

Corporate social responsibility in DnB NOR

DnB NOR wishes to promote sustainable development through business operations emphasising environmental, ethical and social considerations.

The Group's role in society

DnB NOR is Norway's most important source of finance for companies and households, a role which has become more visible due to the global financial crisis. In this situation, DnB NOR has given priority to continuing to meet the financial needs of its retail customers, while also helping small and large companies throughout Norway to secure jobs and develop good projects.

In addition to providing credit, DnB NOR offers payment services and manages financial values. The Group is also continually developing and improving its tailor-made savings and investment advisory services.

How the financial industry chooses to commit itself to its stakeholders will be vital in maintaining and building confidence in the financial sector. Continually refining the Group's corporate social responsibility initiatives is part of a long-term commitment to customers, employees, shareholders and society at large.

Customers and suppliers

In May 2008, DnB NOR adopted the Equator Principles, a voluntary set of guidelines for managing environmental and social issues in project finance. The principles were drawn up by private sector banks in 2003 and are based on the World Bank's environmental standards and the social policies of the International Finance Corporation, IFC.

All loans from DnB NOR follow guidelines stating that risk related to environmental, ethical and social factors must be assessed on a par with other risk factors.

During the year, ethical guidelines for asset management in DnB NOR were revised and coordinated. The guidelines build on the UN Global Compact, OECD's guidelines for multinational companies, the Ottawa Convention on anti-personnel mines, the UN Principles for Responsible Investment and the UNEP FI principles. In addition, manufacturers and distributors of strategic components to be

used in weapons of mass destruction, anti-personnel mines and cluster weapons are excluded from the Group's investment universe.

The guidelines imply that DnB NOR will not invest in companies in breach of the UN Global Compact, the OECD's guidelines for multinational companies or the Ottawa Convention on anti-personnel mines. In addition, Vital Forsikring, a subsidiary in the Group, does not invest in companies which manufacture tobacco or pornography.

During 2008, DnB NOR was, as part of its ownership strategy, in dialogue with 24 companies suspected of acting contrary to the Group's ethical guidelines. DnB NOR thus employs active ownership to influence companies in the desired direction. DnB NOR's ethics committee monitors investments and gives advice to managers in Vital and DnB NOR Asset Management on the exclusion of companies from the investment portfolio. Details on the number of companies excluded and the criteria upon which the exclusions are based can be viewed on dnbnor.com/csr.

DnB NOR is part of the investor initiative Sustainable Value Creation, which seeks to influence Norwegian listed companies to generate financial, environmental and social values. A survey of the companies listed on the Oslo Børs Benchmark Index, commissioned by the initiative, shows that the progress of companies in achieving responsible and sustainable business operations varies, and that there is room for improvement in all of the companies.

Customer satisfaction surveys among DnB NOR's corporate and retail customers in Norway are carried out on a regular basis. A survey conducted among corporate customers in the first half of 2008 showed a positive trend in customer satisfaction compared with the previous year. However, in the fourth quarter, there was a pronounced fall in satisfaction scores. Among retail customers, satisfaction with DnB NOR in the autumn of 2008 was at its lowest level registered since the merger in 2003. The negative trend

can be ascribed to general aspects linked to the financial crisis as well as particular factors relating to DnB NOR.

DnB NOR requests that suppliers of goods and services to the Group sign a declaration form stating that they do not contribute to human or labour rights violations, environmental harm or corruption. 523 such declaration forms were registered at the end of 2008.

The climate challenge

Questions regarding the environment and climate changes received a great deal of public attention in 2008. DnB NOR emphasises environmental criteria in both its investment and lending policy.

DnB NOR also meets the climate challenge by offering products with an environmental profile. For example, the Group offers reduced lending rates to environmentally aware car buyers, and leasing customers have the opportunity to make cars and car fleets carbon neutral through the purchase of UN-approved CO₂ quotas.

DnB NOR offers two equity funds with an environmental profile in the retail market: DnB NOR Renewable Energy and DnB NOR Grønt Norden. Renewable energy is one of DnB NOR's international priority areas, and the Group has established a unit to serve corporate customers within the power and renewable energy sectors.

In 2008, the Group participated in two climate initiatives: Climate Benefit and the Norwegian CEO Climate Policy Forum.

The energy consumption at DnB NOR's planned new headquarters in Oslo will be less than 120 kWh per square metre, which is the equivalent of energy class B in the EU building energy directive. This represents a fifty per cent reduction compared with DnB NOR's average energy consumption today.

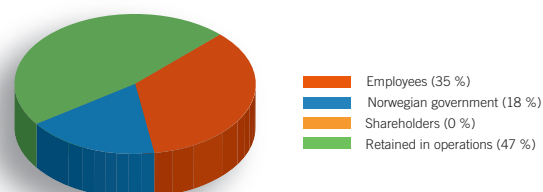
The impact of DnB NOR's products and services on the environment has been lessened through a gradual conversion to electronic communication with customers. The Group will facilitate an increase in the use of video conferencing equipment to further reduce business travel by its employees.

