

Statement related to the Transparency Act

The Statement relates to the period 01.01.2022 – 31.12.2022

Introduction and purpose of the Act

The Transparency Act came into force on 1 July 2022. The Norwegian version of the Transparency Act can be found here:

- In English: <https://lovdata.no/dokument/NLE/lov/2021-06-18-99>
- In Norwegian: <https://lovdata.no/dokument/NL/lov/2021-06-18-99>

The purpose of the Act is to promote enterprises' respect for fundamental human rights and decent working conditions in connection with the production of goods and the provision of services. Further, the Act ensures the general public access to information regarding how enterprises address adverse impacts on fundamental human rights and decent working conditions.

The Act builds on international procedure and consensus about the requirements for responsible business conduct as well as Norwegian traditions of transparency and access to information. Together with other measures, the legal requirement shall contribute to Norway's work to meet and comply with the UN's Sustainable Development Goal no. 8 on decent work and economic growth, as well as goal no. 12 on responsible consumption and production. The core of the law entails the duty to perform and account for human rights due diligence assessments. Human rights due diligence assessments mean that companies must identify possible negative consequences for basic human rights and decent working conditions related to production and supply chains, implement improvement measures, follow up and report.

About NetNordic

NetNordic is a system integrator delivering managed and professional services and solutions to medium and large sized companies within both the private and public sector to customers headquartered in the Nordic region. NetNordic builds and manages IT-Solutions focusing on a range of customer verticals. NetNordic has a pan Nordic presence within the business areas Network, Collaboration and Security.

NetNordic – Our Commitment

NetNordic Group AS and its subsidiaries (the "Company") are committed to comply with all applicable laws and regulations in accordance with our Code of Conduct policy and other relevant Company policies such as anti-corruption, anti-trust, compliance programs, cyber security, whistle-blowing, ESG policies etc.. The Company opposes modern slavery and any form of human right's violations, including indecent working conditions associated with the Company's supply chains, as also enshrined in our Code of Conduct.

The Company has defined a Procedure ("**The Procedure**") to provide guidance and instructions on the Company's compliance and commitment to the act relating to enterprises' transparency and work on fundamental human rights and decent working conditions ("**The Transparency Act**" or "**The Act**", NO: Åpenhetsloven).

The Procedure applies to all employees in the Company. The Company shall use its best efforts to ensure that the Procedure, or procedures that set out the same standards with respect to supply chain management, are implemented in its majority owned companies.

The Procedure will not purport to be all-inclusive, and it is expected that all Company employees that are involved in processes directly or indirectly linked to the requirements of the Transparency Act use their own sound judgement. Thus, the Company will commit to conduct training of all relevant employees.

The Company will commit to conduct due diligence of suppliers and other business partners under the Act. Such due diligence will be conducted on a regular basis and be risk based, proportionate and in accordance with UN's Guiding Principles for Business and Human Rights and the OECD Procedure for Multinational Enterprises. The due diligence shall comprise the Company's suppliers (and their sub-suppliers) and other business partners that supply goods or services directly to the Company (that is not part of the supply chain). The due diligence requirements under the Act and the available risk mitigating tools will, however, be different for the Company's suppliers and sub-suppliers.

Direct purchases from suppliers that entail an inherent risk of human rights and labour abuses, require a more pro-active and cautious approach from the Company in terms of background checks and follow-up measures, such as audits. When sourcing indirectly through (lower risk) suppliers that may have high-risk suppliers in their supply chain, the main mitigating tool is to address the Company's expectations to the supplier through an agreement. Such agreement should include obligations for the supplier to address, mitigate and report on human rights and labour rights risks in the supplier's supply chain. Examples of relevant risks that the Company should identify and mitigate under the Transparency Act are: Child labour, discrimination, sexual harassment, and violence against women, forced labour, occupational health and safety (e.g., worker related injury and ill health), violations of the right of workers to establish or join a trade union and to bargain collectively, non-compliance with minimum wage and the use of hazardous chemicals.

For the purposes of the Transparency Act, the Company's due diligence commitments mean to:

- a) Embed responsible business conduct into the Company's policies.
The Company's Board sets the overall “tone from the top” and has the overall responsibility to ensure that the Company has in place adequate measures in relation to responsible business conduct. The Company's CEO is responsible for the day-to-day implementation of such measures. Thus, business ethics is a Board and management responsibility in the Company. Social sustainability and human rights are embedded in the Company's framework for responsible business.
- b) Identify and assess actual and potential adverse impacts on fundamental human rights and decent working conditions that the enterprise has either caused or contributed toward (or that are directly linked with the enterprise's operations, products or services via the supply chain or business partners)
- c) Implement suitable measures to cease, prevent or mitigate adverse impacts based on the Company's prioritizations and assessments pursuant to (b)

NetNordic – What we do

The Company has in 2022 started to implement several preventive and mitigating measures in the supply chain such as:

- I. Background checks of medium and high-risk suppliers with subsequent follow-up actions and dialogue with suppliers
- II. Supplier contracts that contain adequate compliance clauses, including the Company's expectations to suppliers' working conditions and compliance program, duty to inform of breaches and the Company's right to conduct audits
- III. The obligation of suppliers to comply with the Company's Code of Conduct
- IV. Regular audits and supplier risk assessments
- V. Training of all employees to ensure adequate awareness and knowledge of our ethical principles including human rights.

The Company will continue this work during 2023.