

DNB Group

# Sustainability Factbook 2020

DNB



	<b>View risks and opportunities in a long-term perspective</b> .....4
	<b>Responsible lending and investment</b>
	→ Responsible lending to corporate customers.....5
	→ Responsible investment.....7
	→ Sustainable bonds.....9
	<b>Helping startups succeed</b> .....10
	<b>Preventing financial crime and corruption</b> .....11
	<b>Information security and stable IT systems</b> .....12
	<b>Privacy protection</b> .....13
	<b>Equality and diversity</b> .....14
	<b>Financial literacy</b> .....15
	<b>Innovative business model and product development</b> .....16
	<b>Create the best customer experiences</b>
	→ User-friendly products and services.....17
	→ Openness about pricing of products and services.....17
	<b>Restructuring and skills enhancement</b> .....18
	<b>Working conditions</b> .....19
	<b>Responsible purchasing</b> .....20
	<b>Open and ethical business management</b> .....21
	Financial ambitions.....22
	Sustainability ambitions.....22
	Purpose and values.....23
	Our work with the UN Sustainable Development Goals.....23

DNB's Sustainability Factbook 2020 is produced by DNB Public Affairs & Sustainability

Translation: Marianne Perkins and Kristin Dobinson, DNB

Design: HyperRedink

# Sustainability Factbook

This part of the 2020 annual report is a supplement to the strategic section (pages 31–94), and provides a more quantitative overview of the topics that are most important for DNB's ability to achieve long-term value creation. The Factbook is based on the materiality analysis, which was completed in 2018 and shows the topics that are strategically important for the bank's long-term value creation, seen in the context of the expectations of our various stakeholders. We use this analysis as a tool to help us identify the areas where we can make the greatest difference in society and that also support our strategy. The materiality analysis was assessed in 2020 in light of market developments and developments in society in general, as well as the Group's updated strategy. A new and comprehensive update of the materiality analysis is planned for the spring of 2021.

The materiality analysis also forms the basis for the four overarching topics and associated Group ambitions that set the direction for DNB's work in the area of sustainability.

Together with the description of the topics in the strategic report, the Factbook constitutes DNB's sustainability reporting in accordance with the GRI Standards, and has been verified by the bank's statutory auditor.

## Materiality matrix



## View risks and opportunities in a long-term perspective



### What does it mean/why is it important?

The ability to balance risks and opportunities over time is essential to maintain our business operations, and is followed up through DNB's governance system. DNB must consider long-term risks and opportunities, not just short-term gains. We do this by, for instance, incorporating long-term trends and challenges into risk appetite, risk reporting, management and capital allocation. Sustainability considerations (ESG factors) have become an integral part of DNB's risk and opportunity scenario.

### Status 2020

- An ESG assessment is integrated into the process of granting all corporate loans above NOK 8 million.
- We continued our efforts to further develop the ESG risk assessment tool, and developed industry-specific risk assessment tools for corporate customers within oil and gas, shipping, commercial real estate, and building and construction.
- Climate risk is a point of discussion in all customer dialogues, and climate risk assessment requirements are integrated into DNB's credit risk framework.
- We completed phase 2 of the TCFD UNEP FI pilot. We gave priority to more in-depth analyses of climate risk in the oil and gas sector. The analysis showed a moderate to low risk until 2030.
- We conducted both initial qualitative and quantitative climate risk analyses for the sectors shipping, renewable energy, commercial real estate and building and construction.
- CDP gave us the top grade, A, for our climate efforts for the fourth year in a row.

### Responsible area:

Group Risk Management

### Governing documents:

Corporate governance in DNB, Group policy for financial management (and reporting)

### Link to the UN Sustainable Development Goals:



Measurement parameter	2018	2019	2020	Target (if relevant)	Comments
Incentive structure for DNB's Group Management	n . a	n . a	n . a		For information on incentive structures, see note 46 to the annual accounts.
CDP score	A	A	A	A	

# Responsible lending and investment



## Responsible lending to corporate customers

### What does it mean/why is it important?

We integrate sustainability and corporate responsibility into our lending activities because it is through these activities that DNB has the greatest impact on society, climate issues and the environment. This is also part of sound risk management. Our long-term profitability is dependent on our customers integrating sustainability into their strategic choices. We see that our customers both want to, and have to, invest in sustainability in order to streamline their operations, save costs, meet their stakeholders' expectations, gain access to capital and exploit new business opportunities – in short, to be competitive. This represents opportunities for profitable and sustainable growth for DNB. By requiring our customers to be responsible, we can both contribute to societal development and reduce our customers' risk, as well as our own.

