Medistim Compliance to Transparency Act

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MEDISTIM

1. INTRODUCTION

Medistim ASA is a global niche market leader within ultrasound technology, with headquarter in Norway. The group has subsidiaries in the US, China, Germany, Spain, UK, Canada, Denmark, Sweden and Norway, in addition to a global distribution network covering more than 70 countries. The company is listed at Oslo Stock Exchange and has 155 employees worldwide.

In July 2022, the Norwegian Transparency Act based on OECD guidelines entered into force. The law states that companies should:

- Carry out human rights and decent working conditions due diligence in its own business and value chain
- Publicly account for its due diligence, including its procedures and identified risks
- Provide information upon request

Medistim has a well-established Corporate Governance structure. Ethical and anti-corruption guidelines have been approved by the company Board of Directors and implemented in the company's Quality Management System. See section 2 for details on these policies.

Medistim has conducted due diligences on suppliers and business relationships for many years and has a well-established routine for such due diligences. As Medistim is in the Medical Device industry, such due diligences have been conducted with Patient Safety in mind.

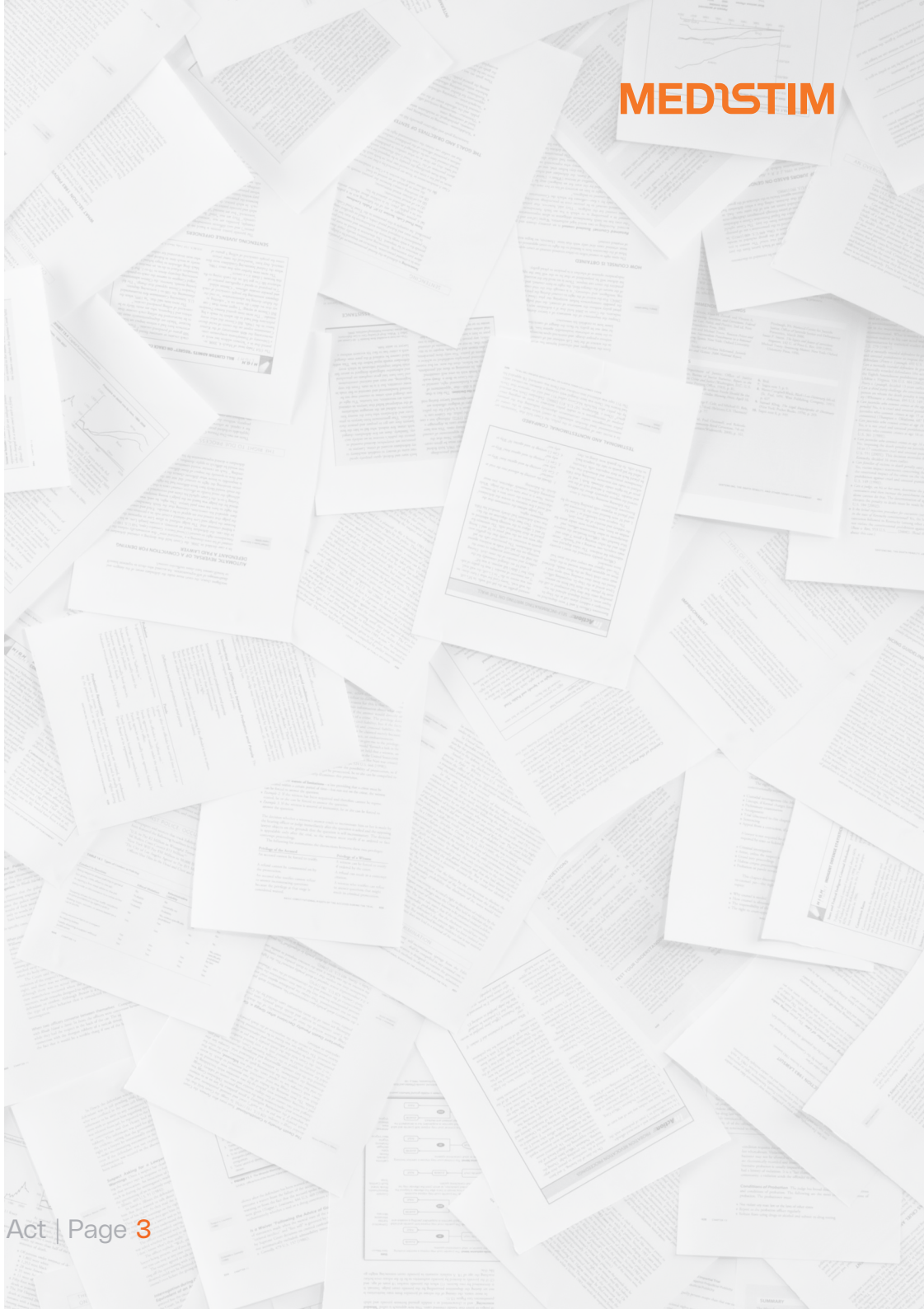
This work has been led by the department responsible for Quality Assurance and Regulatory Affairs activities and is based on a risk-based approach. During the last few years, further efforts has been put into structuring this work.

