

# Corporate social responsibility report

The background of the report features a complex, abstract pattern of blue and white lines. These lines form a series of overlapping, elongated hexagonal shapes that create a sense of depth and movement. In the center of the page, there is a graphic consisting of two adjacent rectangular blocks. The left block is a dark blue color, and the right block is a dark red color. Both blocks have a subtle, fine-lined texture. Overlaid on these two blocks is the text 'one team' in a clean, white, sans-serif font. The word 'one' is positioned on the dark blue block, and the word 'team' is positioned on the dark red block.

one team

Includes results for 2007 and targets for 2008 and 2009

**DnB** NOR



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# About the report

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This report examines DnB NOR's value creation, results and challenges posed by environmental and social considerations. The main topics addressed in the report are our relationship with customers and suppliers, our efforts to meet the climate challenge, our contributions to society, and how we address diversity and transparency. DnB NOR's financial results are described in the Group's financial annual report.

The report applies to the financial year 2007 and is DnB NOR's third separate report on corporate social responsibility in three years. As a rule, stated key figures apply as at 31 December of the relevant year. In addition, the report presents targets and measures for corporate social responsibility and thus also serves as an action plan for 2008 and 2009.

The report encompasses the entire DnB NOR Group, including subsidiaries and brands such as Vital, Postbanken, Nordlandsbanken and Cresco. DnB NORD and DnB NOR Monchebank are included where possible, but are nevertheless excluded in a number of areas due to the lack of available data.

The report is based on the internationally recognised reporting standard Global Reporting Initiative (GRI). The reporting standard functions as a guide, and the guidelines and indicators are employed provided that they are relevant. At the back of this report, an index shows where the various GRI elements can be found in the report and which elements are referred to in the Group's financial annual report. For more information on the reporting standard GRI, please visit [www.globalreporting.org](http://www.globalreporting.org).

We have started working on a separate corporate social responsibility reporting system. For the time being, information in the report is based on data collected from different parts of the organisation and on estimates within certain areas.

For supplementary information, please refer to DnB NOR's financial annual report and [www.dnbnor.com/csr](http://www.dnbnor.com/csr).

# This is DnB NOR

DnB NOR is Norway's largest financial services group with total combined assets of NOK 1 834 billion. The Group includes strong brands such as DnB NOR, Vital, Nordlandsbanken, Cresco, Postbanken, DnB NORD and Carlson.

## Norway's leading financial services group...

- 2.3 million retail customers
- More than 198 000 corporate clients
- Norway's largest Internet banks, dnbnor.no and postbanken.no, with more than 1.4 million users
- Represented in more than 200 locations in Norway
- Norway's largest life and pension insurance company with around 1 million customers
- Norway's largest asset management company with more than 630 000 mutual fund customers in Norway and 294 institutional clients in Norway and Sweden
- Norway's largest investment bank
- Norway's leading real estate broker
- 13 455 full-time positions

## ... and the most international

- Partner for Norwegian companies abroad and for large international companies in Norway
- International network of 12 branches and representative offices
- One of the world's leading shipping banks
- A major international player in the energy sector
- Norway's leading foreign exchange bank
- Operations in Sweden within banking, asset management, insurance, car financing, real estate broking through Svensk Fastighetsförmedling and distribution of financial products through SalusAnsvar
- Operations in Poland and the Baltic region through DnB NORD
- Operations in north-west Russia through DnB NOR Monchebank
- Private banking in Luxembourg

## Financial highlights

2007	2006
Pre-tax operating profits before write-downs (NOK million) <b>15 148</b>	Pre-tax operating profits before write-downs (NOK million) <b>14 066</b>
Profits for the year (NOK million) <b>15 022</b>	Profits for the year (NOK million) <b>11 808</b>
Earnings per share (NOK) <b>11.08</b>	Earnings per share (NOK) <b>8.74</b>
Proposed dividend (NOK) <b>4.50</b>	Dividend (NOK) <b>4.00</b>
Total combined assets at year-end (NOK billion) <b>1 834</b>	Total combined assets at year-end (NOK billion) <b>1 688</b>
Return on equity (per cent) <b>22</b>	Return on equity (per cent) <b>19.5</b>

# One team

We have chosen the slogan "one team" to show what we stand for with respect to corporate social responsibility (CSR). This means that we view our interaction with customers, owners, employees and society in general to be of prime importance when we seek solutions to safeguard both people and the environment.

This report, which highlights value creation, financial results and challenges within the environmental and social dimension in 2007, is an important reflection of this cooperation. We promote our "one team" position by endorsing, for example, the UN Principles for Responsible Investment, the UN Global Compact and the OECD's guidelines for multinational companies.

To further our progress, we selected in 2007 several areas that are of particular importance in our CSR efforts. One of these areas is the climate challenge, which we will face both through the products we deliver and in our continual work to improve environmental efficiency in the DnB NOR organisation.

A good example showing that it is possible to develop products that take account of the climate challenge is a loan product offered through DnB NOR Finans that gives more favourable terms to environmentally-conscious car buyers.

In 2007, several new meeting places were established for the Norwegian business community to discuss and put forward solutions to meet the climate challenge. The Confederation of Norwegian Enterprise established a climate panel for the business community where I have the pleasure to participate, whereas the project KlimaGevinst (Climate Benefit) is a partnership between 13 companies aiming to make Norwegian businesses play a greater part in both national and international initiatives to develop a low-emission society.

Another of our priority areas is the development of products which improve the accessibility of financial services, for example microfinance. Together with the Norwegian authorities, we are participating in a new initiative to raise more private and public capital for microfinance projects in developing countries. We also contribute to specific microfinance projects in Sri Lanka and in Rwanda by providing financial support to the organisations Plan Norway and CARE Norway.

This report aims to give you, the reader, the opportunity to judge our efforts within the two priority areas I have referred to here, in addition to our other contributions towards sustainable development. Happy reading!



Rune Bjerke  
Group chief executive



# Results in 2007 and targets and measures for 2008 and 2009

Detailed descriptions of targets and measures are given in the subsequent chapters.

Systematic work and positive team spirit have ensured that DnB NOR has achieved most of the targets set for 2007.

● Implemented    ● In progress    ● Not implemented

Chapter	Targets and measures 2007	Status
<b>1. Ambitions and parameters</b>	Draw up an action plan for corporate social responsibility 2007–2009 based on the Group's position description.	●
	All employees to participate in training programmes on the code of ethics' significance for their daily work.	●
<b>2. Shareholders</b>	Continue to be qualified for inclusion in the FTSE4Good Sustainability Index.	●
	Make information about DnB NOR's corporate social responsibility more accessible on <a href="http://www.dnbnor.com">www.dnbnor.com</a> .	●
<b>3. Society</b>	Formulate a strategy for the Group's further involvement in microfinance.	●
	Highlight DnB NOR's corporate social awareness through media advertising.	●
	Implement 15 regional and national activities focusing on innovation.	●
<b>4. Customers</b>	Increase customer satisfaction among both retail and corporate customers.	●
	Certify 1 300 investment and financial advisers.	●
	Launch an English version of the Internet bank.	●
	Hold ten innovation seminars with customers and employees.	●
<b>5. Suppliers</b>	Reduce purchased paper quantities by 2.5 per cent from 2006.	●
	Achieve environmental certification of a further five buildings.	●
<b>6. Employees</b>	Increase employee satisfaction score to above 70 points (1–100).	●
	Implement Crescendo, a development programme for women senior executive talents.	●
	Reduce average sickness absence to below 5 per cent.	●
	Increase the average retirement age to above 62 years.	●



## Targets and measures 2008-2009

Review governing documents concerning corporate social responsibility.

Achieve a score of 85 for knowledge of the Group's code of ethics in the employee satisfaction survey.

Continue to be qualified for inclusion in FTSE4Good.