### Status 2020

- An ESG assessment has been integrated into the process of granting all corporate loans above NOK 8 million.
- We updated our framework for sustainable products (the Sustainable Product Framework) and paid out NOK 7.4 billion distributed across 14 loans to sustainable companies.
- We expanded the assessments we make concerning ESG risk in our credit decisions, and developed industry-specific risk assessment tools for the oil and gas, shipping, commercial real estate, and building and construction sectors.
- We completed phase 2 of the UNEP FI's TCFD pilot for the oil and gas sector, and conducted both initial qualitative and quantitative climate risk analysis for the sectors shipping, renewable energy, commercial real estate, and building and construction.
- Renewable energy: In 2020, we contributed NOK 72.5 to the financing of renewable energy and infrastructure.
- Green property: In 2020, we contributed more than NOK 7.0 billion to the financing of green property development.
- Responsible Ship Recycling Standard: In 2020, we met our objective of ensuring that all of our loan agreements include clauses on responsible ship recycling. The ambition was continued and expanded to include new offshore loans.
- We completed the first report on the climate-related alignment of DNB's shipping portfolio in accordance with the Poseidon Principles. Our portfolio is close to the average of the reporting banks, and 2.5 per cent above the ideal curve that supports the climate targets of the International Maritime Organization.

**Responsible area:**  
Corporate Banking

**Governing documents:**  
Group standard for corporate responsibility in DNB ASA's credit activities

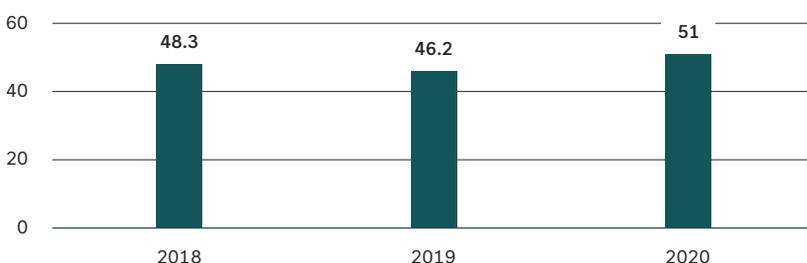
**Link to the UN Sustainable Development Goals:**



Measurement parameter	2018	2019	2020	Comments
GRI FS8 ESG Products and services	48.3	46.2	51	Direct loans to renewable energy (solar, wind and hydropower) in NOK billion
Number of new equator projects	1	3	7	

