



Report on

Responsible Business Conduct 2021

for Mediq Norge AS



SUSTAINABLE DEVELOPMENT GOALS



To Readers Of The Report

Business has a major impact on people, society and the environment. It can make positive contributions to development but can also have negative impacts and cause harm. Companies therefore play a key role in achieving the UN's Sustainable Development Goals (SDGs). The Norwegian government expects all companies, regardless of size, to map, prevent, limit and communicate on how they handle risks for negative impact, as well as remediation mechanisms in cases of harm on people, societies or the environment. This is known as due diligence and applies to the private and public sector as well as organizations. As a consequence of the recently passed Transparency Act (åpenhetsloven), all larger corporations are obliged by law to conduct due diligence and show transparency in this work from 1 July 2022.

Members of Ethical Trade Norway have committed themselves to work with mandatory due diligence for responsible business practice. The foundation for this work is Ethical Trade Norway's Declaration of Principles (code of conduct) which covers the areas decent work, human rights, environment/climate, anti-corruption and animal welfare.

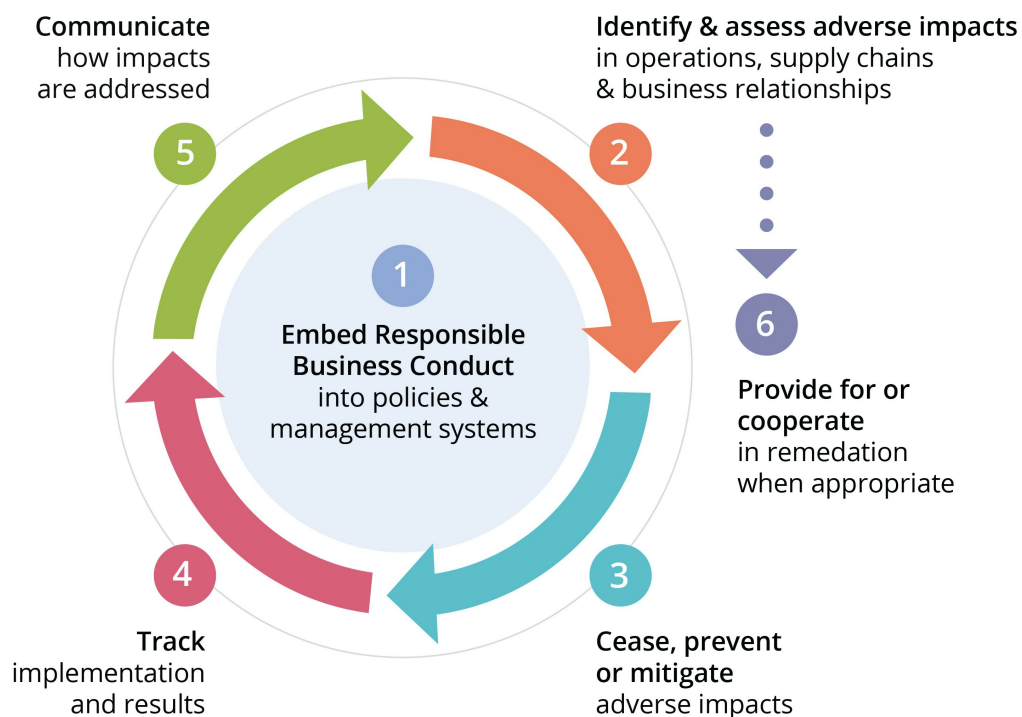
The reporting template is designed for the company to show transparency in their work on responsible and sustainable business practice, as described in the UN Guiding Principles (UNGP) and the OECD Guidelines for Multinational enterprises. The report should show how the company works with due diligence, and describe what challenges the company faces, which measures are being implemented to handle these challenges, as well as progress and results. All member reports are publicly available 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

As a leading supplier of medical devices, Mediq Norge is naturally engaged in health and wellbeing. We do not limit this engagement to our customers buying our products, but include everyone affected by Mediq Norge's activity, both locally in Norway and globally in the supply chain.

We see an increased awareness of issues related to ethical trade both from our customers and suppliers, which we consider to be something very positive. We will continue our work with our internal suppliers and make sure that we will do what we can to improve both transparency and dialogue within our value chain.

Through our membership in Etisk Handel Norge, we have committed ourselves to continually strive to improve conditions in our value chain. Mediq Norge have in 2021 continued to enforce and anchor the processes and activities related to our work with ethical trade both on the board and our management team.

While our Sourcing and Category functions are the ones closest to our suppliers, other functions within the company such as sales and supply chain are also crucial for making this a collaborative effort and on top of the agenda.

While we operate in Norway, we are also a part of an international company. Increased dialogue and focus on these issues are on the agenda across our different business units. However, Mediq Norge has through the use of Factlines SAQ with our suppliers as well as being a member of Etisk Handel Norge for several years, a knowledge-sharing position that we intend to use positively and constructively across our business units.

Mediq Norge AS consider ethical trade work to be of great importance, and it is surely aligned with our core values;

- Caring heart
- Customer drive
- Champion spirit

Trond Dahl Hansen
Administrerende Direktør, Mediq Norge AS

Company information and business context

Key company information

Company name

Mediq Norge AS

Head office address

Brynsveien 14, 0667 Oslo

Main brands, products and services offered by the company

Mediq Norge sell and service articles within 14 different categories within Medical devices and IVD offerings. We represent the main A-brand suppliers like Coloplast, Dansac Hollister, Essity, Nutricia, Fresenius, Nestle.

