



# Transparency report

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# Transparency Act Report

## Introduction

This report outlines ArcticZymes Technologies ASA's compliance with the Norwegian Transparency Act, which promotes respect for fundamental human rights and decent working conditions. It covers ArcticZymes Technologies ASA and ArcticZymes AS, both based in Tromsø, Norway (hereinafter "the Group", "ArcticZymes" or "the Company"). The CFO retains overall responsibility for compliance. The report was prepared by the Finance department in cooperation with Quality Assurance.

ArcticZymes is a Norwegian life sciences company specializing in recombinant enzymes for molecular research, IVD, and biomanufacturing. With R&D and production in Tromsø and commercial operations across Europe, North America, and Asia, the Company serves a global customer base.



## Internal culture

At ArcticZymes Technologies ASA, our internal culture is the cornerstone of how we operate—with integrity, transparency, and respect for human dignity. We believe that a healthy, inclusive, and ethically grounded workplace is essential not only for compliance but for innovation and long-term success.

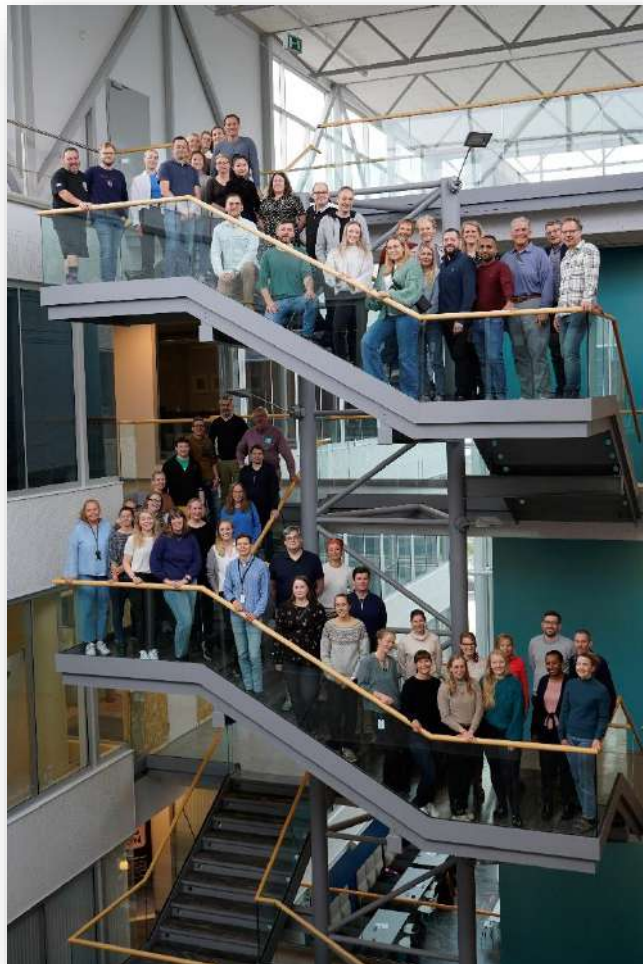
All employees are bound by ArcticZymes' Code of Conduct, which outlines expectations for ethical behavior, respect for human rights, and professional integrity. The Code is publicly available on our website and is reinforced through:

- Mandatory onboarding training for all new hires
- Annual employee surveys that include questions on ethical awareness and perceived workplace fairness
- Clear reporting channels for suspected violations, including escalation paths beyond direct supervisors

Moving forward, ArcticZymes continues to emphasize ethical awareness by integrating Transparency Act principles into internal communications and team meetings. The Code of Conduct was reviewed and updated to reflect evolving expectations around labor rights and responsible business conduct.

We are proud of our collaborative and inclusive work environment. ArcticZymes supports employee voice and representation through a recognized trade union Tekna. To monitor and strengthen our workplace culture, we conduct regular assessments, including:

- Annual employee engagement surveys, which at the latest publication showed high levels of trust in leadership and satisfaction with working conditions





- Anonymous feedback tools to ensure all voices are heard

In addition, ArcticZymes continues to support flexible work arrangements, professional development opportunities, and a strong focus on work-life balance.

