

Annual Report - 2023

## Norwegian Transparency Act - Statement

This statement is made pursuant to the Norwegian Transparency Act of 2022 (referred to as "the Act"), which requires certain in-scope companies to conduct due diligence and publish an account of that due diligence as specified in Section 5 of the Act.

This statement is prepared on behalf of OS ID AS. It describes procedures for addressing actual and potential negative impacts on essential human rights and decent working conditions.

All data and information reported in this statement refers to the financial year ending on December 31, 2023.

### Introduction

OS ID AS is located in Os in Østerdalen, Norway. OS ID specializes in development, manufacturing, and distribution of livestock identification solutions for livestock.

#### Key information

- Name: OS ID AS
- Organization number: 912 812 677
- Location: Os I Østerdalen, Norway

### Purpose and Activities

OS ID develops, manufactures, and distributes solutions for livestock identification, primarily ear tags for cattle, sheep, goats, pigs, and other livestock. These products are used in agriculture business to ensure accurate and efficient tracking of animals throughout their lifecycle. Our customers are farmers, distributors, wholesalers located in Norway as well as in other European countries.

### Organizational Structure

OS ID's journey includes key phases of ownership and integration that have shaped its current standing in the industry. Since 2008 OS ID has been a part of Allflex Group, a global leader in animal identification and tracking systems. In 2018, Allflex rebranded as Antelliq, reflecting its broader mission to deliver advanced animal intelligence and data solutions. In 2019, Antelliq Group including OS ID was acquired by MSD, known as Merck & Co., Inc. in the United States and Canada. MSD is a global healthcare company focused on providing innovative solutions in the form of prescription medicines, vaccines, biologic therapies, and animal health products. The

company is headquartered in Rahway, NJ, USA. With a workforce of over 72,000 employees, MSD operates in numerous regions and countries. This acquisition has marked a significant milestone in OS ID's history, allowing OS ID to over time integrate into a leading global biopharmaceutical company and access great resources and expertise. OS ID is today working closely with MSD Animal Health to align business strategies, product development, and market approaches to create synergies that benefit customers and stakeholders. By 2025, the company plans to complete this integration also on the operational side, including the transition to MSD ERP solution and related systems and processes. This integration aims to streamline operations, enhance efficiency, and allows OS ID access to MSD's extensive resources within all business areas.

OS ID have several affiliates in Norway:

- MSD Norge As, located in Oslo
- MSd Animal Health Norge As and MSd Animal Health Innovations As, located in Bergen

OS ID had 34 full time employees at the end of 2023.

For more information, visit [www.osid.no](http://www.osid.no)

## Supply Chain

OS ID manufactures, packages, distributes, and sells livestock identification to many markets around the world. Majority of the sales are to farmers in Norway, but we also sell to distributors, wholesalers, and farmers in other countries within Europe. We have established business relationships with hundreds of suppliers, including direct suppliers, external manufacturing providers, capital expenditure suppliers, and indirect suppliers.

Our direct suppliers provide us with goods and services such as packaging, components, and raw materials. Majority of the products sold to customers are manufactured either by OS ID or by a company within MSD. Majority of the raw material are sourced from Global vendors managed by centralized procurement teams. Capital expenditure suppliers provide goods and services such as engineering and construction. Our indirect suppliers include those that provide services such as logistics, maintenance, travel and meetings, facility management and marketing. Majority of our indirect suppliers are companies based in Norway.

## Corporate Governance

Within OS ID, we have a local leadership team headed by the General Manager, who is also a member of the OS ID AS Board of Directors. The OS ID AS Board of Directors consists of Wenche Wikan Ligård, Hilde Myrvang Male, and Pål Kjellesvig Dalløkken, with Wenche Wikan Ligård as the Chair of the Board.

The local leadership team consists of representatives from manufacturing and operations, EHS and quality, commercial, marketing and finance. For more information, visit <https://www.osid.no/ledelsen/>. The local leadership team is reporting into the wider MSD organization within their specific functional areas.

All employees adhere to MSD Grant of Authority, ensuring that decisions and commitment are made with the appropriate levels of approval and adhering to the four eyes principle.

## Respect for Human Rights

OS ID is committed to meeting its responsibility to respect internationally recognized human rights standards, as they relate to our operations. We believe that dignity and respect for people is essential in business.

We strive to avoid causing or contributing to adverse human rights impacts through our own activities and seek to prevent or mitigate adverse human rights impacts that are linked to our operations and products. We expect all our employees, suppliers, and other business partners to conduct their business in a manner that respects human rights.