Description of company structure

Mediq Norge AS is part of the Mediq Group with activities in 13 countries with 3000 employees. The Mediq Group is owned by the private equity company Advent.

Trond Dahl Hansen in the Managing director for Mediq Norge AS. Mediq is operated in 3 European clusters, where Mediq Norge is part of the Nordic, Baltics & UK Cluster headed by the Nordic, Baltics & UK EVP Christian Kanstrup.

Mediq Norge is based in Oslo. Warehouse is operated by Mediq Sverige based in Kungsbacka, Sweden. Several functions are organized pan-nordic. Such as; Supply Chain, Sourcing, Category Management, IT, HR, Tender & Contract.

Turnover in reporting year (NOK)

649 300 000

Number of employees

97

Major changes to the company since last reporting period

Mediq Norge has in 2021 continued to strive to improve the overall business performance based on following initiatives:

- Establish a pan-nordic organisation to support the company.
- Establishing one common Nordic enterprise resource planning (ERP) system. A dedicated project team is working on this task which is planned to be completed Q2 2022.

Puls AS which was acquired by Mediq International BV in May 2019. Puls will be fully integrated in Mediq Norway when the new ERP-system is implemented in 2022.

However in 2021 a lot of effort has been made to incorporate Puls into Mediq, including our way of working with ethical trade.

This report therefor includes data from both Mediq Norge AS and Puls AS.

Mediq has in 2021 acquired UpViser Oy, a Finnish leading provider of surgical and endotherapy products that focuses on gastroenterology, gynecology, plastic surgery and urology. Its customers include the largest hospitals in the Nordic countries. Data from UpViser is not included in the reporting year for 2021.

Contact person for the report (name and title)

Kari Solhus, Quality Manager / CSR coordinator

Email for contact person for the report

kari.solhus@mediq.com

Supply chain information

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

Mediq Norge AS is 100% owned by Mediq BV, a European market leader which proudly serves more than one million customers.

Mediq Norge AS is a part of the Nordic cluster.

Each country has a local Sourcing Manager who has an overall responsibility for the sourcing activities for their respective countries. The sourcing manager in Mediq Norway reports directly to the Nordic Sourcing Head, and has close contact with the local Managing Director.

Suppliers are ranging from global companies with strong brands to local Norwegian companies.

Furthermore, Mediq Norge AS is part of an international group where Own Brands is handled centrally by Mediq's sourcing center located in the Netherlands. The Sourcing center is responsible for choosing the product, the producers and the follow-up of the supply chain.

Mediq Norge's sourcing department, which is part of the Nordic cluster as mentioned above, has a clear RACI chart which makes clear of all the activities or decision-making authorities across the organization. RACI stands for Responsible, Accountable, Consulted, and Informed.

The sourcing department works as a link between the supplier and the organization, and is responsible for following up the suppliers on different levels. Mediq has well established Code of Conduct requirements which all incoming suppliers have to commit to.

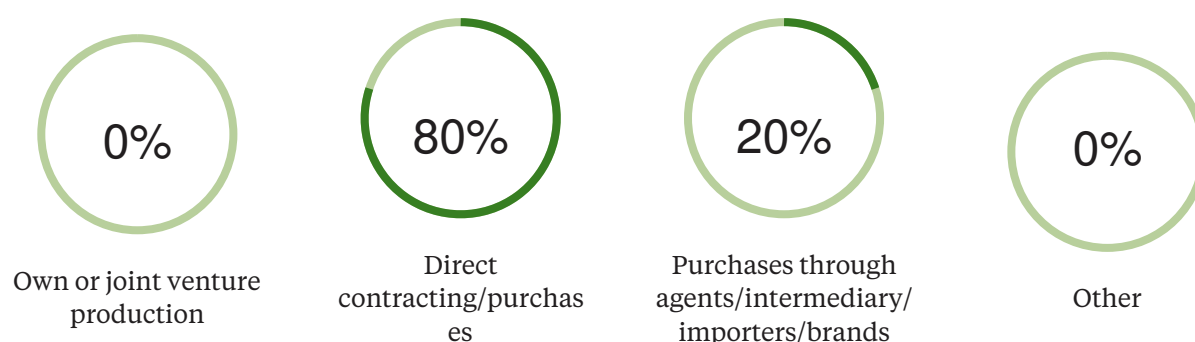
Number of suppliers with which the company had commercial relations in the reporting year

299

Comments

Commercial suppliers for Mediq Norge during the reporting year consists of 250 suppliers, and 49 for Puls AS. 100 of these suppliers are considered tail end suppliers.

