

Tekna Holding ASA

2024

January 1—December 31

Human Rights and Transparency Report

(part of **Annual Report** Tekna Group)

one particle at a time...

 **TEKNA**

Appendix VII: Human Rights and Transparency | Workers in the value chain [ESRS S2] | Business Conduct [ESRS G1]

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1. Introduction

Tekna Group (“Tekna” or “Group”) is subject to the two following legal frameworks, both having the objective of improving respect for fundamental human rights in supply chains and increasing transparency on the topic.

- 1 January 2024, the Canadian Fighting Against Forced Labour and Child Labour in Supply Chains Act came into effect.
- 1 July 2022, the Norwegian Transparency Act came into effect.

Tekna has reported annually on Human Rights and Transparency since 2022.

Tekna is a world-leading provider of advanced materials, headquartered in Sherbrooke, Canada. Tekna produces high-purity metal powders for applications such as 3D printing serving the aerospace, medical and consumer electronics industries, as well as optimized induction plasma systems for industrial research and production. With its unique, IP-protected plasma technology, the company is well-positioned in the growing market for advanced nanomaterials within microelectronics. Building on 30 years of delivering excellence, Tekna is a global player recognized for its quality products and its commitment to over 200 customers including multinational blue-chip customers.

Tekna Holding ASA and its subsidiaries (“Tekna”) consists of ten legal entities, of which three are in Europe (“EU”; including one joint venture in process of dissolution; 18 employees), four are in North America (“NA”; 162 employees) and three are in Asia (5 employees). Manufacturing takes place in Canada, whereas the other entities are sales offices. Refer to the [appendix](#) for a full overview of entities and an organisation chart.

Tekna’s value chain

In our sustainability journey, we have focused our attention on understanding the impacts of our own operations. However, Tekna has a diversity of interactions across the value chain: suppliers, customers, our own operations and interactions related to the end user and end-of-life process. Our supply chain

and geographical footprint are examples of factors that affect the value chain and our impacts, risks and opportunities. Tekna can have a positive or negative impact on the value chain. An example of a positive impact is the enabling strength of our high-quality additive manufacturing (“AM”) materials converting more customers to resource efficient AM methods. As a global business, the need for business travel and the related greenhouse gas emissions (GHG) is an example of a negative impact. Raw materials for the manufacturing of metal powders is the area with the highest risk for negative impact in our supply chain.

Community impact	Labor conditions
<ul style="list-style-type: none"> • Freedom of expression • Digital security/privacy • Access to water and sanitation • Displacement and loss of livelihoods • Environmental degradation • Conflict minerals in the supply chain • Gender equality and women’s right • Minority rights • Rights of Indigenous People • Rights of refugees and migrants • Land rights • Security forces 	<ul style="list-style-type: none"> • Freedom of association and the effective recognition of the right to collective bargaining • Forced labor • Child labor • Non-discrimination in respect of employment and occupation • Safe and healthy working environment • Working conditions (wages, working hours)

Figure 1: Potential human rights impacts relevant to Tekna

Appendix VII: Human Rights and Transparency (continued)

Potential risk and impact areas in our value chain

Notwithstanding our commitment to respecting all human rights, the human rights issues most relevant to our business operations are figure 1 on the previous page.

In figure 2 is a simplified overview of the Tekna value chain for the two business units. We have indicated in red the part with the highest potential for negative impact, which materials are on the Critical raw material list, and which are potential conflict materials.

Own operations

To manufacture Tekna’s products the following business-specific resources are required for Materials:

- *Production equipment:* plasma systems and peripherals, sieves, blenders, containers, forklifts, storage racking, recycling bins
- *Production enablers:* metals (titanium alloy, aluminum alloys, tungsten, tantalum), process gases (argon, helium), cooling water, packaging (plastic curtec containers, aluminum bottles, pallets, straps, labels), laboratory (test chemicals), OHS (GVP masks, gloves, boots)

And for Systems:

- *Production equipment:* tools, welding equipment, storage racking, recycling bins, specific software
- *Production enablers:* metals, composites, electrical wiring, tubes, pipes, hardware, software, packaging (wooden crates)

Upstream value-chain

(based on unverified assumptions)

To obtain the mentioned “production enablers” the following processes are likely required upstream for Materials:

- *Metal feedstock* (titanium alloy, aluminum alloys, tungsten, tantalum): ore extraction (mining and beneficiation resources) > refining and chemical processing > reduction and metal processing > melting and casting resources > transformation to feedstock (processing (casting and wire drawing or powder production) and packaging resources.

