It is clear that the origin of the ingredients of a finished product are not always traceable and that will form the basis for work in 2023.

Goals and activities for the coming reporting year :

Work with the manufacturers listed in the risk analysis tool and ensure all the finished product content is identified. The goal for 2023 is to address these salient risks related to product content.

Salient issue	Packaging
Goal :	Obtain more detailed documentation as to the raw materials that make up the product packaging.
Status :	This is something we will work to obtain and will be ongoing as new suppliers are signed.
Goals in reporting year :	This was to map and identify the existing suppliers and detail what we could from the documentation provided.

Completed measures and reasoning :

The packaging content as far as possible was analysed and identified for the portfolio we carry. It is clear that the origin of the ingredients of a product's packaging is not always traceable and that will form the basis for work in 2023.

Goals and activities for the coming reporting year :

Work with the manufacturers listed in the risk analysis tool and ensure all the packaging content is identified. The goal for 2023 is to address these salient risks related to product content.

OTHER ACTIONS RELATED TO MANAGEMENT OF NEGATIVE IMPACTS

Describe the company's general measures to cease, prevent or mitigate negative impacts, including in the supply chain.

3.B.1 Reduction of nature- and environmental impact

We are constantly working to find solutions that reduce the impact on nature and the environment. For example, when we choose 3rd party suppliers for transport, packaging etc. we do so with Ethical Trade compliance in mind.

3.B.2 Reduction of greenhouse gas emissions

All of the company's company cars are EL vehicles to reduce greenhouse gas emissions. We have also reduced significantly in business travel that is classified as "unnecessary".

3.B.3 Adapting own purchasing practices (sourcing)

We are constantly looking at streamlining deliveries both to and from us, e.g. the number of deliveries.

3.B.4 Choice of products and certifications

All our products are CE marked according to the MDR, and thus strictly controlled and certified. More about MDR - <https://legemiddelverket.no/medisinsk-utstyr/regelverk-for-medisinsk-utstyr/nytt-regelverk-om-medisinsk-utstyr>

3.B.5 Actively support free trade union organisation and collective bargaining, or where the law does not allow it, actively support other forms of democratically elected worker representation

Medivatus principally supports any free trade union organisation and collective bargaining agreement, and any other forms of legal and democratically elected worker representation, both within our own organisation and those we work with.

3.B.6 Contribution to development, capacity building and training internally and of suppliers and workers in the supply chain

We are a distributor of medical devices, which naturally requires strong expertise about the products internally. It's not natural for a business of our nature to train its supply chain.

3.B.7 Combatting corruption and bribery in own company and supply chain.

Medivatus, including all employees, shall never offer or receive illegal or inappropriate monetary gifts, or other remuneration to achieve private or business benefits in their own interest, or in the interest of customers, agents or suppliers. Furthermore, the industry we work in is very focused on stamping out bribery and corruption. All of our suppliers therefore, have their own strict codes of business conduct and anti-corruption policies, which we as a distributor also adhere to.

3.B.8 Other relevant information concerning the company's work to reduce, prevent, and manage negative impact on people, society and environment

Medivatus was one of the first companies to source face masks during the early Covid pandemic. We created our own air-bridge to Shanghai and therefore had control of the short logistic chain with only three, highly reliable and recognized actors, moving products straight from Chinese manufacturer to our Norwegian customer. We also engaged a local and trusted representative to oversee the affairs to make sure they were compliant in every way.



4

Track implementation and results

Tracking implementation of actions and results relates to measuring the effects of the systematic approach and own work in each step of the due diligence process, showing whether the company conducts sound due diligence work. The company needs to have procedures and routines in place in order to uncover and critically assess own conclusions, prioritizations and measures that have been made as part of the due diligence process. For example, is mapping and prioritisation of salient issues done in a scientifically sound and credible way? Does it reflect the actual conditions in the supply chain? Do measures aimed at ceasing, preventing and reducing the company's negative impact work as intended? Is negative impact remediated where relevant? This may apply to measures taken by the company alone or carried out in collaboration with others. The company's experiences from working on due diligence should be used to improve procedures and routines in the future.

4.A. Track and assess

4.A.1 Describe the assignment of responsibility for tracking the effect of measures implemented to cease/prevent/mitigate salient risks of negative impact on people, society and the environment, as well as how the tracking is done in practice

The project group that works with "Ethical Trade" in Medivatus is responsible for monitoring the effect of our measures. The CEO has overarching responsibility and the ongoing project is board-approved.

4.A.2 Describe how the company ensures that measures taken to identify, prevent and reduce negative impact actually work

At basic level, it is difficult to clearly gauge and objectively communicate back the direct impact Medivatus has identify, prevent and reduce negative impact. What is clear is the awareness internally, across the company, of the work being done with Ethical Trade, and the positive response from our suppliers to provide related feedback. We have a small, limited number of suppliers so within the course of 2023, we should have a near 100% coverage of supply chain, reflected within the active risk analysis tool. This will form the basis for business decisions moving forward, and we can directly attribute to the proactive work with Ethical Trade Norway.



5

Communicate how negative impacts are addressed

A prerequisite for good external communication on due diligence for responsible business conduct is that it builds on concrete activities and results. Companies should make relevant documents concerning due diligence publicly accessible, i.e. policies, codes of conduct, guidelines, processes and activities related to identifying and handling the company's actual and potential negative impacts on people, society and environment. Communication should include information about how the risks have been identified and handled, as well as the effect of the measures/activities. The Transparency Act (Åpenhetsloven) §5 requires companies to publicly account for their human rights due diligence on an annual basis.