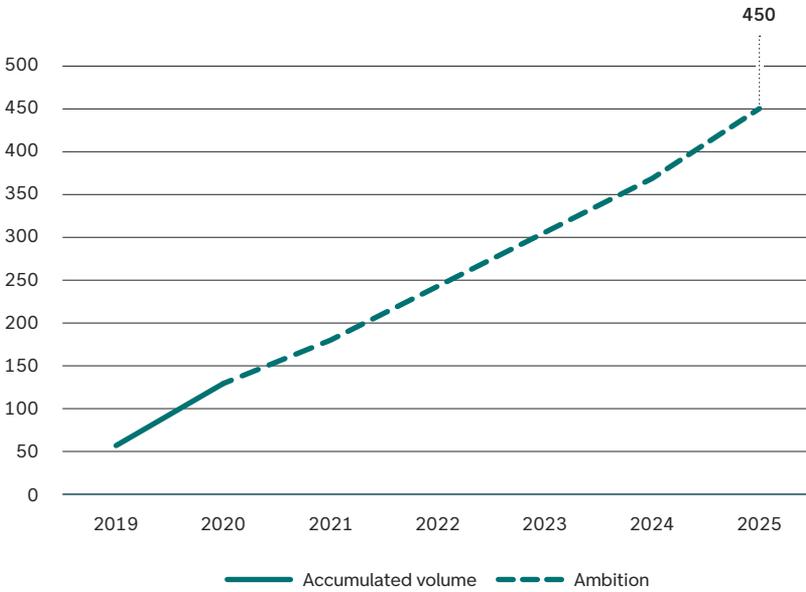
### Direct loans to renewable energy

NOK billion



### Status of DNB's ambition for renewable energy and infrastructure

NOK billion



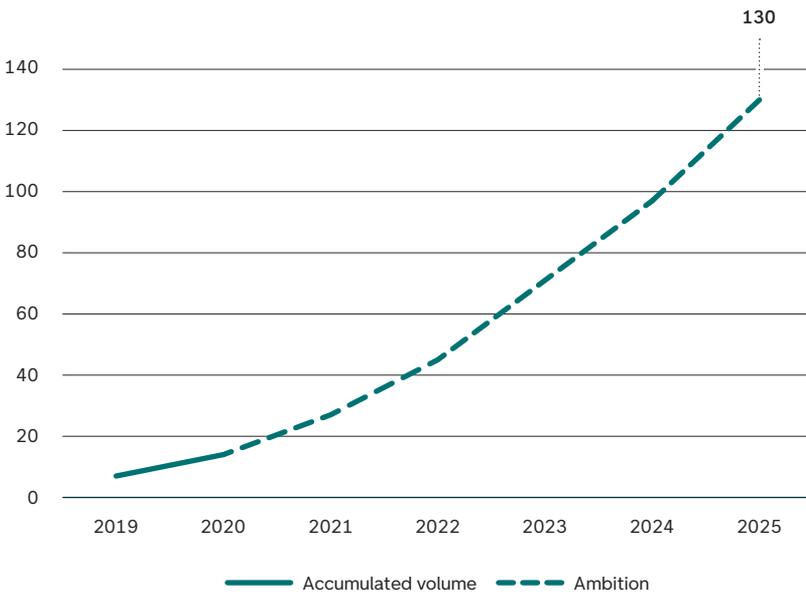
The ambitions to contribute a total of NOK 450 billion and NOK 130 billion to the financing of renewable energy and related infrastructure and green property, respectively, describe the desired development in the market from 2019 onwards. These ambitions show how DNB wants to contribute to a green restructuring of the energy system and the real estate industry. The target figures represent accumulated volumes by 2025 including loans, guarantees, bonds, capital raising and other long-term products where DNB Markets has been the arranger. The renewables ambition also includes selected funds from DNB Asset Management. In other words, the ambitions do not show DNB's total lending at any given time, or what we wish to have on our balance sheet in 2025.

The results year by year show the size of the total volumes DNB has contributed with so far. As regards the ambition for green property, we only count loans that are green according to the criteria set out in DNB's Sustainable Product Framework and bonds that hold a third-party assessment (Second Party Opinion) indicating that the bond is green according to the ICMA Green Bond Principles. The renewables ambition includes all loans, guarantees, bonds etc. that help to realise projects within renewable energy or infrastructure. For green property, the tally mainly shows new loans and bonds over time, but for renewable energy and infrastructure, the refinancing of existing loans is also included. The volume stemming from bonds is not adjusted for the number of participating banks. Similarly, we count the entire loan if DNB is the agent/arranger, even if several banks or life insurance companies are contributing to the loan.

An important prerequisite for both ambitions is that the market will gradually mature and volumes will increase exponentially. Therefore, the annual increases in accumulated volume may be relatively modest in the first few years.

### Status of DNB's ambition for financing green property development

NOK billion



# Responsible lending and investment



## Responsible investment

### What does it mean/why is it important?

The purpose of our work with responsible and sustainable investment is to achieve good long-term returns with an acceptable level of risk, contribute to sustainable development and avoid contributing to the violation of fundamental rights. Customer expectations, regulatory conditions and the financial effect of material ESG factors are putting ever-increasing demands on fund managers with regard to responsibility and sustainability.

For a full ESG report relating to responsible investment, see the 2020 Annual Report Responsible Investment, published by DNB Asset Management.