## Diversity, Equity, and Inclusion (DEI)

We recognize that diversity drives innovation. ArcticZymes continues tracking workforce composition metrics to better understand representation across gender, age, and background. While we are a relatively small organization, we are committed to:

- Equal opportunity hiring practices
- Bias-aware recruitment training for hiring managers
- Inclusive leadership development programs

We also encourage open dialogue around inclusion and psychological safety, and we are exploring partnerships with external organizations to further strengthen our DEI strategy.

## Supply Chain Due Diligence

The Transparency Act requires ArcticZymes to carry out due diligence activities to ensure that the Company is operating responsibly, respecting both human rights and decent working conditions.

ArcticZymes' due diligence process began by revisiting the supplier questionnaire used in the previous year. This standardized tool was developed in 2023 to gather essential information about suppliers' commitment to human rights, decent working conditions, and ethical business conduct. The due diligence process is performed in accordance with OECD's due diligence guidance for responsible business conduct.

### Step 1 – Initial Supplier Evaluation

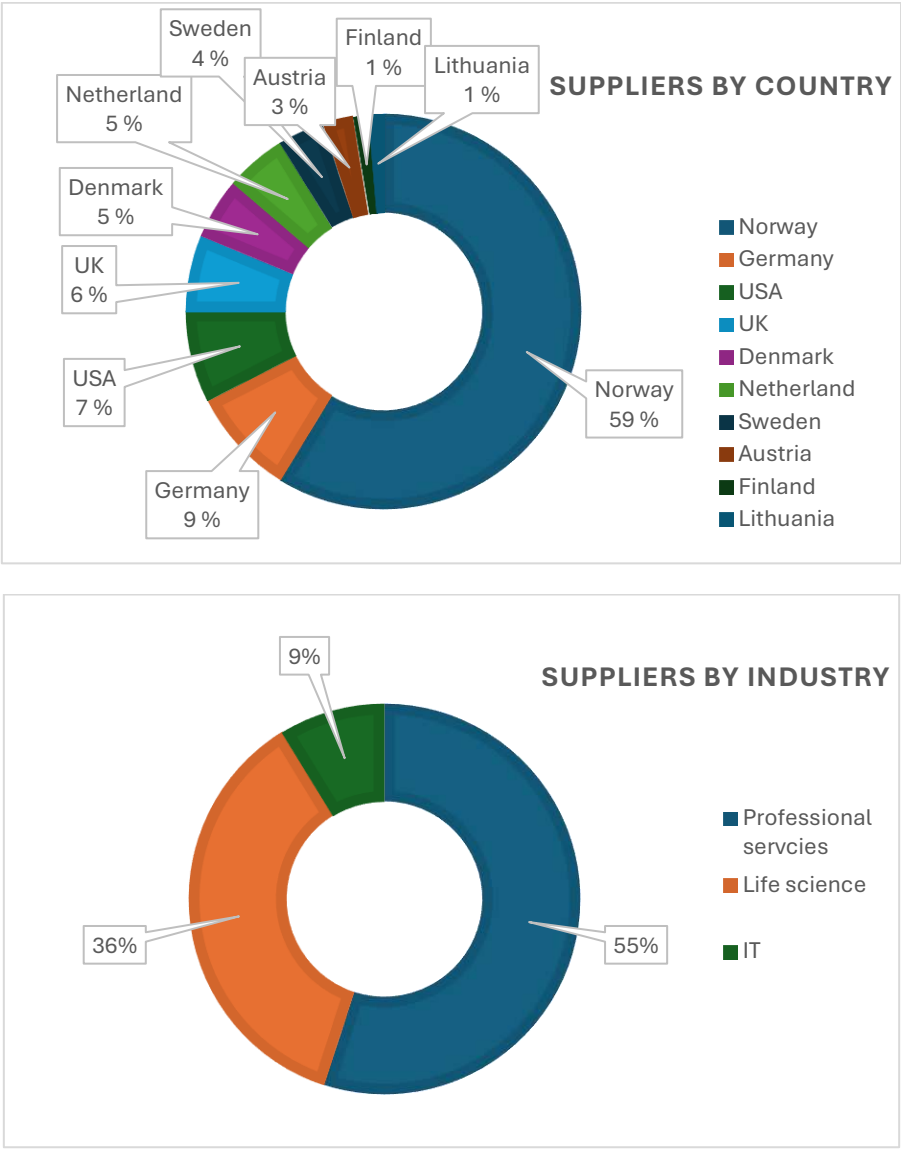
We used the core questionnaire for new suppliers to ensure consistency and comparability in responses over time. The questionnaire focused on three key areas:

