

**Transparency Act Statement  
2022**

**Bluestep Bank.**

**Content**

Background and introduction..... 3

Policies and commitments ..... 4

Grievance mechanisms and duty to provide information..... 5

Ways of working internally..... 5

Suppliers ..... 5

Due diligence process..... 6

Due diligence findings and way forward ..... 7

## Background and introduction

Bluestep Bank AB (publ) ("Bluestep Bank") is a specialised mortgage bank, established in 2005, offering services to private customers in Sweden, Norway and Finland with an equity release offer available through 60plusbanken in Sweden. Our goal is to responsibly enable economic empowerment and increase financial inclusion of more people. Bluestep Bank also offer retail deposits in Sweden, Norway and Euro deposits.

In our journey towards achieving the Sustainable Development Goals (SDGs), Bluestep Bank has committed to the Principles for Responsible Banking and endorsed the ten principles of the UN Global Compact, encompassing human rights, labour, environmental and anti-corruption areas. The Transparency Act ("the Act") aligns with these principles and promotes respect for fundamental human rights and the establishment of decent working conditions. The Act became effective from July 1 2022 and applies to larger enterprises that are resident in Norway and offer goods or services in or outside the country.

Bluestep Bank operate its business in Sweden, Norway and Finland with suppliers based in all countries where it is present. Suppliers, regardless of geography and location, will be covered in this assessment and this statement applies to Bluestep Bank's overall operations in all three business countries. The definition of supplier in this report will encompass both the supply chain as well as businesses partners without note.

Bluestep Bank has reviewed its policies, routines, and guidelines with the requirements of the Act and the OECD Guidelines for Multinational Enterprises. The review has provided us with a deeper understanding and has led to the development of an action plan aimed at strengthening our approach to uphold respect for human rights and working conditions in both our own operations as well as in our supply chain. The plan includes further integrating human rights and decent working conditions into policies and management systems, in our own operations as well as our supply chain to ensure respect for human rights.

Bluestep Bank acknowledges the need for further development of the assessment and procedures on human rights due diligence, learning by experience and that it will be an ongoing process.

## Policies and commitments

Bluestep Bank have issued comprehensive policies and regulations for the organisational structure of the company, as well as guidelines for managing environmental, social and governance aspects of the bank's operations, including routines for ensuring that fundamental human rights and decent working conditions are observed. Bluestep Bank's work is based on the following global initiatives that Bluestep Bank has undertaken to comply with;

- The Principles for Responsible Banking
- UN Global Compact initiatives
- OECD Guidelines for Multinational Enterprises

## Policies and commitments in own operations and supply chain

- Code of Conduct
- Ethical guidelines
- Instruction regarding work environment
- Remuneration policy
- Instruction regarding bullying harassment and discrimination
- Supplier Code of Conduct
- Sustainability policy

Bluestep Bank has implemented several key policies to limit negative consequences on human rights and decent working conditions in our own operations and in our supplier chain. The Code of Conduct, ethical guidelines and instruction regarding work environment ensures compliance with applicable laws and agreements, establishing ethical guidelines for our employees and decent working conditions internally. The purpose of the remuneration policy is to acquire, protect and reward employees, as well as to prevent risks such as practices or behaviours that may adversely affect customers, stakeholders, or markets. The instruction regarding bullying harassment and discrimination promotes inclusion and aims to eliminate discrimination in the workplace. The Supplier Code of Conduct covers our purchasing activities and should be attached as an amendment in contractual terms. We expect our suppliers to read, understand and follow our code. Lastly, our sustainability policy sets the standard for the focus on financial, environmental, and social responsibility.

## Grievance mechanisms and duty to provide information

Bluestep Bank is committed to conducting business with the highest ethical standards and maintain transparency according to applicable laws and regulations. Bluestep Bank encourage to report any suspected fraud or wrongdoings affecting people, our organisation, society, or the environment. The whistleblower service ensures anonymous process and is managed by a third-party, WhistleB. The service is intended solely for reporting suspected misconduct or irregularities, for customer complaints, a customer complaint function is in place.