### Status 2020

- In DNB, we have decided on the following ambition for asset management: *DNB aims to increase the capital in mutual funds with a sustainability profile to NOK 50 billion in 2025*
- In 2020, we paid special attention to the topics of biodiversity, sustainable oceans, supplier chains in developing countries, deforestation and land use, and product safety and quality. The long-term focus areas are human rights, climate change and water.
- In 2020, we drew up two new expectation documents within our focus areas, one for sustainable oceans and one for responsible water management. Moreover, we reinforced the expectations set out in our expectation documents relating to human rights, serious environmental harm and climate issues, in line with more stringent requirements and best practices.
- DNB Livsforsikring decided to heighten their ambition to reduce the carbon intensity of its portfolio, from 40 per cent to 55 per cent by 2030. By the end of 2020, DNB Livsforsikring had reduced the carbon intensity of its portfolio by 45 per cent (compared to the baseline which is an average of the period 2017–2019)
- Number of votes at general meetings: 153 (Norway) and 95 (international)

**Responsible area:**  
DNB Asset Management

**Governing documents:**  
Group standard for responsible investment

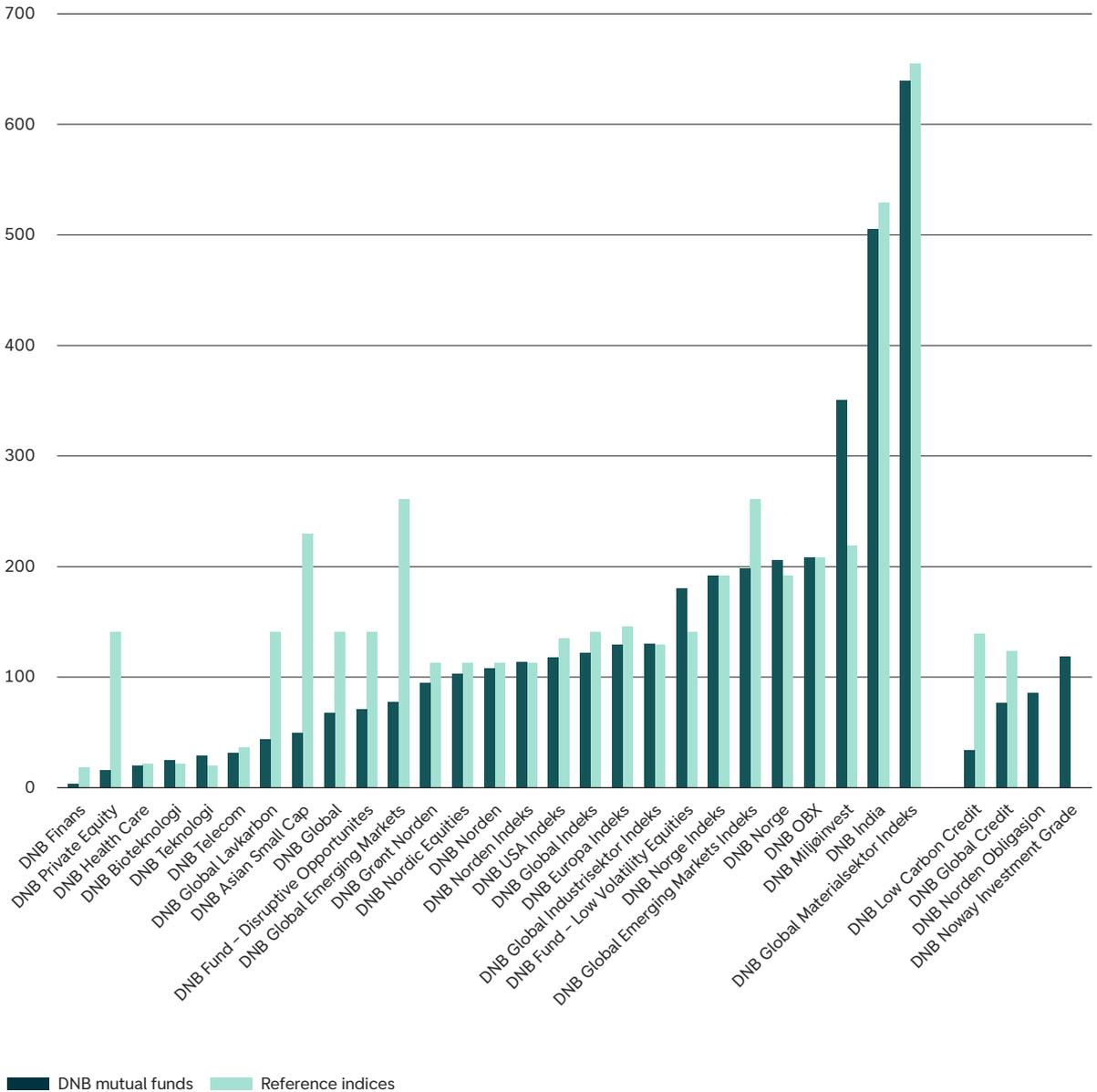
**Link to the UN Sustainable Development Goals:**



