



2022 Transparency Report



2022 TRANSPARENCY REPORT

This report has been prepared in accordance with the Norwegian Transparency Act section 5 and summarizes the policies and procedures in IDEX Biometrics ASA with respect to safeguarding of human rights and decent working conditions and provides information on the implementation and results of the IDEX Biometrics due diligence.

ABOUT IDEX BIOMETRICS

IDEX Biometrics ASA is a global technology leader in fingerprint biometrics, offering authentication solutions across payments, access control, and digital identity. Our solutions bring convenience, security, peace of mind and seamless user experiences to the world.

Built on patented and proprietary sensor technologies, integrated circuit designs, and software, our IDEX Biometrics biometric solutions target card-based applications for payments and digital authentication. As an industry enabler, we partner with leading card manufacturers and technology companies to bring our solutions to market.

IDEX Biometrics design principles are based on industry-standard design processes, incorporating high-volume components and materials, and utilizing established manufacturing processes. IDEX has a fabless operational strategy where manufacturing, assembly and test activities are outsourced, and we manage our suppliers and procurement in a responsible and transparent manner.

IDEX Biometrics ASA is incorporated in Norway. The company's ordinary shares are listed on Euronext Oslo Børs, and its American Depositary Shares are listed on Nasdaq Capital Markets in New York. The corporate headquarters is in Oslo, and there are subsidiaries in the United Kingdom, USA and China.

As of 31 December 2022, the workforce consisted of 104 individuals of staff, consisting of 85 employees and 19 individual contractors¹. Of these, 46 were assigned to two locations in the United States, 36 were assigned to one location in the United Kingdom, and five were assigned to two locations in China.

IDEX Biometrics respects and acknowledges the fundamental principles of human rights, labor rights and decent working conditions. Our business practices are fair and non-discriminating. IDEX Biometrics does not engage in business with suppliers or customers that are known to violate human rights or labor rights or are involved in child labor. IDEX Biometrics endeavours to ensure that its business operations do not cause or contribute to, or are directly linked to, actual or potential adverse impact on human rights and decent working conditions.

¹ Individual contractors typically reside and work in countries in which IDEX Biometrics does not have a legal presence.

During 2022, IDEX Biometrics reviewed existing procedures to safeguard human rights and decent working conditions. As part of this review, IDEX Biometrics' human rights, ethical policies and procedures were evaluated.

GOVERNANCE DOCUMENTS

The IDEX Biometrics human rights policy is embedded in the IDEX Biometrics Code of Conduct and Ethical Guidelines, the Whistleblowing Policy, the Fair Pay and Leave Policies, and the Supplier Code of Conduct. The Ethical Guidelines contain the company's ethical commitments and requirements. It transpires across everything we do, and our Employee Code of Conduct outlines how the Company behaves and conducts business. Compliance is of utmost importance to the Company.

IDEX Biometrics aspires to be an attractive employer and a company of choice for new employees. The technology sector is innovative and dynamic, and as IDEX Biometrics grows, the Company builds, shapes and develops the organization for the future. The company culture and extensive collaboration across departments and locations enhance our ability to be competitive and secure revenue growth. The Company has established Fair Pay and Leave Policies to this effect.

In the production supply chain of goods for delivery to customers, IDEX Biometrics has a limited group of suppliers and an established practice for assessing supplier capability as well as the suppliers' corporate and social responsibility.

The Supplier Code of Conduct addresses the areas of human rights and decent working conditions and includes the Company's requirements for the suppliers and the suppliers' responsibilities in these respects.

RESPONSIBILITIES

The board of directors has the oversight responsibility of the management of the company, including oversight of risks related to adverse impact on human rights and decent working conditions. The audit committee supports the board in its oversight over management also in environmental, social and governance (ESG) matters.

The board and the audit committee review risks at least annually, including risks related to actual or potential adverse impacts on human rights and decent working conditions.

The CEO is responsible for the Company's day-to-day operation, including policy implementation. This includes assessing and managing risks of adverse impact on human rights and decent work related to the Company's operational activities and its suppliers. The CEO reports to the board minimum monthly.

IDEX Biometrics management, led by the CEO, is under the supervision of the board. In the case of financial and ESG controls, auditing, or securities law matters, the audit committee has a special monitoring and inspection role versus the management. The management takes all reasonable actions to monitor compliance and, when appropriate, takes disciplinary action against any staff member involved in non-compliant matters.

The CEO has delegated day-to-day responsibility for administering and interpreting the Code of Conduct and Ethical Guidelines to a Compliance Officer. The Company's CFO has been appointed Compliance Officer under the Code of Conduct and Ethical Guidelines.

The Employee Code of Conduct is shared with all employees as part of their onboarding and is available to all employees at IDEX Biometrics intranet. The Company has a system for reporting irregularities in place through a hotline. The hotline is a secure web portal for whistleblowing that ensures that any employee who wants to report an activity that the employee considers to be illegal or dishonest can do so safely. If so desired, the reporter can report anonymously. The Company has confirmed that whistleblowers will not face retaliation.

IDEX Biometrics supply chain organization is responsible for evaluating the suppliers against the Supplier Code of Conduct.

The Chief Technical Officer, Chief Commercial Officer and Chief financial Officer of IDEX Biometrics are responsible for the selection and appointment of service providers and goods suppliers in their respective functions. This responsibility includes the assurance of satisfactory human rights situation and working conditions at the vendors.

