
Third-Party Due Diligence Policy

This Policy:

1. Describes Third Party due diligence procedure and why it is important to our business.
2. Requires mandatory screening and risk assessment for existing and future third parties.
3. Helps identify red flags and when and how to consult the Compliance and Integrity Department.

Laws and Regulations

Code of Conduct

Third Party Due Diligence Policy

Due Diligence & Risk Assessment
Process & Tool



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Global Third-Party Due Diligence Policy

1. Introduction

- 1.1 Össur is committed to comply with the rule of law and conduct its business in the highest ethical standards. As part of this endeavor, Össur has zero tolerance for any wrongdoing or misconduct not only by its employees but also its Third-Party business partners. This Policy sets out Össur's commitments in implementing a due diligence screening process over its Third Parties to mitigate the risks of bribery, corruption, money laundering, sanctions, violations of human rights, environmental crimes, fraud, tax evasion and other business crimes, that the company is exposed to in its relationship with third parties.
- 1.2 This Policy has been developed by the [Compliance and Integrity Department](#) (C&I) intended to define the procedures and actions that must be followed by all Össur employees in their business relationship with an existing or potential business partner. This Policy is consistent with other [Policies](#) of Össur and must be read in conjunction with the [Code of Conduct](#).
- 1.3 Any employee who breaches the rules in this Policy or who consents to anyone to breach the rules herein will be subjected to appropriate disciplinary action(s), which may include dismissal, and may be subject to personal, civil or criminal fines. Össur may also terminate its relationship with a Third Party if there is a reason to believe that the Third Party acted without due regard to its obligations as stated in this Policy.

2. What is the scope of this Policy?

- 2.1 This Policy is applicable to Össur's operations globally, including all legal entities worldwide owned or controlled by Össur, its directors, officers, employees, agents, distributors, business partners, authorized representatives and other third parties acting on behalf of the foregoing.

3. Third Parties and Responsibility

- 3.1 A Third Party is defined as any company or organization not owned or controlled, or an individual employed by Össur, but is retained to provide goods or services or engage business activities on behalf of Össur. This may include, but not limited to, agents, distributors, vendors, suppliers, authorized representatives and consultants.
- 3.2 Össur will conduct due diligence and risk assessments on every Third Party prior to doing business with them and will monitor the Third-Party risk throughout the relationship with a Third Party. The same commitment applies to all existing Third Parties.
- 3.3 The responsibility of performing due diligence lies with the respective owner of the Össur Third Party Relationship ("Third Party Relationship Owner"). Third Party Relationship Owner

is any Össur department or employee entering a contract, business relationship or any other arrangement with a Third Party.

The following provides an overview of Third Party Relationships and their respective owner in Össur:

Össur Third Party Owner	Third Party
Manufacturing and Operations	Suppliers, Vendors (direct, indirect)
Global Distribution	Suppliers (logistics)
International Distributors	Distributors, Agents, Consultants
Customer Care	Distributors
Quality and Regulatory	Authorized Representatives, Agents
Business Control	Agents, Consultants
Global Legal	Vendor, Target Companies (M&A)

This overview is not exhaustive and may be subject to change.

4. Third Party Due Diligence and Risk Assessment

4.1 Due diligence and Risk Assessment is a process of reviewing the abovementioned Third Parties with whom Össur has relations to identify the level of exposure to various risks related to human rights violations, financial, sanctions, environmental and other business crimes.

4.2 Össur’s due diligence framework is divided into three levels:

4.2.1 **Basic Due Diligence** – all Third Parties must be reviewed by the respective Third-Party Owner using the Due Diligence Tool by Össur.

4.2.2 **Enhanced Due Diligence** – Third Parties that can be characterized as medium or high risk after basic due diligence need escalation to C&I for further review

4.2.3 **Focused Due Diligence** – Any Third Party that does not pass the filter of enhanced due diligence goes to focused due diligence.

4.3 Depending on the outcome of the due diligence, the relationship with the Third Party may be further investigated, remediation and/or terminated. This is the responsibility of the Third-Party Relationship Owner, but must always be done in cooperation with the Compliance & Integrity Department and is subject to review by the Legal Department.

4.4 The due diligence framework is supported by a due diligence process and tool, which applies to the Third-Party Relationship Owner and is further detailed in the Third-Party Risk Assessment & Due Diligence Procedure.

5. Monitoring

Össur will monitor for any material change related to the risk of third parties on an ongoing basis. Based on the new information acquired, Össur will define and implement appropriate strategies to mitigate and control risks throughout the relationship with a Third Party.

6. Training

Össur will provide adequate training and related support to Third-Party Relationship Owners and other employees which have a responsibility to manage a relationship with a Third Party. For training and support, please contact [Compliance and Integrity Department](#).

7. Penalties for violation of this Policy

Össur operates in many different countries where Third Party due diligence may be required by law. Therefore, it is important to realize that Össur and its employees are exposed to increased risks including civil and/or criminal penalties. Violations of this Policy may lead to non-compliance with the [Code of Conduct](#), and thereby lead to disciplinary measures including dismissal. Failure to perform due diligence may lead to consequential damages such as reputational damages, legal and investigation costs, loss of management time, loss of key business relationships, exclusion of government contracts and competitor claims.

8. Updates, Review and Ownership

This Policy is made by the Compliance and Integrity Department and shall apply to Össur's operations globally. In order to remain compliant with relevant sanctions policies, this Policy will be reviewed annually and will be updated as necessary. Updated version of the Policy will be made available under [Our Policies](#) on Plaza.