Approximate ratio by sourcing options

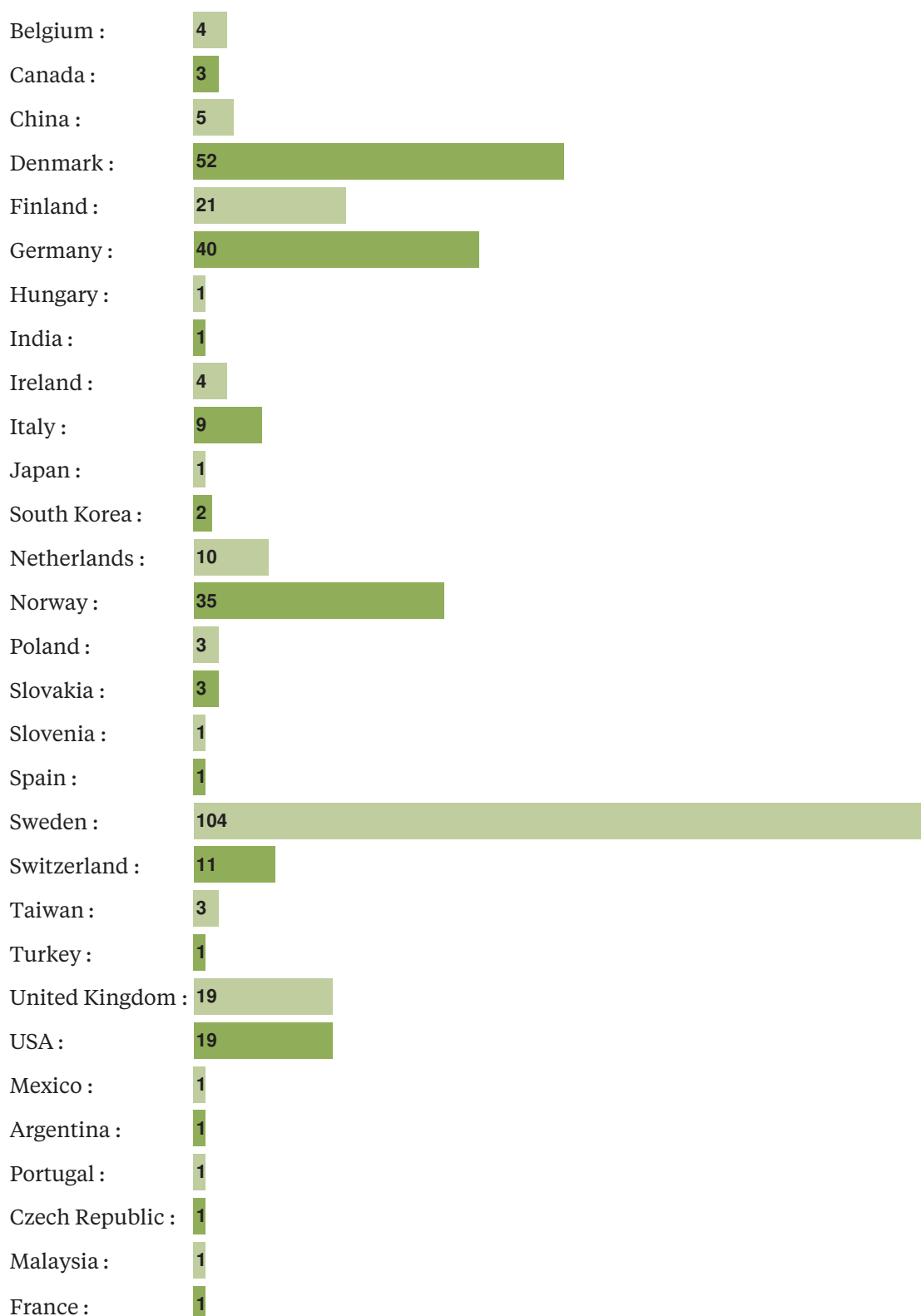


Mediq Norge and Puls do not own any manufacturing sites.

List of first tier suppliers (producers) by country

Austria :

4



The figures above illustrate 80% of spend for Mediq Norge during the 2021 calendar year according to the definition country of origin.

Some Manufacturers that we buy directly from have factories in different countries/locations.

Country of origin (COO) is an international term that indicates where a product is manufactured, produced,

processed or grown. it is not to be confused with the invoice address of the country which we purchase, which is mainly Europe

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

1 608

Number of suppliers this overview is based on

26

Numbers of workers per supplier (calculated average)

62

Comments to number of workers

The numbers of workers are based on 26 of our top 50 suppliers.

Key inputs/raw materials and associated geographies

Cotton	Global India Pakistan
Rubber	Global Indonesia Thailand Vietnam
Stainless Steel	Global United Kingdom Indonesia Sweden

The key raw inputs above are our main raw materials for our top categories in no particular order. The countries and regions stated above are mainly stated due to them being large global exporters. Mediq does not at this time require our suppliers to confirm the country of origin of the raw materials unless we request it. However, we do have great control over where our product originate from COO. This information is collected from the supplier as we create the different stock keeping units (SKU´s) in our ERP system.

Is the company a supplier to the public sector?

Yes

Goals and progress

Goals and progress for the reporting year

1

Goal : Supplier data gathered systematically by 75% of spend.

Status : Status pr 26/01/2021: 47%
Status pr 31/12/2021: 69%

Goal for coming years

1

Dedicate new resource in Nordic Sourcing department to have dedicated responsibility for sustainable supply chain within end of Q2 2022.

2

Prepare to ensure compliance with Åpenhetsloven by 1st July 2022.

3

Updated CSR data on hand by 90% of spend for the Nordic portfolio.

4

100% of our top 100 suppliers on Nordic level shall sign our updated Supplier Code of Conduct within end on 2022.



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 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 succeeding, 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.

1.A Policy* for own business

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

<https://mediqnorge.no/om-oss/csr>

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

As a leading company in our sector, there are high expectations towards Mediq. Our responsibility goes beyond the goal of ensuring high-quality sustainable care services. Our corporate social responsibility policy is about these main areas: the patients, the environment and the wider community.

Mediq has established a set of Code of Conduct which all companies in the Mediq Group need to comply according to. This document highlights Mediq`s core values in addition to describing required business practices, quality, environment and ethical labor practices, workplace issues as well as reporting irregularities. Mediq also has a Supplier Code of Conduct that all companies in the Mediq Group must adhere to. This requires that all our suppliers commits to the same principles throughout the whole value chain. The ethical guidelines are designed to ensure that the production of our goods complies with human rights, child labor, and labor rights.

