

NEXT Biometrics Group ASA
Norwegian Transparency Act Statement
2022

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1 Background

NEXT Biometrics Group ASA ("NEXT") supports the UN Global Compact and its underlying principles on human rights, labour rights, environment and anti-corruption.

NEXT's approach to counteract human right violations is aligned with the principles in OECD Guidelines for Multinational Enterprises ("OECD Guidelines") and UN Guiding Principles on Business and Human Rights ("UNGP"). These principles form the base for the Norwegian Transparency Act ("The Act"). The Act applies to NEXT, due to it being subject to the Public Limited Liability Companies Act and its listing on the main list of the Oslo Stock Exchange.

This statement constitutes NEXT's account for the financial year 2022 as required by the Act.

2 About NEXT

NEXT provides secure easy-to-use fingerprint sensor technology for authentication in four different market segments Public Security, Access control, Office and Notebooks, Payments and Fintech. The Group's patented NEXT Active Thermal™ principle allows the development of large, high quality fingerprint sensors in both rigid and flexible formats.

NEXT has employees and offices in Norway, Taiwan, China and USA. We are offering our products to original equipment manufacturers on an international level through our internal sales team, external sales agents and distributors. NEXT has established outsourced production with strong partners in Asia with proven ability to produce large volumes of high quality and robust sensors at very high yield rates for mass-market deployment which is highly recognized and appreciated by existing and potential new customers. The Group can increase production capacity rapidly when needed.

NEXT is committed to be a good corporate citizen and demonstrate integrity and high ethical standards in all its business dealings. NEXT's board and management are committed to maintaining high ethical standards and have implemented guidelines with regards to values and ethics. The purpose of these standards and guidelines is to create a sound corporate culture and to preserve the integrity of NEXT by helping employees to promote standards of good business practice. NEXT's Ethical and Social Responsibility Guidelines were last approved by the board on 1 November 2022 and applies to all employees of the Group. They also apply to anyone who holds a position of trust in the Group (including membership of boards) and hired consultants acting on behalf of the Group. They aim to provide guidance to our people for a common platform.

NEXT has also established a Supplier Code of Conduct that requires NEXT Biometrics Group suppliers to conduct business in a responsible manner, based on the duty to respect human rights, labor rights, protect health, safety and the environment, prevent corruption and in general, apply sound business practices. NEXT's Supplier Code of Conduct was last updated and approved by the Board on 1 November 2022.

As a supplier of electronic fingerprint modules ensuring secure access as part of products delivered to end-customers by major electronic products companies, we are in the business of trust. Our success relies on the confidence our external stakeholders have in us, and every one of us has a crucial role in building and maintaining that trust. We are committed to integrating sustainability into the core of our business, including caring for the environment, protecting and respecting labor and human rights, and combating corruption and bribery.

3 Guidelines and procedures

NEXT is committed to respecting human rights. NEXT's approach to human rights is included in our Code of Conduct and Supplier Code of Conduct.

4 Supplier Due Diligence process

4.1 Human rights assessment in the supply chain

Ensuring that our Suppliers are committed and work diligently with sustainability is paramount for our joint ability to deliver on the sustainability goals. Our Supplier Code of Conduct, which is aligned with the Universal Declaration of Human Rights and the UN Global Compact, sets the standard for how we expect our Suppliers to act.

4.2 Monitoring and screening

In 2022 we have performed a risk assessment identifying the most important suppliers to be monitored. The key suppliers have been identified based on annual NEXT spending level and a review of risk per supplier based on geography and type of supply. During 2022 NEXT conducted due diligence assessments of all the identified suppliers.

5 Due diligence findings and way forward

The identified suppliers that were subject to NEXT supplier due diligence activities, are partners that are active in the following activities and processes:

- Component and microchip supplier partners
- Module manufacturing and electronic production partners
- IT services and SW development

We conducted sustainability reviews of a set of prioritized suppliers. No severe findings were found.

In 2023, we intend to continue to prepare and update risk reviews. Moreover, we will continue our due diligence on suppliers that have been classified as most important in terms of risk and spending level.

6 Statement by the Board of Directors

The Board of Directors has today considered and approved this Norwegian Transparency Act Statement for the year 2022.

Oslo, 12 June 2023

Petter Fjellstad
Chairman

Emine Lundkvist
Board member

Siri Børsum
Board member

Odd-Harald Hauge
Board member

Peter Heuman
CEO