

## Policy statement on the human rights strategy pursuant to Section 6 (2) LkSG (Lieferkettensorgfaltspflichtengesetz [Act on Corporate Due Diligence Obligations in Supply Chains])

### I. Commitment to the Protection of Human Rights and the Environment

NOVENTI Health SE (hereinafter "NOVENTI") is committed to the protection of human rights and the environment in accordance with the applicable statutory provisions listed in Appendix 1 to this policy statement.

NOVENTI is aware that its business activities have an impact on social and environmental concerns. As a result, NOVENTI opposes any form of

- child labour;
- slavery and forced labour;
- disregard of occupational health and safety and work-related health hazards;
- disregard for the freedom of coalition, freedom of association and the right to collective bargaining;
- withholding of an adequate wage;
- unequal treatment in employment;
- destruction of the natural foundations of life due to environmental contamination;
- unlawful violation of land rights;
- commissioning or use of security forces without adequate instruction or control;
- prohibited production, use and/or disposal of mercury;
- prohibited production and/or use of certain persistent organic pollutants (POPs) and non-environmental handling of related waste within the scope of the Stockholm Convention;
- prohibited import/export of hazardous waste within the meaning of the Basel Convention.

NOVENTI undertakes to comply with these principles and will implement the actions stipulated by the legislature as follows.

### II. Expectations from Stakeholders

NOVENTI expects its **employees** to adhere to the foundations and principles listed under Clause I when carrying out their duties and to act accordingly, in particular to conduct themselves appropriately and lawfully towards colleagues, business partners and suppliers.

NOVENTI expects its **affiliated companies** to also commit to the foundations and principles listed under Clause I, to align their business activities accordingly and to act accordingly.

NOVENTI expects its **suppliers** to also commit to the foundations and principles listed under Clause I, to align their business activities accordingly and to act accordingly, and to pass on this expectation to their own suppliers.

### III. Procedure for the protection of human rights and the environment (human rights strategy)

#### 1. Responsibilities

- 1.1. NOVENTI's **Board of Directors** is committed to its responsibility for the company's human rights strategy and is issuing this policy statement. It forms the basis for the development of internal and external codes and guidelines of conduct.
- 1.2. NOVENTI shall form a **task force** as a risk coordinator consisting of representatives of relevant business divisions who cooperate in the operations of implementing the due diligence obligations of the LkSG and advising the operationally active specialist sectors.

This is overseen by Strategic Purchasing. It receives advice from specialists in the Legal & Compliance Departments including on data protection and, if necessary, from personnel, Risk Management and the Occupational Safety Officer.

- 1.3. NOVENTI shall appoint a **Human Rights Officer**. The Human Rights Officer is not subject to any instructions in carrying out this activity and reports only to the Board of Directors.

As risk owner, the Human Rights Officer is the controller and contact person for all issues relating to the LkSG. He or she monitors and controls the implementation of due diligence obligations and the effectiveness of risk management, ensures documentation and reports once a year to the Board of Directors and the supervisory authority (BAFA (*Bundesamt für Wirtschaft und Ausfuhrkontrolle* [Federal Office for Economic Affairs and Export Control])). Furthermore, it ensures the communication of this policy statement to NOVENTI employees, to existing works councils and to the public.

#### 2. Risk Management

NOVENTI establishes a Risk Management in accordance with Clauses III 3 to 6 in order to meet the due diligence obligations of the LkSG.

The goal of Risk Management is to protect third parties by identifying and minimising human rights and environmental **risks** within the company's own supply chain. **Violations** of human rights-related and environmental obligations are prevented, terminated or - if prevention or termination is not possible or only possible with disproportionate effort - at least minimised in their extent.

In this context, the interests of NOVENTI's employees, the interests of employees within NOVENTI's supply chains and the interests of other parties directly involved in NOVENTI's economic activities are appropriately taken into account as part of a double-risk-based approach. A double-risk-based approach means that risks are first assessed abstractly in a first step and in a specific individual case in a second step.

