

NattoPharma
2022 TRANSPARENCY ACT REPORT



This report has been prepared in accordance with the Norwegian Transparency Act (the “Transparency Act”) section 5 and summarizes the policies and procedures in NattoPharma AS (“NattoPharma”) with respect to safeguarding of human rights and decent working conditions and provides information on the implementation and results of NattoPharma’s due diligence.

About NattoPharma

NattoPharma is a B2B company promoting and selling vitamin K2 globally under its world recognized brand MenaQ7® which has Novel Food approval from the European Food Safety Authority (EFSA) and in the United States is Generally Recognised as Safe (GRAS), a designation by the U.S. Food and Drug Administration (FDA) stating that all necessary research, including the formation of an expert panel to review safety concerns, has been performed.

NattoPharma operates from its office in Oslo, Norway, and is part of Gnosis by Lesaffre (“GBL”), the Human Health and Nutrition Business Unit of the Lesaffre Group, which is headquartered in Lille, France. Lesaffre is a multinational group which designs, manufactures, and markets innovative solutions for baking, food taste & pleasure, health care and biotechnology. Lesaffre’s mission is “Working together to better nourish and protect the planet”, and this mission unites and guides the daily actions of the Group’s 11,000 employees.

Due Diligence with respect to human rights and decent working conditions

NattoPharma acknowledges, supports, and respects fundamental human rights and decent working conditions and actively works to ensure that its business operations do not cause or contribute to and are not directly linked to, actual or potential adverse impacts on human rights and decent working conditions. The business is managed to high standards which are in line with international recommendations and initiatives adopted throughout the Lesaffre Group and which respect the ethical, integrity, safety and CSR standards that are formalized in the following Lesaffre Group Policies to ensure responsible business conduct:

- Our Code of Conduct
- Our Suppliers’ Charter
- General Terms of Purchase
- Our Global HR Policies

Our Code of Conduct guides the way we conduct our business and takes inspiration from international organizations and initiatives including The Organization for Economic Cooperation and Development (OECD), The International Labour Organization (ILO) and The Universal Declaration of Human Rights. In addition to compliance with applicable laws in the countries that we operate, “People”, form one of the four flagship pillars of the Lesaffre corporate social responsibility by:

- Prohibiting forced or compulsory labour and child labour
- Fighting all type of abuse, violence, discrimination, or harassment

- Providing dignified working and remuneration conditions
- Ensuring the safety, the security, and the health of employees
- Developing and protecting our human capital
- Respecting freedom of association
- Contributing to a circular economy and to the economic and social development of local communities

The expectation is that these guiding principles will be adopted by our stakeholders, including suppliers, sub-contractors, and business partners. This is supported by Our Suppliers' Charter which shares with existing or potential suppliers the principles governing responsible purchasing at Lesaffre and specifies the commitments expected from suppliers in return. As part of the Lesaffre Group, this Charter applies to all suppliers of NattoPharma AS and includes the following expectations in respect of human rights and decent working conditions:

- Compliance with the regulations, standards, and laws in force
- Sharing the same ethics and compliance values as Lesaffre, particularly concerning opposition to discrimination in employment, forced or compulsory labour or child labour
- Compliance with all safety requirements of Lesaffre's entities
- Demonstrate a responsible commitment to managing health and eliminating workplace related illnesses.
- Maintain appropriate QHSE processes and systems.

Our General Terms of Purchase further reinforce expectations in relation to ethics and compliance in accordance with the ILO and the UN Conventions and the Human Rights Declarations.

The Lesaffre Global HR Policies define the principles and guidelines which constitute the common language for efficient and effective Human Resources Management within Lesaffre around the world, respecting and promoting Human Rights, Health & Safety, Well-being, Compensation & Benefits, Diversity & Inclusion, Career Management & People Development and Social Relations. Their implementation is guided by common sense, considering the specific context and compliance with local laws, as it is essential that local legislation and practices are respected everywhere.

Impact Assessment

NattoPharma's core business is the global wholesale of Vitamin K2 under its world recognized brand of MenaQ7®. In the wholesale of MenaQ7®, NattoPharma works with suppliers and third-party manufacturers in different regions and countries, in addition to utilizing internal plants of the Lesaffre group, and support functions based in the Oslo Headquarters. As a result, the identification of human rights and our assessment of how we impact them and how we ensure decent working conditions is of key importance to us and our stakeholders. Due to the level of integrated operations, NattoPharma can

monitor, evaluate, and control many key processes and operations, but is also dependent on a limited number of key external partners, especially in respect of the supply chain.

NattoPharma's Board of Directors (the "Board") has the oversight responsibility of the management of the company, including responsibility for risks related to adverse impact on human rights and decent working conditions, and ensures that respect for these is systematically integrated into NattoPharma's policies and business decisions.

