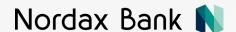


2020-10-28

## Communication on Progress





#### **CEO Comments**

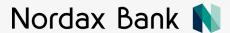
I am pleased to confirm Nordax Banks' continued support for the UN Global Compact. We support the ten principles of the UN Global Compact in the areas of human rights, labor, environment and anti-corruption. We intend to continue implementing the principles on human rights, labor, environment and anti-corruption into our business strategy, our culture and daily operations. Also, we strive to increase the knowledge about the ten principles amongst our employees. The ten principles as well as the Sustainable Development Goals will guide us in our future work. Sustainability is important to us and we continue to integrate our work within sustainability further into the organization. This Communication on Progress (COP) describes our support and work in the areas of human rights, labor, environment and anti-corruption together with our attached 2019 Annual Report. We commit to further reporting annually according to the COP policy. This includes:

- a. A statement by the chief executive expressing continued support for the Global Compact and renewing the participant's ongoing commitment to the initiative and its principles.
- b. A description of practical actions (i.e., disclosure of any relevant policies, procedures, activities) that the company has taken (or plans to undertake) to implement the Global Compact principles in each of the four issue areas (human rights, labor, environment, anti-corruption).
- c. A measurement of outcomes (i.e., degree to which targets/performance indicators were met, or other qualitative or quantitative measurements of results).

We will share our Communication on Progress with our stakeholders through our primary channels of communication.

Sincerely yours,

Jacob Lundblad, CEO Nordax Bank



#### **About Nordax**

Nordax is a leading specialistbank in Northern Europe owned by Nordic Capital and Sampo. The client base today consists of 195.000 private clients in Sweden, Norway, Finland and Germany. We are a specialistbank who through responsible lending help people make informed decisions for a life they can afford. We are a flexible complement to the major banks. Instead of quantity we have specialised in a few selected products like private loans, mortgages, equity release products and savings accounts.

Since 2019 Svensk Hypotekspension, which are specialists in equity release products, is a fully-owned susbsidiary to Nordax Bank. Nordax has about 300 employees where almost all employees (except Svensk Hypotekspension works from one central office in Stockholm. The credit assessment process is one of Nordax core competencies. It is thorough, sound and datadriven. Nordax customers are financially stable individuals. As of 31 December 2019 the lending to the public amounted to 25.3 bn SEK and deposits from the public amounted to 19.2 bn SEK.

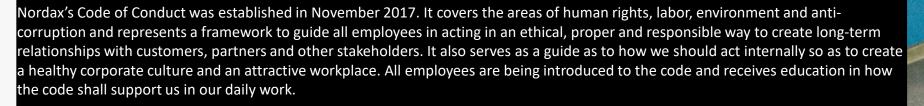
Nordax Group AB (publ) was previously listed on Nasdaq Stockholm's main market until the 24 April 2018 when it was delisted due to changed ownership after a public bid during 2018. Nordax is now owned by NDX Intressenter AB (a company controlled by Nordic Capital Fund VIII and Sampo. Nordax Group AB (publ) is the parent company of the Nordax group. Nordax Bank AB (publ) is the operating company within the group. Nordax Bank is licensed to conduct banking business according to the Swedish Banking and Financing Business Act (Sw. lagen (2004:297) om bank- och finansieringsrörelse) and is under the supervision of the Swedish Financial Supervisory Authority (Sw. Finansinspektionen)

Nordax continues to be committed to conducting its business in a socially responsible way. This commitment is reflected in every aspect of interaction with customers, society, government agencies and employees and also a reason to why we became members of the UN Global Compact in 2016. Descriptions of practical actions taken by us in order to implement the Global Compact ten principles in each of the four issue areas human rights, labor, environment and anti-corruption will follow.