Qualify for inclusion in DJSI.

Be one of the four largest private contributors to the Norwegian Microfinance Initiative.

Present DnB NOR's annual regional and national innovation awards for 2008.

Certify all investment and financial advisers in Retail Banking.

Introduce the Equator Principles\* for project financing.

100 per cent of investments managed by DnB NOR to continue to be screened according to SRI criteria.

Reduce purchased paper quantities by 3 per cent from the 2007 level.

DnB NOR will certify an additional nine buildings under the eco-lighthouse programme.

Introduce a system for measuring the use of telephone, web-based and video conferencing equipment.

Achieve an employee satisfaction score above 70 points.

Average sickness absence target: below 5 per cent.

Average retirement age target: above 62 years.

*\* The Equator Principles are an international standard for project financing above USD 10 million for managing social and environmental risk.*



# One team

The essence of DnB NOR's contribution to sustainable development is how we run our daily business operations. Our corporate social responsibility becomes evident in our dealings with customers, employees, shareholders, suppliers and society at large.

DnB NOR and the Group's predecessors have exercised corporate social responsibility by assisting customers in good and bad times for more than 180 years. Today, we have to address new challenges in the society we are a part of and operate in. In February 2007, the work on a new position description was completed, based on the Group's strategy, corporate culture and values, in addition to internationally recognised human and labour rights. The position defines how we would like our stakeholders to regard DnB NOR and is endorsed by group management.

## Position

DnB NOR is an international financial services group headquartered in Norway. We create solutions in co-operation with customers, employees, suppliers, shareholders and society at large to meet common goals.

DnB NOR's corporate social responsibility efforts should be characterised by a "one team" approach. We have broken down DnB NOR's role as a team player into five priority areas:

### Customers and suppliers – our responsibility too

- constructive dialogue with companies in which we invest
- active use of corporate social responsibility guidelines in our credit activities
- consistent use of supplier declarations

### The environmental challenge

- product development that takes account of the climate challenge
- pricing and communication that promote both environmental protection and demand for environmentally-friendly products
- continual environmental efficiency efforts within the Group

### Contribution to society

- our expertise and our products – to promote economic development
- products which increase the availability of financial services, for example microfinance and loans to entrepreneurs
- increasing awareness of social responsibility among our customers
- sponsoring of sports and cultural activities and other non-profit causes

### Life phases and diversity

- development opportunities adapted to individual needs
- promotion of a corporate culture that furthers diversity

### Transparency

- an organisation characterised by high ethical standards
- principles for corporate governance that can withstand public scrutiny

The next five chapters of this report are divided into these priority areas.





## New business opportunities – socially responsible products

- DnB NOR Asset Management and Vital have ethical guidelines for all investments.
- If a company is suspected of breaching the guidelines, DnB NOR will, often together with other stakeholders, enter into a dialogue with the company to achieve a change.
- DnB NOR's suppliers must sign a declaration form, confirming that they neither contribute to human or labour rights violations, nor engage in environmental harm or corruption.
- Customer satisfaction among large companies has generally been high, whereas responses from small and medium-sized companies have been more varied. Customer satisfaction among retail customers has been stable, with a slightly rising trend.
- It is DnB NOR's ambition that high satisfaction among the largest clients will be maintained and that satisfaction levels will develop positively within the other customer segments.
- In spring 2007, DnB NOR established a new type of account for asylum seekers and quota refugees who lack sufficient proof of identity. Thus, DnB NOR fulfils the requirements on accessibility set by the Equality and Anti-discrimination Ombudsman.

# Customers and suppliers

DnB NOR endeavours to ensure that fundamental norms governing human rights, employee rights, environmental considerations and the fight against corruption are complied with in our business operations and in those of our suppliers.



*DnB NOR Finans offers favourable financing for cars that are more environmentally-friendly. Morten Guldhaug from the company explains that they offer car loans at a half percentage point discount for the most fuel-efficient models and that they have also reduced leasing rates on cars with low CO2 emissions.*

## Socially responsible investments

In April 2008, DnB NOR reviewed and updated the ethical platform for DnB NOR Asset Management and Vital, first approved in 2005. The platform is built on the United Nations Global Compact, the OECD's guidelines for multinational companies, the Ottawa Convention on antipersonnel landmines, the UN Principles for Responsible Investment (PRI) and the United Nations Environment Programme Finance Initiative (UNEP FI). In addition, manufacturers and distributors of strategic components to be used in weapons of mass destruction, landmines and cluster weapons are excluded. DnB NOR Asset Management and Vital now have the same ethical platform.

In accordance with the ethical platform DnB NOR Asset Management and Vital shall not make investments in companies which breach the abovementioned conventions and guidelines. This means that companies we invest in,

either through mutual fund products or directly on behalf of customers, are considered in relation to social, environmental and ethical criteria. DnB NOR's ethical platform implies that the Group shall not make investments that represent an unacceptable risk of involvement in unethical conduct, infringement of human or labour rights, corruption or harm to the environment. Socially responsible investments are an important way for DnB NOR to contribute to sustainable development.

## Ethics committee

In autumn 2007, a joint ethics committee was established for DnB NOR Asset Management and Vital. The two companies previously had separate committees. The committee is responsible for and monitors DnB NOR's socially responsible investments (SRI). Companies which breach the ethical guidelines will be evaluated by the committee and risk being excluded from the investment portfolio. If dialogue with



the companies is unsuccessful, the heads of DnB NOR Asset Management and Vital respectively will make the final decision on whether to exclude the companies.

### Dialogue and active ownership

DnB NOR maintains an ongoing dialogue with companies suspected of acting contrary to the Group's ethical platform. This is how we exert our influence as an investor and seek to bring about change, often in cooperation with other investors. In certain cases, our shareholder rights are used actively to influence companies, for example by voting at general meetings and proposing resolutions together with other investors.

If a company does not improve within areas where the company has engaged in criticisable actions, a proposal to exclude the company in question from the investment portfolio will be put forward to DnB NOR's Ethics Committee. Part of the total evaluation is a company's willingness and ability to rectify discreditable matters.

Dialogue and active ownership are time-consuming processes, and it has therefore been necessary to concentrate initiatives on certain selected topics. In 2007, priority was given to issues relating to labour law, corruption and freedom of expression on the Internet.

### Funds with stricter criteria

In addition to companies excluded under the ethical platform, Vital excludes investment in companies which produce tobacco and pornography. DnB NOR Asset Management also manages mutual funds and portfolios with more extensive ethical criteria. These may be criteria related to environmental factors or the production of tobacco, alcohol or gambling games. Funds with stricter ethical criteria include DnB NOR Barnefond, DnB NOR Global Etisk and DnB NOR Grønt Norden. In addition, DnB NOR offers tailor-made ethical funds for customers who wish to define their own supplementary ethical criteria.

### Handling of third-party deliveries

Vital's unit linked portfolio also includes products that are managed outside DnB NOR. The SRI regulations of the individual suppliers and the way the regulations are observed are checked prior to Vital entering

into agreements to distribute their products, and thereafter on an annual basis. However, this implies that it is not required that external suppliers comply with DnB NOR Asset Management's and Vital's ethical platform to the letter.

### Credit evaluations and corporate social responsibility

We have separate corporate social responsibility guidelines for credit operations. The guidelines entail that risk related to environmental, ethical and social aspects should be analysed on a par with other risk factors in the credit evaluation. DnB NOR will not grant credit which may represent a risk of involvement in environmental damage, corruption or infringement of human or labour rights.

### Diligence matrix

The Group's corporate social responsibility guidelines apply to all loans. In 2006, we developed a diligence matrix for account officers, serving as a guide enabling them to identify and assess a number of aspects of relevance to avoid infringements of the guidelines. Information contained in the diligence matrix relates to the customer's ownership structure, counterparties and areas of operation and specifies where special care must be taken when considering transactions. The matrix should also be used in connection with new commitments.