- Confirmation of compliance with fundamental labor and human rights
- Country of operation and industry classification
- Presence of internal policies aligned with ArcticZymes' Supplier Code of Conduct

ArcticZymes' supply chain mapping, based on data from December 31, 2024, included over 240 suppliers. The focus was on qualified suppliers and those with a turnover above

NOK 100,000 in 2024. Qualified suppliers meet ISO 13485 certification standards. One-time suppliers and those with less than NOK 100,000 turnover were excluded due to limited cooperation and impact potential.

Step 1 identified the distribution of suppliers by country and industry:



As before we use the following matrix for geography- and industry-based risk assessment:

**Table 1** Geography- based risk tolerance

Area	Source	Scope	Cut off	Comments
Human rights	Freedom House	Political rights and civil liberties. Freedoms of expression, association and belief, women rights, minority communities' rights, right for fair trial.	70	Countries below 70 is not free og partly free
Corruption	Transparency International	Corruption and transparency in the public sector.	60	100 is very clean and 0 is highly corrupt
Human rights	International Trade Union Confederation	Decent working conditions, rights at work, rights to freedom of association, collective bargaining and strike	2 or below	1 being the best rating and 5+ the worst

Source: [www.freedomhouse.org](http://www.freedomhouse.org), [www.transparency.org](http://www.transparency.org), [www.ituc-csi.org](http://www.ituc-csi.org)

**Table 2** Geography-based risk mapping

Country	Freedom House	Corruption index	Trade Unions
Norway	99	81	1
Germany	95	75	1
USA	84	65	4
UK	92	71	4
Denmark	97	90	1
Netherland	97	78	2
Sweden	99	80	1
Austria	93	67	1
Finland	100	88	2
Lithuania	89	63	2

We also continue to apply Norwegian Directorate for Administration and Financial Management' information on product categories with a high risk of human rights violations in the supply chain ([anskaffelser.no/berekraftige-anskaffingar/menneskerettigheter/hoyrisikolisten](http://anskaffelser.no/berekraftige-anskaffingar/menneskerettigheter/hoyrisikolisten)).

Out of 80 suppliers evaluated in Step 1, we identified:

- 11 with increased risk based on geographic origin (UK and USA)
- 7 with risk linked to industry classification (IT equipment and services)

Suppliers triggering one or more risk indicators were selected for further evaluation under Step 2.

## Step 2 – Deeper Risk Assessment

Step 2 involved a more thorough investigation into these suppliers' practices, policies, and public disclosures to determine whether they uphold the standards outlined in ArcticZymes' Supplier Code of Conduct and the Norwegian Transparency Act.

Each supplier was asked to provide:

- A signed acknowledgment of ArcticZymes' Supplier Code of Conduct
- Internal policies on human rights, labor standards, and ethical business conduct
- Documentation of due diligence procedures or third-party audits
- Publicly available reports or certifications (e.g., ISO standards, ESG ratings)

In addition, ArcticZymes reviewed:

- The supplier's website and corporate responsibility statements
- Past performance and cooperation history
- Any available external evaluations or media coverage

This multi-source approach ensured that risk assessments were not solely based on self-reporting but also on observable behavior and third-party validation.