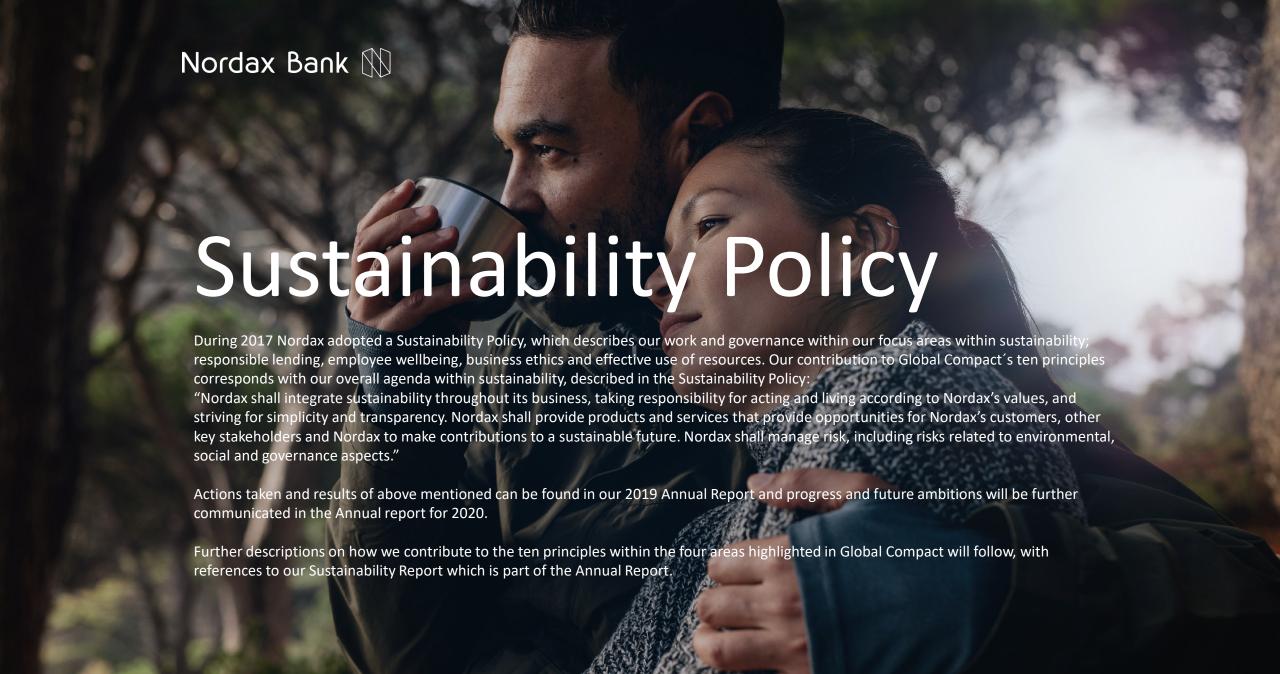


# Code of Conduct and other policies



To support daily activities and business dealings, the following governing documents are also of great importance in day-to-day work:

- Policy Regarding Ethical standards
- Policy on diversity and assessment of suitability of directors and key function holders
- Policy Regarding Work Environment
- Remuneration policy
- Financial Crime policy
- Anti-bribery instruction
- Guidelines on recruitment to increase diversity
- Complaints Management Policy
- Procurement, Sourcing and Outsourcing Policy
- Privacy Policy
- Information Security Policy

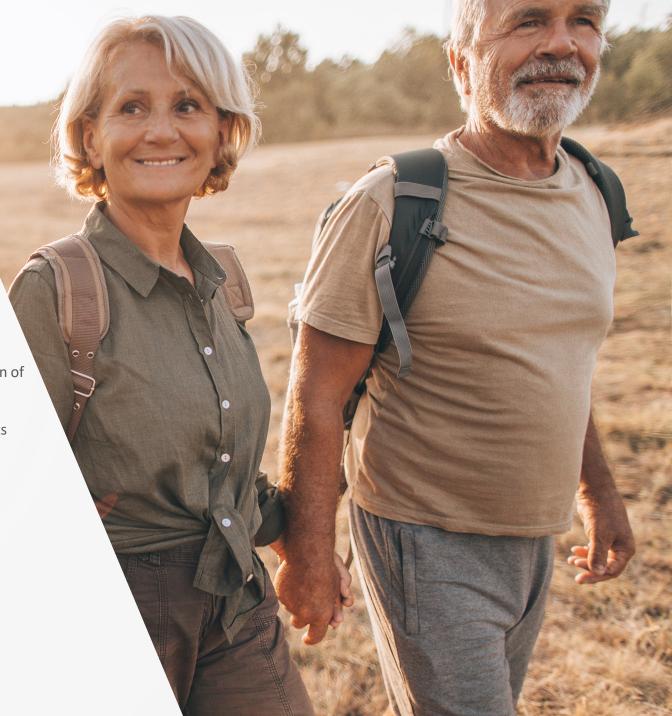




### Human rights

PRINCIPLE 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

PRINCIPLE 2: make sure that they are not complicit in human rights abuses.