Mediq Norway are ISO14001 certified which is a set of standards established to support Mediq Norway to minimize environmental impact by following local laws and regulations. This allows Mediq Norway to continuously measure and improve the way our business affects the environment. Our certificates are published on our website.

Mediq is committed to upholding ethical labor practices and procedures across all of its locations. Our responsibility in this area includes creating awareness and understanding of human rights, employment, and labor practices. By incorporating these principles into strategies, policies, and procedures, and living out our values, Mediq will uphold our basic responsibilities to our people, our environment, and set the stage for our long-term success. Mediq supports and respects the protection of internationally proclaimed human rights, and we strive to ensure that we are not complicit in human rights abuses. We also uphold the freedom of association and the effective recognition of the right to collective bargaining, the elimination of all forms of forced and compulsory labor, and the effective abolition of child labor. Our principles regarding the quality, environment and ethical labor practices are founded on the following key UN and International Labor Organization conventions as amended or restated from time to time.

Mediq Norge uses our website to communicate towards our external stakeholders how we commit to our work doing our due diligence in our supply chain.

The website describes our CSR strategy; Strengthening the healthcare system, Patient empowerment and well-being, Sustainable supply chain, Environmental performance and Employee engagement & well-being. In addition our "Policy for Responsible Business Conduct" and a description of how Mediq work with Corporate Social Responsibility towards our suppliers are published on our website.

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

The sender of our Code of Conduct is Christian Wojczewski, CEO of the overall Mediq Group. All Mediq employees, ie management and employees in all business units have to adhere to our Code of Conduct upon hiring, including Mediq Norway. Ethical trade is on the agenda from board meetings down through sales meetings, purchasing meetings, and supplier contract.

In addition Mediq Norge has developed our local "Policy for responsible business conduct". This policy document is based on resources from Etisk Handel Norge, approved by the board of Mediq Norge and signed by Managing Director of Mediq Norge.

Mediq Norway ensures that the ethical guidelines and commitment regarding ethical trade is communicated during the onboarding process of new colleagues by use of our electronic training module. Also, the company's intranet Workplace is used to communicate with all employees about the work on ethical trade and risk in the value chain. Communication regarding our member reporting to the Ethical Trade Initiative in Norway, as well as the risks and issues we see in markets we operate in get also shared.

As mentioned above, this Code applies to all employees, officers, and directors of Mediq and governs all our decisions and actions, whether in our offices, warehouses, in the boardroom, at customer or supplier premises or when providing care to our patients. This Code is at the center of everything we do. It reinforces our Core Values. We also require that all our suppliers commit to following so that the same principles are followed throughout the value chain.

Lastly, Mediq Norway has established internal procedures in our management system for follow-up on activities related to ethical trade which we take great pride in.

Mediq Norge is certified according to ISO9001 and ISO14001.

1.B Organisation and internal communication

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

Mediq's ethical guidelines are defined by the Mediq HQ which all companies in the Mediq Group must fully and wholeheartedly comply with. The management team in Norway are responsible for that the work with responsible business is carried out according to our values, with the the managing director being the overall responsible for Mediq Norge.

The Nordic Mediq cluster has several joint functions. Many of the suppliers are the same across the Nordic Mediq clusters.

The Nordic Sourcing department is responsible for the day-to-day follow up of CSR topics for the suppliers and ethical trade within the organization.

I.e. performing the due dilligence assement. In this may we can draw synergies across the nordic cluster.

The role of CSR coordinator in Mediq Norge is related to both Sustainable supply chain, Environment performance as well as Mediq employee engagement and wellbeing.

The role of CSR coordinator is to assist in anchoring policies, developing internal processes and routines, coordinating required reporting and coordinating communication.

A corporate CSR coordinator has been hired with dedicated responsibility to support all business units (Mediq Countries).

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?

The work with responsible business conduct is mainly aligned and described in Mediq's ethical guidelines. Each and any new employee receives this information during the onboarding process. The values are rooted in the three following pillars: Caring Heart, Customer Drive, and Champion Spirit.

We have transferred these pillars to business principles, work routines within quality, environment, and ethics and behavioral patterns in the workplace. The ethical guidelines support these principles. The guidelines apply to all our employees, directors and directors, as well as our suppliers, third-party representatives, and other business partners.

CSR tasks are part of the Job Descriptions of Sourcing Specialists.

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

Mediq support this in multiple ways, by offering our employees courses and programs which directly or indirectly improves the way the employees conduct business such as:

- Negotiation courses
- Leadership programs
- Higher educations
- Etisk Handel Norge
- Sharing of best practices in Supplier & Customer meetings

In 2020 a dedicated CSR Analyst has been employed in the Mediq cooperation supporting all Mediq entities, including Norway. The main task of this role is to conducting case studies to sustain the social value Mediq brings, particularly in strengthening the healthcare systems & patient empowerment and well-being. Secondly this role will be assigned is to help communicate and share our CSR stories within the cooperation. Mediq currently has smaller and bigger CSR initiatives and accomplishments across our business, we can do a better job at communicating those internally as well as externally.

On a corporate level in 2020 a sustainability workshop was held over a period of several weeks where representatives from each business entity were represented. The sourcing manager in Norway represented Mediq Norway in these workshops.

CSR coordinator has participated in several courses supplied by Etisk Handel Norge.

1.C. Plans and resources

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

Mediq is an international company specializing in healthcare products. The various markets in which we operate are not regular markets. Governments set requirements on affordability, accessibility, and quality of care. This makes healthcare markets highly complex and challenging.