Key Findings:

- **UK Suppliers:** Five suppliers in IP, information services and consulting acknowledged the Code of Conduct and demonstrated strong ethical practices.
- **US Suppliers:** Four service providers (consulting, payroll, customer support) were deemed acceptable based on long-standing cooperation, contract reviews, and external recognition (e.g., workplace culture awards). Supplier within life science confirmed its commitments to respect fundamental human rights through ongoing dialogue and the submission of a signed Code of Conduct.
- **IT and Office Equipment Suppliers:** Norwegian and Swedish suppliers in these categories were found to be compliant with the Transparency Act and national labor laws. One U.S.-based IT supplier has submitted signed Codes of Conduct, which aids in mitigating the associated risks.

Based on the evidence gathered, ArcticZymes adjusted the risk levels of these suppliers to acceptable.

### **Step 3 – Preventive Measures and Mitigation Actions**

The third step in ArcticZymes' due diligence process focuses on proactively addressing potential risks identified in earlier assessments. In 2024/2025, no suppliers were classified as having a higher potential risk for adverse impacts on fundamental human rights and decent working conditions.

#### **Step 4 – Monitoring and Evaluation**

The fourth step in ArcticZymes' due diligence process ensures that preventive measures introduced in Step 3 are not only implemented but also monitored, evaluated, and refined over time. This step is essential for maintaining accountability and ensuring that the Company's ethical standards are upheld across its operations and supply chain.

#### **Oversight and Responsibility:**

The Chief Financial Officer (CFO) retains overall responsibility for monitoring the implementation of due diligence measures. This responsibility is supported by a cross-functional team from Finance and Quality Assurance, ensuring that monitoring is embedded across relevant business functions.





## Monitoring Mechanisms:

ArcticZymes uses a combination of proactive and reactive tools to evaluate supplier performance and internal compliance:

- Ongoing Supplier Evaluation: Suppliers are reassessed during contract renewals, renegotiations, or when new assignments are initiated. This ensures that risk profiles remain current and that any changes in supplier behavior or ownership are captured.
- Incident-Based Reviews: If a supplier is involved in a reported incident, deviation, or whistleblower case, a targeted review is triggered to assess the potential impact on human rights and working conditions.
- Periodic Audits: Selected suppliers—particularly those in higher-risk categories—are subject to scheduled audits in accordance with ArcticZymes' ISO 13485-certified quality management system. These audits may include document reviews, interviews, and site visits where feasible.
- External Information Monitoring: The Company continuously monitors publicly available information, including media reports, NGO alerts, and regulatory updates, to identify emerging risks or red flags related to suppliers or industry practices.
- Internal Reporting Channels: Employees are encouraged to report concerns related to supplier conduct or ethical risks through established internal channels. These reports are reviewed confidentially and may trigger further investigation.

## Evaluation and Feedback Loops:

To ensure that lessons learned are integrated into future due diligence cycles, ArcticZymes has established feedback mechanisms:

- Post-Audit Reviews: Findings from supplier audits are documented and shared with relevant departments. Corrective actions are tracked and followed up within defined timelines.
- Annual Due Diligence Review: Each year, the due diligence process is evaluated for effectiveness. This includes reviewing the risk assessment methodology, supplier engagement strategies, and the impact of preventive measures.

- Stakeholder Feedback: ArcticZymes actively seeks input from employees, suppliers, and external stakeholders to improve its approach.

This structured and responsive monitoring framework ensures that ArcticZymes not only meets the legal requirements of the Transparency Act but also builds a culture of continuous improvement and ethical accountability.

In line with Section 6 of the Act, ArcticZymes has established a dedicated contact point for transparency-related inquiries and ensures timely responses to public requests.

## Conclusion

ArcticZymes has not identified any violations of human rights or decent working conditions. The company continues to uphold a high level of compliance with the Act. ArcticZymes will persist in proactively assessing risks related to human rights infringements (including fundamental labor rights) and will implement appropriate mitigating measures as necessary.

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