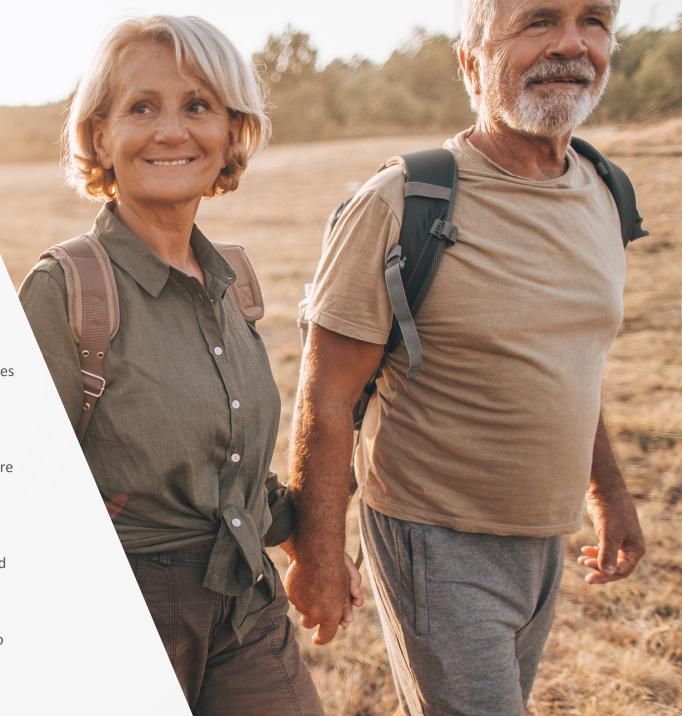
#### Human rights

Nordax support the declaration of human rights and the principles within this area. We support the rights of our employees and emphasize the importance of that everyone should feel seen, heard and respected at Nordax.

Among many, we have established the following policies to secure solid business ethics and a sound culture within the company;

- Whistleblowing policy
- Policy Regarding Ethical standards
- •Policy on diversity and assessment of suitability of directors and key function holders

For further information regarding our work, measurements of outcomes and future ambitions within Human rights, we refer to our 2019 Annual Report.





#### Labor

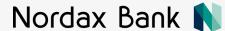
PRINCIPLE 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

PRINCIPLE 4: the elimination of all forms of forced and compulsory labor;

PRINCIPLE 5: the effective abolition of child labor; and

PRINCIPLE 6: the elimination of discrimination in respect of employment and occupation.



