



Equality and anti-discrimination

www.arcticzymes.com

2022

Equality and anti-discrimination in ArcticZymes Technologies ASA

About ArcticZymes Technologies ASA

The ArcticZymes Technologies group (hereinafter “the Group” or “the Company”) is a Norwegian life science company focused on the development, manufacturing, and commercialisation of novel and high-quality recombinant enzymes for use in molecular research, In Vitro Diagnostics (IVD) and biomanufacturing.

The Company is creating value from innovative enzyme technologies which capitalise on more than three decades of world-class research at the Arctic University of Tromsø and in collaboration with other national and international partners to offer niche and high-quality life science products.

ArcticZymes Technologies’ products and capabilities are protected via a large portfolio of patents and 20+ years of know-how in innovating and manufacturing enzymes.

The headquarters and main laboratories are located at the SIVA Innovation Centre in Tromsø Norway. In 2022, the Company leased additional offices and lab facilities at ShareLab in Oslo. These facilities will support application development activities to demonstrate the utility of the Company’s enzymes in customer relevant workflows and technologies.

As ArcticZymes is a global supplier of enzymes, most of the sales and marketing team are located remotely in Oslo, Central Europe, North America and Japan. In addition, the Company has established logistic hubs in the United States and the Netherlands to serve its customers more efficiently.



Introduction

The purpose of the "Equality and Prohibition of Discrimination Act" (Discrimination Act) is to promote equality, secure opportunities, rights and prevent discrimination. The Act is particularly aimed at improving the position of women and minorities. The Act enforces Activity and Accountability Reporting (ARP), which is a duty where all

employers must work actively, systematically and purposefully to promote equality, prevent discrimination on the grounds of gender, pregnancy, consent at birth or adoption, care duties, ethnicity, religion, outlook on life, disability, sexual orientation, gender identity, gender expression, or combinations of these, and seek to prevent harassment, sexual harassment and gender-based violence.

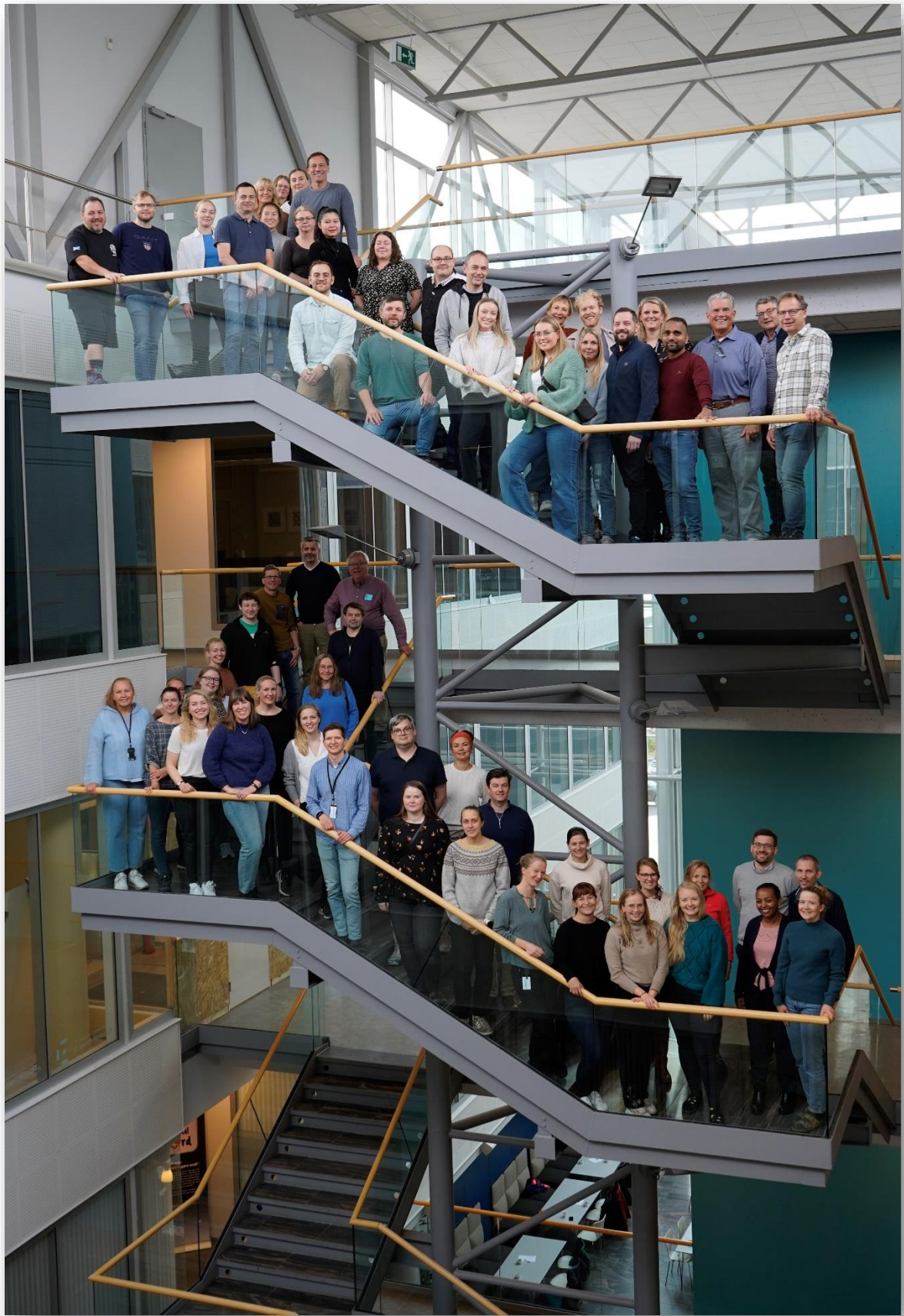
The Group works actively with the legal requirements "Discrimination Act", where the corporate culture shall show diversity, be developing and stimulating for all employees. Arrangements are made for all employees to exercise active co-operation, where interaction and commitment can contribute to a inclusive working life. The Company shall ensure competence development and life-phase facilitation throughout the entire professional career of each employee.