In accordance with the Act, we have established an internal procedure to receive and respond to inquiries from the public regarding how we handle actual and potential negative consequences on human rights. The function is to be found on the corporate website, [www.bluestepbank.com](http://www.bluestepbank.com).

## Ways of working internally

Bluestep Bank has a methodical approach to improving the work environment, and safeguard employees from injuries or illness during business work. An important aspect of systematically managing workplace health and safety is the identification of primary risks. Bluestep Bank's starting point for assessing risks includes three main considerations: a systematic process for identifying operational risks, employee surveys to get regular feedback regarding work environment as an example, and annual health and safety inspections. There are several persons pointed out as health and safety representatives. Health and safety representatives are the workers' representative in health and safety matters. They are appointed either by the trade union (if one exists) or by the workers. In 2022, we have made training efforts for managers regarding the work environment, followed by clarification of the associated distributional responsibilities.

Bluestep Bank has an internal and external whistleblowing function and rules for conducting whistleblowing that have been reported. Internal whistleblowing is normally handled by Bluestep Bank's compliance function and the team of human resources.

Bluestep Bank has several policies and guidelines due to ethics and working conditions that are available on the intranet and it's expected that new recruits within the onboarding process takes part in these. Training in policies is required and mandatory for all employees on an annually basis and aims to ensure that employees have a comprehensive understanding and awareness of our ethical principles, money laundering, bank secrecy, information security, and GDPR.

## Suppliers

Bluestep Bank is a small bank and is therefore to a large extent dependent on purchasing services from external parties. We have more than 200 suppliers in several different types of industries, with a concentration in areas such as information and communication, financial and insurance activities, scientific and technical activities, providing products and services with an emphasis on the latter.

Most of the suppliers are conducting their business from within the EU/EEA and most often from the Nordic countries. Our suppliers consist of both large reputable worldwide companies as well as minor

local enterprises as we are happy to support smaller localities. In general, we consider the risk of adverse impacts on human rights or decent working conditions in our supply chain as low. In particular, the suppliers within the Nordics, due to strong laws and obligations on the field.

We have observed that few of our suppliers conducts its business in geographical areas, known for a potential higher risk, and for those suppliers we have particularly made sure they have routines in place to safeguard that human rights and decent working conditions are respected.

Several measures have been taken into account such as dialogue with stakeholders, reviewing supplier's policies and commitments and address a questionnaire regarding human rights and decent working conditions.

## Due diligence process

The process for conducting a human rights due diligence assessment for our supplier chain has been conducted as follows:

- Bluestep Bank has assessed a questionnaire to understand better how suppliers perceive and address human rights and decent working issues. The questionnaire was done with consultation with external consultants and experts.
- The questionnaire was assigned to an extensive sample of suppliers. Some suppliers were considered out of scope due to the character of not being a supplier to Bluestep Bank, thus as Skatteetaten (the Norwegian tax authority) and Riksbanken (Swedish central bank) for example.
- The questions have, to the extent possible, been answered by the contract manager of the supplier or ESG responsible at the supplier company.
- Suppliers have been mapped by size of company (number of employees), industry (NACE-codes) and by geography to identify and highlight risk countries and industries for violations of human rights.
- Responses provided by the supplier have been assessed and evaluated, and in some cases led to a deeper analysis of the supplier and a dialogue between the Supplier and Bluestep Bank when necessary.
- Indicators such as the risk of child labour, the risk of modern slavery, the right to freedom of association, and the respectability of decent working conditions are being evaluated as most important areas of the screening process.
- The process also covers if the supplier has been subject to negative media exposure due to misconduct related to human rights for suppliers identified as a risk due to geographies or industries.
- The outcome has then resulted in an assigned classification that indicates the supplier's alignment with the assessment requirements and Bluestep Bank's expectations.