### DnB NOR's suppliers

DnB NOR requires that its suppliers of goods and services comply with certain standards. Special declaration forms were introduced with effect from 1 January 2006. By signing the form, suppliers confirm that they neither contribute to human or labour rights violations, nor engage in environmental harm or corruption. Only suppliers that sign the declaration will be considered in connection with new procurement contracts and renegotiations. The declaration forms have been positively received by our many suppliers.

By end-December 2007, 441 declaration forms regarding suppliers' corporate social responsibility were registered. After a review of the system in 2007, we have decided to continue the use of supplier declaration forms.

When discussions arise between DnB NOR and a supplier about the wording of the

## Corruption, freedom of expression and labour rights



Allan Emanuelsson

*"Our customers focus on SRI and expect that it delivers healthy returns and secures sustainable development," says Allan Emanuelsson, Social Responsible Investment (SRI) analyst for DnB NOR Asset Management in Stockholm, and continues: "Our active ownership efforts focused on three areas in 2007: corruption, freedom of expression on the Internet and labour rights. We have direct contact with the companies and the industry associations to combat corruption and ensure improved reporting. The largest case DnB NOR worked on in 2007 was the corruption scandal in Siemens. SRI management has grown from a niche issue to a key focus area for our most important clients. The positive feedback we have received from our customers and the trust they show in us by letting us manage prestigious SRI mandates show that DnB NOR has come a long way in its work with SRI."*



declaration form, we enter into dialogue with the supplier to seek to clarify the situation. Such processes provide valuable insight. For example, in multinational companies the decision whether to sign the form must be made by a head office outside Norway. Our demand for products and solutions that take into account environmental aspects also influence our suppliers. For example, the furniture manufacturer HÅG now uses 100 per cent recycled aluminium in the five-star-bases of most of its office chairs and has thus reduced its energy consumption in the manufacturing process to one tenth compared with using non-recycled aluminium. Recycled materials now account for between 40 and 50 per cent of the total materials used in chairs delivered to DnB NOR and other customers.

### Customer satisfaction

Customer satisfaction surveys are regularly carried out among DnB NOR's corporate clients in Norway. Customer satisfaction among large companies has generally been high, whereas responses from small and medium-sized companies (SME clients) have been more varied. In 2007, there were periods of instability in electronic banking solutions for corporate clients in DnB NOR. This may have affected customer satisfaction, particularly among SME clients. High priority is being given to improving the operational stability of the electronic banking solutions. DnB NOR's ambition is to maintain high satisfaction among the largest clients and to improve satisfaction levels in the other customer segments. Customer satisfaction among retail customers is stable, with a slightly rising trend.

### Accessibility

The number of DnB NOR customers with a non-Norwegian background is increasing. We wish to make it easier for all customers to gain access to necessary financial services. In 2007, we were the first Norwegian bank to launch an English version of our Internet bank. All the most important functions are in English, such as total overview, mailbox, payment services and share trading. We have registered 16 000 customers who wish to receive information in English, but only 200 of these were Internet bank users prior to the launch of the new service. We therefore believe that many of our non-native customers have not used the Internet bank because of their insufficient Norwegian language skills.

For asylum seekers and quota refugees, the language barrier is just one aspect that can be a source of difficulty when dealing with the bank. Many also lack sufficient proof

### Excluded companies

*In 2007, Vital excluded 41 companies from its investment portfolio, while DnB NOR Asset Management excluded ten of these. Overall, excluded companies represented approximately 3 per cent of the investment universe. In consequence of the Group's joint ethical platform approved in April 2008, 51 companies were excluded from Vital's and 26 companies from DnB NOR Asset Management's investment universe at the time this report went to print.*

*DnB NOR Asset Management and Vital publish on their websites which companies are excluded from their investment portfolios. Read more about ethical asset management and excluded companies at:*

*[https://www.dnbnor.no/om\\_oss/enheter/dnbnor\\_kapitalforvaltning/fond/](https://www.dnbnor.no/om_oss/enheter/dnbnor_kapitalforvaltning/fond/)*

of identity. For such customers, money laundering rules lay down special requirements as to what types of accounts can be opened. In spring 2007, we established a new type of account for these customers. This account will also be adapted for young and single asylum seekers. These customers cannot be issued a bank card with an identity photo if they have no proof of identity. However, DnB NOR can issue a bank card so that they can withdraw money 24 hours a day and make EFTPOS payments with the card. Thus, the bank fulfils the requirements on accessibility set by the Equality and Anti-discrimination Ombudsman.

### Green car loans

*In 2007, DnB NOR Finans introduced two new product offerings to environmentally-conscious customers: green car loans at a discounted interest rate and the opportunity to make cars carbon neutral through the purchase of certified emissions reduction credits (CERs).*

*"If you take out your car loan with us, we take care of all the practical details surrounding quality assurance and the purchase of certified CO2 quotas," explains Morten Guldhaug in DnB NOR Finans. As well as being environmentally-friendly, DnB NOR Finans has ensured that this offering will also be kind to customer wallets. "We have reduced leasing rates on cars with low CO2 emissions," continues Guldhaug. "Moreover, it is surprisingly inexpensive to buy certified quotas to offset actual emissions. For a car such as Toyota Prius, the cost of making it carbon neutral is NOK 29 per month based on a mileage of 20 000 kilometres per year. Autolease provides documentary proof of CO2 quota purchases."*



*"If you are planning to buy a car, we offer loans at a half percentage point discount for the most fuel-efficient models. It is important for DnB NOR Finans to show that we can develop products that take into account climate change," says Guldhaug.*

*Visit [www.autolease.no](http://www.autolease.no) to calculate emission quotas for all car makes and models in the Norwegian market.*





## Setting own climate requirements

- DnB NOR is committed to promoting sustainable development through responsible business operations, emphasising environmental, ethical and social aspects.
- DnB NOR requires that its suppliers respect the environment and also requires that its investment objects do the same. Of course, we also seek to ensure that our own operations comply with relevant standards.
- In 2007, we launched both a climate loan and the opportunity to make cars/fleets of cars carbon neutral through our subsidiary DnB NOR Finans
- During 2007, five buildings were certified under the eco-lighthouse programme, and we see that this has a positive effect on energy consumption, waste management, the working environment and transportation.
- All equipment that is replaced is delivered for recycling.
- We have initiated measures to help reduce business travel and consequently CO2 emissions.
- The Group joined two new initiatives in 2007 to help combat climate change.

# The climate challenge

As Norway's largest financial services group, DnB NOR is a major contributor to society. Protecting the environment is becoming increasingly important and we wish to play our part. DnB NOR requires that its suppliers respect the environment and also requires that its investment objects do the same. Of course, we also seek to ensure that our own operations comply with relevant standards.



*DnB NOR aspires to become a leading bank within solar, wind and bioenergy. The company NorSun is currently building a new factory for silicon production in Årdal, financed by DnB NOR. The photograph shows an ingot (single crystal) being pulled from a silicon melt. It takes approximately 40 hours to draw an ingot, which is subsequently cut into thin wafers which constitute the "engine" of the solar cells.*

DnB NOR is committed to promoting sustainable development through responsible business operations, emphasising environmental, ethical and social aspects. In 2006, group management in DnB NOR decided to draw up an action plan focusing on important environmental measures. In addition, the Group's ambitions were laid down in a document entitled "DnB NOR's position within corporate social responsibility" which specified the Group's main priority areas and was approved by group management in February 2007. The document confirms our responsibility to consider ethical issues that take into account human and labour rights, the environment and corruption in connection with credit and invest-

ment activities and in relation to our suppliers. In addition, DnB NOR clarifies its ambitions with respect to the climate challenge within the following priority areas:

- product development that takes account of the climate challenge
- pricing and communication that promote both environmental protection and demand for environmentally-friendly products
- continual environmental efficiency efforts within the Group



### Order in our own house

We have specific plans for energy and paper consumption, waste management, transportation, procurement and environmental certification. We have implemented a number of energy efficiency measures and can report reduced energy consumption in 2007. In order to reduce paper consumption in the Group, electronic bank statements are now introduced and two-sided print will be the standard option on all printers and copiers. Employees are also encouraged to think twice before printing out documents.