Risk management is integrated into the existing compliance structures of NOVENTI and into those business processes that can affect risk minimisation. Risk management includes measures for the identification of risks, their prevention and remedy, the establishment of a complaint procedure and the documentation and reporting system.

#### 3. Risk Analysis

##### 3.1. Process

NOVENTI conducts a risk analysis once a year and on an ad hoc basis in order to **identify** the human rights and environmental risks and violations in the independent business sector and for its direct suppliers.

The identified risks and violations are **weighted** and **prioritised** in order to ensure that appropriate countermeasures can be taken in accordance with Clauses III 4 and 5. The following criteria are taken into account here:

- type and scope of NOVENTI's business activity,
- the ability of NOVENTI to influence the direct cause of a human rights or environmental risk or the violation of a human rights-related or environmental obligation,
- the typically expected severity of the violation, in particular its degree, scope and reversibility and the probability of the violation of a human rights-related or environmental obligation, as well as
- the nature of NOVENTI's causative contribution to the human rights or environmental risk or to the

violation of a human rights-related or environmental obligation.

The result of the risk analysis is **communicated** to the Board of Directors.

NOVENTI uses a supply chain intelligence platform to determine, weigh and prioritise human rights and environmental risks and violations.

### 3.2. Independent Business Sector

Due to a decisive influence, NOVENTI's independent business sector includes the companies listed in Appendix 2 to this declaration and their business sectors.

### 3.3. Prioritised Human Rights and Environmental Risks

Based on the legal provisions listed in Appendix 1 to this declaration, NOVENTI considers the following risks to be latent for its independent business sector:

#### Industry Risks

- 4 high-risk industries identified: *IT/software, retail and wholesale; computers, machinery, equipment; transportation, logistics*
- Justification: *Risk of violations of labour rights, human rights, health & safety, environment*
- Procedure: *Self-disclosure of suppliers concerned queried, depth monitoring initiated, risk mitigation measures are being developed*

#### Country Risks

- 1 high-risk country identified: *Poland*
- Justification: *Risk of violations of labour rights*
- Procedure: *Expansion of the decisive influence within the framework of exercising shareholder rights; close cooperation with the managing directors of suppliers concerned in developing concrete measures to mitigate risks*

#### Supplier Risks

- 6 high-risk suppliers identified
- Justification: The risks result from the above-mentioned industry and country risks
- Procedure: The procedure results from the measures for industry and country risks.

## 4. Preventive Actions

NOVENTI will prevent human rights and environmental risks and violations as far as possible and reasonable through the following actions. These actions are reviewed once a year by the Human Rights Officer and as needed for their effectiveness.

### 4.1. Independent Business Sector

NOVENTI has developed a **purchasing strategy** and outlined it in the company's written regulations, in which responsibility for all procurements is assigned to Strategic Purchasing, the procurement process is defined, and sanctions in the event of violations are described.

This purchasing strategy is expounded on in **information sheets** with detailed information on procurements in the company, handling instructions, and a description of the procurement process.

In addition, Strategic Purchasing offers **training** for employees in specialist sectors in which the procurement strategy is explained.

Suppliers are selected as part of implemented **business partner compliance** according to defined criteria. Before entering into a business relationship, NOVENTI will identify the fulfilment of these criteria by a direct supplier through **self-disclosure** by means of a **questionnaire**.

Compliance with the human rights strategy contained in this policy statement is ensured through key risk-based, point-by-point **control measures** by the Human Rights Officer (2<sup>nd</sup> line of defence) and by the Internal Audit of NOVENTI (3<sup>rd</sup> line of defence).

### 4.2. Direct Suppliers

NOVENTI obligates its direct suppliers by means of **General Terms and Conditions of Purchase (GPCs)** to observe the statutory provisions listed in Appendix 1 to this declaration - if applicable to the respective supplier - just as NOVENTI does. The GPCs also include control and influence rights as well as sanctions in the event of violations.