Consumption and procurement		
	2008	2007
Energy consumption (Gwh) ¹⁾	62.9	62.3
Purchased paper (tons)	1 077.0	1 146.5
Waste recycling ratio (%) ¹⁾	56	50
Number of eco-lighthouse certified buildings	23	21
Domestic air travel (Norway) (1 000 km)	21 264	24 281
International air travel (1 000 km)	8 260	6 655

1) Applies to the Group's banking operations in Norway, with the exception of Nordlandsbanken.

Contribution to society

Distribution of value creation in 2008 ¹⁾

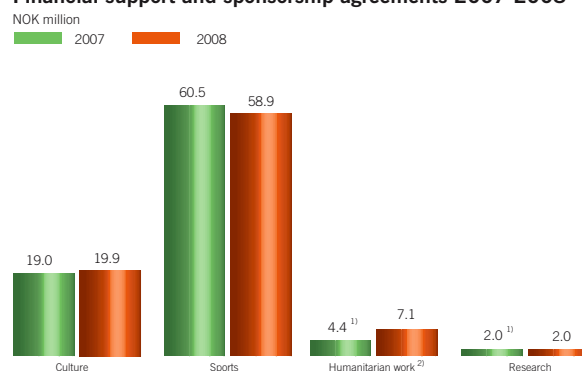


1) The Group's pre-tax profits in 2008 channelled to salaries and social costs, direct and indirect taxes, shareholder dividends and funds retained in operations to strengthen capital adequacy and future growth opportunities.

The Group has dedicated economic crime units to combat and investigate economic crime, including fraud, the laundering of proceeds from criminal acts and the financing of terrorism. An important preventive measure is to hold training courses dealing with the various forms of economic crime for account officers in the organisation, and in 2008, 676 employees attended such courses. An additional tool is the e-learning programme "Too hot to handle", which is mandatory for all employees, including their managers, who deal with customers and transactions. There was a 18 per cent reduction 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 2007 to 2008.

The aim of DnB NOR's contact with Norwegian authorities is to strengthen relations, share expertise and influence both the focus of attention and decisions in the best interest of the Group and its stakeholders. DnB NOR also has extensive contact with voluntary organisations. In 2008, representatives for the Group participated in meetings with members of the Norwegian government and parliament, the

Financial support and sponsorship agreements 2007-2008



1) Adjusted relative to figures in DnB NOR's 2007 corporate social responsibility report.

2) Humanitarian work and other non-profit causes.

civil service, supervisory authorities and various voluntary organisations.

The Savings Bank Foundation, Sparebankstiftelsen DnB NOR, is the second largest shareholder in the DnB NOR Group and can use up to 25 per cent of profits to support non-profit projects. In 2008, the foundation made donations totalling NOK 90 million.

Through various microfinance initiatives, disadvantaged people gain access to financial services. As a financial institution, DnB NOR believes it is a natural part of its operations to support microfinance projects and chose to play a role in the following ways in 2008:

- through financial support to humanitarian organisations involved in microfinance
- by investing NOK 75 million in Norwegian microfinance initiatives through Vital Forsikring

DnB NOR employees have also raised funds in aid of microfinance. For example, in February 2008, DnB NOR's trainees invited guests from Norway's largest companies to attend an evening seminar about microfinance and corporate social responsibility. NOK 80 000 was raised from the seminar fee and the sale of refreshments, which was donated in full to CARE Norway's microfinance project in Rwanda.

DnB NOR is committed to developing products which increase the availability of financial services. Since the end of 2008, currently on a limited scale, the Group has offered a bank debit card which can be used by persons who, for a variety of reasons, do not have a bank account. These cards can only be used to withdraw benefit payments, and the card account will be opened in the name of the payer and not the payee. Provided that there are sufficient funds in the account, the card can be used to withdraw cash, receive balance updates from ATMs and to pay for goods and services.

The sixth DnB NOR Innovation Award was presented in 2008. The competition rewards the best ideas within knowledge-based business development and aims to stimulate innovation in Norwegian businesses and promote good ideas. The main prize of NOK 1 million was won by Sub Sea Water AS with a concept which makes it possible to establish the existence of and exploit large subsea freshwater reservoirs for water supply.

Employees

Employee-related issues are also an important part of the Group's CSR policy.

DnB NOR wishes to give each employee development opportunities adapted to individual needs. The Group seeks to prevent injuries caused by robberies and threats through extensive security routines and training measures. In 2008, 27 courses in coping with robberies were held. In addition, 113 employees in the Group's Norwegian operations completed courses in threat management and 129 participated in security courses. Other training measures are described in the chapter on the Group's employees.

In 2008, 129 employees changed jobs across legal units in the Group, a decline of 22.8 per cent compared with the previous year. The average retirement age rose from 61.3 to 61.8 years. The Group aims to have an average retirement age above 62 years.

