

ASSESSMENT IN RELATION TO THE TRANSPARENCY ACT

1. Scope of the Transparency Act

All companies of a certain size, including SB1 Markets, are required to conduct a due diligence assessment of whether the business “causes” or “contributes to” actual and potential adverse impacts on fundamental human rights and decent working conditions, as defined in the Transparency Act.

Secondly, the Transparency Act ensures that the public, for example consumers, organisations, trade unions and investors, has access to information about how we manage any adverse impacts on fundamental human rights and decent working conditions. The purpose of the Act is to promote respect for fundamental human rights and decent working conditions.

2. Assessment Criteria for SB1 Markets

2.1 SpareBank 1 Markets’ Business Activities

SB1 Markets’ central role and business activities contribute to a well-functioning financial market and efficient allocation of capital. This is achieved through the provision of a range of regulated services and activities based on fully harmonised EU rules (MiFID II). In addition to company and industry analysis, SB1 Markets primarily facilitates securities issuance for issuers, provides advisory services in mergers and acquisitions (“M&A”), and distributes, places, and brokers financial instruments to and from investors. As of March 2025, SB1 Markets has approximately 210 employees across six locations in Norway. SB1 Markets is nearly 100% owned by Norwegian savings banks within the SpareBank 1 Alliance. The business is primarily conducted with Norwegian clients and Norwegian investors.

2.2 What Is to Be Assessed

The assessment to be carried out concerns whether SB1 Markets’ investment services and related activities “cause” or “contribute to” actual and potential adverse impacts on fundamental human rights and decent working conditions, and to identify and assess adverse impacts directly linked to our business operations, products or services through supply chains or business partners.

There are two relevant connection scenarios SB1 Markets must identify and assess:

- Whether we cause or contribute to actual or potential adverse impacts through supply chains or business partners, or
- Whether we cause or contribute to actual or potential adverse impacts through our own operations.

3. Assessment of SB1 Markets’ Own Operations

SB1 Markets’ central role is to contribute to a well-functioning financial market and efficient allocation of capital, through the provision of regulated services and activities based on fully harmonised EU rules (MiFID II). Generally, the nature of SB1 Markets’ business is such that it is unlikely to directly contribute to this type of adverse impact.

A closer look at individual investment services:

(i) Receipt and transmission of orders on behalf of clients: This service is of a distinctly technical nature and is considered to have minimal potential to directly facilitate the financing of issuers that may negatively affect fundamental human rights and decent working conditions. Based on a risk-based approach, SB1 Markets sees no need for this activity to be subject to further assessment.

(ii) Execution of orders on behalf of clients: This service is of a distinctly technical nature and is considered to have minimal potential to directly facilitate the financing of issuers that may negatively affect fundamental human rights and decent working conditions. Based on a risk-based approach, SB1 Markets does not deem this activity to require further assessment.

(iii) Trading in financial instruments on own account: On one hand, proprietary trading may be seen as more directly linked to financing issuers with potential adverse impact. On the other hand, SB1 Markets is rarely involved in primary market proprietary trading unless as part of a placement service. This is assessed further below. For secondary market trading, similar to points (i) and (ii), this activity is not considered to require further assessment.

(iv) Portfolio management and investment advice: SB1 Markets collaborates with SpareBank 1 SMN, SpareBank 1 Sør-Norge, and SpareBank 1 Nord-Norge, its three largest shareholders. The collaboration involves executing trades in interest rate and currency instruments on behalf of these banks for shared clients.

There is no reason to believe these banks engage in activities that cause or contribute to adverse impacts beyond the general possibility that, like other banks and investment firms, they may finance issuers/clients with potential negative impact. These banks primarily finance Norwegian SMEs and are therefore assumed to have limited adverse impact.

(v) Placement of financial instruments (with and without underwriting): This is another investment service where SB1 Markets may, in specific cases, contribute to financing issuers with potential adverse impact. In this context, the issuer is the firm's client.

(vi) Ancillary services: In addition to the services listed above, SB1 Markets also provides ancillary services as defined in the Securities Trading Act § 2-6.

Particularly relevant ancillary services include direct client contact in connection with research and M&A activities.

Research is mainly produced internally without client contact and is not expected to have adverse impact. Based on a risk-based approach, SB1 Markets sees no need for further due diligence.

M&A and advisory services may, in certain cases, result in SB1 Markets providing a significant indirect contribution to adverse impact or substantially increasing the risk of such impact, especially if engaged by clients who do not respect fundamental human rights and decent working conditions.