Our commitment to respect people, society and the environment is directly linked to our code of conduct, which is the root of our overall strategy as an organization. Our code of conduct which is included in this report outlines this in more detail. Our code of conduct is always evolving and improving based on the input from our market, suppliers, customer and other organizations such as Etisk Handel Norge.

Furthermore, Mediq Norge AS are also ISO 9001 which is an internationally known standard. This certification allows Mediq to demonstrate the ability to consistently provide our customers with products and services that meet regulatory requirements.

In addition to the ISO 9001 certification, Mediq Norge are also ISO 14001 certified which is a set of standards established to support Mediq Norge to minimize environmental impact by following local laws and regulations. This allows Mediq Norge to continuously measure and improve the way our business affects the environment.

Mediq creates and shares two CSR reports with relevant stakeholders annually. One report related to CSR aspects on a corporate level and one supplier CSR report relevant for the Nordic Mediq countries.

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 in the board?

For Mediq Norge, it is the local leadership team that are responsible for following up on the work with the different support functions in the Nordic cluster with regards to sustainability, with the managing director being the overall responsible for setting the agenda for Mediq Norway by making sure that:

- The achievement of the company's aims for the given year
- The company's strategy and the risks inherent in its business activities
- The compliance with legislation and regulations

Furthermore, as mentioned previously in this report, Mediq Norge are reliant on our core values to support activities which the management team are overall responsible for, but also make sure to align with the support functions in Mediq Norge to make sure that we deliver on different areas such as:

- Ensuring that our code of conduct are signed and aligned with our business partners and upheld
- Make sure that we are and remain ISO 9001 and 14001 certified by continuously working with improvements.
- Other initiatives set by other stakeholders

Nordic Sourcing Head reports monthly to Managing Director and the Norwegian management team on status and progress, including CSR.

1.D Partnerships and collaboration with business associates, such as suppliers

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?

We select suppliers, third party representatives and other business partners based on their qualifications, reliability and adherence to applicable laws and our values. We take reasonable care in selecting them and do appropriate reviews from time to time. We require that they commit and adhere to the law and also that they have the training and tools to do so and that they shall be able to document their efforts to secure compliance with the local laws and our CoC at our request. This also applies to any sub-supplier. Mediq may terminate the relationship with any supplier, third party representative or other business partners that fails to meet the standards in this Code after a reasonable period of time for remedying a breach.

Our Code of conduct describes the key principles to ensure that we do the right thing in the right way. Always helped, of course, by a healthy dose of common sense. Together with our vision and values, the Code will guide our decisions and actions. This Code is applicable to all employees, officers and directors (together, "Employees") of Mediq and governs all our decisions and actions, whether in our offices, warehouses, in the boardroom, at customer or supplier premises or when providing care to our patients. This Code is at the center of everything we do. It reinforces our Core Values.

The Nordic identified some areas to improve and we have kicked off to great projects which will help the Nordic cluster including Norway to improve the follow-up process of our supplier in regards to business conduct by implementing the following:

To communicate Mediq policies, Mediq Norge has uploaded "Policy for responsible business conduct" and "Supplier CSR in Mediq" to our website: <https://mediqnorge.no/om-oss/csr>.

In our cooperation with Factlines, we receive reports for each supplier. In our regular evaluation meetings with suppliers, CSR is always a topic. The report from Factlines is used in these discussions with each supplier.

Regarding minimum criteria for suppliers, we have different parameters that we assess.

Firstly we demand that the supplier signs our Supplier Code of Conduct, or provide us with an equal statement. We also use the Onepager supplied by the Factlines system to assess the supplier before approving the supplier. The goal is that each category/area in the Factlines questionnaire have a score higher than 70% and it is a red flag if the supplier scores less than 50%.

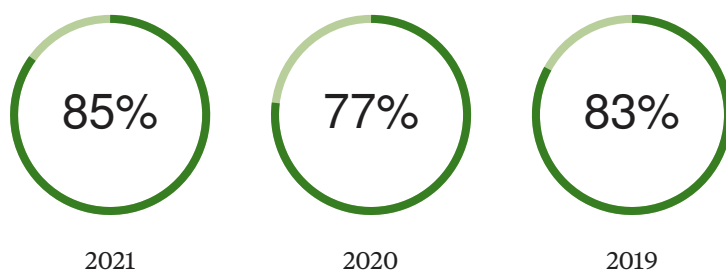
Another goal is to have the answer "Yes" to the following questions:

-If an on-site audit is required, can you provide access to your own production facilities relevant for the products and or services that you deliver to us"

-If an on-site audit is required, can you provide access to suppliers' and sub-suppliers' production facilities relevant for the products and or services that you deliver to us?

Indicator

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



The percentage is lower in 2020 compared to 2019 due to introduction of several new suppliers in regards to warehouse movement from Norway to Sweden.

The percentage has increased from 2020 to 2021. It is expected to increase even further as process for approving new suppliers have been improved in our management system and is now well implemented.

All our main suppliers have signed the Code of Conduct. Approximately 1/3 of our suppliers are considered tail end.

1.E Lessons learned and changes in the reporting period

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

The key lesson during the reporting year concerning sustainability is that we can always improve our efforts regarding this highly important topic. Not only Mediq, but the whole supply chain going from the manufacturer to the end customer of the products we provide.

We do our best to listen to our stakeholders, and one example of this is from our customers from the public sector regarding the code of conduct and having this as a standard topic in meetings with our suppliers. This has been brought up internally, and will likely be implemented as a Nordic standard in our meetings with our suppliers where we take some time to review this topic with the suppliers on a yearly basis. The final form is to be decided.