The report has been structured in accordance with current legal requirements and employee representatives have been involved in planning, implementation and evaluation of the criteria and content of the Accountability Reporting.

The Group shall on a continuously basis work with equality and discrimination. In the last 2 years, the number of employees has grown considerably, and it will be important to increase the focus on discrimination in coming years. 2022 is the first year where the Company has prepared an ARP report.

The report is based on figures for Norwegian employees. A handful of employees within sales and marketing that works as consultants in Europe and US has been excluded from calculations.



Working conditions:

The Group had one part-time employee, two women and two men in temporary project positions per 31.12.2022. There were no involuntarily part-time positions in 2022. There has been limited turnover in the Group over the last few years.

At the end of 2022, there was one employee who was on maternity leave. During the year, there have been two paternity leaves and one maternity leave.

The following findings were made at an overall level:

Total employees		Temporary employees		Parental leave*		Actual part-time		In-voluntarily part-time	
Female	Male	Female	Male	Female	Male	Female	Male	Female	Male
33 (61%)	21 (39%)	2	2	1	2	0	1	0	0

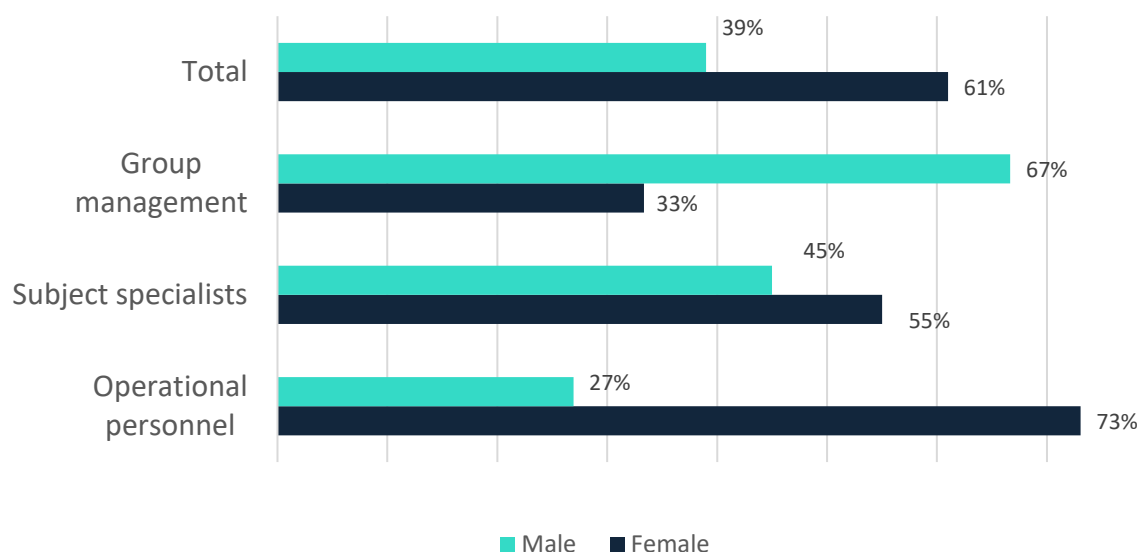
*The Group has too few parental leaves to calculate the average number of weeks per gender.