Systems:

- *Stainless steel:* From ore to stainless steel sheet, this process involves mining and ore beneficiation, smelting and alloying, rolling and shaping, and finishing.

We have a general understanding of the potential impacts and risks associated with the upstream value chain and the highest risk is likely to be found in raw material extraction and refining. This may include child labor, forced labor, pollution of land, soil, water and air, perilous working conditions, hazardous workplaces, exposure to hazardous chemicals, conflict and disputes in local communities and GHG emissions.

As a medium sized company we have access to our business partners and are able to inform ourselves about their practices, associated risks and potential impacts. The suppliers of our business partners have proven to be more difficult to assess. Much work remains to be done to complete the understanding.

Risk mitigation

80 per cent of Tekna’s global spend comes from suppliers based in the EU or NA, which we deem

well-governed by legal standards. The remaining 20 per cent, approximately, is spent on a key raw material, i.e. titanium, supplied by two regularly audited manufacturers in China. Both are well-established and qualified suppliers to major western industrial conglomerates.

REACH, RoHS and potential conflict minerals

Our procurement team has delivered third-party verification guaranteeing our powder products are meeting REACH (toxic chemicals) and RoHS (hazardous substances) requirements.

Tekna is following the Responsible minerals initiative (Conflict minerals reporting) for tungsten and tantalum. Both are sourced exclusively from Conflict-Free material based on OECD due diligence and Dodd-Frank requirements. Tekna has the declaration on conflict-free material, which is made with all the information from partners in the entire supply-chain from smelters up to Tekna.

Figure 2: simplified overview of the Tekna value chain for the two businesses.

Value chain (VC)	Upstream value chain	Own Operations (OO)	Downstream value chain (VC)	
Business unit:	Raw materials and supply chain	Production, distribution, marketing	Customers	End-users (& End-of-life-stage)
Materials: for additive manufacturing industry for micro-electronics industry	<i>Mining and sourcing of raw materials</i>		<i>Production of:</i>	<i>Utilization:</i>
	Aluminum, Tantalum ^{1,2} , Titanium ¹ , Tungsten ^{1,2}	Production of micron-sized materials (A, Ti, W, Ta).	Tier 1 and Tier 2 Metal part manufacturers	Aerospace, medical implants, consumer electronics, 3D Machine Manufacturers
	Nickel	Production of nano-sized materials (Ni).	Multi-Layer Ceramic Capacitors (MLCC) Original Equipment Manufacturers	Electronics in devices, EVs,
Systems	Production of hardware (Parts and subassemblies)	Production and development of plasma technology	(Materials) Research institutes and companies	Research and small production of (new) materials
General	Transportation associated with above activities. Sourcing of parts, electricity, water	Storage, packaging, transportation and logistics Sales and Marketing, personnel and office		Disposal and end-of-life handling

1: Critical raw material list. 2: Potential conflict material Tekna's supplier guaranteed material purchased non-conflict.

Appendix VII: Human Rights and Transparency (continued)

2. Guidelines and routines

Several guidelines and routines have been created and communicated for handling actual and potential negative consequences for basic human rights and decent working conditions.

For any concerns about business conduct, or advice regarding the policies and practices for responsible business conduct, the first point of contact internally is the HR department, externally it is the CFO and, alternatively the whistleblowing channel is available if the informant wishes to remain anonymous. Any interaction will be taken into consideration on a continuous basis.

Tekna has established an Ethics and Compliance Committee ("ECC") to ensure we operate fairly across all business operations and engage to not use prohibited practices. This showcases our commitment to do business with diligence. The ECC reports to the Audit Committee and consists of key executives and managers. One of its roles is to ensure adequate up-to-date guidelines and routines are in place and properly implemented and followed.