### Recycling and transportation

All equipment that is replaced is delivered for recycling. The same applies to paper. All employees have their own box where paper is collected for recycling.

With an extensive organisation in Norway, a certain amount of travel is necessary among our employees. However, we have initiated measures to help reduce business travel and consequently CO2 emissions. We will make the necessary arrangements to increase the use of video conferences and will implement a more restrictive travel policy. The Group is testing out several tools for video conferences and document sharing.

By offering alternative solutions, we have succeeded in reducing the total number of air kilometres for the second year in a row. In 2007, we registered 24 281 domestic air kilometres, against 27 721 in 2006. International air travel by employees accounted for 6 655 kilometres in 2007, against 6 370 in 2006.

### Environmental certification

The target set by DnB NOR is that employees who work in environmentally-certified buildings will generate a minimum of 90 per cent of the Group's total income in Norway in 2008. During 2007, five buildings were certified under the eco-lighthouse programme, and we see that this has a positive effect on energy consumption, waste management, the working environment and transportation.

### External initiatives

The Group joined two new initiatives in 2007 to help combat climate change.

In 2007, DnB NOR chose to be represented in the Confederation of Norwegian Enterprise's top-level group on climate issues, the Norwegian Business Community's Climate Panel, and in KlimaGevinst (Climate Benefit), a network of large companies initiated by the Norwegian publication Mandag Morgen. By participating in these networks, the Group shows that it takes climate change seriously and is willing to play an active role in the search for solutions.

### Aspiring to become the "green bank"

*"We believe we can help ensure sound profitability in projects which convert renewable energy sources into electricity. Thus, our strategic aim is to become a leading bank within solar, wind and bioenergy. The position as most environmentally-friendly bank is not yet filled and we aspire to take this position," says Morten Kreutz in DnB NOR's Energy Department.*



*DnB NOR is a key player in the energy sector, mainly within traditional energy sources such as oil, gas and hydropower. Based on the Group's offshore expertise, offshore windmill parks represent an interesting business opportunity. Through co-operation with the bank NORD/LB, DnB NOR has also financed several windmill parks in Germany.*

*"Sweden has come much further than Norway within renewable energy, not least within solar and bioenergy. We will capitalise on this knowledge through our corporate customer commitments in Sweden," says Kreutz.*

*The challenge with respect to all sources of renewable energy is that production costs per kilowatt hour are currently too high. This is one of the reasons why DnB NOR, in cooperation with other Norwegian companies, has joined KlimaGevinst, a forum aiming to find industrial solutions to the climate problem.*

Group chief executive Rune Bjerke is the Group's representative on the Norwegian Business Community's Climate Panel. The panel discusses the means and measures necessary to reduce greenhouse gas emissions, improve energy efficiency and invest in renewable energy. Issues highlighted by the Panel include broad investment in research and technological development, as well as initiatives to involve employees in climate initiatives both at work, in their local community and at home. Leif Teksum, group executive vice president, represents DnB NOR in KlimaGevinst 2020, a thinktank that works to find industrial solutions to the climate challenge. Furthermore, Øystein Dørum, the Group's chief economist, has given many speeches and written a number of articles published in the press on climate issues and carbon trading systems.

produce, for example, windmills and solar cells.

DnB NOR demands compliance with certain environmental standards by its suppliers, the companies we invest in and companies to which the Group extends credit. This is described in further detail under "Customers and suppliers".

## Product development

In 2007, we launched both a climate loan and the opportunity to make cars/fleets of cars carbon neutral through our subsidiary DnB NOR Finans (for further details see page 12). The equity fund DnB NOR Miljøinvest was named best equity fund in Norway in 2007 by the online newspaper E24.no. The fund specialises in alternative energy, investing in companies that

## Procurement and consumption

	2007	2006	2005
Energy consumption (GWh)	62.3	64.5	79.8
Purchased paper (tons)	1 146.5	998.2	957
Waste recycling ratio (%)*	50	59,5	31
Eco-lighthouse certified buildings (number)	21	16	13
Domestic air travel (Norway) (number of kms)	24 281	27 721	33 235
International air travel (number of kms)	6 655	6 370	4 561

\* The waste recycling ratio was the same in 2006 and 2005. The change in percentage is due to the shift to a different reporting method, which means that not only paper but also cardboard and other recyclable material are included in the waste recycling ratio. The decline in the waste recycling ratio from 2006 to 2007 is partly due to reduced paper consumption in DnB NOR.

## DnB NOR Miljøinvest

Date	Number of customers	Assets under management	Return per calendar year
31 Dec. 2005	3 047	60 746 452	20.5 per cent
31 Dec. 2006	3 337	112 141 138	28.9 per cent
31 Dec. 2007	24 202	1 975 615 103	63.0 per cent





## Important role in society

- In 2007, DnB NOR contributed NOK 3 295 million in the form of direct and indirect taxes.
- DnB NOR considers applications for business project funding based on environmental, ethical and social criteria.
- A variety of cultural and sports activities in Norway received NOK 79.5 million in sponsorship funds from the Group in 2007, and other non-profit causes such as research, fine art and humanitarian work received NOK 6.5 million.
- DnB NOR's Innovation Award is a visible and important contribution to knowledge-based business development.
- Special units in the Group work with the prevention and reporting of economic crime.
- In 2007, approximately 150 secondary school pupils used interactive tools, such as PC games, to learn how to start their own company, invest and save.
- DnB NOR endorses international CSR guidelines.

## Contribution to society

We wish to promote economic development that is environmentally sustainable. Through our expertise and products, we support positive development and contribute to the community of which we are a part in a variety of other ways.



*The main source of income for Sparebankstiftelsen DnB NOR (the Savings Bank Foundation) is the return on its holding of DnB NOR shares. A large part of profits is channelled to non-profit causes. The photograph on this page shows a rock band practising at the Kjellern youth club at Ski outside Oslo. The club has received support to buy recording equipment enabling local bands to record their own CDs. The photograph on page 17 is from a theatre performance at Brottet at Hvaler (see box on page 19).*

We are a major source of finance for both companies and households in Norway by virtue of our size and thus exert considerable influence over people's daily lives and over which business ideas are realised.

### Distribution of economic value creation

The distribution of the Group's pre-tax profits in 2007 show that 32 per cent of value creation, equivalent to NOK 8 981 million, was channelled to employee-related purposes in the form of salaries and social costs. 12 per cent, equivalent to NOK 3 295 million, was returned to society in the form of direct and indirect taxes. 21 per cent of value creation, equivalent to NOK 5 997 million, was distributed as divi-

dends to DnB NOR's shareholders in 2007, while 36 per cent, equivalent to NOK 10 105 million, was retained in the Group to strengthen capital adequacy and future growth opportunities.

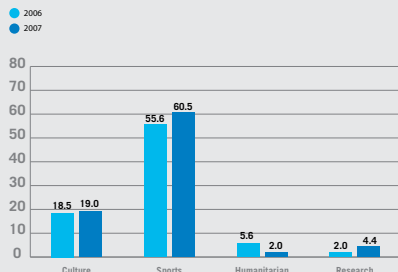
### Dialogue with stakeholders

Our external relations initiatives aim to promote causes that are important for our clients, our employees and/or for the Group's competitive power. The two trade organisations, the Norwegian Financial Services Association and the Norwegian Savings Banks Association, are important arenas for us in this work and in our endeavours to establish a general understanding for value creation in the financial industry.

