



REPORT TRANSPARENCY ACT – Unofficial English translation

Nexttron AS

Adopted by the Board of Directors 19.6.2024

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1. COMPANY REPORT UNDER THE TRANSPARENCY ACT FOR 2023

Nextron AS (“Nextron” or the “Company”) shall conduct due diligence assessments in accordance with the Transparency Act every year and publish a report on the assessments.

The Transparency Act aims to promote businesses’ respect for fundamental human rights and decent working conditions.

This report covers the company’s obligation to account for the due diligence assessments the company has conducted for the period 1 January to 31 December 2023. In the report, the company also accounts for the measures that have been assessed and implemented to reduce the risk of negative consequences that the company’s activities and business relationships may have for fundamental human rights and decent working conditions.

1.1. Contact Information

Inquiries about this report can be directed to:

Nextron AS
Chief Operating Officer Cathrine Bore
cathrine@nextron.no

1.2. Reporting obligation

The company has its head office at Gunnar Schjelderups vei 9, 0485 Oslo and is domiciled in Norway.

On the balance sheet date 31.12.23, the company had sales revenues of NOK 325,599,818 and a balance sheet total of NOK 160,507,596. In the financial year 2023, the company had an average of 31 full-time employees. The company is therefore required to report.

2. ABOUT THE COMPANY’S BUSINESS

2.1. The Company’s organization and area of business

Nextron is organized as a limited liability company with subsidiaries in Denmark and branches in Sweden and Finland. Our CEO is the top manager in all units.

The organization chart for the company is published at www.nextron.no/.

The company is one of the Nordic countries’ largest suppliers of customized servers, storage systems and workstations.

The company purchases hardware, components and software from manufacturers and suppliers, dealers and wholesalers and then assembles hardware and components and

installs software before shipping it to the customer, who is either a dealer or an end customer. Most of Nextron's customers are in the Nordic countries, but they can also be located outside this area. Nextron's suppliers are located in Norway, the Nordic countries, Europe, Asia and the USA.

The company offers a warranty on its deliveries, which means that the company offers service and support on the machines sold, and also returns the company's suppliers for replacement when necessary. These are sent to and from the supplier and to and from the end customer according to specific procedures.

2.2. Internal guidelines

The company has its own routines for how we anchor the work on human rights and decent working conditions, called Nextron AS' routine for anchoring the work with the Transparency Act. The routine covers the company's work to fulfill the requirements set out in the Transparency Act.

The company's routines were anchored and adopted by the company's board on June 21, 2023, and reviewed again in a board meeting on June 19, 2024. The routine has been communicated to the company's employees and is available on the company's website www.nextron.no/. Management reviewed the principles and routines with the company's employees and other employees in the group in Denmark, Finland and Sweden in September 2023. New employees after that have the principles and routines in the Transparency Act as part of the onboarding process in the company.

The routine describes how the company conducts its due diligence assessment and assessment of measures. The procedures also contain information about the company's reporting channels and complaints mechanisms that are intended to help uncover negative consequences for fundamental human rights and decent working conditions related to the company's activities, and how such information is followed up.

2.3. Objectives and progress

2.3.1. Highlevel on goal and progress

We are continuously working to assess risks related to the company's activities and use of our business relationships (suppliers and business partners). Furthermore, the company is continuously working to implement measures to achieve the goals set by the company. See sections 3 and 4 of the report for guidance on the work done in the reporting year.

2.3.2. Objectives for the coming year

We set selected objectives for the future in 2023. More objectives have been added in 2024.

	Objectives	Status as of June 19, 2024
2023	We will provide employees with training in the Transparency Act and the responsibilities that lie with us as an organization and the individual employee.	Completed for current employees
2023	We will further develop the due diligence assessment based on the experiences we have	Started, in progress
2023	We will increase expertise internally within our company regarding responsible purchasing practices.	Started, but limited progress since 2023
2024	Hire a purchasing manager who can work proactively with Nextron's suppliers to quality assure due diligence assessments	Purchasing manager hired, otherwise under planning
2024	Consider new methods to ensure dialogue with and insight into suppliers	Not started

3. DUE DILIGENCE ASSESSMENT

3.1. Overall on the company's due diligence assessment - methodology

Nextron continuously maps the risk that the company's activities and business relationships have negative consequences for fundamental human rights and decent working conditions.

Overall, the due diligence assessment is carried out in the following way:

1. Anchor accountability in the company's internal guidelines.
2. Map and assess actual and potential negative consequences for fundamental human rights and decent working conditions that the company has either caused or contributed to.
3. Implement appropriate measures to stop, prevent or limit negative consequences based on the company's priorities and assessments according to point 2.
4. Monitor the implementation and results of measures according to point 3.
5. Communicate with affected stakeholders and licensees about how negative consequences have been handled according to points 3 and 4.
6. Provide or cooperate on restoration and compensation where required.