Code of Conduct

Tekna has embedded responsible business conduct of its employees and officers in its Code of Conduct ("CoC") since 2021. The CoC was updated and approved by the Board of Directors on December 15, 2023. It is available in both English and French to ensure a good understanding with the employees and enable them to use good judgment, and in the case of uncertainty, seek guidance.

At March 31, 2024, 100% of the global employees had signed³ the CoC. It is also compulsory for new employees to read and sign the CoC as part of their onboarding.

The CoC is available on www.Tekna.com/esg.

Employee training

A CoC training for employees has been developed internally and participation before March 31, 2025 is mandatory for all Tekna employees worldwide. The training addresses Human Rights including forced and child labour, right to occupational health and safety, harassment protection, civility. It also explains the whistleblowing tool and protection as well as the key information on anti corruption and compliance. The training duration is one hour and includes an exam of 20 multiple choice questions that must be completed with 80% score.

The CoC is available in the Document Management System "Isovision" and on the website. It is part of the introduction program of every employee as well as compulsory (re-)lecture when significant updates are done.

³: Signing includes online acceptance on our Document Management System ISOVISION.

Business Partner Code of Conduct

Tekna has embedded responsible business conduct for suppliers in its Supplier Code of Conduct since 2021. It has now been updated to a Business Partner Code of Conduct ("BPCoC"), which was approved by the Board of Directors on November 5, 2024. It is available in both English and French to ensure a good understanding with our supply base.

The BPCoC is available on www.Tekna.com/esg.

Human rights

Tekna's Business Partners shall respect human rights, and always act in line with the rules and principles laid out in the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights, and the OECD Guidelines for Multinational Enterprises. Tekna has implemented a Human Rights policy, approved by its Board of Directors since November 5, 2024.

Prohibition of child labour

Tekna does not accept any form of child labour or that children below the lawful minimum age for admission to employment are engaged in our or our Business Partners' business. If persons below the age of 18 are involved, Tekna demands special precautions to safeguard their health, security and rights. Persons below the age of 18 shall not perform dangerous or night-time labour, and their work shall not

inflict damage on their education or development. Tekna and its Business Partners fully support, and will act in accordance with, the UN Convention on the Rights of the Child.

Labour rights, health and safety

Tekna does not accept any involuntary labour and expects all its Business Partners to comply with all fundamental labour rights and applicable laws and regulations. Business Partners shall ensure fair salaries, safe working conditions (including necessary supervision and protection from fire and other dangers), the right to organize, a good workplace environment, and have in place a whistleblowing procedure for the reporting concerns by employees.

Hazardous substances and conflict resources

Tekna and its Business Partners shall comply with applicable laws and regulations regarding the use, prohibition and restriction of hazardous substances and shall avoid the use of conflict materials, i.e. materials that originate from conflict areas and contribute to fund governments and movements which violate fundamental human rights.

Discrimination and harassment

Any kind of discrimination due to gender, ethnicity, national origin, descent, skin colour, language, religion, sexual orientation, family situation or disability is not accepted in Tekna or any of its Business Partners. All people shall at any time be treated with respect and dignity.

Appendix VII: Human Rights and Transparency (continued)

Whistleblowing

Tekna encourages transparency and Business Partners and their employees are expected to report any concerns about potential violations of the CoC and BPCoC or applicable laws and regulations to the Chief Financial Officer without delay.

If our employees suspect any unethical conduct in breach of this Code or other policies and applicable laws, they shall immediately report this to the corporate or local HR department following the internal complaint procedure.

The first point of contact is the HR department, but reports can be made to one of the people listed in the CoC, depending on the nature and content of the report. Violations involving a member of the executive team should be reported directly to a Board member.

If an employee reporting a violation wishes to remain anonymous, all reasonable steps will be taken to keep their identity confidential. Anyone who reports such matters, in accordance with the internal complaint form, will be protected from retaliation. As such, no employee shall be discriminated or retaliated for reporting in good faith a violation of Tekna's policies. However, any employee who intentionally has made a false claim of violation may receive disciplinary actions up to and including, when appropriate, termination of employment.

Tekna will endeavour to protect whistleblowers against retaliation. Tekna may, however, disclose

information to competent authorities to the extent appropriate.