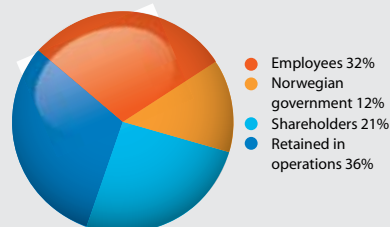


### Financial support and sponsorship agreements

Figures in NOK million



### Distribution of value creation



We wish to have open channels of communication with representatives from various interest groups and therefore maintain relations with a wide variety of non-profit organisations.

In 2007, we had meetings with representatives from the Norwegian parliament and government, the civil service, supervisory authorities, various political youth organisations, and with Plan Norway, CARE Norway, the Norwegian Federation of Youth Organisations of Disabled People, the Islamic Council of Norway etc.

We endorse international guidelines for CSR, including the UN Global Compact and the OECD's guidelines for multinational companies, and have participated in the United Nations Environment Programme Finance Initiative (UNEP FI) since 1999. We are also a member of Transparency International, an anti-corruption organisation.

We do not give financial support or any other kind of assistance to political parties or related organisations. DnB NOR does not receive any financial support from other bodies or institutions.

### Direct financial support

A variety of cultural and sports activities in Norway received NOK 79.5 million in sponsorship funds from the Group in 2007. The largest sports sponsorship agreement is with the Football Association of Norway, whereas the agreement with the Bergen Philharmonic Orchestra is the most extensive agreement with a cultural institution. The main objective of binding cooperation agreements with organisations and institutions is to promote commitment and team spirit within the Group, give customers positive experiences and contribute towards creating a positive corporate image for DnB NOR.

In addition to the sponsorship agreements in Norway, through our international network, we also have agreements outside Norway's borders; for example, we sponsor the Swedish national ice hockey team Tre Kronor. In 2007, DnB NOR Monchebank entered into a sponsorship agreement with Murman bandy, the leading bandy team in Murmansk in Russia.

In 2007, we donated NOK 6.5 million to other non-profit causes, such as research, fine art and humanitarian work. As an example of the latter, we donated NOK 500 000 to the Norwegian Refugee Council and the

### Highly appreciated donations

Donations from Sparebankstiftelsen DnB NOR (the Savings Bank Foundation) to non-profit causes totalled NOK 100 million in 2007, and one of the year's priority areas was Norwegian dramatic art. Initiatives supporting unorganised activities for children and teenagers have also received extensive funding from the Foundation in recent years.



The opening performance of the children's musical "Brottinger" took place at Brottet at Hvaler in 2007 with some twenty children and teenagers on stage. The musical was made possible through a donation from the Savings Bank Foundation used to build the outdoor amphi-theatre.

### 200 years of sound banking

The Savings Bank Foundation was established in 2002 when Gjensidige NOR Sparebank (Union Bank of Norway) was converted to a limited company. The capital in the Foundation represents accumulated profits in the savings bank ever since the establishment of Christiania Sparebank in 1822. The Foundation is the second largest shareholder in DnB NOR (owning more than 11 per cent) and has two objectives: to be a stable and long-term owner of DnB NOR ASA and to continue the savings bank tradition of making financial contributions to non-profit causes.

### Donation of the Year – NOK 10 million

In 2007, the 'Donation of the Year', an amount of NOK 10 million, was awarded for the first time. Three non-profit causes competed for the donation, and more than 60 000 customers voted for their favourite candidate through DnB NOR's Internet bank. The winner was the Norwegian Trekking Association and its project Expeditions for Everyone. In 2008, DnB NOR's customers will again be given the opportunity to vote for a winner of the Donation of the Year.

### Non-profit investments

In addition to its donations, the Savings Bank Foundation invests in visual art and stringed instruments. The best stringed instruments were made in Italy in the seventeenth and eighteenth centuries and often cost several million Norwegian kroner. The Foundation has invested in several such instruments and lends these to outstanding and established Norwegian musicians, the purpose being to promote classical music in Norway.

[www.sparebankstiftelsen.no](http://www.sparebankstiftelsen.no)

National Health Association instead of giving Christmas gifts to business associates in 2007.

In addition, many of our employees are involved in humanitarian work on their own initiative. For example, in 2007, employees gave NOK 540 000 to Save the Children Norway through monthly salary deductions.

### Microfinance

As Norway's leading financial services group, DnB NOR is committed to helping more people benefit from financial services. For several years, we have therefore been involved in microfinance initiatives in cooperation with Plan Norway and CARE Norway. In 2007, we also joined the Norwegian Microfinance Initiative together with Storebrand, Ferd and the Norwegian Ministry of Foreign Affairs. DnB NOR will continue to support microfinance projects in the years ahead.

### Local influence

We influence the local communities we are a part of, primarily as a local provider of financial products and services, but also as a direct sponsor of cultural, sports and other non-profit causes.

In addition, we are a major employer in many municipalities, with offices in more than 187 locations in Norway. Through our consumption of goods and services, we generate activity and help maintain jobs in supplier companies, with significant ripple effects in many local communities. In 2007, our purchases totalled NOK 5.5 billion.

The Group's employees are important suppliers of expertise both locally and nationally, through, for example, the press, lectures, courses, seminars and customer magazines. One example is the project "Setting up house", whose purpose is to give fifteen to sixteen year olds a better understanding of the financial aspects of setting up house.

The bank's entertainment hall in Oslo, Marmorhallen, is also used to teach pupils about banking, finances and DnB NOR. In 2007, approximately 150 secondary school pupils tested out the concept. By using interactive tools, such as PC games, they could start their own imaginary company, make investments and start savings schemes. In 2008, the aim is to increase the number of visits from secondary school and sixth form pupils to 650.

### Promoting business development

DnB NOR's Innovation Award is a visible and important contribution to knowledge-based business development. The award aims to promote innovation, and there is a national final for the best regional ideas. The award was presented for the first time in August 2003.

The winner of DnB NOR's Innovation Award in 2007 was Einar Sudmann, who has developed a solution that enables joint prostheses to be replaced without damaging surround-

ing bone structures. The prostheses are as strong as current solutions, but are much easier to replace. The patent-pending solution can be used for all forms of prostheses that are attached to bone and can reduce the re-operation time considerably.

### Fighting economic crime

Special units in the Group work with the prevention and reporting of economic crime, including fraud, the laundering of proceeds from criminal acts and the financing of terrorism. An important preventive measure is to train employees in the various customer units in the organisation in detecting different forms of economic crime and in 2007, 1 598 employees received such training.

Over the past couple of years, we have seen that vigilance has increased with respect to reporting suspicious transactions. There was a 14 per cent increase in the number of notifications of suspicions of money laundering sent to Økokrim (the Norwegian National Authority for Investigation and Prosecution of Economic and Environmental Crime) from 2006 to 2007.







## A group for all

- In 2007, DnB NOR maintained its position as an attractive workplace among own employees and external job seekers.
- 17 per cent of those employed through the 2007 recruitment campaign have a non-Norwegian ethnic background.
- DnB NOR's Career Change Centre primarily assists employees in the Group who are seeking new challenges or areas of responsibility, and is also an important tool in helping employees return to work after long-term sick leave.
- DnB NOR was the first bank in Norway to launch an English version of its Internet bank in 2007.
- The purpose of the Group's life phase policy is to make it easier for employees in different life phases to combine work and personal commitments.

## Life phases and diversity

In 2007, DnB NOR maintained its position as an attractive workplace among own employees and external job seekers. This is confirmed both by the many applicants to vacant positions in the Group and by the great interest in the trainee programme.



