

## Account of due diligence in accordance with the Norwegian Transparency Act

### NorDan Gruppen AS

NorDan Gruppen AS is one of Europe's leading manufacturers of windows, doors and smart accessories. On the operational side the company has 12 factories in 5 countries, and this account of due diligence is mainly focused on the NorDan Group's manufacturing operations consisting of: NorDan AS (Norway), NorDan AB (Sweden), NorDan Sp.z.o.o (Poland), STM Vinduer A/S (Denmark), NorDan UAB (Lithuania), NorDan Trading (China).

In addition, we have administration units and sales offices in the key markets Norway, Sweden, Denmark, the UK and Ireland. In 2023 NorDan Gruppen had 2300 employees and revenues of NOK 4900 million.

The Transparency Act (NTA) was enacted by the Norwegian Parliament on 10 June 2022. The purpose of the NTA is to promote respect for basic human rights and decent working conditions in connection with the production of goods and provision of services, and to ensure the general public access to information regarding how enterprises address adverse impacts on fundamental human rights and working conditions. NorDan Gruppen AS published its first account of due diligence in accordance with the Norwegian Transparency Act in June 2023, posting it on the company's homepage ([www.nordangruppen.no](http://www.nordangruppen.no)).

At NorDan we care about people, the environment and assets. Safety is our main priority, and we never compromise on the safety of our employees or business partners. Our key values are sustainable, honest, action oriented, result driven and people focused. Our vision is "Perfect Samspill" (perfect interaction) which is used internally as well as in our cooperation with suppliers and customers.

#### Organization and responsibilities

Accountability, sustainability, employees' working conditions, human rights and ethical standards are documented in the company's policies, guidelines, procedures and Code of Conduct. The ultimate responsibility for the company's Code of Conduct documents and ethical standards lies with the Group Chief Executive Officer (CEO) and the Board of Directors.

NorDan Gruppen AS has a sustainability strategy where targets and priorities for sustainable products and operations are defined. The NTA particularly promotes UN's sustainability goal no. 8: Decent work and economic growth. The Chief Sustainability Officer (CSO) in the NorDan Group is responsible for reporting related to the NTA. The CSO reports directly to the CEO.

The Board of Directors is responsible for oversight and ensuring respect for human rights throughout our business activities.

#### Supply chain

At NorDan we recognize that we rely on our suppliers and the supply chains to operate, and that it is of the highest importance to ensure compliance to human rights and good working conditions. NorDan has clear principles and expectations for our business partners to ensure such compliance. We work with well known suppliers, primarily from Europe, and emphasize long-term and sustainable cooperation. Overall, the transparency in the supply chains of NorDan is very good. All main suppliers are pre-qualified with regards to responsible business conduct which also is embedded in frame agreements. Our extensive work on Environmental Product Declarations (EPDs) and traceability on origin of materials over the last couple of years have increased the transparency level in our supply chains further. The EPDs have given NorDan the necessary means to document the environmental impact of incoming material and share this with customers.

We require our main suppliers to sign our Supplier Code of Conduct where we set our expectations, principles, and minimum requirements to suppliers' conduct. We expect our suppliers to exercise good judgement, care, and consideration by adhering to it. Compliance with human and labour rights and good working conditions at our suppliers is also followed up in the ongoing dialogue with these companies and in renegotiations of frame agreements, as well as through NorDan's supplier audit program.

## Ongoing compliance

To ensure compliance with fundamental human rights and decent working conditions, NorDan has conducted a thorough due diligence process where relevant departments were involved to collaborate on a corporate level. Our due diligence covered description of our organization, area of operation, elaboration of risk assessments as well as assessment of suppliers and supply chains in accordance with the OECD guidelines for multinational enterprises. The scope of evaluation and due diligence has followed NTA Section 4. During the first half year of 2024 NorDan has conducted a double materiality analysis, in compliance with the Corporate Sustainability Reporting Directive (CSRD), involving key representatives as well as an external consultant.

Procedures have been implemented at NorDan to conduct due diligence assessments on an ongoing basis. Also, the work scope of the procurement department at NorDan has been extended to make sure that, on an ongoing basis, suppliers and the supply chain follow acceptable ethical standards and show compliance with human and labour rights and good working conditions.

If an assessment identifies any actual and/or potential negative consequences for basic human rights and decent working conditions in NorDan's supply chain, it is reported to the CSO without undue delay, and appropriate measures are implemented accordingly.

## Status

In general, NorDan's business activities with manufacturing and sales of windows and doors are concentrated to northern Europe, mainly Norway, Sweden, Denmark, the UK, Ireland, Poland and Lithuania. The due diligence process has revealed low risk levels overall and a good level of conformance to NorDan Group's policies, guidelines, routines and Code of Conduct.

Our suppliers are well known European companies and are located in countries with low risk of deviations and negative consequences for fundamental human rights and decent working conditions. We also know from years of cooperation that these companies, on a general note, have good handling of their sub-suppliers and supply chains. The due diligence has also confirmed that NorDan does not have any suppliers in Russia and Belarus. Our sub-suppliers have also confirmed the same.

Through the ongoing assessment process, the double materiality assessment, and the application of the internationally recognized Fragile State Index, two main areas of higher risk have been identified; 1) Suppliers and raw materials from China and 2) NorDan entities with supply and fit business.

Ad. 1: In 2024, the direct sourcing from China accounts to approximately 5% of NorDan's total purchasing value. The main products sourced are ironmongery to windows and doors. Since 2010, NorDan has had its own trading office in Ningbo, China, with company name NorDan Trading (Ningbo) Co., Ltd. This office was established to manage the purchasing volume, ensure good business standards, high-quality components and satisfactory respect for human rights and decent working conditions. The company is led by a Norwegian manager. More than 80% of the sourced volume from China comes from one supplier in Ningbo. NorDan Trading has offices adjacent to this supplier's production facility, enabling daily cooperation and production transparency. The remaining sourced volume originates from a second supplier in Ningbo that specialises in export to companies in Europe. NorDan Gruppen conducts an annual supplier audit of NorDan Trading, whereas NorDan Trading conducts supplier audits of the two suppliers.

Ad. 2: The majority of entities in NorDan Gruppen, sell windows and doors to building companies and through retail stores, i.e. supply only. Two NorDan entities have supply and fit as their main business model. It means that they deliver the windows and doors and install them on the construction site or residential area: Those two companies are NorDan Ireland Ltd. (in Ireland) and NorDan Rubicon AS (in Norway). The installation work is done with own employees, in combination with hiring subcontractors. The risk identified is to make sure that subcontractors comply with all requirements and standards, including such aspects as safety, employment contracts, salary levels and overtime. NorDan UK (in the United Kingdom) has a small part of its business related to supply and fit, less than 10% of revenues. NorDan Gruppen is following up entities with supply and fit business through the boards and management teams in these companies.

## Contact information

For questions related to the NTA, sustainability, human rights etc. interested parties are asked to send an e-mail to [firmapost@nordan.no](mailto:firmapost@nordan.no).

Moi, 25. June 2024  
(signed electronically)

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