In 2023, Tekna established a partnership with Whistleblower Software, enabling us to introduce an anonymous whistleblowing platform to our valued employees and stakeholders. This collaboration marked a significant milestone in our journey towards fostering a culture of transparency, accountability, and ethical conduct. By providing a secure, anonymous and confidential channel for individuals to report concerns, we have strengthened our commitment to maintaining the highest standards of integrity within our organization. Our aim for this new channel is that it will act as a constructive feedback loop within our organization and supply chain, thus helping in identifying, mitigating, and addressing issues.

Handling requests of information

Tekna has published the Routine for processing requests on information according, which solidifies our dedication to transparency by outlining a systematic approach to managing and responding to information requests. The routine follows the legal requirements of the Norwegian law and is deemed adequate and applicable to any information request on the topic. By establishing clear guidelines for information disclosure, we aim to bolster trust among our stakeholders and contribute to a more informed and engaged community.

Upon receipt of a written request for information Tekna will reply within three weeks. Depending on the complexity of the request this will either be the answer to the questions or a request for extension of the time limit with reason of the extension and an expected completion and reply date.

The contact person for questions related to this report, human rights and transparency is disclosed on the website (Tekna.com/esg). At publication of this report Ms. Arina van Oost can be contacted at esg@tekna.com.

Subjects for the Board

The overall management of the Company is vested in the Board and the Executive Leadership Team. In accordance with Norwegian law, the Board of Directors is responsible for, among other things, supervising the general and day-to-day management of the Company's business, ensuring proper organization and allocation of responsibilities and duties, preparing plans and budgets for its activities, ensuring that the Company's activities, accounts, and assets management are subject to adequate controls and undertaking investigations necessary to perform its duties.

Since 2022, the Board of Directors approves all ESG policies. Important policies publicly available:

- (Employee) Code of Conduct and Ethics (2023)
- Corporate Governance policy (2022)
- Business Partner Code of Conduct (2024)
- Human Rights Policy (2024)
- Routine - Transparency Act (2023)
- Anti-Corruption policy (2023)
- Competition law compliance policy (2023)

Relevant internal policies approved by the CEO:

- Donations and Sponsorships Policy
- Work Harassment policy
- Workers' compensation equity system
- Occupational Health & Safety policy

Appendix VII: Human Rights and Transparency (continued)

3. Risk of negative consequences

Risks of negative consequences resulting from our value chain are identified through a sustainability due diligence process.

Performance

Tekna's first experience with supply-chain due diligence stems from its 2022/23 effort to engage with the top 25 suppliers ranked on the basis of risk of location, location of their supply-chain and or spend. We used a professional tool developed for this purpose, Factlines.com, and after numerous follow-ups we managed to get 9 completed assessments. For results refer to the 2023 report.

80 per cent of Tekna's global spend comes from suppliers based in the EU or NA, which we deem well-governed by legal standards. The highest risk supplier (rank 1/25), based on significance for Tekna for (titanium feedstock), spend (approx. 20 percent of total company spend), and location (China classified as a country with high risk because there is no guarantee of workers' rights), completed the self-assessment, signed the SCoC and was audited on site. They are well-established and a qualified supplier to major western industrial conglomerates.

Therefore, the Ethics and Compliance Committee has decided to use 2024 for implementing the new policies approved in Q4 2023 and 2024 (see Subjects for the Board).

In 2025, we will initiate a second due diligence round

to identify, measure and understand the most important risks in our supply chain. We aim to cover topics such as supply chain, risk assessment, management systems, working conditions, social responsibility, environment, anti-corruption, and conflict minerals.

In order to make the most out of the resources we have, we will first focus our efforts on the suppliers with the most improvement potential.

We will pay particular attention to those suppliers that disclose not having a policy against the use of child labour and / or forced labour in line with the UN Global Compact principle 5.

KPI

In 2024, there were no reported incidents of discrimination, anti-corruption or breaches of the BPCoC or CoC. Tekna received three whistleblowing reports involving two (internal) incidents.

See figure 3 for further key performance indicators.