5.A External communication

5.A.1 Describe how the company communicates with affected stakeholders about managing negative impact

In our business as a medical device distributor, we sit in the middle of the supply chain, between supplier / manufacturer and customer. Our customer in Norway is exclusively Sykehusinnkjøp who are one of the largest public buyers and therefore very diligent and compliant with Ethical Trade. Our downstream communication of our products and business affairs occurs via large tender processes where Ethical Trade requirements are a prominent feature. With regards to upstream communication, that involves the suppliers which are more often the manufacturers themselves, so our supply chain is short. Communication about managing negative impact are in this respect, very straightforward.

5.A.2 Describe how the company publicly communicates its own work on identifying and managing negative impact/harm

As of today, our communication platform publicly is a website and Linked-In profile, both of which are constantly evolving. Also, public tender processes are an important mode of communication in our business, as described.

5.A.3 Describe the company's routines for maintaining and answering external inquiries related to the information requirement imposed by the Transparency Act

On request, the public can gain insight into Medivatus' work and the due diligence assessments that are carried out to map actual and possible negative consequences. Access requests can be sent to our parent company kundeservice@validusengros.no and will normally be answered within three weeks - unless it requires more extensive answers and internal investigations.

Group Company routine for processing of information requirements:

"According to the Transparency Act, anyone has the right to information on written request regarding how our business handles actual and potential negative consequences related to human rights and decent working conditions in our supply chains. This includes both general information and information relating to a particular product or service that the business offers.

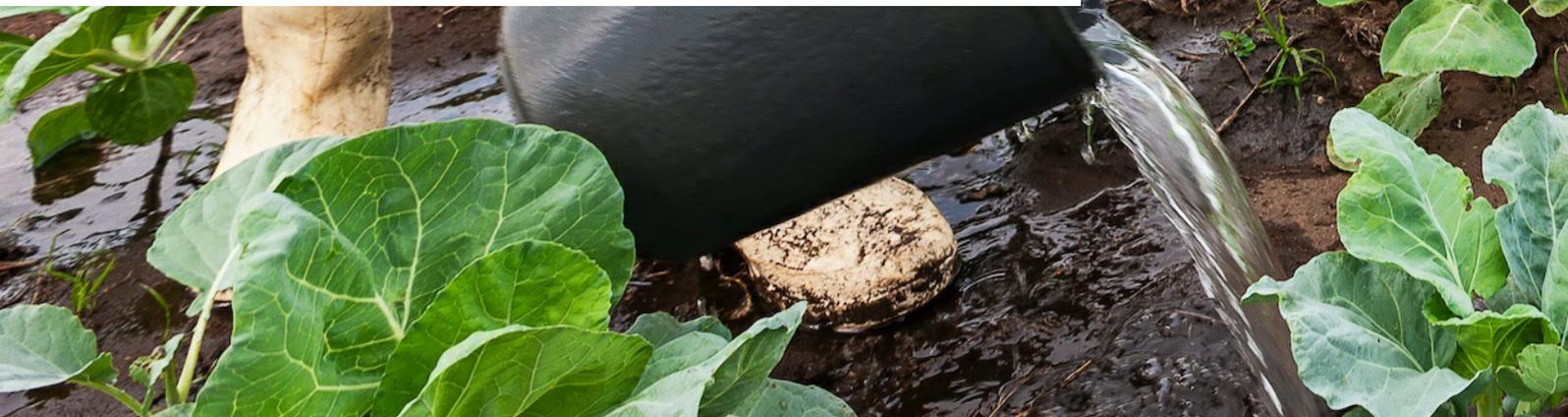
Upon receipt of any such request for information, the product manager/purchaser must be contacted to answer and handle the information request."



6

Provide for or cooperate to ensure remediation when appropriate

Once a company has identified that it has caused or contributed to negative impact on people, society or the environment, the company must provide for, or cooperate in, remediation. Remediation may involve financial compensation, a public apology or other ways to remediate the negative impact. Another aspect of remediation is that companies should provide for, or cooperate with legitimate complaint mechanisms, to ensure that workers and/or local communities can raise complaints and be heard.



6.A Remediation

6.A.1 Describe the company's policy for remediation of negative impacts on people, society and the environment

Our policy for responsible business conduct forms the basis for our sustainability work, including in our supply chain. Our suppliers and partners can expect that our purchasing practices strengthen, and do not undermine, their opportunity to deliver on our requirements related to people, society, and the environment. Medivatus AS always seeks collaboration to achieve responsible business conduct. However, we will end business relationships, or any other forms of collaboration, if our suppliers or partners do not meet our expectations for responsible business conduct.

6.A.2 If relevant, describe cases of remediation in the reporting year

In 2022 we have had no instances that require remediation.

6.B. Ensure access to grievance mechanisms

6.B.1 Describe what the company does to ensure that workers and local communities have access to effective grievance mechanisms when this is needed

At any time, the public can gain insight into Medivatus' work and the due diligence assessments that are carried out to map actual and possible negative consequences. Access requests can be sent to our parent company kundeservice@validusengros.no and will normally be answered within three weeks - unless it requires more extensive answers and internal investigations. Our complaint procedure, whether product related or negative consequences for persons, society or environment, would be handled in a similar way. Our contact details are public and readily visible on website.

Contact details:

Medivatus AS
Ole Eivind Svendby, CEO
oes@medivatus.com