



The Transparency Act | Background

ABG Sundal Collier ('ABGSC') is a leading Nordic investment bank offering services within corporate finance and advisory, securities, research and brokerage, corporate brokerage services and project finance with operations in Norway, Sweden and Denmark and a global reach through our sales offices in Frankfurt, London, New York and Singapore. ABGSC operates in a closely regulated environment with strong social infrastructure, in a geographic region well-known for its stability and transparency; stringent anti-corruption laws and robust legal frameworks help ensure fair competition and protect the rights of businesses and investors. Additionally, ABGSC aims to run its business in accordance with the Ten Principles of the UN Global Compact.

In 2022 the Transparency Act ("the Act") came into force in Norway. The purpose of the Act is two-fold: (1) to promote enterprises' respect for fundamental human rights and decent working conditions in connection with the production of goods and the provision of services, and (2) to ensure that the public has access to information regarding how enterprises address adverse impacts on fundamental human rights and decent working conditions.

ABGSC, and its subsidiaries, adhere to the Act and are committed to being a responsible purchaser. We also expect our suppliers to follow the law and hold the highest principals of ethical behaviour in relation to a number of environmental, social and governance factors, by providing appropriate protection and/or provisions as relevant to the supplier's business. These principles and factors constitute the ABGSC ESG Standard, which complies with the requirements of the Act, based on values and priorities laid out in the UN Global Compact, the UN Guiding Principles on the Business and Human Rights, the G20/OECD Principles of Corporate Governance, and the OECD Guidelines for Multinational Enterprises. The procedure and process by which ABGSC shall carry out supplier due diligence and monitor adherence to the ABGSC ESG Standard is defined in ABGSC's Supplier ESG Procedure and should be read together with the policy statements set out in ABGSC's Corporate Social Responsibility Policy and Transparency Act Procedure. The responsibilities for designing, implementing and executing the procedure are held by Office/administration Managers. ABGSC also has a whistleblower policy in place.

More information about the ABGSC organisation, as well as sustainability-related issues and topics, can be found in our Corporate Social Responsibility Policy, the ABGSC Annual Report, the ABGSC Sustainability Report, all published on the ABGSC website.

Assessing ESG risk | The ABGSC ESG due diligence procedure

ABGSC's supplier ESG due diligence procedure applies to suppliers whose provision of goods and services to the firm is over a defined threshold. Suppliers are assessed annually. ABGSC takes a risk-based approach and evaluates risk by assessing Environmental, Social and Governance aspects for the relevant sector and geography. The aspects are based on a number of underlying factors as shown below.

Environmental aspects

- Resource efficiency
- Pollution prevention and management
- Ecosystems and biodiversity
- Climate change
- Environmental risk and impact management

Social aspects

- Human rights and livelihoods
- Labour rights and working conditions
- Community health and safety
- Vulnerable and/or disadvantage populations
- Conflict and security
- Social risk and impact management

Governance aspects

- Country of origin¹
- Board composition (including gender diversity)
- Transparency in relation to ownership structures, investments, transactions, tax payments, remuneration and compliance
- Executive oversight and compensation
- Codes of conduct and reporting on breaches

ABGSC has implemented a comprehensive procedure to identify suppliers who fail to meet our Environmental, Social and Governance (ESG) Standards. Through this process, suppliers are assessed and assigned a risk rating, which determines the level of due diligence required. Suppliers with a medium risk rating undergo a Basic Supplier Due Diligence ("BSDD"), while those with a high risk rating undergo an Advanced Supplier Due Diligence ("ASDD"). In some cases, the findings from a BSDD may warrant further examination through an ASDD.

The recent BSDD assessments conducted for 2022 did not uncover any tangible adverse impacts among our existing suppliers. None of the suppliers obtained a high risk rating during this year's evaluation, thereby eliminating the need for ASDD. Considering the nature of ABGSC's operations and the geographical origins of our suppliers, the risk of potential adverse impacts is generally deemed to be low.

³ ¹ Risk of corruption, Corruption Perceptions Index published by Transparency International

Signatures | Transparency Act statement 2022

Oslo, 30 June 2023

Knut Brundtland (Chairman)

(sign)

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(sign)

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(sign)