*Following changes in DnB NOR's group management team in 2007, three of the nine members are women: Liv Fiksdahl is responsible for Operations, Cathrine Klouman is responsible for IT and Anne-Brit Fokvord is responsible for HR.*

It is important that we can attract employees with diverse backgrounds and experience. The recruitment campaign "Good with people" resulted in 3 654 applicants in 2007, and 135 new employees were recruited with an average age of 26. 17 per cent of those employed have a non-Norwegian ethnic background. All applications were anonymised, thereby ensuring that only qualifications were considered when applicants were called in to interview.

In 2007, we were the first financial services group in Norway to employ mobile phone and radio advertisements in connection with recruitment campaigns to reach the target group of young people who had recently completed their education and were about to enter the job market.

### Internal mobility

In 2007, 167 employees changed jobs within the Group, an increase of 13.6 per cent from 2006. More secondment opportunities in other business areas and departments is one of the tools introduced that has encouraged internal mobility. From 2007, all trainees will be able to choose whether to spend parts of their trainee period outside Norway.

DnB NOR's Career Change Centre primarily assists employees in the Group who are seeking new challenges or areas of responsibility. The Career Change Centre has developed from being a tool in the integration process following the merger in 2003, to a resource centre promoting change and internal mobility.

142 candidates completed their stay at the Career Change Centre in 2007, of whom 81 returned to their former jobs, 45 took up new positions in the Group and 16 found employment outside the Group.

The Career Change Centre has also gained an important role in creating an inclusive workplace. In 2007, the centre helped 38 employees who returned from long-term sick leave. Some of these contacted the centre to test their capacity for work, while others were there because the position they held before they fell ill no longer existed or had been changed upon their return. While at the centre, employees are encouraged to be open to new opportunities offered by the organisation and receive advice on which tasks they are best suited for.

### Dialogue and influence

In Norway, joint consultation and working environment committees have been established at group level. In addition, employee representatives and management meet in regional working environment committees. By participating in appointment committees, employee representatives are also involved in the Group's recruitment processes.

### Freedom of association

Without exception, employees in DnB NOR have the right to form and join whichever political party or employee association they choose. 60 per cent of the Group's employees are members of a trade union.

### Health and environment

From 1 January 2007, a new health insurance scheme was introduced for all employees in DnB NOR who are members of the Norwegian national insurance system. The aim of the health insurance is to ensure that employees who fall ill or suffer an injury receive swift treatment. This insurance supplements existing pension and insurance schemes.

For many years, DnB NOR has encouraged and helped its employees keep physically fit. These efforts were stepped up in 2007, increasing the number of fitness centres at the Group's offices in Norway. The Group also has active company sports clubs and associations offering a wide range of both cultural and sporting activities.

DnB NOR has long offered fitness programmes during working hours to certain groups with sedentary work. The programmes help employees stay fit and motivated, and help prevent repetitive strain injuries and other health problems. Approximately 450 employees participate in such fitness programmes in Oslo and Bergen. These initiatives have given very positive results among the employees.

## Head of DnB NOR Chile

*In 2006, DnB NOR launched Crescendo, a programme aimed at making women managers better equipped to assume senior executive positions in the Group. Of the ten participants, two have joined the group management team, while Trine Loe is moving to Chile to build up DnB NOR's new international office in Santiago.*



Trine Loe is one of the women managers in DnB NOR who have participated in the training programme Crescendo. The purpose of the programme is to encourage more women to take on management positions at a higher level in the organisation. She is now moving to Chile to head DnB NOR's new office. Crescendo has helped focus attention on women managers in DnB NOR.

*Crescendo gives participants training in areas where they do not gain experience in their daily jobs. Topics include internationalisation, communication, management and the bank from an investor's point of view. Together with group management, the participants have attended investor meetings, and each participant has been matched with a more senior manager to act as their discussion partner.*

*"I found the Crescendo programme informative and useful. A very good network has been established between us ten participants, and while on the programme I learnt that I wish to work abroad," says Trine Loe.*

*In recent years, Loe has been head of the section for the largest consumer trade clients in Nordic Corporate and Institutions. In Chile, she will be responsible for building up a completely new organisation, and the priority areas for DnB NOR will be seafood, energy and shipping. These are areas where the Group has international expertise.*

*"In the beginning, I will be the only Norwegian at the office and I assume that one of my most demanding management tasks will be to introduce DnB NOR's corporate culture and code of ethics to our new employees," says Loe.*



Absence due to illness in the Group's Norwegian operations has stabilised around 5 per cent and was 5.36 per cent in 2007, compared with 5.35 per cent in 2006. This is considered satisfactory given the major changes undergone by the Group in recent years.

Future challenges include implementing measures to increase employee satisfaction, ensure that employees remain fit and healthy, and reduce long-term sick leave rates.

Employees who wish to reduce their working hours must submit an application, which is then considered on an individual basis. It must be agreed between each manager and the employee how the reduced hours can best be implemented in practice.

### Life phase policy for senior employees

The purpose of the Group's life phase policy is to make it easier for employees in different life phases to combine work and personal commitments. One of the measures offered to employees aged 62 and over is to reduce working hours while receiving full salary.

Key figures as at 31 December	2007	2006	2005
Number of employees	14 068 *	12 187 *	11 716
Number of full-time positions	13 698 *	11 824 *	11 334
Women/men (%)	50.25/49.75	54/46	51/49
Women/men in executive positions (levels 1-5) (%)	30/70	31/69	29/71
Average age	46.2	46.1	46.3
Average length of service (years)	17.5	18.1	18.5
Sickness absence (%)	5.36	5.35	5.09
Employee satisfaction score	72,6	67,7	68,3
Average fixed salary women/men	395 000/ 512 000	388 285/ 494 159	N/A

\*The figures include DnB NORD and DnB NOR Monchebank.

### Banking for all

DnB NOR's branch office in Stavanger is often visited by customers who cannot speak Norwegian. These customers have had to visit the bank in person for even the most simple banking services. This is no longer necessary. In December 2007, all key functions in the Internet bank were made available in English.

"This is a service that has been long-awaited by us. We have a large number of English-speaking customers because of the oil companies based here. Many Englishmen and Americans for example send money home. They would like to use the Internet bank, but have not been able to do so on account of language difficulties. It is also difficult for many of these customers to leave work to visit the bank. In addition, it costs more," says Carmen Vesttun, customer adviser in Stavanger.





## Transparency and high ethical standards

- DnB NOR aims to ensure sound corporate governance through equal treatment of shareholders, compliance with laws, regulations and ethical standards and by electing independent and well-qualified board members.
- It is regularly confirmed through feedback from external sources that the information material that is released by DnB NOR in connection with the presentation of the interim and annual performance figures holds a high international standard with respect to transparency and information value.
- In 2007, a new interactive analysis tool was launched on the Internet which makes it easier for investors to monitor the share price while providing new ways of communicating with shareholders.
- Each manager is responsible for ensuring that his/her employees are well acquainted with the relevant rules and regulations and for putting ethical issues on the agenda.

# Transparency

In order to deliver high-quality financial services in a complex world, we must have solid and transparent structures and follow consistent practices. We are committed to having an organisation characterised by high ethical standards and clear principles for corporate governance that can be subject to critical scrutiny.



*Competent advisory services are the key to good customer relations. Ethics and credibility are elements in the basic training of DnB NOR's advisers. Advice should be given based on in-depth knowledge of each customer's life circumstances and financial targets. In addition, information on terms and conditions and risk aspects should be open, complete and individually adapted.*

Our advisers are trained in handling difficult situations. A certification scheme is just one measure to equip advisers with the necessary skills to exercise good ethical judgment and observe correct advisory practices. A programme providing training in handling ethical dilemmas has been introduced for managers and employees for use in department and management meetings.