Another experience is that it is sometimes challenging to assure the quality of the supplier responses to our questionnaire. A supplier may get a false low score if the questionnaire is completed by incorrect personnel. I.e. our commercial contact. Or if they misunderstand our questions.

A man with a slight smile, wearing a white hairnet and a dark blue long-sleeved shirt, is looking towards the camera. He is in a factory or industrial setting, with blurred machinery and structures in the background. The lighting is soft, highlighting his face.

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 relations. As a first step the company should get an overall risk picture, before subsequently prioritising measures where the risk of negative impact is the greatest, i.e. salient issues. How the company is involved in the negative impact is central to determine the right actions to take. 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.

Salient issue	Related topic	Geography
Use of recruitment fees giving bonded labor	Forced labour Wages Regular employment	Malaysia

We are an active members of Amfori BSCI trough Medeco BV, an external organization designed to evaluate factories and share information.

Multiple audits have been preformed during the reporting year and Mediq Norge have been briefed regarding the progress.

Our main focus has been related to production of gloves.

DETERMINATION OF SALIENT ISSUES

2.A.2 Describe in short the company's routines for mapping and identifying risk and show how the negative impact was identified and prioritised in this period. Describe how information was gathered, what sources were used, and which stakeholders have been involved/consulted. Further, describe 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.

Risk process description

The supplier survey

The survey uses the Factlines standard CSR self-assessment questionnaire with additional questions within the topics labour and human rights, environment, health and safety and anti-corruption and bribery.

The survey is based on the ten principles in UN Global Compact, OECDs guidelines for responsible business and Mediq's supplier code of conduct.

Questions

The Mediq CSR survey covers the following topics:

Part 1: CSR strategy and ethical guidelines

Part 2: Supply chain; follow-up, insight and control

Part 3: Risk assessment and management

Part 4: Corporate management systems

Part 5: Labour and human rights

Part 6: Environment, health and safety

Part 7: Anti-corruption and bribery

Part 8: Commitment to Mediq's code of conduct

CSR score

Each question is pre-defined with a given score based on importance. Maximum score is 955 (100%).

Risk profile

Each supplier gets a risk profile based on their response to the survey. The risk profile supports the prioritization of follow-up activities. Risk profiles can be adjusted according to Mediq's policy and priorities.

Risk report

Factlines risk report covers information regarding Supplier risk profile, recommended follow-up actions, high risk countries in Mediqs Supply Chain and the suppliers awareness of the risks in those countries etc.

Add hoc

In addition to the annual survey, we act continuously in areas where risks are brought to our attention by other means. There can be multiple sources ranging from customers, business partners, news articles and also peer reviewed papers to name a few. We collaborate with Factlines to help assess the information.

Sources:

- High risk products - The Norwegian Agency for Public and Financial Management (DFØ)
<https://www.anskaffelser.no/public-procurement/socially-responsible-publicprocurement/information-about-high-risk-products>
- Transparency International Corruption Index 2020 <https://www.transparency.org/en/cpi/2020/table/nzl>
- The US Department of Labour; List of Goods Produced by Child Labor or Forced Labor 2018
<https://www.dol.gov/sites/dolgov/files/ILAB/ListofGoods.pdf>
- International Trade Union Confederation (ITUC) - Annual Survey of Violations of Workers Rights 2020
https://www.ituc-csi.org/IMG/pdf/ituc_globalrightsindex_2020_en.pdf
- US State Department: Country Reports on Human Rights Practices 2019 <https://www.state.gov/reports/2019-country-reports-on-human-rightspractices/>
- UN Global Sustainability Goals www.unglobalcompact.org
- Maplecroft; webinars on Human Rights and statistics <https://maplecroft.com/about/webinars/watch/>
- Human Rights Watch <https://www.hrw.org/>
- Initiative for ethical trade (NO,DK,UK) www.etiskhandel.no www.dieh.dk www.ethicaltrade.org
- The CSR Risk Check (developed and owned by MVO Nederland, funded by the Dutch Ministry of Foreign Affairs) <https://www.mvorisicochecker.nl/en/world-map>

ADDITIONAL SEVERE IMPACTS

2.A.3 Describe any other severe 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.

Inspection of a manufacturer in February 2021 verified that earlier findings related to Freedom of association, Safety and hygienic conditions, Working hours, Regular employment were corrected to a satisfactory level.

Regarding Facemasks: Mediq received information about treatment of the Uyghurs minority group in Xinjiang province of China. Mediq immediately contacted all facemask suppliers to map the supply chain and could confirm that the source of the facemask did not come from Xinjiang province.

A woman in a blue surgical cap and gown, looking down, in a hospital setting. The background is blurred, showing other people in similar attire and bright lights.

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	Use of recruitment fees giving bonded labor
Goal :	There shall be no forced, bonded or involuntary prison labour.
Status :	Manufacturer where recruitment fees has been identified has reimbursed recruitment fee for all relevant workers during 2021.
Objectives in reporting year :	Manufacturer where recruitment fees has been identifies must reimburse recruitment fee for all relevant workers

Actions :

As a result of the ongoing pandemic (COVID-19) several new suppliers have been established in order to fulfill the significantly increased world demand for examination gloves. Based on the globally highlighted ethical challenges especially related to glove production, Mediq have conducted an full audit at a glove manufacturer in Malaysia in cooperation with Amfori BSCI. A corrective action plan were established with concrete corrective actions.

A follow up inspection was performed in February 2021 and it was concluded that salient issues were corrected to a satisfactory level. Including remediation of recruitment fees. 2 verifications circles were performed in order to verify that all relevant workers were correctly reimbursed.