NOVENTI's expectations of its direct suppliers to also commit to the foundations and principles listed under Clause I, to align their business activities accordingly and to act accordingly, have been outlined in a **Code of Conduct for Suppliers**, which is given to each direct supplier before the start of the business relationship and is included as an essential component in the GPCs.

Monitoring for compliance with the legal provisions listed in Appendix 1 to this declaration by direct suppliers is carried out by using a supply chain intelligence platform, which continuously collects potential violations by all of NOVENTI's recorded direct suppliers by evaluating publicly accessible sources, prioritises them based on predefined criteria and reports them to Strategic Purchasing through an interface. The reports are reviewed and evaluated by Strategic Purchasing, and appropriate remedial measures are initiated if necessary (**control measures**).

### 4.3. Indirect Suppliers

NOVENTI influences indirect suppliers by obliging direct suppliers through the GPCs to contractually pass on NOVENTI's expectations regarding the protection of human rights and the environment in the supply chain.

## 5. Remedial Measures

NOVENTI will terminate human rights and environmental risks and violations or minimise the extent of violations as far as possible and reasonable through the following actions. These actions are reviewed once a year by the Human Rights Officer and as needed for their effectiveness.

### 5.1. Independent Business Sector

NOVENTI shall immediately terminate human rights and environmental risks and violations in its own company using all legally permissible actions. The procedure is described in an **escalation process**, at the end of which the Board of Directors makes its decision and issues instructions.

In a first step, the **cause of the risk or violation is investigated**. In a second step, necessary and appropriate direct **actions are initiated to terminate the risk or violation and remedy the consequences**. In a third step, the **operational organisation of the company is adjusted** if necessary. This includes revising the core operational processes, strengthening monitoring measures, revising risk management and training affected sectors. In a fourth step, **sanctions are taken against controllers** if absolutely necessary (e.g. reminder, warning, termination, criminal complaint).

In the event of human rights and environmental risks and violations in companies affiliated with it pursuant to § 15 of the AktG (*Aktiengesetz* [German Stock Corporation Act]), NOVENTI will work towards terminating these within the scope of legally permissible options. These include, among other things, **influencing shareholders' meetings, influencing by exercising rights in the supervisory board and informing the competent authorities**.

## 5.2. Direct Suppliers

NOVENTI will terminate human rights and environmental risks and violations by direct suppliers based on the following **actions** in the specified order:

- **warning** to the supplier setting a deadline for remedy;
- creation of a **corrective action plan** with proposals for remedial measures for the supplier;
- creation of a **remedy concept** with a specific schedule in cooperation with the supplier;
- **training** of the direct supplier on NOVENTI's expectations;
- initiation of a **contractual penalty** pursuant to the GPCs;
- **suspension** of the business relationship;
- **termination** of the business relationship (last resort).

NOVENTI acts in accordance with the principle of "staying and helping rather than cutting and running".

## 5.3. Indirect Suppliers

If there are actual indications (e.g. due to a complaint procedure being initiated, due to information from authorities, due to own findings) suggesting that human rights and environmental risks and violations by indirect suppliers may be possible, NOVENTI will take the following measures related to the specific risk or violation, provided that the indications are verifiable and serious and relate to a specific company in NOVENTI's supply chain:

- **request** the supplier to terminate the risk or violation;
- obtain **self-disclosure** from the supplier with the aim of learning about its corrective actions;
- communicate NOVENTI's expectations to the supply chain (**Code of Conduct for Suppliers**);
- carry out a **risk analysis** with regard to the specific supplier concerned to prevent further or new risks or violations;
- **actions vis-à-vis direct suppliers** pursuant to Clause III 5.2 who have a direct business relationship with the specific indirect supplier concerned.