Measurement parameter	2018	2019	2020	Comments
GRI 305-4 GHG emissions				See Carbon Footprint of equity funds (Montreal Carbon Pledge) in the sustainability library
GRI FS10 Dialogue	121	158	176	Number of meetings with companies where various topics related to E and S were discussed
GRI FS11 Positive/negative screening	0.83%	1.31%	2.48%	Share of total assets subject to combined negative and positive environmental and/or social screening
GRI FS8 Financial ESG products	4.8	8.8	18.4	Total assets invested in green mutual funds, in NOK billion
Share of total assets with negative environmental and/or social screening	100%	100%	100%	

### Greenhouse gas emissions of DNB's mutual funds relative to reference indexes

Tonnes of CO<sub>2</sub> equivalents for every USD 1 million in revenue



©2021 MSCI ESG Research LLC. Reproduced by permission. Although DNB Asset Management's information providers, including without limitation, MSCI ESG Research LLC and its affiliates (the "ESG Parties"), obtain information (the "Information") from sources they consider reliable, none of the ESG Parties warrants or guarantees the originality, accuracy and/or completeness, of any data herein and expressly disclaim all express or implied warranties, including those of merchantability and fitness for a particular purpose. The Information may only be used for your internal use, may not be reproduced or disseminated in any form and may not be used as a basis for, or a component of, any financial instruments or products or indices. Further, none of the Information can in and of itself be used to determine which securities to buy or sell or when to buy or sell them. None of the ESG Parties shall have any liability for any errors or omissions in connection with any data herein, or any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

# Responsible lending and investment



## Sustainable bonds

### What does it mean/why is it important?

If we are to meet the Paris Agreement targets and achieve the UN Sustainable Development Goals (SDGs), vast amounts of capital need to be invested in a more sustainable direction. For DNB, this entails both responsibilities and opportunities, as we are in a position to have an impact on capital allocation. Sustainability has become a key aspect for investors when evaluating potential investments, and sustainable investment strategies are gaining traction. This places new demands on companies in need of capital, and access to capital is to a greater extent influenced by the companies' sustainability profiles. In 2020, we have seen a new record for the sustainable bond market, both globally and in Norway. Globally, this development was largely driven by the increase in social bond issuance, while the Nordic market is still dominated by green bonds.

### Status 2020

- DNB is the largest bank in the Norwegian market for sustainable bonds issued in Norwegian kroner, with a 35 per cent market share.
- DNB's Norwegian and international operations were involved in a total of 31 transactions with sustainable bonds worth NOK 39 billion in total.

**Responsible area:**  
Markets

**Governing documents:**  
Standard Procedure for Corporate Responsibility, CR – Markets

**Link to the UN Sustainable Development Goals:**



Measurement parameter	2018	2019	2020	Comments
Market share Norway	n.a	27%	35%	
Total value of transactions	n.a	NOK 40 billion	NOK 39 billion	



## Helping startups succeed

### What does it mean/why is it important?

If the restructuring of the Norwegian business community is to succeed, new companies are essential. It is important both for employment and for local communities that more people dare to embark on a business venture and actually succeed in creating workplaces for both themselves and others. However, gaining access to the right competence and to capital is often perceived as challenging for companies in the early stages. We attach importance to being the best bank for those who are starting their own business. Not just because it is lucrative to be an attractive bank for new businesses, but also because we see it as part of our corporate responsibility to contribute to the establishment and success of more companies. The coronavirus pandemic has made it more important than ever to facilitate and promote innovation and growth.