## Policies

OS ID has guidelines outlined in its employee handbook as summarized below:

- **Bribery and Corruption:** The code of conduct prohibits involvement in any form of bribery, corruption, or unethical payments. It emphasizes compliance with anti-bribery laws and regulations.
- **Antitrust and Fair Competition:** Companies are committed to fair competition and complying with antitrust laws. The code of conduct instructs employees to avoid anti-competitive practices such as price-fixing, bid-rigging, market allocation, or abusing dominant market positions.
- **Gifts and Entertainment:** Guidelines are provided on giving and receiving gifts, hospitality, and entertainment. The code outlines thresholds and circumstances under which gifts may be accepted or offered, ensuring they are reasonable, proportionate, and do not create conflicts of interest.
- **Protection of Information:** The code highlights the importance of protecting confidential and proprietary information. Employees must maintain the confidentiality of sensitive information and follow protocols for data security, intellectual property protection, and the appropriate use of technology and communication systems.
- **Conflicts of Interest:** The code includes guidelines on identifying and managing conflicts of interest. Employees must disclose any potential conflicts and take appropriate steps to mitigate them, acting in the best interests of the company and avoiding any personal or financial gain that may compromise their impartiality.
- **Respect for People:** We prioritize integrity, knowledge, imagination, skill, diversity, safety, and collaboration with our employees. Our goal is to create a work environment that fosters mutual respect, inclusivity, and accountability. We believe in treating our employees with fairness and dignity, ensuring their well-being and providing a workplace free from any form of harassment, discrimination, or forced labor.

- **Supplier Selection:** We use the principles outlined in the code of conduct when selecting our partners and suppliers. By recognizing that our partners and suppliers play a crucial role in our overall success, we establish relationships with those who provide us with the best overall value and share our focus on quality, price, delivery, service, diversity, reputation, and ethical business practices.
- **Privacy and Data Protection:** Companies establish measures to protect personal information and comply with data protection laws. The code outlines the proper handling, storage, and transmission of data, and employees are expected to respect privacy rights and follow data protection policies.
- **Reporting:** The code encourages employees to report any concerns regarding violations of the code, laws, or regulations. It provides channels for reporting, protects employees from retaliation, and ensures confidentiality in the reporting process.

These guidelines are designed to ensure that OS ID operates according to high ethical standards and legal requirements and integrated into the company's employee handbook to guide employees in their daily work.

In addition to the handbook, management team and key personnel participates in online training organized by MSD to stay current with the latest standards. These courses ensure that leadership remains informed about best practices and regulatory updates, enhancing their ability to uphold high ethical and compliance standards within the organization.

## Risks of Adverse Impacts

### Our operations:

In our own operations, we implement and enforce policies and compliance measures to ensure that human rights and decent working conditions are respected. We have clear policies in place that promote non-discrimination, health and safety, fair treatment of employees, and respect for human rights. This provides a solid foundation for ethical conduct within our organization.

We prioritize integrity and respect for human rights and invest in training and awareness programs to educate our employees about their rights, responsibilities, and ethical behaviour.

### Our supply chain:

The risk of adverse impacts on human rights and decent working conditions within our supply chain is primarily associated with our use of suppliers located in countries or regions where human rights challenges are known to exist, such as poor labor standards, unsafe working conditions, forced labor, or weak governance. While we have direct control over our own operations and facilities, we have less control over the practices of our suppliers.

We acknowledge that there is a potential risk of human rights and labor practice abuses in the manufacturing supply chain, although it may be relatively lower compared to some other industries. Nonetheless, we are committed to addressing these risks and promoting responsible supply chains.

## Due Diligence

We recognize the importance of due diligence in mitigating risks and ensuring the well-being of all stakeholders involved in our operations and supply chains. The information below provides an account of our due diligence process.


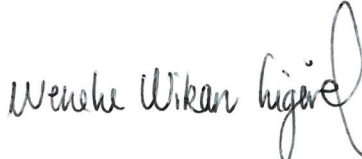
- **Policy Framework:** We embed our commitment to respect human rights, ethical business, and anti-corruption practises in our Company's employee handbook.
- **Risk Assessment and Analysis** - We conduct due diligence screening of suppliers to ensure we are compliant with MSD standards for Denied Parties.
- **Employee Training** - We integrate respect for human rights into our company's annual Enterprise Mandatory Training program. Training on salient human rights topics, as well as annual refresher training on our Code of Conduct is provided to management team and key employees.

- **Audit and assurance** - We have independent internal groups responsible for auditing our own operations to verify compliance with internal policies.
- **Grievance mechanisms / reporting channels** - We maintain reporting channels to encourage and enable the reporting of potential concerns, including any potential violations of our Code, policies, procedures, the law, or other misconduct.
  - Employees can report concerns to their Managers, Human Resources, Compliance, Legal or the Office of Ethics.
  - We provide a speaking up tool. The Speak Up tool at [msdethics.com](https://msdethics.com) is operated by an independent third-party, available 24 hours a day, 7 days a week.
- **Remediation:** We investigate reported allegations of misconduct in accordance with our company's Compliance Issues Visibility and Response ("CIVR") process, which promotes confidentiality, dignity and respect, objectivity, promptness, and non-retaliation.
- **Response:** Corrective and disciplinary actions are taken against individual employees who are determined to have engaged in misconduct based on the findings of an investigation. Substantiated violations may result in a warning, counselling, suspension, or termination.

## Strategy and Future Plans

By 2025, OS ID will be operationally integrated into MSD's systems, including a transition to MSD's ERP solution, systems, and processes. This integration will provide OS ID with comprehensive resources and support to guide its operations, and this is expected to enhance OS ID's abilities to conduct thorough and comprehensive due diligence across its operations, particular in areas such as procurement.

## Approvals

Name	Title	Signature
Pål Kjellesvig Dalløkken	Managing Director/Board Member OS ID AS	
Wenche Wikan Ligård	Chairman of the Board OS ID AS	
Hilde Myrvang Male	Board Member OS ID AS	