## 6. Complaint Procedure

NOVENTI has established an internal complaint procedure in which employees of NOVENTI and third parties ("whistleblowers") can report human rights and environmental risks and violations of human rights and environmental obligations.

The objective of the complaint procedure is not to enforce individual claims of whistleblowers, but to support NOVENTI in detecting risks and violations under human rights and environmental law in its independent business sector as well as in the case of direct and indirect suppliers.

Whistleblowers have two options for contacting them:

- by name at [lksg@noventi.de](mailto:lksg@noventi.de);
- by name or anonymously via an electronic [complaint system](#).<sup>1</sup>

Whistleblowers receive an automatic confirmation of receipt after making a report.

The reports are received, reviewed and processed by the LkSG Task Force established in Clause 1.2. LkSG-related cases are brought to the attention of the Human

Rights Officer. The employees entrusted with processing reports are independent and not subject to instructions within the scope of this work and are obliged to maintain secrecy.

If the report was made by name, the facts of the case are discussed with the whistleblower. The goal here is to fully ascertain all information on the facts known to the whistleblower in order to be able to take appropriate actions.

Findings from processing reports are taken into account in the risk analysis and when reviewing the effectiveness of preventive and corrective actions.

The procedure is defined in detail in a process description that is publicly accessible.

The complaint procedure is reviewed once a year by the Human Rights Officer and on an ad hoc basis for effectiveness.

## 7. Documentation and Reporting System

### 7.1. Documentation

NOVENTI shall continuously **document** the results of risk analyses, reports from the complaint procedure and all preventive and corrective actions taken and **retain** the documentation for a period of 7 years.

### 7.2. Management Report

NOVENTI prepares an annual management report in German for the past financial year and makes it available to the public on its website at the latest 4 months after the end of the financial year for a period of 7 years.

NOVENTI provides information in this management report

- on the structural and procedural organisation of the established risk management system pursuant to Clauses III 1 and III 2,
- on the risks and/or violations identified in the risk analysis in the past financial year pursuant to Clause III 3, in the complaint procedure pursuant to Clause III 6 or through substantiated knowledge pursuant to Clause III 5.3 about the determined risks and/or violations
- on the preventive and corrective actions taken as a result pursuant to Clauses III 4 and III 5
- and - if available - on the result of the assessment of the effects and effectiveness of these actions as well as the resulting findings for future actions.

If NOVENTI has not identified any risks or violations in the past financial year, the management report contains a clearing statement (discharge report), including a justification.

The Human Rights Officer submits the management report to the competent authority for review.

<sup>1</sup> <https://www.prewave.com/network/target/100088619/sco-recard?showGrievanceReportForm=true>.