### Status 2020

- There was a 15 per cent increase in the number of enquiries to the start-up pilot service compared with 2019.
- We introduced regional growth experts who work closely with regional start-up and growth environments.
- The first ever fully digital NXT event drew 8 000 participants.
- DNB's growth loan scheme was put on hold in 2020, but we strengthened the loans on offer to growth companies through the growth guarantee scheme in collaboration with Innovation Norway. We allocated over NOK 225 million in growth guarantee loans to growth companies in 2020.

### Responsible area:

Corporate Banking

### Governing documents:

Corporate governance in DNB

### Link to the UN Sustainable Development Goals:



Measurement parameter	2018	2019	2020	Target	Comments
No. of enquiries to the start-up pilot service	5 061	4 231	4 879	5 000	Numbers for 2019 have been corrected in this year's Sustainability Factbook
DNB will contribute NOK 200 million in growth loans to companies in need of capital to grow	n . a .	NOK 59 million	n . a .		The growth loan scheme was put on hold in 2020. DNB is working to further develop the scheme. However, we allocated over NOK 225 million in growth guarantee loans in collaboration with Innovation Norway in 2020.

# Preventing financial crime and corruption



## What does it mean/why is it important?

Financial crime, such as fraud, corruption, work-related crime and money laundering, is a serious societal problem and a threat to our welfare system, and it also undermines a healthy business community. The aim of DNB's efforts to fight financial crime is to reduce financial losses for society, customers and for DNB, while maintaining trust in the bank's products and services. The fight against money laundering remains the highest priority in DNB, and significant resources are allocated to efforts to prevent our systems from being used for money laundering.

We also found that the number of customers exposed to digital fraud continued to increase in 2020, and we are seeing a general improvement in the quality of forgeries used in connection with fraud. The coronavirus pandemic has led to changes in the approaches used by criminals, and in DNB the number of investment frauds on fake online trading platforms doubled overnight when Norway closed down in March 2020.

## Status 2020

- DNB prevented fraud against customers and the Group worth NOK 1 180 million in 2020 (NOK 993 million in 2019).
- DNB registered a 38.4 per cent increase in the number of customers exposed to fraud in digital channels, compared with 2019.
- We are preventing a growing number of cases of fraud and have increased the proportion of fraud attempts that are averted from 73.2 per cent in 2018 to 82.6 per cent in 2020. Over the course of the year, we reported a large number of cases of suspicious activity to EFE (the Norwegian Financial Intelligence Unit) in Økokrim (the Norwegian National Authority for Investigation and Prosecution of Economic and Environmental Crime), and 5 273 cases were investigated.
- In 2020, we published our Group-wide assessment of DNB's money laundering and terror financing risk.
- In November 2019, Økokrim launched an investigation of DNB after allegations of possible corruption and money laundering in Namibia linked to the Icelandic fisheries company Samherji, which was a customer in DNB. In February 2021, the investigation was closed, and the prosecuting authority dropped the case.

## Responsible area:

Each unit is responsible for ensuring compliance with anti-money laundering rules and legislation and other rules and regulations relating financial crime applicable to its own operations. Group AML is responsible for standardising procedures and following up the implementation of procedures in the areas of anti-money laundering and sanctions. Group Compliance is responsible for advising, controlling and reporting on compliance with rules and legislation.

## Governing documents:

Corporate governance in DNB, DNB's Code of Conduct, Group policy for compliance, Group standard for anti-corruption, Group instructions for the anonymous internal whistleblowing channel