In the mapping work, Nextron uses a digital platform developed by Ignite Procurement AS. The platform simplifies the implementation of due diligence assessments in line with the requirements of the Transparency Act. Through the platform, Nextron has obtained a systematized overview of many of the company's first-tier suppliers, business partners and other known subcontractors. Based on this overview, the platform has made initial

assessments of the risk of negative impacts on fundamental human rights and decent working conditions. The steps in this assessment are explained below:

a. Based on supplier data obtained from accounting data, order confirmation, the ERP system (SAP) and the invoicing program (eye-share), a complete overview of the company's first-tier suppliers and business partners is created in Microsoft Excel. An extract of these based on turnover and number of transactions last year (as a basis for the Company's influence), is then transferred to the platform. The Company will manually create other known business partners and subcontractors in the platform if necessary. Through the platform, the overview of the company's first-tier suppliers is updated continuously.

b. In the platform, supplier information is enriched through third-party cooperation with ENIN. Through the platform, information and financial information about the company's suppliers such as industry codes (NACE) is obtained.

c. Through steps a and b, the company gets an overview of first-tier suppliers, business partners and other known subcontractors, with associated supplier information.

d. The risk assessment tool in the platform has made an initial risk classification of the sample of the company's first-tier suppliers, business partners and other known subcontractors based on geography and industry, to "high", "medium" or "low" risk of negative impact on fundamental human rights and decent working conditions, respectively.

e. As part of the risk mapping, the company has, through the platform, sent out custom questionnaires to selected contacts (see section 3.3.) to obtain additional information. The company has also used the platform to request documentation and certifications from first-tier suppliers, business partners and other known subcontractors.

Relevant factors for due diligence related to the company's activity and business relationships include:

- The company's operational context
- The company's business model
- Position in the supply chain
- Type of product and services

3.2. The Company's supply chain and business partners

The Company has commercial relationships with 125 first-tier suppliers in the reporting year. The Company's suppliers are located in the following countries/geographical areas:

Land/geographical area	No of suppliers
Norway	24
USA	27
Germany	19
Netherlands	13
United Kingdom	12
Rest of Europe	11
Hong Kong	7
Taiwan	7
China	5

The company has commercial relations with 292 business partners in the reporting year. The company's business partners are located in the following countries/geographical areas:

Land/geographical area	No of business partners
Norway	152
Denmark	46
Sweden	45
Finland	44
Rest of Europe	4
USA	1

3.3. Due diligence assessments

The company has conducted an analysis of a selection of first-tier suppliers, business associates and other known subcontractors regarding human rights and responsible labor practices internally and with their subcontractors. Of the company's total of 417 first-tier suppliers, business associates and other known subcontractors, the company has analyzed approximately 9% of these in number. These 9% account for nearly 93% of the company's purchases and 70% of all transactions.

3.4. The result of the due diligence assessment

3.4.1. Internal conditions

Nextron as an employer is governed by comprehensive national legislation, including the Working Environment Act, and internal guidelines that secure the working conditions of its

employees. We have clear and well-known ethical guidelines ("Code of Conduct"), including a whistleblowing routine, as well as guidelines for promoting diversity, inclusion and equality. If an employee should uncover indications of objectionable conditions in the company (or at our suppliers), they have the right, and depending on the circumstances also an obligation, to notify the company. We have facilitated both anonymous and identified whistleblowers via the notification channel set up by Axxelerator Capital AS for the companies in the portfolio, <https://portal.mittvarsel.no/skjema/axxelerator-capital/qm7sluWSjZQrOoMH.958>.

We have assessed that we do not have areas internally with a risk of negative consequences or a significant risk of violations of human rights and decent working conditions. We have not identified any critical issues during the reporting period.

3.4.2. *External conditions*

Nextron assesses that there is a low risk of human rights and decent working conditions violations in the countries in which the company operates, with the possible exception of suppliers in the transportation industry. However, the company has not identified any violations in the reporting year based on the investigations carried out.

The company assesses the risk of human rights and decent working conditions violations to be higher in the United States and China (including Hong Kong and Taiwan), both due to generally poorer labor rights and because suppliers in these countries operate in higher-risk industries (computer manufacturing). In the dialogue with suppliers, we present our Supplier Code of Conduct. Based on this, we can also provide better information to suppliers who do not understand why Norwegian legislation is relevant to their business.

The due diligence assessment has shown that Nextron's suppliers and business partners have internal processes and procedures to safeguard human rights and decent working conditions.

We have not identified any violations of human rights or decent working conditions during the reporting period. Nextron has also not identified any actual negative consequences or significant risk of negative consequences during the period.

4. MEASURES TO STOP, PREVENT OR LIMIT NEGATIVE CONSEQUENCES

The company's work to map suppliers and business partners in accordance with the Transparency Act is significantly structured from the first to the second reporting year.

Internal measures:

- Assess the risk of discrimination or other obstacles to equality in consultation with safety representatives (as long as the company does not have shop stewards)

- Review of notification routines with new employees and reminders in connection with safety rounds

External measures:

The company does not implement any external measures. However, it is important for the company to continue to work on the methods used to develop the dialogue with suppliers and business partners, not least before the company initiates commercial relations with such companies.

5. MONITORING OF MEASURES – IMPLEMENTATION AND RESULTS

The company will follow up on the measures described in point 4 on an ongoing basis.

6. RESTORATION AND COMPENSATION

The company has not identified any cases requiring restoration in the reporting year.

* * *

Oslo/ San Luis de Sabinillas, June 19, 2024

Carl Henrik Sibbern
Chairman of the board

Kim Nicolai Strømsborg
Board member

Cathrine Bore
Board member

Geir Elstad
CEO