Gender balance

The table below shows gender differences in the Group, and it shows a gender imbalance with a predominance of women at 61% against men at 39%. There are more women in all levels of the organisation except for group management where men dominate. The gender imbalance has arisen due to many new hires and the challenge of obtaining qualified personnel in both genders. Efforts are applied to rectify some of these imbalances.

Gender balance		Group management		Subject specialists		Operational personnel	
Female	Male	Female	Male	Female	Male	Female	Male
33 (61%)	21 (39%)	2 (33%)	4 (67%)	12 (55%)	10 (45%)	19 (73%)	7 (27%)

Gender balance



Remuneration policy

The Group's remuneration policy is anchored in guidelines adopted by the General Assembly (see minutes from AGM on [www. Arcticzymes.com](http://www.Arcticzymes.com)). Salaries in the Group is assessed in relation to what the market within our area offers as well as the employee's competence, work, and area of responsibility. The salary development must, in addition to the above-mentioned guidelines, be in relation to experience and performance within the various positions.

Bonus and overtime

There is a common bonus scheme for all employees in the Group based on the Company's current rules at any given time. In general principle, it is the operating result that provides the basis for bonus award. Senior managers and employees in the sales and marketing department have other criteria for bonus achievement.

Bonuses are awarded according to the average percentage position throughout the year, but a minimum position fraction must be met to be eligible for bonus payment.

Employees with independent positions and senior management does not have paid overtime. All other employees are in principle eligible for are paid for overtime, if deemed necessary. The Company has few taxable benefits in kind. These are omitted from the reporting as these have limited effect of the financial data. These benefits apply to most employees with equal amounts.

In our analyses on salary, we have considered salary differences where total salary including bonuses and overtime are taken as a basis.

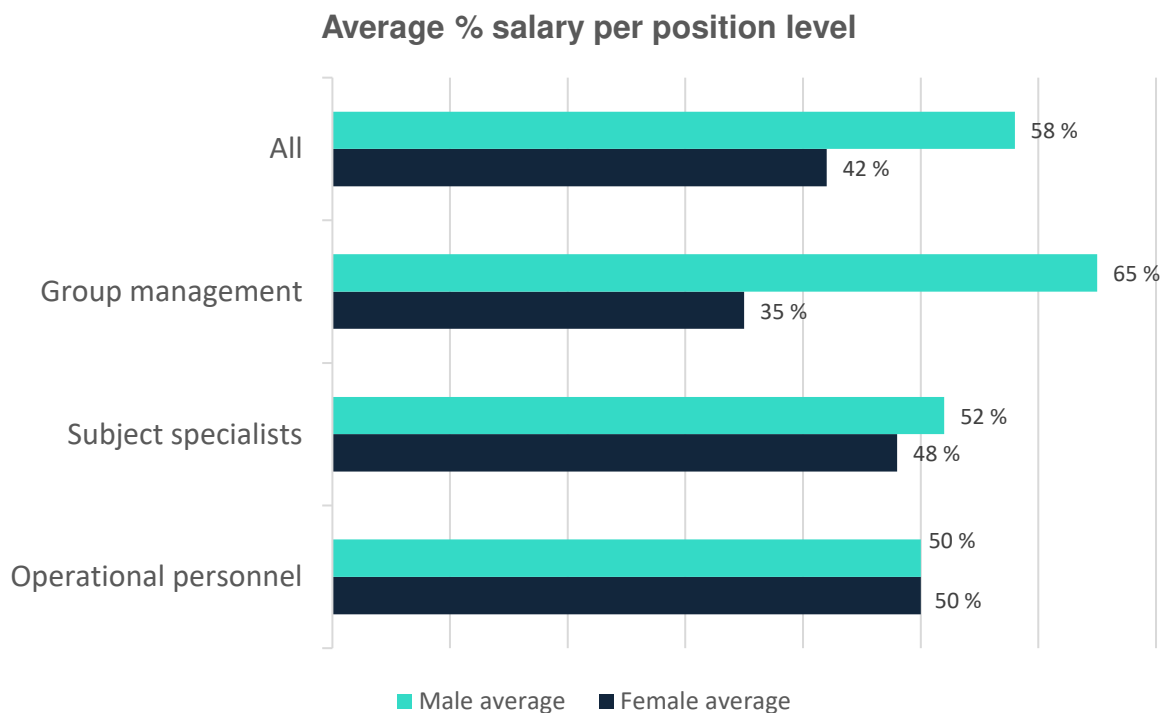
Position levels

We have initially considered different categories in the Company as our starting point when we have assessed the grouping of position level to map whether employees are discriminated in terms of salary or not. The assessments are made in accordance with the recommended method where different employees are been grouped in levels based on the complexity of work tasks, responsibilities, and requirements for competence. It is the content of the position that is assessed in order to consider whether it is equal work of equal value.

