



Statement from Northern Data NOR AS

The Norwegian Transparency Act

1. General information

Northern Data NOR AS is a leading technology company based in Notodden, Norway and a subsidiary of Northern Data AG, headquartered in Frankfurt am Main, Germany. The company specializes in high-performance computing (HPC) services, catering to industries with substantial computational demands, including artificial intelligence (AI), blockchain technology, big data analytics, and scientific research.

The company's offerings encompass a wide range of HPC solutions. Custom HPC clusters are designed and deployed to meet specific client requirements, while HPC-as-a-Service (HPCaaS) provides on-demand access to scalable computational resources, allowing clients to expand their capabilities without significant capital expenditure.

In terms of data center operations, Northern Data NOR AS is committed to sustainability, operating energy-efficient green data centers that utilize renewable energy sources to minimize environmental impact. The company offers colocation services, providing space and facilities for clients to house their own servers and HPC equipment. Additionally, the company provides scalable cloud computing services, enabling businesses to leverage cloud-based HPC resources for flexible and scalable computational power.

Strategically, Northern Data NOR AS is focused on innovation within the HPC sector, aiming to advance and expand their solutions to meet the growing technological demands across various industries. The company emphasizes sustainability through the use of green energy in its data centers, aligning operations with global environmental goals. Furthermore, Northern Data NOR AS seeks to expand its market presence through strategic partnerships and investments.

Northern Data NOR AS has been established in 2020, owns two subsidiaries, Northern Data Real Estate I AS and Northern Data Real Estate II AS, and employs 5 people.

The supply chain reflects the company's business area. Northern Data NOR AS has contracts with suppliers for the day-to-day management of data centers, as well as for electrical and technical services.

2. Frameworks for Consistency and Efficiency

At the beginning of 2024 Northern Data AG achieved the new ISO 27001:2022 certification for their Information Security Management System (ISMS). This certification confirms that Northern Data AG and certain subsidiaries have implemented a systematic approach to managing sensitive company and customer data, ensuring data security, confidentiality, integrity and availability. In this year's ISO 27001:2022 audit, further subsidiaries, such as Northern Data NOR AS, will be included in the scope, where a comprehensive information management system will also be implemented within the next audit period.

Due diligence assessments are already being carried out at Group level to thoroughly identify, prevent, mitigate, and address any potential negative impacts of activities that could lead to human rights violations and undermine decent working conditions. These assessments proactively map out and account for the risks involved, allowing appropriate measures to be taken to protect and promote human rights and fair working conditions.

Northern Data NOR AS will follow the group-wide guidelines for conducting due diligence assessments and plans to implement a standardized procedure for all relevant suppliers and business partners in scope by the end of 2024 / at the beginning of 2025. This makes due diligence assessments a mandatory and integral component of all relevant business relationships established by Northern Data NOR AS. This routine aims to ensure consistent and thorough due diligence practices throughout its operations and maintain a commitment to responsible and ethical business conduct.

The due diligence process will be reviewed and approved by the board. An overview of the process and information on accessing detailed documentation will be included in Northern Data NOR AS's annual report. Before publication, the statement is signed by all board members, ensuring their endorsement and commitment.

Complete due diligence assessments will be conducted every three years. In the interim, suppliers and business partners are monitored through onboarding routines and by addressing actions identified in the previous assessment's action list. This continuous monitoring and engagement ensure ongoing adherence to responsible practices and the fulfillment of due diligence requirements.

3. Due diligence process

Northern Data NOR AS will conduct due diligence assessments in the future following the guidelines set by the Organization for Economic Cooperation and Development (OECD) for multinational companies. The process is divided into the following steps:

a. Internal Accountability

Northern Data NOR AS will implement Northern Data AG's internal ISMS within the next audit period in 2024 and establish guidelines to perform due diligence assessments in compliance with the Transparency Act. The statement will be signed by the board, ensuring top-level accountability.

b. Impact Identification and Assessment

The aim of this step is to identify potential or actual negative impacts. In line with the law's proportionality requirement, Northern Data NOR AS limits its assessment to certain suppliers and business partners based on the company's size and influence. This limitation is determined by the turnover value in the previous fiscal year.

Each supplier falling under this definition is assessed based on four criteria: core activities, nationality, ownership, and an overall impression of the company. Suppliers deemed necessary for further evaluation undergo a more detailed assessment to determine which should be contacted for additional scrutiny. These suppliers are then sent a questionnaire regarding their practices in safeguarding human rights and promoting decent working conditions. The responses are thoroughly evaluated to decide if further follow-up is needed.

c. Addressing Adverse Impacts

When potential or actual negative impacts are identified, Northern Data NOR AS is committed to taking prompt and appropriate actions to address and mitigate these impacts. Actions may include measures to halt, prevent, or reduce the negative consequences associated with its operations. By taking proactive steps, Northern Data NOR AS aims to ensure responsible practices and effectively manage and minimize any adverse effects on human rights or working conditions.

d. Monitoring Implementation

Northern Data NOR AS will maintain an action plan detailing the supplier or business partner's name, a comprehensive description of the findings, an assessment of the severity of the issues identified, information about the measures implemented, the expected outcomes, and deadlines for closing each action item. Prioritization of these measures is based on the severity and probability of the identified findings. This structured approach ensures a systematic resolution of issues and effective mitigation of any adverse impacts on human rights and working conditions.

e. Communication

If negative impacts or damages are discovered, Northern Data NOR AS is committed to communicating the details of these findings and the steps taken to address and mitigate them to the affected parties. This communication will provide information on how the identified issues are being handled and resolved. Furthermore, the findings and corresponding actions taken will be included in the statement prepared by Northern Data NOR AS, ensuring transparency and accountability by documenting the negative impacts and the measures implemented to address them. This provides a comprehensive overview of Northern Data NOR AS's commitment to responsible business practices.

f. Due diligence 2024/2025

Northern Data NOR AS will start the diligence assessments after it is integrated into the Northern Data AG's ISMS end of 2024/beginning of 2025. To streamline the process, the company decided to focus on suppliers and business partners based on their turnover from the previous financial year. In the next step, all suppliers with whom Northern Data NOR AS made purchases exceeding NOK 500,000 in 2023 will be evaluated using the above predetermined criteria.

Northern Data NOR AS will also maintain a detailed list of critical suppliers, each of which will be assessed against these defined criteria. This targeted assessment will then lead to a thorough review of critical suppliers. In particular, this would include companies offering products in high-risk categories or operating in industries known for unusual labour practices, social dumping, poor health, safety and environmental (HSE) conditions and concerns about wages and working hours. These critical suppliers will then receive a questionnaire in which they are asked about their efforts to protect human rights and ensure fair labour conditions within their supply chain and with their business partners. Suppliers will be also asked to provide information about their main owners and the extent of their links in the supply chain. The responses will then be thoroughly evaluated and any irregularities must be explained in more detail.

g. Findings

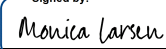
No significant issues or concerns have been identified to date, as the due diligence assessment has not yet taken place and will not be carried out until the end of 2024/beginning of 2025.

h. Follow up and measures

If critical suppliers are identified during the assessment, they will be regularly monitored and evaluated in the future.***

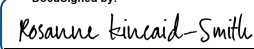
Managing Directors of Northern Data NOR AS

Monica Christine Larsen
Chairwoman of the Board

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Signature

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Rosanne Kincaid-Smith
Board Member

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