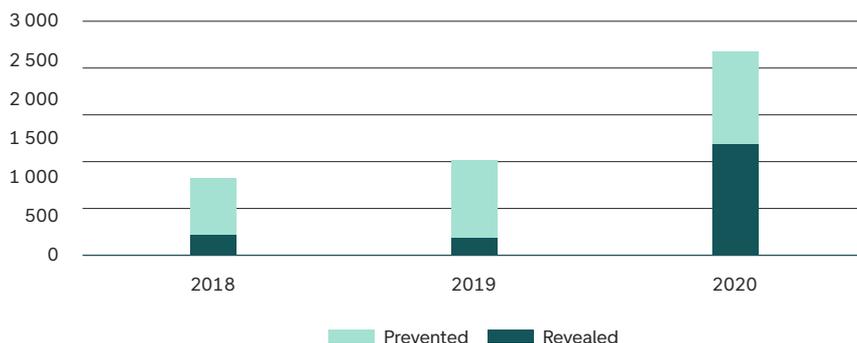
## Link to the UN Sustainable Development Goals:



Measurement parameter	2018	2019	2020	Comments
GRI 205-2 Anti-corruption training	79%	-	98.8	9 517 of all permanent employees completed the course in 2020.

## Fraud attempts

NOK million



# Information security and stable IT systems



## What does it mean/why is it important?

DNB operates and manages a number of IT systems and handles large amounts of data of both a personal and commercial nature. As DNB is an important social player, we must have stable, secure and user-friendly solutions. This is important for our customers and for society in general. Operational stability is crucial, and our systematic efforts over the past few years have resulted in a significant reduction in the number of days with operating problems. In 2020, we had only 17 days of operating problems, a decrease of 37 per cent from 2019.

We are finding that the cyberattacks against DNB are becoming ever-more advanced and complex. In 2020, we registered 16 967 attacks against DNB, an increase of 61 per cent. None of the incidents had serious consequences for customers or the Group, but the development illustrates the importance of security work. In 2020, a new IT management model was introduced in the Group, and an organisational change was made to gather the security environment in one place.

## Status 2020

- For the second year running, DNB was given the Fidus security award by NorSIS (the Norwegian centre for information security), for open and honest communication on security issues.
- A new IT management model was introduced in the Group. The organisation was changed so that the security environment is gathered in one powerful unit across disciplines.
- 85 per cent of our employees have completed the available online security courses.

**Responsible area:**  
Technology & Services

**Governing documents:**  
DNB's Code of Conduct, DNB's privacy statement, DNB's Code of Responsible Business Conduct for Suppliers, Group Policy Security

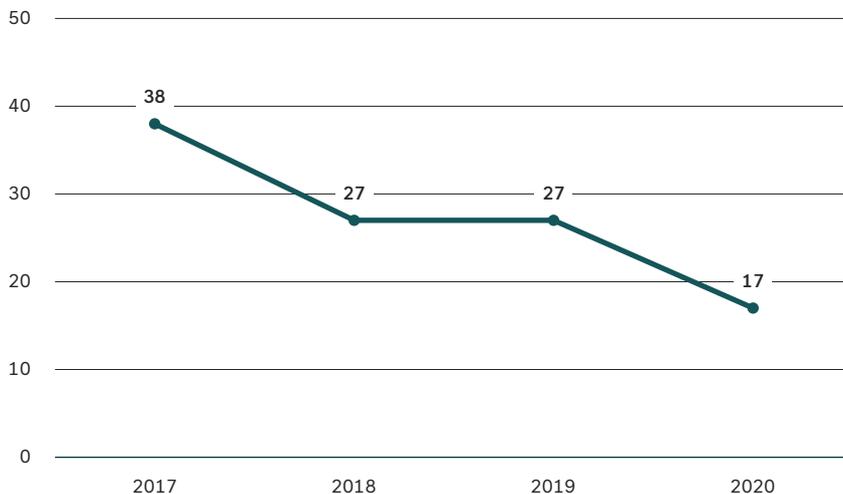
**Link to the UN Sustainable Development Goals:**



Measurement parameter	2018	2019	2020	Comments
Days with incidents resulting in services being unavailable or having long response times	27	27	17	DNB switched IT operations providers in October 2019

## Days with incidents resulting in services being unavailable or having long response times

Number of days





# Privacy protection

## What does it mean/why is it important?

The digital world is dependent on data, but access to data requires trust. Companies may risk losing customers by not having the necessary trust when it comes to how they process personal data. In DNB, we must ensure that privacy protection is maintained every step of the way in our processing of personal data. Legal developments also mean that we must be able to adapt our approach to the processing of personal data, for example when the EU Court of Justice (CJEU) declared the Privacy Shield framework invalid. Our customers' trust in us to not misuse their personal data is crucial to DNB's success in the future.