1.1 DEFINITIONS AND ABBREVIATIONS

Abbreviation	Definition
OECD	Organization for Economic Cooperation and Development for continuous improvement
ESG	Environmental, Social and Governance
PDCA	Plan-Do-Check-Act. Methodology for continuous improvement
ILO	International Labour Organization

1.2 RELATED DOCUMENTS

Document #	Document description
Freedom House	Freedom in the world (*latest version*)
Transparency Act	Act relating to enterprises' transparency and work on fundamental human rights and decent working conditions



2. SUSTAINABILITY GOVERNANCE

Medistim's framework for good business conduct includes Ethical Guidelines and an Anti-corruption Manual that together shall ensure compliance and sustainable operations across the company and its supply chain.

The Ethical Guidelines are built on central UN and ILO (International Labor Organization) conventions and principles for human and labor rights and reflects Medistim's values and views on ethical business conduct. The guidelines clarify Medistim's expectations to employees' behavior and cover areas such as discrimination and harassment, substance abuse, confidentiality and protection of information, privacy protection, conflicts of interest, communication, inside information and whistle blowing. Medistim is committed to a zero-tolerance policy of corruption, which means that the company strictly opposes all forms of corruption. The Anti-corruption Manual describes and explain the company's anti-corruption policy and how employees shall act to avoid any illegal or unethical situations in relation to existing and potential business partners.

Medistim wants to have a transparent company culture in which it is acceptable to bring up worries and raise criticisms. Updated guidance to the whistle blowing channel, established more than 5 years ago, was circulated in 2023. Medistim aim to encourage openness and will support whistleblowers who raise genuine concerns under this policy.

The Ethical Guidelines and Anti-corruption Manual are applicable to all Medistim's employees, including subsidiaries and board of directors, as well as business partners for sales and distribution. All employees and partners must approve in writing that the guidelines are read and understood. This is also followed up after revisions and updates to the guidelines. Violation of the guidelines may have consequences for the employment or partner relationship.

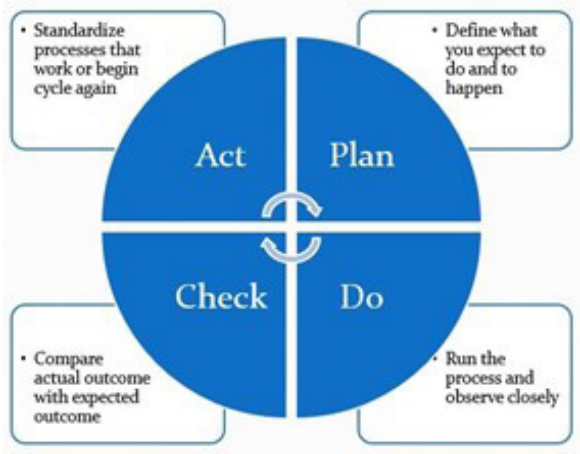
There were no reported concerns during the last year.

3. CURRENT PRACTICE

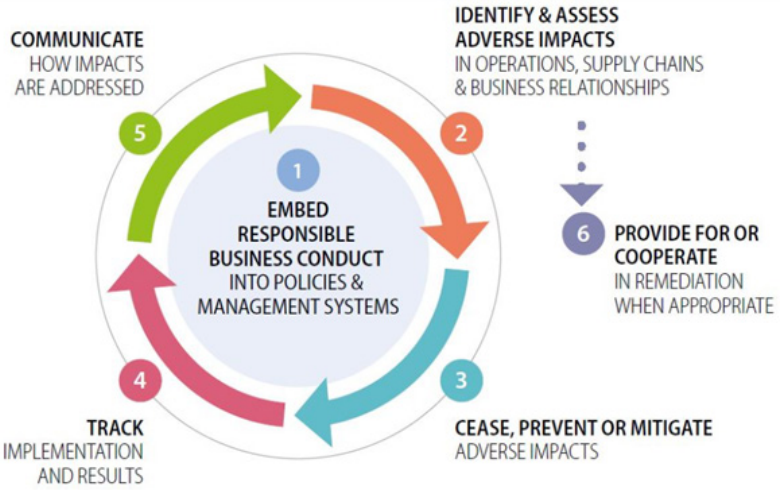
Medistim has established a Quality Management System (QMS) according to ISO 13485 (Medical Devices, Quality management systems – Requirements for regulatory purposes) and relating regulations for the medical device industry. The various policies and procedures relating to the Transparency Act and ESG are integrated in this management system, which is anchored at Medistim top management.