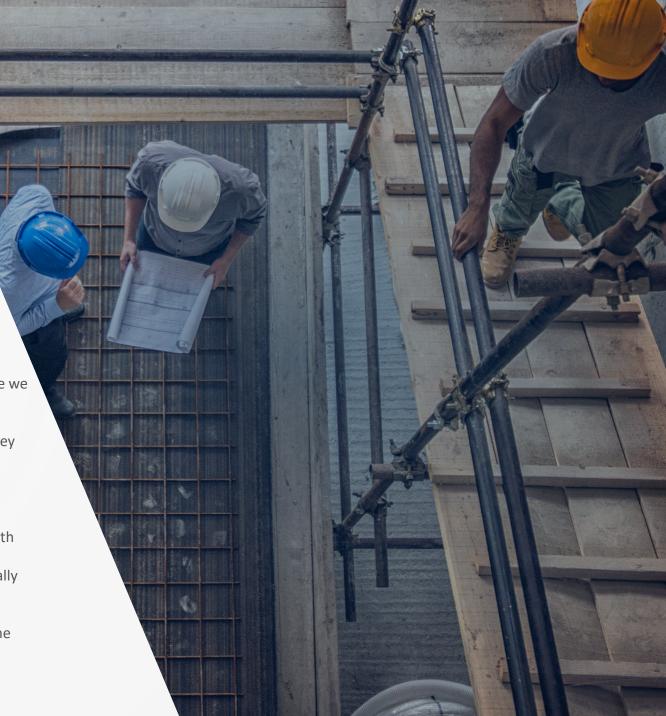


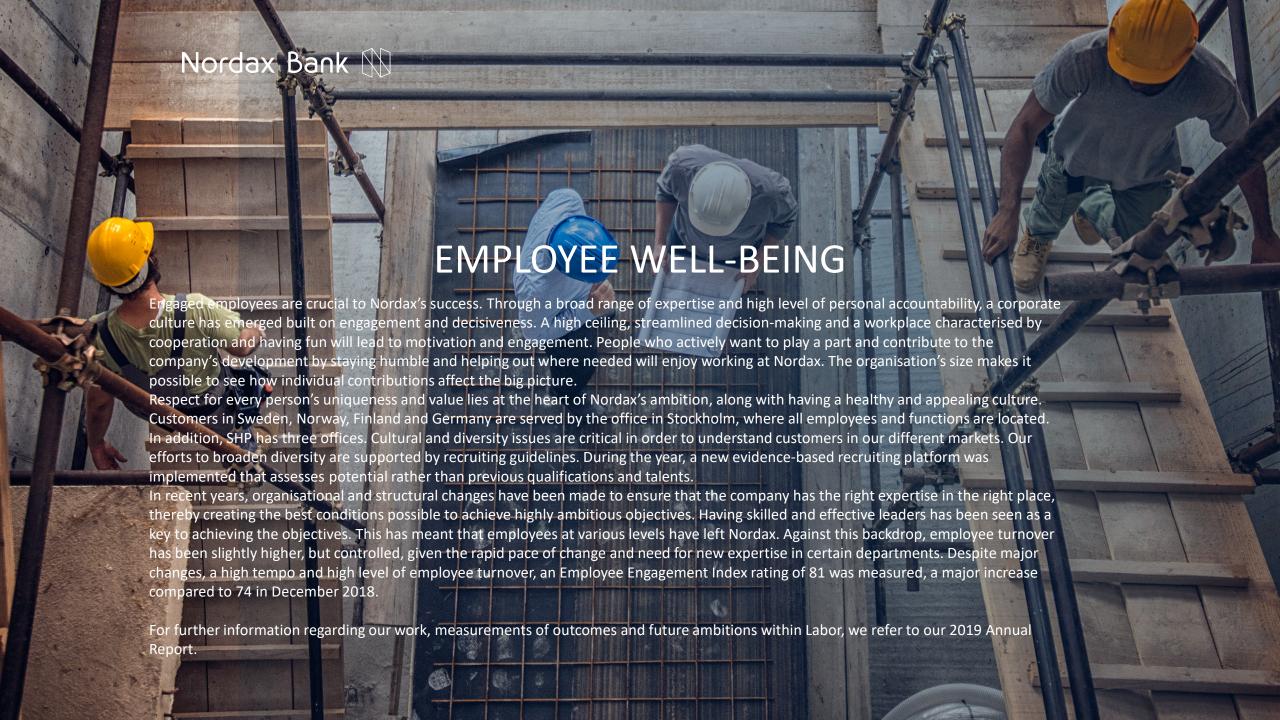
#### Labor

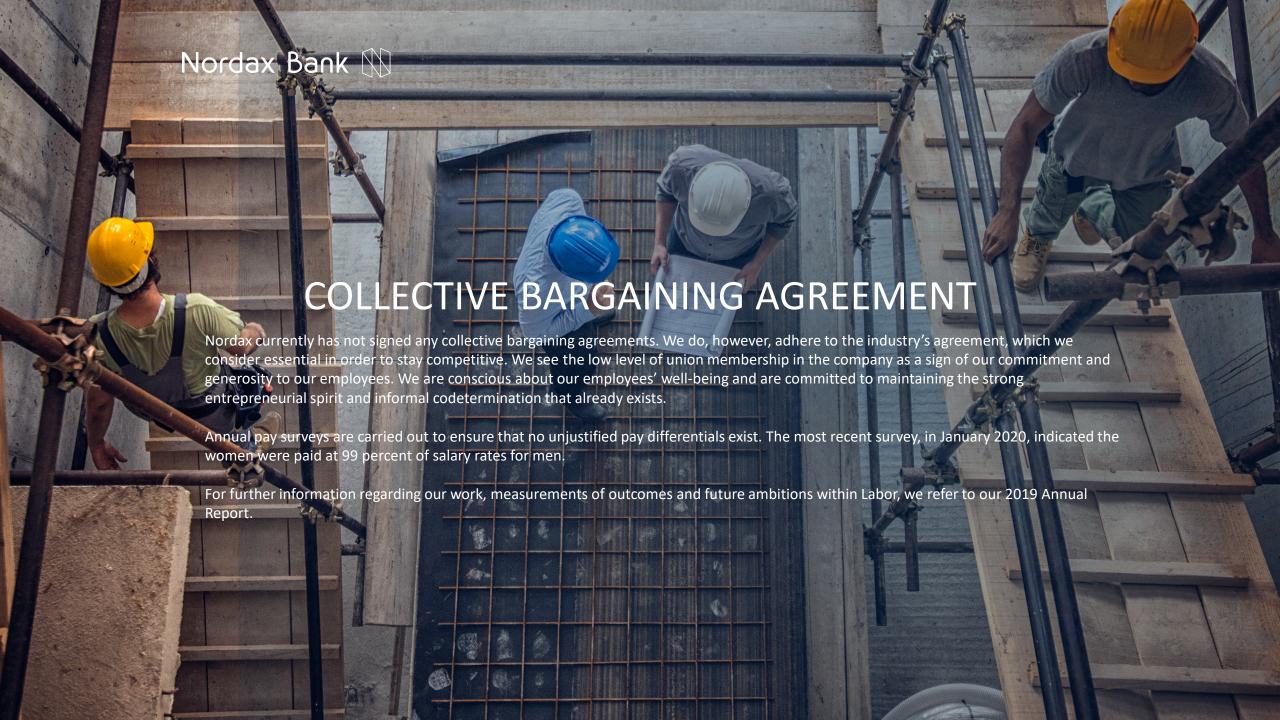
Nordax has established the following processes and adopted the following policies to ensure compliance and to maintain the culture we desire;

