

Norwegian Transparency Act Statement 2023

Nordnet Bank NUF

1. Background

The Norwegian Act on Business Transparency and Work with Fundamental Human Rights and Decent Working Conditions ("The Act") entered into force on 1 July 2022. The Act is built on OECD's Guidelines for Multinational Enterprises as well as Due Diligence Guidance for Responsible Business Conduct. It aims to foster a higher level of transparency regarding the production of goods and the provision of services, especially relating to how businesses respect fundamental human rights and decent working conditions as part of these processes, by establishing formal disclosure requirements regarding due diligence assessments.

Fundamental human rights are defined in the Act as the internationally recognized human rights that are enshrined, among other places, in the International Covenant on Economic, Social and Cultural Rights of 1966, the International Covenant on Civil and Political Rights of 1966 and the ILO's core conventions on fundamental principles and rights at work. Similarly, decent working conditions refer to work that safeguards these fundamental rights, as well as health, safety and environment in the workplace, and that provides a living wage.

Nordnet Bank NUF ("NUF") is a wholly owned Norwegian branch of Nordnet Bank AB ("Nordnet"). The Act stipulates that NUF shall carry out a due diligence process and publish an account of the due diligence assessment. This statement constitutes NUF's account for the financial year 2023.

2. About Nordnet

Nordnet is a pan-Nordic leading digital platform for savings and investments. Ever since the foundation of Nordnet in 1996, its purpose has been to democratize savings and investments. Through innovation, simplicity and transparency, Nordnet challenges traditional structures, and gives private savers access to the same information, tools and services as professionals. With leading UX, cutting-edge financial products, and automated and inspiring customer journeys, Nordnet is building the best platform for savings and investments.

Nordnet has a total of 800 employees and operates in Sweden, Norway, Denmark and Finland. Nordnet Bank AB and Nordnet Incentive AB are subsidiaries to Nordnet AB (publ). Nordnet Fonder AB and Nordnet Pensionsförsäkring AB are subsidiaries to Nordnet Bank AB. Nordnet Livsförsäkring AS, based in Oslo in Norway, is a subsidiary to Nordnet Pensionsförsäkring AB. Furthermore, Nordnet adheres to the principles set out in the UN Global Compact on human rights, labour rights, environment and anti-corruption, and has become a signatory to the UN Global Compact in 2024. Nordnet is also a member of the Financial Coalition against Commercial Sexual Exploitation of Children and has also become a signatory of UN Global Compact in 2024.

3. Guidelines and procedures

NUF, as a branch of Nordnet, has the same approach to human rights and working conditions as Nordnet. Nordnet's responsible business conduct is embedded into its governing documents that describe how Nordnet promotes human rights and decent working conditions, including:

- **Ethics Policy:** The *Ethics Policy* clarifies how situations not directly regulated in external or internal regulations should be addressed based on moral and ethical considerations, with the aim of promoting and maintaining a high ethical standard within Nordnet. The policy cover all employees, including consultants of Nordnet.

- **Code of Conduct:** The *Code of Conduct* provides guidance on how to safeguard the interest of Nordnet's customers in a transparent and fair way, what to do in order to be a good member of society, and how to behave towards customers and colleagues. The *Code of Conduct* covers all employees and representatives, including members of the board, independent contractors and consultants. The policy is based on the ten principles provided by the UNGlobal Compact.
- **Sustainability Policy:** The *Sustainability and Environmental Policy* describes Nordnet's sustainability strategy by defining activities and guiding principles. Nordnet's overall aim is to conduct a fair, ethical and transparent business as well as keep the trust from customers and the market. The policy also describes, among other things, Nordnet's overall procurement process and Nordnet's Supplier Code of Conduct. The Supplier Code of Conduct is based on the Ten Principles of the UN Global Compact and reflects the expectations that Nordnet has for its suppliers.
- **Supplier Code of Conduct:** All of Nordnet's procurement activities shall be performed professionally and in compliance with applicable laws and internal rules. Nordnet is committed to high standards of ethics and sustainable business practices as well as respect for the environment, anti-corruption, human rights, fair and safe working conditions, and expects the same from suppliers. We encourage all suppliers to promote these standards throughout their supply chain. Based on the risk classification model of Nordnet's supply chain, the ambition is that 100 percent of all Nordnet's outsourcing and critical, shall have accepted Nordnet's supplier code of conduct or have an equivalent code.
- **Anti-Corruption Policy:** The *Anti-Corruption Policy* clarifies Nordnet's position on corruption and acknowledges the importance of the combat against corruption. Nordnet strongly opposes corruption in any form.
- **Whistleblowing Policy:** The *Whistleblowing Policy* describes Nordnet's routines and procedures for capturing potential or actual violations against Nordnet's internal rules, code of conduct, as well as other laws and regulations. Anyone involved in Nordnet's operational business has the opportunity to call attention to a potential or actual violation, and the employee can remain anonymous throughout the process unless otherwise agreed. An employee who has reported suspected violations will not be held responsible for having breached any obligation of professional secrecy, if the notifier had reason to believe that a violation had occurred.
- **Work Environment Policy:** The *Work Environment Policy* establishes guiding principles for the work environment at Nordnet. Nordnet works systematically to minimize health and safety risks at work and invests in activities to enhance the health and the performance of our employees.