The percentage of women executives, i.e. the percentage holding positions from management levels one to five in the organisation, is 30 per cent, unchanged from the previous year. The Group's ambition for 2009 is to retain the same percentage. The average fixed salary for women and men in the Group's Norwegian operations in 2008 was NOK 420 000 and NOK 543 000 respectively.

Employees in DnB NOR have, without exception, the right to form and join the political parties and employee organisations of their choice. 63 per cent of the Group's employees in Norway are members of a trade union.

Transparency

DnB NOR is committed to having an organisation characterised by high ethical standards. Transparency is an important element in the Group's business operations, products and services. Corporate governance shall be in line with internationally recognised principles. The Group's corporate governance practices are described in a separate chapter in the annual report.

DnB NOR's corporate social responsibility is based on internationally recognised guidelines, primarily the UN Global Compact's ten principles for CSR in the business community. These principles cover human rights, labour standards, the environment and anti-corruption. In addition, the Group bases its work within corporate social responsibility on the OECD's guidelines for multinational companies, the UNEP FI principles and UN Principles for Responsible Investment.

Reporting within CSR complies with guidelines laid down in the internationally recognised Global Reporting Initiative. DnB NOR endorses several initiatives, including the Carbon Disclosure Project and the UN Global Compact, which entails annual reporting related to the environmental and social aspects of the Group's operations. In 2008, DnB NOR published a CSR report with results for 2007 and targets for the period 2008 to 2009. The next CSR report will be published in the spring of 2010. Updated information on how DnB NOR exercises corporate social responsibility can be viewed on dnbnor.com/csr.

DnB NOR will comply with all laws and regulations applying to the Group's operations. Read more about DnB NOR's compliance function on page 57.



Evaluation of target achievement in 2008	Implemented	In progress
Review governing documents concerning corporate social responsibility	x	
Achieve a score of 85 for knowledge of the Group's code of ethics in the employee satisfaction survey		x
Continue to be qualified for inclusion in FTSE4Good	x	
Qualify for inclusion in Dow Jones Sustainability Index		x
Be one of the four largest private contributors to the Norwegian Microfinance Initiative	x	
Present DnB NOR's annual regional and national innovation awards for 2008	x	
Certify all investment and financial advisers in Retail Banking ¹⁾		x
Introduce the Equator Principles for project financing	x	
Continue to screen all investments managed by DnB NOR in relation to international standards, and exclude controversial weapons	x	
Reduce purchased paper quantities by 3 per cent from the 2007 level	x	
Certify an additional nine buildings under the eco-lighthouse programme – in total 30 buildings		x
Introduce a system for measuring the use of telephone, web-based and video conferencing equipment		x
Achieve an employee satisfaction score above 70 points ¹⁾	x	
Achieve an average sickness absence level below 5 per cent ¹⁾		x
Achieve an average retirement age above 62 years		x

1) For more information, see the chapter on the Group's employees.

Promoting sustainability in the maritime sector



DAG ARNE
KRISTENSEN,
HEAD OF EXTERNAL
RELATIONS IN
DNB NOR

In 2008, DnB NOR became a member of the World Business Council for Sustainable Development, WBCSD, a global association of some 200 international companies committed to sustainable development through economic growth, ecological balance and social progress.

As one of the world's lead arrangers of syndicated loans in the ship financing market, DnB NOR is particularly involved in WBCSD's maritime initiative, which will look at environmental challenges within international shipping.

The issues the participants in the initiative are working on include the development of a method to calculate emissions from the maritime sector and the establishment of reporting routines and parameters. Other topics relate to the life cycle of shipping vessels, the use and disposal of water and bunker oil, biodiversity and health, environmental and safety considerations for maritime personnel.

"By participating in this initiative, we will learn even more about the social and environmental conditions in a sector which is very important for us as a financial services group. We hope that our sound industry expertise and international shipping network will benefit the initiative," says Dag Arne Kristensen, head of External Relations in DnB NOR.

Statement of continued support for the Global Compact

DnB NOR continues to support the United Nations Global Compact, and the ten Global Compact principles play a vital role in our corporate social responsibility efforts.

DnB NOR's policy for corporate social responsibility was revised in 2008, and is in part based on the ten principles of the United Nations Global Compact concerning human rights, labour standards, the environment and anti-corruption. By endorsing internationally recognised guidelines for corporate social responsibility, we wish to further increase transparency in the environmental, ethical and social dimensions of our operations.

Through our participation in the Global Compact Nordic Network, we continue to enjoy the benefits of a forum for discussion, reflection and learning.

A more detailed description of our performance in relation to the Global Compact principles is given in the chapter on corporate social responsibility in our annual report, along with a self-evaluation of target achievement in 2008. Our next corporate social responsibility report will be published in 2010.

Oslo, March 2009



Rune Bjerke
President and CEO