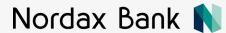
- Policy Regarding Work Environment
- •Policy on diversity and assessment of suitability of directors and key function holders
- Remuneration policy
- Guidelines on recruitment to increase diversity
- Complaints Management Policy
- •Established routines to identify early signals of stress-related health issues
- •An equality plan, including an equality analysis, is compiled annually

All employees are informed of its rights and terms when starting the employment.









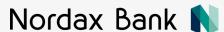
#### Environment

PRINCIPLE 7: Businesses are asked to support a precautionary approach to environmental challenges;

PRINCIPLE 8: undertake initiatives to promote greater environmental responsibility; and

PRINCIPLE 9: encourage the development and diffusion of environmentally friendly technologies.





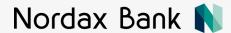
#### Environment

Since Nordax operate from one office, with cross-border operations in northern Europe, we have minor direct impact on the environment. However, we always strive to reduce our impact on the environment and challenge ourselves in everything we do to become more resource efficient.

Nordax has limited direct impact on the environment and risk in this area, but tries to reduce it through automation, digital development and environmentally friendly communication. During the year, consumption of paper for printed matter and customer mailings increased by around 20 percent. This was mainly due to the acquisition of Svensk Hypotekspension and increased activity in Norway. Nordax buys carbon offsets for its mailings.

For further information regarding our work, measurements of outcomes and future ambitions within Environment, we refer to our 2019 Annual Report.





#### Anti corruption

PRINCIPLE 10: Businesses should work against corruption in all forms, including extortion and bribery.

Our contribution in prohibiting corruption, extortion and bribery is essential. Nordax wants to contribute to an ethical business community, which is fundamental for confidence in the financial market. We are at all time responsible for securing that our business is not used for any corruption and that we are not subject to bribes or other extortions. We have processes and controls to identify and investigate potential misconduct and to ensure fair treatment and transparency.



#### Anti corruption

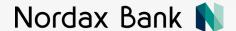
Nordax have established the following processes and policies to secure compliance within the area:

- Code of Conduct
- Remuneration policy
- Policy Regarding Ethical Standards
- •Financial Crime policy
- Anti-bribery instruction
- Complaints Management Policy
- Procurement, Sourcing and Outsourcing Policy
- •Identification and monitoring of politically exposed persons

Daily transaction monitoring to prevent anti money laundering, terrorist financing and corruption

- •A conflict of interest mapping exercise is completed annually
- Corruption risk assessment

For further information regarding our work, measurements of outcomes and future ambitions within Anti-Corruption, we refer to our 2019 Annual Report.



# Anti corruption – business ethics

As a responsible organisation in the financial sector, Nordax knows that its employees face ethical issues on a daily basis, not least in connection with financial crime such as money laundering and corruption. Addressing these issues properly and responsibly is essential if we are to earn and enjoy the trust of our stakeholders and society.

Nordax works continually to comply with regulations and ethical standards, manage and minimise risks, and maintain a healthy culture in terms of ethical issues.

Nordax has an extensive and clear framework for ethical issues in general as well as specific rules and processes for certain areas, such as preventing money laundering and corruption and managing conflicts of interest. The ethical framework has been communicated to all employees, who also receive annual training. There is a separate Anti-Financial Crime unit, which is responsible for establishing, implementing and performing appropriate routines and controls to prevent, detect and when needed investigate financial crime (money laundering, terrorist financing and fraud). Nordax advocates transparency and encourages employees to report suspected irregularities as well as unethical or illegal behaviour at Nordax. Observations can be reported anonymously via Nordax's whistleblower process. Employees at Nordax should always feel that they have someone to turn to regardless of what they may want to report. To that end, several different reporting channels are available. Reported incidents are investigated immediately and appropriate measures are taken.

For further information regarding our work, measurements of outcomes and future ambitions within Anti-Corruption, we refer to our 2019 Annual Report.