The quality processes described in the ISO 13485 standard are based on the PDCA cycle; a widely used four-step approach for implementing continuous improvement. The principles used for the OECD Due Diligence Process and Supporting Measures are comparable to the PDCA principles for improvement of quality processes and are currently under adaptation to the ESG related processes within Medistim.

To fulfill quality and regulatory requirements, Medistim has established a procedure for supplier management that includes a method for supplier qualification.



PDCA cycle: Plan-Do-Check-Act. Methodology for continuous quality improvement



OECD Due Diligence Process and Supporting Measures
Source: OECD Due Diligence Guidance for Responsible Business Conduct

Medistim purchases various parts and services from several suppliers. The company has established a relationship with approx. 300 suppliers and distributors.

To fulfill quality and regulatory requirements, Medistim has established a procedure for supplier management that includes a method for supplier qualification. Suppliers must complete a Supplier Self Evaluation questionnaire to capture ESG related information in addition to quality related information and includes questions concerning:

- Control of own suppliers and business partners including documented employment practices consistent with the UN and ILO conventions.
- Environmental focus, approach, and measurements
- Ethics and governance including:
  - Environment, Health & Safety (EHS) policy
  - Labor Standards Policy
  - Person data protection policy (GDPR)
  - Ethical Guidelines / Code of Conduct
  - Anti-Corruption Manual

The supplier qualification is conducted using a rating system based on the feedback on the Supplier Self-evaluation form. Suppliers must obtain a minimum of 60 % score to be approved as suppliers to Medistim. Suppliers of products and services are requalified every 2-5 year depending on the supplier criticality, performance, and general experiences.

Medistim has established agreements with business partners for distribution of the medical equipment in more than 70 countries. These distributors are subject to similar assessments as the suppliers followed by annual reassessments as described in a procedure for Distributor Management.

4. RISK ASSESSMENT

According to guidance and legislation applicable for medical device industries, the risk assessment related to purchased products and services has been focused on risk to the patient or the user of the devices. Based in these principles the Medistim suppliers are classified in three classes, Critical, Major and Trivial.

To comply with the new requirements in the Transparency Act (TransparencyAct), Medistim has assessed our suppliers according to the dimension of risk of breaching the principles laid down in our ethical and anti-corruption guidelines.

Considering the rating of political rights and civil liberties in countries as described in the annual report from (FreedomHouse), Medistim's collaborators and partners are mainly located in countries with full freedom. Medistim has not considered it expedient to carry out detailed due diligence assessments of suppliers located in countries where human rights are well protected or/and in industries which are known for having good framework conditions for employees.

As a global company, Medistim also operates in countries which are considered partly free (e.g., India, Hungary, Serbia) or not free (e.g., Egypt, Thailand, Turkey, China). As described in Section 3, legal agreements are in place with all Medistim distributors, in which the distributors are committed to comply with Medistim's ethical and anticorruption policies. The compliance is ensured on a regular basis, and in addition annual assessments are performed.

Medistim has not identified any unmanageable risks in regard to suppliers and distributors, nor have any violations to ethical guidelines or anti-corruption manuals been identified. No concerns or incidents have been reported through the whistle blowing channel or other sources.

5. FUTURE IMPROVEMENT ACTIVITIES AND MEASURES

Medistim has put a lot of effort into securing human rights and decent working conditions for employees and business relationships for decades and will continue doing so going forward. Most of Medistim's operation is today in markets where human rights, labor laws and corporate governance principles are held in high regard, but the company also operate in markets that historically has proved to have less developed systems around those topics.

Medistim's focus will therefore be directed towards the countries that objective organs as Freedom House have identified as markets with high risk of violation of such important principles. Medistim will continue to perform and improve risk assessments of suppliers, business partners and service providers.

Medistim procedures for supplier and distributor control and methods for qualification is under continuous evaluation and improvement. Hence, the current practice may be modified to further develop and optimize supplier and distributor control for adaptation to the transparency act.

For further information, please send an inquiry to medistim@medistim.com

Oslo, June 26th, 2025
Board of Directors and CEO of Medistim ASA

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Rune Halvorsen
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President & CEO
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