Salient issue	
Goal :	
Status :	
Objectives in reporting year :	

Actions :

OTHER ACTIONS RELATED TO MANAGEMENT OF NEGATIVE IMPACTS

Describe cross-cutting actions to cease, prevent or mitigate negative impacts, including in your supply chain

3.B.1 Reduction of environmental and climate footprint

Mediq Norge is certified according to ISO14001.

We take our responsibility for collection and circulation of waste. We are member of Grønt Punkt and NORSIRK. Mediq focus on sourcing biodegradable products as an alternative to plastics. I.e band aids.

Mediq practice strict internal rules related to climate friendly transport by avoiding transport by air and choosing transport partners with zero emission vehicles as far as possible.

Mediq have several Key Performance Indicators related to environment. I.e CO2 emission due to transport of products, waste fractions, carton consumption and plastic consumption.

Actions we currently are working on to reduce carbon footprint, are transfer to automatic packing robots in our warehouse. The robot measure the height of products inside transport box and automatic cuts the sides of the box to minimum volume in order to avoid transport of dead volumes.

3.B.2 Adapting own purchasing practices (sourcing)

Mediq does it utmost in regards to its purchasing practices to be a trusted long-term partner to its suppliers and business partners.

One critical procedure Mediq Norge has in place is monthly a Sales- and Operations Planning meetings (S&OP) with key stakeholders in management.

The main purpose of these meetings is so that we can ensure that we have the right goods in stock at the right time, which cannot be done without working closely with our suppliers. The alignment internally within Mediq helps us to support our suppliers with quality information regarding what they can expect in terms of purchasing volumes and delivery dates. Hence avoiding rush orders and need for urgent transport by air.

It is an ongoing project within Mediq Norge to reduce the total number of suppliers and consolidate purchasing volumes. Having a long tail of suppliers and products makes the tracking and maintenance of the supplier base more complex both in terms of category management, but also with regards to ethical trade and control of the supply chain.

To add to the point above, the work which our category managers together with our product managers put in, is critical moving forward in regards to the assortment management and has a high priority within the Nordic cluster. This allows Mediq to improve and define the product range of the goods needed from a supplier, thus reducing the need to purchase goods outside of the agreed assortment, which can be challenging for the suppliers. This effort supports Mediq to be a stable buyer, as it hopefully reduces the need for non-planned purchases which can strain the supplier and the supplier relationship over time.

3.B.3 Choice of product design and raw materials

We do our best to convert products lines from suppliers over to more eco-friendly versions. We stipulate in our supplier contracts that the supplier should have an active environmental policy and is certified according to ISO14001 or equivalent and that the supplier has a responsible approach and procedures. Reporting on certifications was included in the SAQ from 2019.

3.B.4 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.

The Mediq group, including Mediq Norge AS has a strong Code of Conduct which is written based on our core values. In this area specifically, our principles are founded on the following key UN and International Labor Organization convention.

- Freedom of Association and the Right to Collective Bargaining (ILO Conventions Nos. 87, 98, 135 and 154)

Furthermore, we use the third party partner Factlines as support, which allows us to focus follow-up work on the part of the value chain where the risk of human rights violations is greatest.

3.B.5 Contribution to development, capacity building and training internally and of suppliers and workers in the supply chain

We do not contribute directly to development, capacity building and training of suppliers and workers in the supply chain in terms of funding different programs at this time, but we work closely with suppliers in which is a function which allows us to support each other in terms of information sharing, best practices, etc.

3.B.6 Other relevant information concerning the company's work to cease, reduce and handle negative impact on people, society and environment

Scorecard of risk assessment from the Factlines system is used as a tool to discuss CSR topics with our suppliers on regular supplier meetings.



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

In regards to our relationship with third-party suppliers, we take several steps. We are an active member of Amfori BSCI, an external organization designed to evaluate factories and share information. Potential partners are subject to a rigorous selection and quality criteria as part of the overall Mediq Sourcing Policy.

Furthermore, our quality team in Holland performs independent audits on our suppliers on a annually risk-based assessment, where we get the opportunity to cooperate closely with the suppliers to uncover weaknesses and flaws. Based on the findings we create a corrective and preventive action plan which can cover topics going from health and safety to working hours. The Capa consist of four key elements which the supplier must submit back to Mediq's quality team:

- Completed Date
- Audit Category
- Preventive / Corrective Action
- Actions completed

The Nordic Mediq countries annually conducts a CSR survey with the supplier base. The survey covers following topics:

- Part 1: CSR strategy and ethical guidelines
- Part 2: Supply chain; follow-up, insight and control
- Part 3: Risk assessment and management
- Part 4: Corporate management systems
- Part 5: Labour and human rights
- Part 6: Environment, health and safety
- Part 7: Anti-corruption and bribery
- Part 8: Commitment to Mediq's code of conduct

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

As mentioned above, our quality team in Holland performs independent audits on our suppliers on a annually risk-based assessment, where we get the opportunity to cooperate closely with the suppliers to uncover weaknesses and flaws. Based on the findings we create a corrective and preventive action plan which can cover topics going from health and safety to working hours. The Capa consist of four key elements which the supplier must submit back to Mediq's quality team:

- Completed Date
- Audit Category
- Preventive / Corrective Action
- Actions completed

The suppliers receive follow up requests from Mediq regarding salient issues and are urged to solve the complaints.

Mediq have preformed multiple audits in the reporting year which leads to wider experience and lessons learned over time.

A woman with dark hair tied back, wearing a light blue button-down shirt and a brown leather apron, is looking down at a surface, possibly a stove or a workbench. The background is blurred, showing a kitchen or industrial setting.