<i>Figure 3: Key performance indicators</i>	2024	2023
Percentage of new suppliers that were screened using social criteria	priority focus on risk suppliers	
Number of suppliers assessed for social impacts		9 (+3 in progress)
Number of suppliers identified as having significant actual and potential negative social impacts		0
Percentage of suppliers identified as having significant actual and potential negative social impacts with which improvements were agreed upon as a result of assessment	Focus on implementing policies, Due diligence to re-start in 2025	0 (high risk)
Percentage of suppliers identified as having significant actual and potential negative social impacts with which relationships were terminated as a result of assessment, and why		0

Process to remediate negative impacts

To date, Tekna has not detected or been informed of any negative impact to remediate.

In line with our 2024 Human Rights Policy and commitment, Tekna:

- Provides an accessible complaint mechanism provided by Whistleblower Software, which enables Representatives, Business partners and other relevant stakeholders to raise concerns or grievances related to our activities, securely and anonymously;
- Ensures that complaints are handled promptly, impartially, and according to applicable laws and regulations. Our grievance handling team conducts thorough investigations, taking action, and ensuring transparency throughout the remediation process;
- Provides or cooperates in providing prompt and appropriate remediation to address and prevent activities that have caused or contributed to adverse impacts and its recurrence, such as corrective actions, compensation, or changes to our policies.

Appendix VII: Human Rights and Transparency (continued)

4. Measures

Tekna will ensure that all new employees sign the Code of Conduct and undergo training on the most important policies, including the Code of Conduct, Human Rights policy and Anti-Corruption and Competition Law Compliance.

Tekna will renew its efforts with its supply base to

- Improve the percentage of signatories of its updated Business Partner Code of Conduct
- Improve participation in its due diligence process and act on any “high risk” assessments
- Ensure supplier audits include E, S, G topics and climate risk mitigation as standard in the agenda
- Improve its understanding of climate-related risk and support the development of a mitigation plan.

All these measures will reduce the risk of negative consequences and halt present activities that have negative impact.

5. Signatures

Board of Directors and CEO

Progress on Action plan 2024

Supplier audit standard agenda to include E,S,G and climate risk topics	✓	Completed
Increase Supplier SCoC signatories - simplify process		Ongoing
Employee training in CoC— including focus on child and forced labour		Training developed, roll out Q1
Employee training in Anti-Corruption and Compliance		Training developed, roll out Q1
Update and adjust SCoC to specifically address all Business Partners	✓	Completed
Board approval for CoC for Business Partners	✓	Completed
Create Human Rights Policy	✓	Completed
Board approval Human Rights Policy	✓	Completed
ECC to follow due diligence on 25 most critical suppliers		Ongoing

Actions 2025

Employee training in CoC— including focus on child and forced labour, Anti-Corruption and Compliance	✓	Q1
Increase BPCoC signatories - simplify process		Ongoing
Reinitiate Due diligence on 25 most critical suppliers, ECC to track		Q2-Q4

Arendal, 9 April 2025

The Board of Directors and CEO of Tekna Holding ASA

This document was electronically signed.

Dag Teigland Chair of the Board	Barbara Thierart-Perrin Member of the Board	Torkil Sigurd Mogstad Member of the Board	Anne Lise Meyer Member of the Board	Kristin Skau Åbyholm Member of the Board	Lars Magnus Eldrup Fagernes Member of the Board	Ann-Kari Amundsen Heier Member of the Board	Luc Dionne CEO
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Appendix I: Organisation chart, key financial figures, shareholders

Tekna Group, as per 31.12.2024

Main objectives

Vision: Advance the world with *sustainable* material solutions, one particle at a time.