## Managerial responsibility

Each manager is responsible for ensuring that his/her employees are well acquainted with the relevant rules and regulations and for putting ethical issues on the agenda. In order to meet these requirements, we offer the following courses on ethics:

- The Well of values is an e-learning program which "visualises" DnB NOR's strategic platform and values.
- Too hot to handle is an e-learning program about economic crime and money laundering - Anti Money Laundering/AML.
- We in finance is an e-learning program which serves as an introduction to the financial industry. The program looks at how the industry is structured and explains the regulatory framework and basic ethical industry guidelines.
- Ethics and good advisory practices (e-learning Retail Banking)
- Practical management (seminar)

In addition, in 2007, a project was commenced to work on a major group learning program focusing on ethics. The program will be introduced in 2008.

Whether ethical issues are actually put on the agenda is



revealed in the annual internal control reporting and the employee survey. The results of the employee survey, an important quality assurance and development tool for the Group, indicate whether we meet the targets that are set.

We have established an internal notification system where employees can notify reprehensible actions or unethical conduct to the group executive vice president, Group Audit, who reports directly to the Board of Directors.

### Emphasis on open dialogue

DnB NOR is committed to maintaining an open dialogue with shareholders and other participants in the stock market. In the opinion of the Group, transparent, correct, relevant and timely information will promote confidence, predictability and correct pricing of the company's shares. Information subject to disclosure requirements is provided in the form of notices to Oslo Børs and immediately thereafter published on DnB NOR's websites and sent via e-mail to registered subscribers as well as to the Norwegian and international press.

A large number of share analysts follow the DnB NOR share. The share is covered actively by institutional investors' own analysts and by a total of 30 large and small investment banks and brokerage houses, of which 15 are Nordic-based and 15 are international. It is in the interest of DnB NOR that high-quality equity analyses are published. Emphasis is placed on providing relevant, complete and high-quality information to all analysts, irrespective of their assessments of the DnB NOR share. It is regularly confirmed through feedback from external sources that the information material that is released in connection with the presentation of the interim and annual performance figures holds a high international standard with respect to transparency and information value.

In 2007, a new interactive analysis tool was launched on the Internet which makes it easier for investors to monitor the share price while providing new ways of communicating with shareholders. We also have ongoing contact with a large number of analysts, investors and research agencies which monitor the company's performance within CSR and ethics. The publication of an annual CSR report is part of this communication process.

### Equal treatment of shareholders

At end-December 2007, DnB NOR had 1 332.7 million shares divided between approximately 43 000 shareholders. All shareholders are treated equally and have the same opportunity to exert influence through the principle of one share – one vote. The largest shareholders are the Norwegian government, represented by the Ministry of Trade and Industry, and Sparebankstiftelsen DnB NOR (the Savings Bank Foundation). International investors' holdings rose from 38.5 per cent at year-end 2006 to 39.2 per cent at end-December 2007.

According to the State Ownership Report (White Paper no. 13 2006-2007), the purpose of the government's ownership in DnB NOR ASA is to ensure that the Group is headquartered in Norway and serves as a partner for Norwegian companies at home and in the export market. Whereas the government's ownership is motivated by the objective to maximise commer-

## Training to give correct advice

*During 2008, all employees in the DnB NOR Group who advise retail customers are to be certified. The certification programme consists of both a theo-*



*retical and a practical part, followed by two separate exams. Topics covered include product knowledge, ethics, market factors, macroeconomics and personal finances. In the practical part of the programme, training is given on how to be a financial adviser.*

*"We aim to ensure that the advisers give advice based on extensive knowledge of each customer's situation and needs. Good financial advisory services also mean that customers receive information on alternative options and the consequences of the choices he or she makes," says Arild Kristoffersen, head of sales and advisory services in Oslo, Asker and Bærum. The certification programme fulfils the requirements set by the new EU regulations for employees in the financial industry. However, DnB NOR started this process as early as 2005, two years before the new MiFID (Markets in Financial Instruments Directive) requirements entered into force. Financial advisers will be re-certified every third year.*

*The photo shows financial advisers Paul Bø (standing), Anju Bedi, Bent-Einar Eriksen Mørk and Stine Bugge in a staged customer situation. The exercise is part of a three-day course covering the practical and theoretical aspects of the role of a financial adviser.*



**FTSE4Good**

*DnB NOR is included in FTSE4Good, a leading global sustainability index.*



cial values and safeguard national ownership, the government states that long-term value creation should be supported by socially responsible operations, which should be achieved by having sound procedures in relation to all stakeholders. The Norwegian government, as a shareholder, has therefore made it clear that it expects DnB NOR to be among Norway's leading companies within corporate social responsibility.

## Sound corporate governance

DnB NOR aims to ensure sound corporate governance through equal treatment of shareholders, compliance with laws, regulations and ethical standards and by electing independent and well-qualified board members.

Management processes, descriptions of responsibilities, independence requirements, remuneration systems and the opportunities of shareholders to exert influence help protect the interests of shareholders, customers, employees, authorities and society at large.

DnB NOR was involved in the process of drawing up the Norwegian Code of Practice for Corporate Governance which was launched in 2004 and last updated on 4 December 2007. In addition, the Group takes into account the proposed principles for corporate governance from the Committee of European Banking Supervisors (CEBS). These regulations cover the Board of Directors' responsibility for determining the Group's risk profile, approving the organisation of operations, delegating responsibilities and assigning authority, and also stipulating reporting and internal control requirements.

### Corporate governance in DnB NOR includes:

- the establishment and communication of targets, strategy and values. As part of this, DnB NOR has prepared action plans that clearly describe how the Group should observe corporate social responsibility
- a clear division of roles and responsibilities between various bodies and management
- predictability and equal treatment of all shareholders
- shareholder involvement and influence
- relevant and timely reporting to shareholders and other stakeholders
- independent and qualified board members
- adequate remuneration to board members and management
- compliance with laws, regulations and ethical standards
- independent internal and statutory auditors

## Annual evaluation

The Board of Directors of DnB NOR evaluates its own work and work methods annually. In 2007, an external facilitator evaluated to what extent the Board of Directors fulfils the requirements posed in accordance with legislation and the Norwegian Code of Practice for Corporate Governance. The report focuses on strengths and weaknesses and proposes improvement measures. In addition, the Board's competencies, overall and those of each board member, have been evaluated.

In order to secure appropriate compensation schemes, in

2007, the Board of Directors established a Compensation Committee consisting of three members of the company's Board of Directors. The committee normally meets three to four times a year. The committee draws up proposals and issues recommendations regarding the remuneration and other key benefits awarded to senior executives.

For a more detailed description of corporate governance in DnB NOR, please refer to pages 54-60 in the financial annual report.

## Compliance

It is DnB NOR's policy to comply with all laws, regulations and rules which apply to its operations. The international term for this is compliance. The Board of Directors has approved a group compliance policy which defines responsibilities for compliance and for organising the compliance function. The compliance function is an independent function which identifies, evaluates, gives advice on, monitors and reports on the Group's compliance risk. In all business areas and support units and in large subsidiaries and international entities, compliance officers are appointed to ensure compliance with relevant regulations.

The group compliance officer (GCO) is responsible for the Group's overall control of and reporting on compliance risk and any breach of laws and regulations pertaining to the Group. The GCO reports to the Board of Directors through the group chief executive at least once a year. Compliance officers in the business areas and support units regularly report on the current status and on any breach of regulations to the head of the relevant unit.

### At end-December 2007, DnB NOR had

a market capitalisation of NOK 111 billion and was the fourth largest company listed on Oslo Børs. The proposed dividend of NOK 4.50 per share provides a dividend yield of 5.4 per cent based on the share price as at 31 December 2007.