## Appendix 1

### Legal provisions for the protection of human rights and the environment<sup>2</sup>

#### I. Legal Positions on Human Rights

1. Convention No. 29 of the International Labour Organisation of 28 June 1930 on Forced or Mandatory Labour (Federal Law Gazette 1956 II pp. 640, 641) (ILO Convention No. 29)
2. Minutes of 11 June 2014 on Convention No. 29 of the International Labour Organisation of 28 June 1930 on Forced or Mandatory Labour (Federal Law Gazette 2019 II pp. 437, 438)
3. Convention No. 87 of the International Labour Organisation of 9 July 1948 on Freedom of Association and the Protection of Association Law (Federal Law Gazette 1956 II pp. 2072, 2071) amended by the Convention of 26 June 1961 (Federal Law Gazette 1963 II pp. 1135, 1136) (ILO Convention No. 87)
4. Convention No. 98 of the International Labour Organisation of 1 July 1949 on the application of the principles of association law and the right to collective bargaining (Federal Law Gazette 1955 II pp. 1122, 1123) amended by the Convention of 26 June 1961 (Federal Law Gazette 1963 II pp. 1135, 1136) (ILO Convention No. 98)
5. Convention No. 100 of the International Labour Organisation of 29 June 1951 on the Equality of Remuneration of Male and Female Workers for Equal Employment (Federal Law Gazette 1956 II pp. 23, 24) (ILO Convention No. 100)
6. Convention No. 105 of the International Labour Organisation of 25 June 1957 on the Abolition of Forced Labour (Federal Law Gazette 1959 II pp. 441, 442) (ILO Convention No. 105)
7. Convention No. 111 of the International Labour Organisation of 25 June 1958 on Discrimination in Employment and Occupation (Federal Law Gazette 1961 II pp. 97, 98) (ILO Convention No. 111)
8. Convention No. 138 of the International Labour Organisation of 26 June 1973 on the Minimum Age for Admission to Employment (Federal Law Gazette 1976 II pp. 201, 202) (ILO Convention No. 138)
9. Convention No. 182 of the International Labour Organisation of 17 June 1999 on the Prohibition and Immediate Measures to Eliminate the Worst Forms of Child Labour (Federal Law Gazette 2001 II pp. 1290, 1291) (ILO Convention No. 182)
10. International Covenant of 19 December 1966 on Civil and Political Rights (Federal Law Gazette 1973 II p. 1533, 1534)
11. International Covenant of 19 December 1966 on Economic, Social and Cultural Rights (Federal Law Gazette 1973 II p. 1569, 1570)

#### II. Environmental Obligations

12. Convention of Minamata of 10 October 2013 on Mercury (Federal Law Gazette 2017 II pp. 610, 611) (Minamata Convention)
13. Stockholm Convention of 23 May 2001 on Persistent Organic Pollutants (Federal Law Gazette 2002 II p. 803, 804) (POPs Convention), last amended by the decision of 6 May 2005 (Federal Law Gazette 2009 II p. 1060, 1061)
14. Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal of 22 March 1989 (Federal Law Gazette 1994 II p. 2703, 2704) (Basler Convention), last amended by the third regulation amending annexes to the Basel Convention on 22 March 1989 of 6 May 2014 (Federal Law Gazette II p. 306/307)

<sup>2</sup> The list corresponds to the annex to Section 2 (1), Section 7 (3) Sentence 2 LkSG.

**Appendix 2**  
**Business Sector of NOVENTI**

Company	Business sector
NOVENTI Health SE	Industry software and merchandise management software for pharmacies for the German healthcare market
NOVENTI Healthcare GmbH	Invoicing of health insurance companies for service providers in the German healthcare system
Medinox GmbH (Austria)	Distributor of blister systems in Germany
Medinox Deutschland GmbH	Distributor of blister systems in Germany
aSuite Software GmbH	Development & distribution of software solutions in the pharmacy sector
gesund.de GmbH & Co. KG	Operating a digital platform to provide healthcare services as an industry solution for pharmacies and other market participants in the healthcare market
gesund.de Beteiligungs-Verwaltungs-GmbH	Promotion of the corporate purpose of gesund.de GmbH & Co KG
NOVENTI Systems AG (formerly CSE AG) (Switzerland)	Development & distribution of primary systems for pharmacies & chemists in Switzerland
NOVENTI Service AG (formerly VSA IFAK Service AG) (Switzerland)	Prescription invoicing for pharmacies & SoLe in Switzerland
KRONSOFT Development SRL (Romania)	IT services for pharmaceutical & medical sectors, especially for NOVENTI Health SE
NOVENTI Immobilien Verwaltungs GmbH	Internal service company for real estate projects
Derio Grundstücksverwaltungsgesellschaft mbH & Co. Vermietungs KG	Internal service company for real estate projects
NOVENTI Beteiligungs GmbH	Holding and managing independent assets as well as investing as a personally liable managing shareholder in NOVENTI Verwaltungs-GmbH & Co. KG
PharmaCode. DEV Sp. z o.o. (Poland)	Wholesale trade in computers, peripheral devices and software; publishing work in other software sectors; work related to software; work in IT consulting
mamedicon GmbH	Consultation and management in wound care