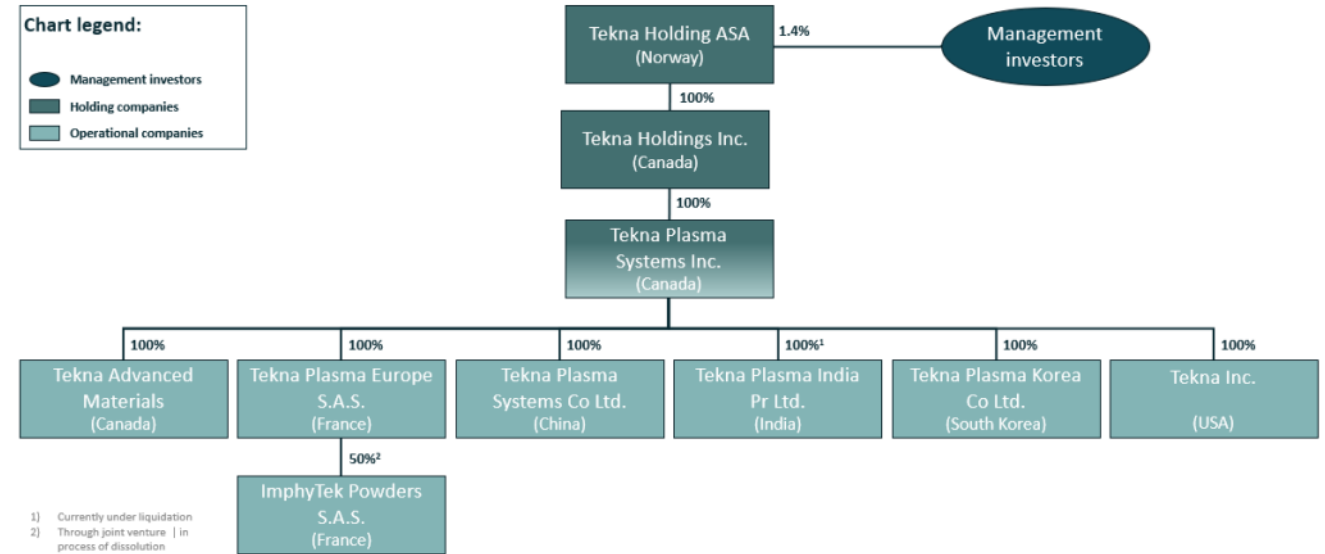
Mission: Be the ultimate partner

We achieve this by leveraging our talented people, our innovations and our manufacturing excellence to provide our customers with plasma technology and material solutions that drive their success, today and tomorrow.

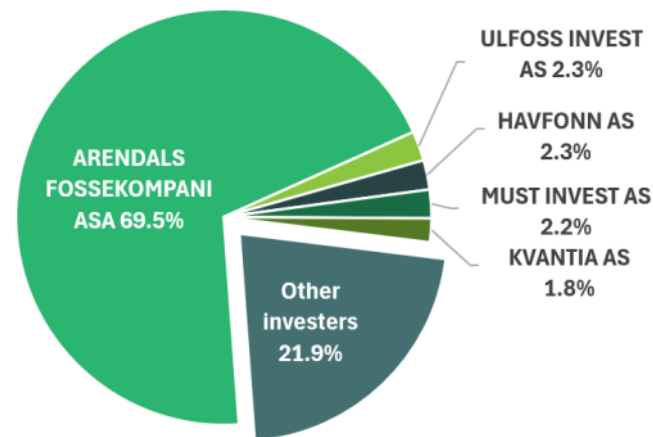
Key financial figures

in CAD million	2024	2023
Revenues	37.2	40.9
Adjusted EBITDA	-6.9	-4.1
EBITDA	-4.0	-8.2
Net profit / loss	-11.2	-15.0
Cash balance	12.8	10.1
Employees	185	222

Organization chart



Major shareholders



This report comprises the following organisational units:

	Comment	Staff
Tekna Holding ASA [THASA], Norway	holding, no staff	0
Tekna Holding Canada Inc [THC], Canada	holding, no staff	0
Tekna Plasma Systems Inc [TPS], Canada, HQ	operational headquarter, Systems production	111
Tekna Advanced Materials Inc [TAM], Canada	Materials production	50
Warehouse [JLM], Canada	not a legal entity, temporary warehouse	0
Tekna Plasma Europe SAS [TPE], France	sales office Europe, powder production (idle in 2024)	18
Tekna Plasma Suzhou Co Ltd [TPZ], China	sales office, office move in Q1 2022	4
Tekna Plasma Korea Co Ltd [TPK], Korea	sales office, office move in Q2 2024	1
Tekna Inc [TUS], USA	sales office, activity started end of 2022	1
Only when specifically mentioned:		
Imphytek Powders SAS [Imphytek], France, JV	JV, in process of dissolution	0

Tekna Holding ASA

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