### A selection of recognitions

**Norway's best investor relations department**  
IR Magazine Nordic Awards

**Norway's best CFO**  
IR (Tom Grøndahl), IR Magazine Nordic Awards

**"SAM Sector Leader"**  
SAM Sustainability Yearbook

**"Best Foreign Exchange Bank in Norway "**  
Global Finance

**"Best developed Market Bank in Norway"**  
Global Finance

**"Financial institution of the year within property funding"**  
Bank DnB NORD A/S Danmark, Magasinet ErhvervsEjendom

**"Best bank in Lithuania"**  
DnB NORD Bankas, Euromoney Magazine

*\* Some of the awards were received in 2008*

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## Social performance indicators

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N/A: Not available.

N/R: Not relevant for DnB NOR.

\* Information available in the DnB NOR Group's financial annual report.

\*\* Indicators included in the financial services sector supplements, mostly concerning environmental and social performance, are available at [www.dnbnor.com/csr](http://www.dnbnor.com/csr). For more information on the Global Reporting Initiative (GRI), see [www.globalreporting.org](http://www.globalreporting.org).

\*\*\* See [dnbnor.com/csr](http://dnbnor.com/csr).

\*\*\*\* Three months according to Norwegian law.

# To the stakeholders of DnB NOR ASA

## Independent assurance report with limited assurance

We have been engaged by the management of the DnB NOR Group to conduct an independent review of "DnB NOR corporate social responsibility report 2007" (the Report).

We have conducted our review in accordance with the requirements for assurance engagements with limited assurance in the Norwegian standard on assurance engagements SA 3000 "Assurance Engagements other than Audits or Reviews of Historical Financial Information" issued by the Norwegian Institute of Public Accountants (approved in September 2006). The procedures for gathering sufficient appropriate evidence in a limited assurance engagement are limited relative to a reasonable assurance engagement.

We have conducted an independent review of the Report. DnB NOR's group management is responsible for the Report. Our responsibility is to express our opinion on the Report based on our independent review.

In this review, we have used relevant criteria in the sustainability reporting guidelines issued by the Global Reporting Initiative (GRI). General areas of focus for the stakeholders of DnB NOR have also been taken into consideration. We consider these reporting criteria to be relevant and sufficient to review the Report.

## Our review has involved the following activities:

- Assessing the acceptability of the reporting principles used;
- Performing analytical procedures to assess the quantitative data;
- Reviewing obtained documentation supporting the quantitative data and assertions made in the Report, and re-examining significant estimates and calculations made in preparing the Report;

- Conducting interviews with employees of the DnB NOR Group who have had a key role in preparing the parts of the Report where the risk of material errors have been considered as high;
- Assessing the content of the Report against relevant criteria for sustainability reporting guidelines issued by the Global Reporting Initiative.

We have in our review not assessed the implementation of and compliance with instructions, policies and procedures mentioned in the Report. The interviews referred to in the Report have not been a part of our review.

We believe we have collected sufficient appropriate evidence as a basis for our opinion.

Since the above procedures do not constitute either an audit or a review made in accordance with Norwegian Standards on Auditing, we do not express any assurance that the Report does not contain material errors.

Based on the procedures described in this report, nothing came to our attention that leads us to believe that the information in the Report in all material respects is not in accordance with relevant criteria for sustainability reporting guidelines issued by the Global Reporting Initiative.

Oslo, 11 April 2008  
PricewaterhouseCoopers AS

**Geir Julsvoll**  
Certified Public Accountant



## Points of view?

Please contact us by e-mail:  
[external.relations@dnbnor.no](mailto:external.relations@dnbnor.no)  
or by post:

### **DnB NOR**

Corporate Communications/External Relations  
Stranden 21  
NO-0021 Oslo

[www.dnbnor.com/csr](http://www.dnbnor.com/csr)

#### **Editor:**

Kjetil Staalesen, [kjetil.staalesen@dnbnor.no](mailto:kjetil.staalesen@dnbnor.no)

#### **Design:**

DnB NOR Designteam

#### **Print:**

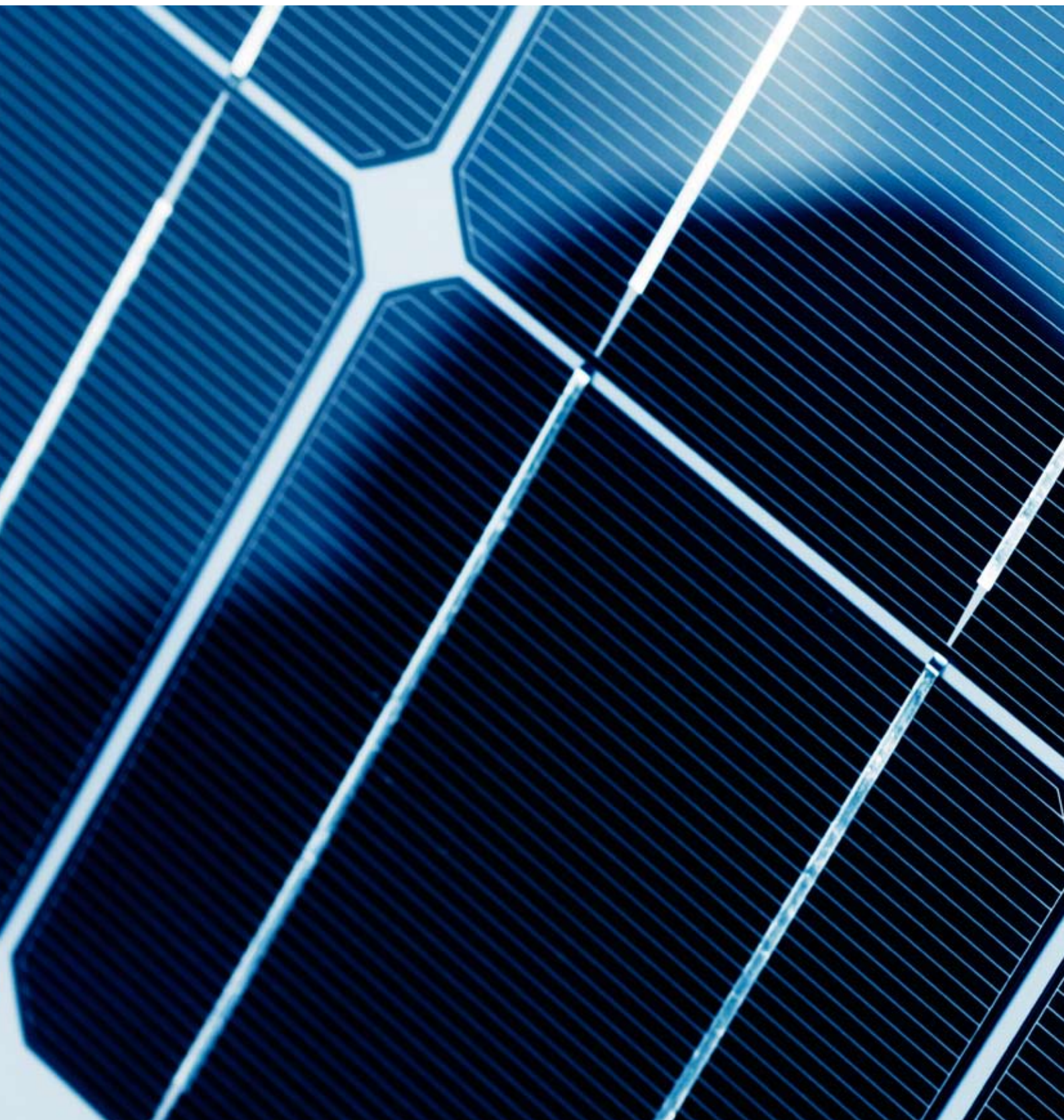
Joker Grafisk

#### **Project management and consulting:**

Eddy Grønset, [eddyg@online.no](mailto:eddyg@online.no)

#### **Photo:**

Morten Brakestad, Stig B. Fiksdal, Sverre Chr. Jarild, NorSun,  
Øystein Klakegg



**DnB** NOR