## Due diligence findings and way forward

The following part will provide key findings from our assessment as well as our plans to strengthen routines and governing documents within our organization to close our identified gaps. As part of this, we will present our plan on how to continue our process with conducting risk assessment aligning with the Act for due diligence and assess adverse impacts, implement mitigating actions and track the result over time.

A larger part of our suppliers assigned the questionnaire have submitted their answers and are in the scope of a risk assessment of the supply chain. No severe findings were found, but minor gaps were identified especially related to lack of Human rights policies, and lack of comprehension and awareness of our Supplier Code of Conduct due to a lacking internal system. Contract management will therefore be required a training of our Supplier Code of Conduct to ensure adequate awareness and knowledge of our ethical and sustainability principles including human rights. An important tool to ensure that the suppliers are adhering to the set expectations will be to sign Bluestep Bank's Supplier Code of Conduct. In the onboarding process with a new third party and in existing relationships within our supplier chain we will modernize the relationship by bringing a code into the contractual relationship. By having a contractual commitment from our suppliers, we can ensure that the human rights and sustainability requirements are governed as an integrated part of the supplier and contract management.

Further, Bluestep Bank will continue to develop and improve its impact and business relationships in the supply chain to be able to advance the share of submitted questionnaires to cover almost 100 percent over time, as a too large percentage of the suppliers did not fulfil the questionnaire.

The majority of our suppliers are in the IT, Financial, Insurances or the Marketing Industry. None of these industries are deemed to be high-risk industries for human rights according to UN (United Nations). However, the nature of our business entails that we are part of a complex supply chain network, which involves several geographies defined as high-risk countries by UN. Our suppliers in the size of medium or large companies with regards to number of employees, are the ones in general who conduct its business in the risk countries. The risk country exposure differs from having support services to decentralized business where all functions are dispersed worldwide.

The risk with having suppliers that conduct its business in risk countries, could be that labour rights may be insufficient, due to poor standards in those countries. Given that the suppliers are conducting business in risk countries are globally dispersed, they are at a larger extend, reviewed by regulators. They are therefore in need of more transparent and controlled ways of working and the risk of breach of human rights is then considered low, however it's still a factor that needs to be considered by Bluestep Bank.

Ten of the suppliers submitting the questionnaire were identified as operating in high-risk countries. The suppliers have in general policies and statements in place where human rights and decent working conditions are addressed. None of the suppliers were found to be associated with violations of human rights or controversy when an investigation of the supplier was carried out. On one occasion, there is an uncertainty if the supplier has a human rights policy/code of conduct and will require a deeper analysis. However, this specific supplier conducts its business in Norway and will therefore need to adhere to the Act and publish a report declaring their compliance to the

regulation. Bluestep Bank will follow up on the supplier's report and take action accordingly if necessary.

We recognise that Bluestep Bank's possibility to influence the supplier varies from case to case. For small and local enterprises there is a greater possibility for us to require for progress, than for the large ones with a global setup, where our possibility to influence the way of working is quite small. Given that, in case a risk is identified, a formal process will be initiated to define the appropriate action. We believe that the best outcome will be achieved by engaging in dialogues with the suppliers, and terminating an agreement is the last alternative but could be the final resort in the end.

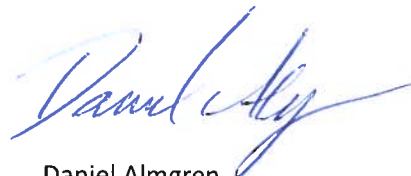
Bluestep Bank will continue to develop and evaluate our measures and assessment criteria to identify risks of human rights violations in our operations and among our suppliers. That entails for next year's assessment to update, when needed, policies and routines to be in line with the requirements in the Act and the OECD guidelines and implement routines to start setting clear expectations to our supply chain due to human rights and labour topics.

Signatures for the Norwegian Transparency Act Statement for year 2022

Stockholm, 29<sup>th</sup> of November 2023



Björn Lander  
Chief Executive Officer



Daniel Almgren  
Head of Valuation and Sustainability