We have defined the following groups of employees based on the recommended analysis method:

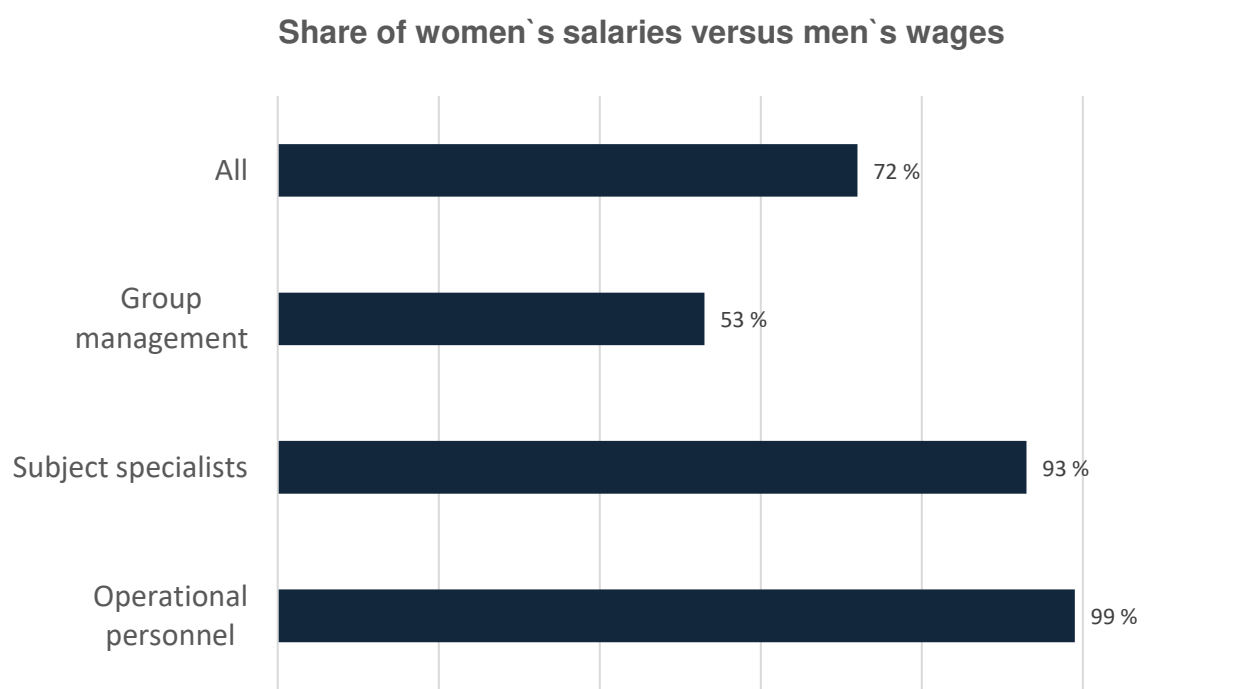
1. Group management – directors and senior management
2. Subject specialists – head of department, subject specialists, and group leaders
3. Operational personnel - laboratory employees and other office personnel

In the table below, the average salary for the Group including bonus and overtime is distributed per position level and between men and women within the various levels.

