

Statement Transparency Act

Applies to the period 01.01.2024–31.12.2024

The purpose of the Norwegian Transparency Act, which entered into force on 1 July 2022, is to ensure that Norwegian companies actively work to safeguard fundamental human rights and decent working conditions in their supply chains. Drytech AS hereby publishes its statement, which is updated continuously or at the latest by 30 June each year in accordance with the Act.

1. Introduction

Drytech AS is a family-owned company that produces freeze-dried food and field rations for the outdoor and defense markets. Our main markets are Norway and the Nordic countries, but Drytech also exports to Europe. Our focus is on quality, HSE (Health, Safety and Environment), and sustainable solutions. Our values commit us to acting ethically and responsibly at all levels of our operations.

In this document, we describe our efforts to identify and manage risks related to human rights, working conditions, and ethical trade, in line with the requirements of the Transparency Act.

The company's sustainability group is responsible for this work and has delegated responsibilities to the Purchasing Manager and Product Development. The main focus of the report is the supply chain, and those responsible have the appropriate expertise and work closely with suppliers. When initiating the assessments for 2024, the 2023 report was used as a key starting point. That report presented objectives for the upcoming period. For 2024, goals were set to further develop assessments related to the supply chain and industry-specific evaluations. Emphasis was also placed on strengthening the overall structure of the supplier assessment process. In addition, a need was identified for further internal anchoring and further development of the company's Supplier Code of Conduct. This report has been approved by the Board of Directors.

2. Anchoring of Responsibility

Our Board of Directors has anchored the work related to the Transparency Act within the organization. The company has an HSE Manager who is part of the management team, a functioning deviation reporting system, and employee involvement through employee representatives and safety representatives.

In the previous period, a Supplier Code of Conduct was developed to ensure that our suppliers operate in line with Drytech's values and corporate social responsibility. The document addresses ethical business practices, human rights and working conditions, environmental considerations, health and safety, and compliance with laws and regulations. In 2024, the document underwent improvements and internal approval.

In the coming period, work on implementation with suppliers will continue, with particular priority given to suppliers assessed as having increased risk based on their industry affiliation. The objective is to be able to impose the same requirements on our suppliers and their subcontractors as those we apply internally today.

3. Due Diligence Assessments

The Transparency Act requires proportionate due diligence assessments. We therefore prioritize suppliers with whom we have the highest turnover and focus especially on industries and countries with a high risk of violations of human rights, decent working conditions, environmental standards, and anti-corruption principles.

Based on the 2023 assessment, we expanded the supplier list to include all suppliers delivering goods or services exceeding NOK 400,000 per year. This includes more suppliers than in the previous period and represents 78% of total purchases in 2024. As of 31.12.2024, the prioritization includes suppliers in Norway as well as one foreign supplier.

A gradual implementation of a new supplier management tool has been initiated, with the purpose of enabling continuous assessment of risks related to our suppliers. The tool identifies and alerts potential deviations, including violations of labor rights, legal breaches, credit risk, reputational risk, and more. This contributes to increased monitoring of the supply chain and facilitates rapid implementation of necessary measures. In addition, the tool can be used in the process of approving new suppliers.

4. Method and Implementation

We have developed a systematic approach to ensure compliance with the Transparency Act. In response to alerts from the new supplier management tool, our objective is to carry out the following actions:

- **Information gathering:** We collect documentation on relevant suppliers based on available information. This ensures that we have up-to-date knowledge of our supplier relationships and can act based on informed assessments. In our due diligence work, we use sources such as Freedom House for human rights

assessments, the International Trade Union Confederation to ensure decent working conditions, the Environmental Performance Index for environmental issues, and Transparency International for anti-corruption.

- **Investigation and dialogue:** For suppliers where high risk has been identified, we conduct more thorough investigations and follow-up dialogues. Suppliers in high-risk industries or countries are requested to provide more extensive documentation and participate in regular follow-up meetings.
- **Supply chain responsibility:** We also require main suppliers to monitor their own supply chains, notify us of risks, and take responsibility for correcting any findings. This work is crucial to ensure that violations do not occur at earlier stages of the supply chain.

Our approach to risk assessment is dynamic and continuously adapted based on the information we receive from our assessment partners and suppliers. Drytech aims to hold regular supplier meetings with its largest suppliers at least once a year. At these meetings, the Transparency Act is included as a fixed agenda item to ensure continuity in the work, and they also serve as a valuable forum for experience sharing and industry collaboration.

5. Identified Risk

5.1 External Risk

A review of the company's supply chain did not reveal any violations within the focus areas of human rights, decent working conditions, environment, and anti-corruption. However, the assessment indicates potential risk factors that warrant further due diligence and risk assessment.

Drytech has many suppliers in industries with elevated risk, such as food production and staffing services. All of these suppliers are Norwegian.

We are not aware of any specific risks related to individual suppliers. Based on an overall assessment, we therefore consider that none of our suppliers present a high risk based on industry affiliation. Nevertheless, high-risk industries are flagged and followed up in our ongoing work.

5.2 Internal Risk

No risks were identified in our internal operations in 2024 with regard to breaches of ethical guidelines or working conditions. We actively work to improve our own routines and internal training to strengthen our internal culture related to HSE and ethical

conduct. Regular internal audits help ensure that our routines and procedures comply with best practices and legal requirements.

6. Measures to Reduce Risk

Drytech maintains regular contact with its largest suppliers through ongoing dialogue and in-person meetings. These physical meetings often include tours of supplier facilities, providing opportunities for direct conversations with employees across different departments. This practice contributes to early identification of potential risk factors and provides thorough insight into suppliers' internal conditions.

If risks are identified, necessary measures are implemented in collaboration with suppliers. Such measures may include:

- **Dialogue with the supplier** to identify root causes and, where appropriate, assist the supplier with corrective actions. This may include updating internal routines for safety training, equality provisions, and environmental considerations to ensure continuous improvement of internal processes.
- **Requirements for regular reporting and third-party audits** to closely monitor compliance.
- **Adjustment or termination of agreements** if serious violations occur and are not corrected within a reasonable time frame.

Further work on due diligence assessments, including through the use of the supplier management tool, ensures that new findings are systematically recorded. This provides a clear overview and enables effective management of each identified risk. Identified risks are assessed and documented to allow for monitoring and follow-up over time.

7. Objectives

7.1 Objectives for 2024

- Expand supplier scope to suppliers exceeding NOK 400,000
- Industry assessments
- Finalize and implement the Supplier Code of Conduct

7.2 Objectives for 2025

In 2025, work on supply chain assessments will continue. The scope limitation applied to the 2024 due diligence assessments will be maintained in 2025, with the aim of achieving better insight into and control over prioritized suppliers. Work is also underway to further develop a more systematic approach to supplier and industry assessments. This includes the implementation and operationalization of a new supplier management tool.

Further implementation of the Supplier Code of Conduct among prioritized suppliers will continue in 2025. Work on internal anchoring will also continue. Guidelines for due diligence assessments and work related to the Transparency Act will be developed and implemented and submitted for approval by the Board of Directors.

8. Contact and Access to Information

All inquiries related to Drytech AS's work with the Transparency Act and human rights may be addressed to **post@drytech.no**. We normally respond to inquiries within three weeks, subject to the possibility of longer response times if extensive documentation is required.

Signed and approved by the board 21.08.2025

On behalf of the board Drytech AS

Managing director Trond Børre Hansen