In 2022, the Board undertook a risk assessment of human rights and decent working conditions and identified the following areas with potentiality for adverse impact on fundamental human rights and decent working conditions:

Supply Chain Risks and Responsible Purchasing:

With most suppliers NattoPharma has longstanding working partnerships, and they operate according to similar Codes of Conduct and policies as Nattopharma and the Lesaffre Group. However, due to the global nature of the supply chain, the potential risk is considered moderate, and country and industry risk matrices are applied as risks of adverse impact on human rights and decent working conditions are highly country specific. During 2022 a proactive approach has been initiated to identify all suppliers and to share with them the Lesaffre Code of Conduct. The next step is the collation from suppliers of the signed Suppliers' Charter, an activity which will be managed by the centralized Purchasing Function of the Gnosis by Lesaffre Business Unit which is responsible for the management of all Business Unit suppliers, including those of NattoPharma AS. Furthermore, the Group is currently defining a performance indicator to measure responsible purchasing in terms of procurement of sustainable products and services from responsible suppliers.

Employee Health and Safety:

Improving the safety culture in striving towards zero accidents. Employee health and safety are measured by 2 performance indicators at a subsidiary level:

- frequency rate of accidents with or without lost time for Lesaffre employees
- frequency rate of accidents with or without lost time for Lesaffre employees and temporary staff

The objective is to reduce the frequency and rate of accidents with and without sick leave for Lesaffre employees to 5 by 2023. All workplace accidents (with and without sick leave) are analysed, and corrective measures are implemented to prevent reoccurrence. The analyses and actions taken are formally documented and recorded.

NattoPharma follows the guiding principles of the Group's safety approach to ensure compliance with Lesaffre's minimum safety requirements. Furthermore, it ensures all applicable local safety laws and regulations are enforced and monitors their application.

Training, Development and Work Environment:

NattoPharma follows the Group guidelines to foster employee commitment by developing their careers within a safe and inclusive working environment.

In 2022 a Group HR representative visited the Oslo office of NattoPharma to communicate and provide training on the Global HR Policies which promote and ensure respect for human rights in our operations.

To develop and adapt the skills of our employees to the challenges of the future all employees have been provided access to the Lesaffre E-Learning Academy (LEA). The training offer is very broad and covers areas such as finance, project management, sales or research, development & innovation. More than 6,000 courses and educational resources are available to the users. The longer-term goal is to increase the number of hours of connectivity to the online training platform by more than 10% by 2025.

The offering of career advancement opportunities is another core guideline to optimise the employee experience. This is promoted by a series of measures including annual performance monitoring and access to internal offers. All employees have access to the Lesaffre internal mobility platform where they can access job vacancies within the Group and apply to job vacancies of interest. In 2022, each NattoPharma employee was offered an annual appraisal.

NattoPharma follow the commitment of the Group to guarantee respectful working conditions for our employees. This includes respect for human rights in our operations, promoting inclusion and well-being in the workplace and maintaining an open and social dialogue. To support this commitment the Group have launched several studies on human rights, particularly around pay and social security, to fulfil employee expectations as much as possible. In 2022, a comprehensive salary benchmarking exercise was undertaken for NattoPharma AS to ensure fair and impartial remuneration. Longer term, the Group is targeting 2025 for the deployment of a Group policy on respect for human rights for each country of operation.

Risk Incident Monitoring

All business risks, including risks related to negative impact on human rights and decent working conditions, are monitored by internal stakeholders. The Group has set standards and metrics for identifying and assessing potential negative impacts related to human rights and decent working conditions as related to verified breaches of the Code of Conduct. The Group maintains a whistleblowing channel available for all third parties to ensure that any concerns regarding illegal, unethical, or unwanted behaviour can be reported on an anonymous basis and without any risk of repercussions for the whistleblower.

Focus in 2022 and plans for 2023

During 2022 the main actions have been:

- Risk assessment of human rights and decent working conditions by the Board to identify and assess potential adverse impacts.
- Anchoring roles, responsibilities and the implementation process related to the Transparency Act and Corporate Social Responsibility in general within NattoPharma.
- Implementation of Group policies and guidelines to ensure responsible business conduct to mitigate potential adverse impacts on human rights and decent working conditions.
- Participating and engaging in Lesaffre group networks within sustainability and compliance for sharing of knowledge, best practices, and reporting actions regarding the development of governing frameworks and implementation.
- Participating and engaging in the Gnosis by Lesaffre initiatives for CSR gathered under the IMPACT program.
- Provision of employee access to internal training and mobility platforms, offering of annual appraisals and completion of benchmarking exercise.

In 2023, to further strengthen NattoPharma's efforts to safeguard human rights and decent working conditions, Gnosis by Lesaffre including NattoPharma plans the following activities:

- Further develop processes and practices for identifying and assessing risks of adverse impacts on human rights and decent working conditions.
- Continued roll out of the Supplier Charter.
- Improve and extend the training program offered to our employees.

Oslo, 30 June 2023
Board of Directors, Nattopharma AS

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