5

Communicate how 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 available, 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 when managing negative impact

Mediq Norge have published our Policy for responsible business conduct and our annual CSR report on our website; <https://mediqnorge.no/om-oss/csr>

In addition we have close direct dialogue with our suppliers and follow up directly to explore issues and initiate development.

Mediq Group has relied on use of external competence to perform audits and to follow up on mitigating actions. I.e audits by SMETA and action verification by ELEVATE.

In the particular care of reimbursement of recruitment fees, ELEVATE used the following approach:

- Manufacturer shared list of workers who were identified as part of the remediation program.
- ELEVATE used sampling approach of 90% confidence level and 5% margin of error to estimate pool of workers selected for random verification, ensuring good balance across gender and country of origin for the workers.
- ELEVATE asked manufacturer to provide transaction records (bank statements) and conducted remote interviews with current workers on the relevant local language. Before interview Manufacturer HR communicated with the selected workers that they would be interviewed by a 3rd party organization who would be verifying the transaction records on their bank accounts.
- To provide multi-lingual support, ELEVATE leveraged its partnership with North South Initiative (NSI). In total 5 NSI staff conducted the remote payment verifications, covering 7 languages.
- At each site, the selected workers were brought into a conference room in the factory for interviews, with a laptop for workers to dial-into conference call.
- During each interview, workers were asked whether they had received the reimbursement in full. Then they were asked to share details of transaction directly from their bank statements or pay slip. In addition to validating the fee amount, workers identity were verified by passport copies and employee card IDs.
- Only cases with physical evidence of transaction were considered verified.

5.A.2 Describe how the company communicates publicly about its own work on identifying and managing salient risks

Openness creates confidence, also regarding challenges in the supply chain. Mediq communicates it's work on this topic in several ways, such as:

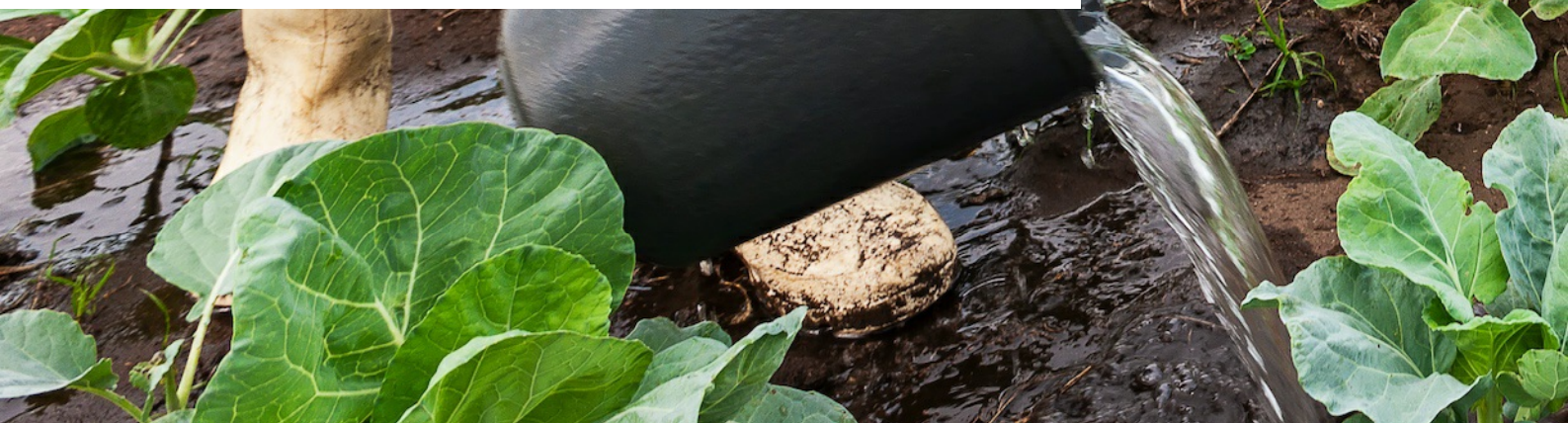
- Directly to customers in customer meetings with this topic on the agenda.
- Through this report
- Our website



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 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 is based on template from Etisk Handel Norge. The policy states: "If our activities are found to cause or contribute to negative impact on people, society or the environment, we will stop the activities and seek to provide remedy. If our supplier is responsible for the negative impact, the supplier is responsible for providing remedy."

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

Reimbursement of recruitment fees were done for over 4000 foreign migrant workers at 8 sites of a Malaysian glove manufacturer.

With the help of ELEVATE, two payment verification cycles were performed to ensure that all workers in scope were rightfully compensated across the different sites. ELEVATE validated the transactions and receipt of payments.

In verification cycle 1, ELVEVATE interviewed 284 workers across the 8 sites. Based on the findings ELEVATE verified that 99% of workers were reimbursed in full. The remaining 1% of workers indicated that they were also reimbursed, but ELEVATE was not able to verify physical evidence to validate information.

In verification cycle 2, ELEVATE interviewed 274 workers across 8 sites. Based on the findings ELEVATE verified that 100% of workers were reimbursed in full.

6.B. Ensure access to grievance mechanisms 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 appropriate

Mediq have a speakupfeedback hotline where all employees can report issues anonymously if desired.

Mediq are also in process to establish a whistleblower hotline for external use. We are planning to create a reporting opportunity on our website as part of our responsible sourcing information. This is expected to be in place latest Q1 2023.

Mediq will immediately and carefully investigate all violations brought to its attention.

Contact details:

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