4. Assessment of Whether SB1 Markets Causes or Contributes to Adverse Impacts Through "Supply Chains or Business Partners"

Suppliers and business partners in relation to SB1 Markets are entities performing outsourced functions and providing services we receive. These include:

- Rental of premises
Premises are rented from Norwegian property owners in Norwegian cities. Based on a risk-based approach, SB1 Markets sees no need for further due diligence.
- Cleaning services
Cleaning service providers must, in accordance with the “Regulation on Partial Generalisation of Collective Agreements for Cleaning Companies”, declare and document that their employees have wages and working conditions in line with the regulation. Where cleaning services are not directly contracted by SB1 Markets, our supplier is asked to document equivalent compliance.
- Office supplies
- Legal services
- Accounting services
- Consultancy services
- Purchases of supplies or consultancy services are made from Norwegian suppliers. Although it may be questioned whether all consultants comply with working time regulations, SB1 Markets sees no need for further due diligence.

From foreign suppliers, market information and ICT services are primarily purchased.

The Securities Firms Association (VPFF), via Thommessen, has assessed whether clients of securities firms should be considered business partners. Their conclusion:

“The clear wording of the Transparency Act and the above-mentioned statements in the preparatory works indicate, in our view, that clients and investment objects cannot generally be considered to fall within the scope of securities firms’ obligations under the Transparency Act. However, it should be noted that this is an unresolved issue, and there is a risk that supervisory authorities or courts may take a different view.”

5. Company Employees

SB1 Markets has approximately 210 employees. The workforce largely consists of individuals with 3–4 years of higher education or more. The average age is around 40, with a good mix of experienced and younger employees.

The company is a member of Finance Norway and has 38 employees organised in the Finance Federation. Employee relations and rules are governed by the company’s collective agreement, which is linked to the central parties’ agreements. Dialogue with the union is constructive, and the formal channel is the company’s Contact Committee, which also includes the safety representative.

Internal and external whistleblowing channels are established and available to employees.

Employees receive training in ethical guidelines, anti-corruption, anti-money laundering, and other relevant topics.

The relationship between employer and employees is assessed as not causing or contributing to actual or potential adverse impacts.

6. Summary of Risk

Based on the analysis in sections 3, 4 and 5 above, it is our view that the risk of SB1 Markets’ operations having adverse impacts on fundamental human rights and decent working conditions is

limited. This is due to the nature of the services provided, the context in which we operate, and the limited number of suppliers and business partners.

Additionally, the business consists of regulated services and activities based on fully harmonised EU rules (MiFID II), and SB1 Markets and the securities market are subject to extensive supervision by the Financial Supervisory Authority of Norway and other authorities, which directly and indirectly oversee all aspects of our operations.

7. Measures to Limit Adverse Impacts

Although the risk of adverse impact is considered low, SB1 Markets has several processes and measures in place to assess ongoing operations, suppliers and business partners in relation to the Transparency Act. The same applies to our clients, even though they are not considered business partners under the Act.

Assessments under the Transparency Act are implemented in SB1 Markets' general procedures, and the Head of Business Operations is responsible for conducting due diligence of SB1 Markets, suppliers and business partners. A declaration has been prepared and sent to our suppliers, in which they confirm compliance with OECD Guidelines and UN Guiding Principles.

Cleaning service providers must declare/document wage and working conditions for all employees in accordance with the "Regulation on Partial Generalisation of Collective Agreements for Cleaning Companies".

SB1 Markets has developed a standard supplier agreement that includes compliance with the Transparency Act.

SB1 Markets has an Engagement Committee (EC) that approves all investment banking assignments. In assessing whether SB1 Markets should accept an assignment, the transaction or client's impact on fundamental human rights and decent working conditions is among the factors considered. The investment banking project tool includes this as a mandatory checkpoint during project initiation.

Additionally, all new clients of SB1 Markets undergo a thorough onboarding process, including assessment of the client's business and representatives in relation to money laundering, corruption, sanctions, etc., as well as other factors such as compliance with fundamental human rights and decent working conditions. This process may uncover such challenges.

SB1 Markets also has an external internal auditor who continuously audits our operations against laws, regulations and obligations, including the Transparency Act. Their reports are presented to the Board.

8. Measures to Limit Adverse Impacts

The company's due diligence assessments and the 2025 Transparency Act statement were reviewed by the Board on 24 April 2025. Any enquiries regarding SB1 Markets' compliance with the Transparency Act may be directed to the Global Head of Legal:

SB1 Markets – Thomas Rygg Hannestad, thomas.hannestad@sb1markets.no