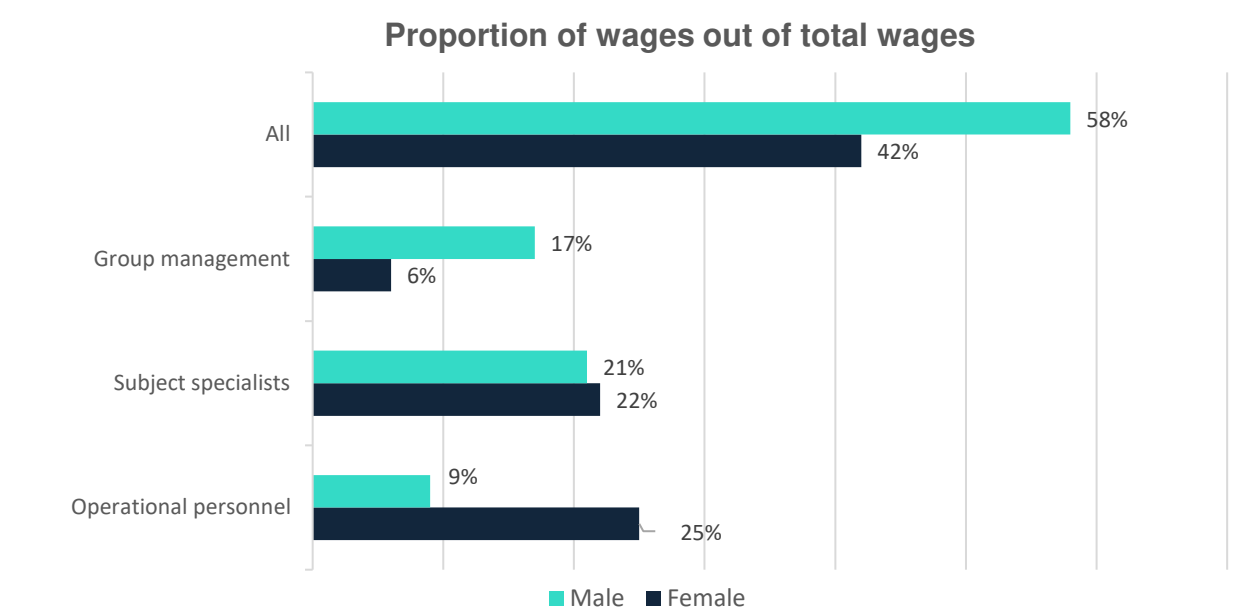


The dataset contains all Norwegian employees at the time of reporting 31.12.2022. It has been adjusted for the actual period the employees have worked in the group due to many new hires with different dates of employment, which would have given inexplicable results in the analysis..

The table below shows women's share of men's average salary and in total for the group.



The table below shows the total proportion of wage divided by position level and by men and women.



Principles, procedures and standards for equality and anti-discrimination

The Group's starting point for its analysis and considerations, is its remuneration guidelines, which were established and approved by the General Meeting in 2021.

The following guidelines apply to the Group:

- Core values of collaboration, trust, innovation, expectations and strong reliable relationships.
- Gender pays equity objectives.
- To achieve and maintain gender pay equity within the ArcticZymes group
- To ensure that no gender bias occurs at any point in the remuneration review process.
- To commit to a rigorous and fair performance and pay review assessment process.
- Gender pay equity objectives are being achieved.
- The Company pays competitive remuneration and terms of employment within our marketplace to ensure that we can attract, retain and reward the right caliber of employees.
- Remuneration plans and practices will be fair and decision making will be transparent.





This is how we worked to identify risks of discrimination and prevent equality

The Group's initiation point for the work was the statutory 4-step method (survey and investigate, analyse, implement measures and evaluate results), and the work is carried out by two representatives from the employees and two representatives from the HR department. In addition, management and the board have been involved at a supervisory/executive level.

HR software was acquired which will be helpful for reporting in later periods.

We discovered the following risks of discrimination and obstacles to equality

A gender imbalance was revealed, with a preponderance of women. In addition, wage differences were revealed at the senior management level where men had higher wages than women. After reviewing the risks of discrimination together with the employee representatives, there is a mutual opinion that deliberate pay discrimination in relation to gender is neither perceived nor can be described as a challenge in the Group. This will be followed up by looking at recruitment methodology and having an employee survey as planned actions in the coming year.

The Group has two women and two men who are employed in temporary project positions. Historically, it has not been common having employees in temporary positions for a longer period.

Action point in the coming year:

- Prepare plans for activities, time and frequency of meetings
- Employee survey
- Transparency around salary analysis
- Consider recruitment methodology to strengthen the gender balance at all levels
- Increase the quality and standardise the reporting data
- The actions shall be revised annually, and must be realistic, feasible and appropriate. During 2023, targets for equality and non-discrimination work in the Group will be further elaborated. The framework for this work is governed by the guidelines described above.

Our goals with equality and non-discrimination work

Working with equality and non-discrimination is a continuous process.

The Group will have a greater focus on this in the future and hopes that the acquired reporting tools, structured meetings and planning will be put into more formalised forms which will mean that we are better equipped to uncover any discrimination.

Please see our ESG report Section 3.3 Gender equality which deals with equality and anti-discrimination for further information.



ArcticZymes Technologies ASA

Sykehusvegen 23

N-9294 Tromsø, Norway

T (47) 7764 8900

E ir@arcticzymes.com

I www.arcticzymes.com

www.arcticzymes.com