DUE DILIGENCE WITH RESPECT TO HUMAN RIGHTS AND DECENT WORKING CONDITIONS IN IDEX BIOMETRICS AND ITS SUPPLIERS

IDEX Biometrics continuously assesses the actual and potential risks the company's activities and business relations might have of negative consequences for fundamental human rights and decent work conditions. Due diligence of suppliers, sub-suppliers, and business partners is part of the supplier assessment process.

The IDEX Biometrics supply chain team work to secure on-time product delivery and manage the relationship with the company's manufacturing partners. The team performs regular supply chain due diligence, including any follow-up on results, to make sure any issues or unsatisfactory results are resolved (e.g. labor and environmental issues). Such reviews are conducted at least every two years.

As of 31 december 2022 the company had commercial relationships with three major suppliers. These Tier 1 suppliers are global corporations with well-established policies that secure fundamental human rights and decent working conditions.

The supplier self-assessment questionnaire (SAQ) is collected from all suppliers of products for sale to customers, where they provide information regarding their sites, including activities, working conditions, and workers at sites.

Satisfactory human rights situation and working conditions at the vendors of services and goods other than products to customers is assured by management judgment and the fact that IDEX Biometrics only use reputed companies based in 'safe' countries.

The Company provides health and other benefits to employees consistent with statutory requirements and common practices in the countries in which it operates. Benefits are

offered to individual contractors where statutory regulations require.

In some jurisdictions IDEX Biometrics uses third-party employee benefit and payroll providers (professional employer organisations), and/or HR service and advisory companies. Prior to engagement, the company evaluates the business approach and ethical conduct of such service providers, including privacy and data protection aspects.

IMPACT ASSESSMENT

IDEX Biometrics core business is to develop and sell its products and product solutions, which are highly-specialized components, firmware and software. Manufacturing is outsourced. From time to time, IDEX Biometrics may provide project-based engineering or design services to customers. The company may also license its intellectual property and software.

IDEX Biometrics conducts qualification assessments of business partners and conducts due diligence on its suppliers.

RISK INCIDENT MONITORING

IDEX Biometrics has incident books in its facilities which employees should use to report any work-related injuries. No employees suffered work-related injury in 2022. There were no accidents or incidents involving IDEX Biometrics staff, materials or equipment.

RISK ANALYSIS

IDEX Biometrics' approach to risk assessment considers potential risks related to the products and markets in which IDEX Biometrics operates. IDEX Biometrics operates on a global basis, and the risk of adverse impact on human rights and decent working conditions are highly country-specific.

The risk for breaches of human rights and decent working conditions is considered low in the company's own facilities, and is considered low to moderate in its value chain and other providers of goods and services.

IDEX Biometrics considers that the risk related human rights and working conditions in the supply chain is low. IDEX Biometrics major production suppliers are all global Tier 1 manufacturers; Taiwan Semiconductor Manufacturing Company Limited, Amkor Technology, Inc, and Silicon Precision Industries Limited (a unit of ASE Technology Holding Co., Ltd.). The other suppliers to the products delivered to IDEX Biometrics customers are secure element providers and sundry material providers with low risk related to human rights and working conditions. Some of the suppliers have facilities or operations in countries associated with a moderate risk of adverse impacts due to the nature of the operations and/or the location.

In the development activities, IDEX Biometrics uses components, equipment and materials from various providers. These are typically well-known dealers or distributors of certified products, and the risk is low. Development services are purchased from recognised domestic or international providers with low risk, or providers that IDEX Biometrics has inspected. For marketing&sales and administrative&infrastructure providers, the Company interacts with well-reputed local providers of goods and services with low. risk.

MITIGATION OF RISK

For IDEX Biometrics, the risk of adverse impacts connected to suppliers is mitigated by the Company having policies and procedures in place for assessing the risk for adverse impact, supply chain monitoring, due diligence procedures and reporting. The Company has implemented supplier due diligence by a self-assessment questionnaire, and the suppliers are evaluated at least once every two years. The policy specifies that any critical item identified should be closed within a determined timeframe following each evaluation.

In 2022, IDEX carried out human risk due diligence and did not identify actual adverse impact on human rights or decent working conditions in its operations, or related to its supply chain.

FOCUS IN 2022 AND PLANS FOR 2023

As of the end of 2022, IDEX Biometrics had updated policies in place:

- Ethical Guidelines and Employee Code of Conduct
- Whistleblowing Policy
- Fair Pay and Leave Policies
- Supplier Code of Conduct

An employee satisfaction survey was completed in 2022 to collect feedback from employees on areas that can be improved to enhance the working environment. No significant issues or shortcomings came up in the survey. To further strengthen the efforts to safeguard human rights and decent working conditions, the Company is working on a diversity and inclusion (DEI) standalone policy to be issued in 2023.

In 2023 the Company aims to implement a comprehensive training program in these matters for its staff.

Oslo, 30 June 2023

The board of directors of IDEX Biometrics ASA

/s/ Lawrence John Ciaccia
Lawrence John Ciaccia
Chair

/s/ Deborah Lee Davis
Deborah Lee Davis
Board member

/s/ Annika Olsson
Annika Olsson
Board member

/s/ Morten Opstad
Morten Opstad
Board member

/s/ Adriana Saitta
Adriana Saitta
Board member

/s/ Stephen Andrew Skaggs
Stephen Andrew Skaggs
Board member

/s/ Vincent Arthur Graziani
Vincent Arthur Graziani
CEO