

This statement has been developed in accordance with the UK Modern Slavery Act 2015 and the Norwegian Transparency Act and has been approved by the Board.

## Transparency in Supply Chain Statement 2024

### Karo Healthcare

Karo Healthcare is a European consumer healthcare company with the purpose of delivering "smart choices for everyday healthcare", empowering people to live life to the fullest. Our products are available in more than 90 countries and include brands such as E45®, Lamisil®, Pevaryl®, Proct®, AlphaFoods™, Nutravita™, Flux®, Locobase®, Multi-Gyn® and Paracet®. Approximately 470 colleagues work from the headquarters in Stockholm, Sweden and offices in Belgium, Denmark, Finland, Germany, Italy, Lithuania, the Netherlands, Norway, Spain and the United Kingdom. Karo Healthcare is since 2019 owned by EQT.

### Policy commitment and governance

Karo is committed to respecting internationally recognised human and labour rights, in accordance with the principles of the UN Global Compact, the Universal Declaration of Human Rights, the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work, the UN Guiding Principles on Business and Human rights (UNGP, 2011), and the OECD Guidelines for Multinational Enterprises (OECD 2011).

Our internal governance framework is based on several core policies, including our human rights policy, Code of Conduct, and Supplier Code of Conduct. These are supported by additional policies addressing bribery and anti-corruption, diversity and inclusion, health and safety, sustainability and environment, privacy and IT, quality, patient safety, data integrity and risk management.

The implementation of our sustainability strategy, including the identification and management of human rights risks, is led by the Head of Sustainability, working in close collaboration with the Corporate Management Team. The Head of Sustainability and the sourcing function are responsible for assessing and addressing risks in our supply chain. A cross-functional Steering Committee, reporting directly to the CEO, provides senior-level oversight of the broader sustainability agenda and meets regularly to review progress and address emerging risks. Regular updates are provided to the Board of Directors.

### Risk identification and salient issues

Karo conducts an annual risk review to identify risks related to human rights across our value chain. This process incorporates external data, supplier-specific insights, and country risk indices to identify potential adverse impacts and prioritise high-risk areas.

Our analysis indicates that the most salient human rights risks lie within our upstream supply chain – mainly beyond our direct suppliers – for example at component and ingredient suppliers or during the extraction of raw materials. Key risks identified include excessive working hours, low wages, poor occupational health and safety conditions, discrimination and lack of gender diversity and limitations on freedom of association.

While most of our direct suppliers are located in Europe, a small proportion (less than 1% of our supplier spend) comes from suppliers based outside of Europe, including countries with a higher inherent risk of human and labour rights issues. These suppliers are subject to enhanced controls.

## Due diligence and supplier engagement

As a virtual business, Karo does not own any manufacturing or warehouse facilities. Instead, we partner with a network of approximately 110 direct suppliers. We also maintain visibility of tier 2 suppliers of active pharmaceutical ingredients (APIs) and selected key component suppliers.

Our due diligence process is designed to identify and address actual and potential human rights risks before and during supplier engagement. It includes:

- New supplier screening of potential suppliers
- Supplier performance assessments and documentation reviews
- Supplier visits or independent third-party audits where relevant
- Corrective action and ongoing monitoring through performance indicators

Suppliers are required to sign our Supplier Code of Conduct. In 2024, the code was updated to align with the latest Pharmaceutical Supply Chain Initiative (PSCI) principles. The code outlines the minimum requirements for all our partners, including our direct suppliers, and include expectations related to human and labour rights, environmental responsibility and anti-corruption. It also mandates that suppliers cascade these expectations through their own supply chains.

In 2024, suppliers representing 86% of our spend signed the code or agreed to a comparable standard. The remaining suppliers are primarily linked to recently acquired brands, and we're gradually phasing out these specific suppliers as part of the integration process. Our goal is to reach 100%.

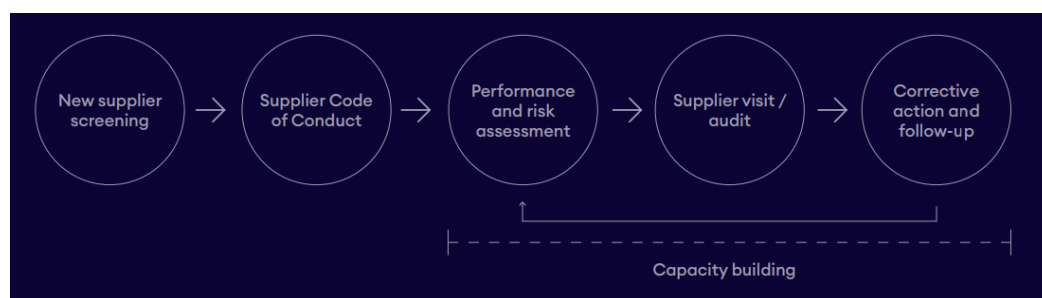


Figure 1. Managing sustainability with our suppliers

## Actions to prevent and mitigate risks

In 2024, Karo took several steps to strengthen our ability to prevent and mitigate risks, including:

- Engagement program: we launched a supplier engagement program focused on decarbonisation, aimed at strengthening collaboration, transparency, and shared ownership of sustainability goals across our value chain.
- Supplier screening: all potential new suppliers from high-risk geographies are required to complete a PSCI audit prior to any commercial engagement.
- Corrective action: for existing suppliers, identified non-compliances are addressed through corrective action plans. We support suppliers in making improvements.

Karo's membership in PSCI further enables us to collaborate with industry peers, streamline audit requirements and give suppliers access to training and best practices on "beyond compliance" topics.

### **Grievance mechanism**

Karo maintains a grievance mechanism available to both internal and external stakeholders. We have implemented a whistleblowing policy, process and system with the support of an external partner. Employees and external stakeholders can raise concerns anonymously through this channel.

A dedicated committee reviews each case and ensures that appropriate follow-up actions are taken. When violations are identified, we take steps to enable and support remedy.

### **Monitoring and performance tracking**

We evaluate the effectiveness of our actions through the following indicators:

- Share of supplier spend covered by signed codes or equivalent (currently 86%).
- Share of supplier spend assessed for sustainability country risks (90% of spend in 2024).
- Number and outcome of PSCI audits conducted.
- Number of grievances raised and resolved.

The indicators are reviewed by the Steering Committee, and key results shared with the Corporate Management Team and the Board of Directors.

### **Continuous improvements**

Going forward, we will continue to strengthen our due diligence process, including further embedding sustainability metrics into sourcing framework and scorecards and improving stakeholder consultation and transparency.