Together, these governing documents shall ensure that actual and potential adverse impacts Nordnet has contributed to or caused are identified and assessed so that any adverse impacts can cease, be prevented or mitigated.

4. Working conditions

NUF has approximately 50 employees, of which the majority are full-time employees on permanent employment contracts based on Norwegian standard template employment contracts that have been reviewed by legal counsels and adapted to fit the relevant jurisdiction. The use of temporary contracts is only associated with interns and student assistance, combining temporary work with ongoing studies to obtain broader working experience. Norway, as well as the other countries in which Nordnet operates, are characterised by solid regulatory frameworks, governance, and rule of law, with a low presence of conflict from a human rights perspective, implying that the general risk of actual or potential adverse impacts on fundamental human rights and decent working conditions among our employees – because of the place of business - is considered low.

Nordnet has however established an internal reporting channel for reporting suspected violations against Nordnet's internal rules, code of conduct, as well as other laws and regulations.

Furthermore, Nordnet has a Work Environment Committee that processes questions related to e.g. occupational health care, new premises, training and methods for rehabilitations and work adaptation and contributes to a healthy and safe work environment at Nordnet. Nordnet considers consequently that the organization of the company together with the place of business contribute to a low risk of actual and potential adverse impacts on fundamental human rights and decent working conditions within Nordnet's operations.

5. Supplier due diligence process

NUF has outsourced its procurement activities to Nordnet. Procurements from external parties, including the extension of existing agreements, must therefore go through Nordnet's procurement process. The purpose of the procurement process is to ensure good internal control and compliance with applicable regulations, including conducting sustainability assessments according to Nordnet's Purchasing Instruction.

Sustainability plays a significant role in Nordnet's long-term strategy. Nordnet is committed to high ethical standards and sustainable business practices, as well as respect for human rights and fair and safe working conditions. The same is expected from Nordnet's suppliers. Nordnet has therefore developed a Supplier Code of Conduct based on the UN Global Compact's principles regarding the environment, human rights, anti-corruption and labor law. The policy considers:

- **Minimum age requirements:** Suppliers are unequivocally prohibited from participating in or deriving any advantage from the use of child labor.
- **Freedom of speech and collective bargaining:** Suppliers must recognize and uphold employees' right to form, join (or not join) trade unions and engage in collective bargaining.
- **Discrimination:** Suppliers must treat all employees and job applicants equally and fairly, creating an environment where everyone is treated with respect and dignity, and not tolerate any discrimination, harassment, or bullying in the workplace.
- **Working conditions and forced labor:** Suppliers are expected to have written agreements with their employees, comply with applicable laws regarding working hours and rest periods, and pay employees wages and benefits that meet or exceed legal minimum standards, collective agreements, or industry standards. It is imperative that our suppliers unequivocally reject any involvement in activities associated with slavery or exploitation. This prohibition encompasses bonded or forced labor and human trafficking.

Nordnet expects all major suppliers to understand and adhere to the Code, or to have their own, equivalent Code of Conduct. Furthermore, Nordnet strives for all suppliers to market these standards throughout their supply chains. In 2023, 100 percent (100) of the "outsourcing" suppliers had signed Nordnet's Code of Code of Conduct or maintained their own equivalent codes. We are also working to get our "critical" suppliers to meet the same requirements. In 2023, 74 percent of these had signed Nordnet's Code of Conduct or maintained a similar Code of Conduct – and efforts are ongoing to achieve our objective of 100 percent. The process of getting suppliers to sign Nordnets code of conduct is a work in progress. We expect that this proportion will increase during 2024.

Supplier agreements at Nordnet are registered in Nordnet's agreement register. A structured overview facilitates monitoring relationships with suppliers and ensures that all parties maintain high ethical standards and sustainable practices throughout the collaboration.

6. Due diligence findings

No breaches or increased risks have been uncovered in relation to employees or suppliers.

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7. Measures and initiatives

Throughout the rest of the year 2024 NUF intends to continue refining measures and assessment criteria to proactively identify potential risks of human rights violations in our operations and among our suppliers, inter alia through the gathering of more data and information. Additionally, NUF aims to enhance the process for tracking both the implementation and remediation of any identified issues. NUF also recognizes the importance of improved communication with stakeholders and rightsholders who may be affected by NUF's activities. NUF's commitment to upholding human rights principles is further solidified by Nordnet's official sign-on to the UN Global Compact 2024.

8. Right to information

Upon a written request, any person is entitled to information from NUF regarding how the enterprise addresses actual and potential adverse impacts pursuant to the due diligence process that is described in section 4. This includes both general information and information relating to a specific product or service offered by the enterprise. The right to information does however not cover information that is classified pursuant to the Security Act or protected pursuant to the Intellectual Property Rights Act.

If you have any questions or would like additional information about our efforts concerning fundamental human rights and decent working conditions, please feel free to contact us at the following email address: kundeservice@nordnet.no. Please mark your inquiry with "Transparency Act" to ensure proper follow-up on your request.



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