## Status 2020

- In 2020, we revised our internal standard for personal data protection, carrying out extensive rounds of consultation, also involving our international offices.
- We launched an automatic solution for providing access to information where customers get answers quickly, and we processed a large number of transparency requests.
- In DNB, we have one of Norway's very best expert environments in the field of data protection, and new experts were hired in 2020.
- DNB's privacy protection statement and other information to customers regarding the processing of personal data will be updated, further developed and improved on a regular basis – as was also the case in 2020.
- 96.8 per cent of our permanent employees have completed the online course Privacy – This time it's personal.

## Responsible area:

All business areas and staff and support units are responsible for their own processing of personal data. Within the DNB Group, subsidiaries of DNB ASA that process personal data for their own purposes are considered data controllers. Group Compliance and DNB's Data Protection Officer are responsible for advising, controlling and reporting on compliance with the data protection rules and legislation.

## Governing documents:

Corporate governance in DNB, DNB's ethical principles (set out in the Code of Conduct), Group policy for compliance, Group standard for compliance, Group standard for personal data protection, DNB's global framework for personal data protection, DNB's framework for the Data Protection Officer function (DPO function) and Group instructions on the processing of employees' personal data.

## Link to the UN Sustainable Development Goals:



Measurement parameter	2018	2019	2020	Comments
Incurring fines or orders from the Norwegian Data Protection Authority due to GDPR violations	0	0	0	

# Equality and diversity



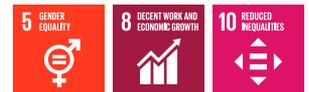
## What does it mean/why is it important?

DNB wants to promote diversity and equality, both within the Group and externally. We do this, among other things, by imposing demands on our suppliers and by influencing our customers to increase financial equality. In order to achieve high customer satisfaction and be an attractive employer, we need to reflect the society we are part of. Differences in gender, age, sexual orientation, functional ability, religious beliefs, cultural background, competence and experience give us multiple perspectives and make us better equipped to face challenges, increase our innovative power and create the best customer experiences. Diversity promotes innovation and contributes to better decisions. Equality and diversity pay off, and are also important in ethical terms.

**Responsible area:**  
People

**Governing documents:**  
Corporate governance in DNB,  
DNB's Code of Conduct

**Link to the UN Sustainable Development Goals:**



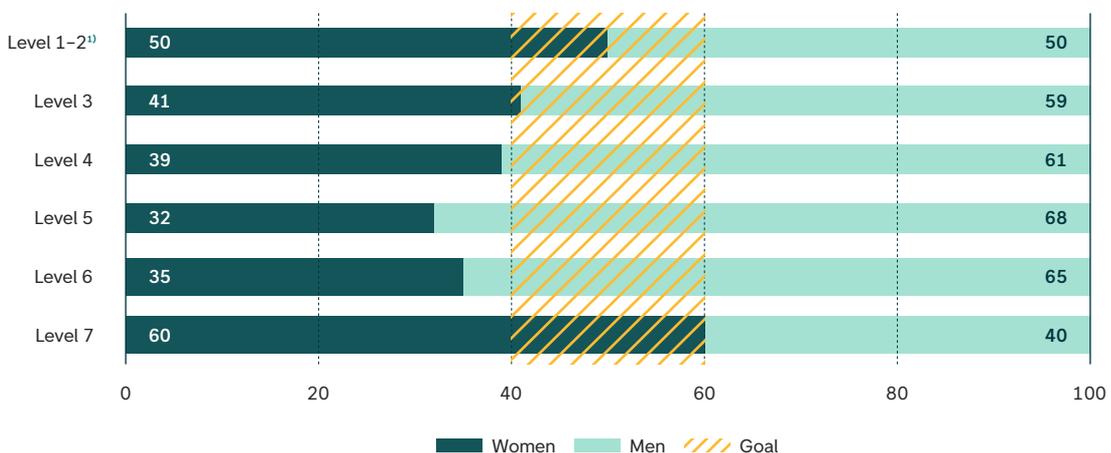
## Status 2020

- DNB was ranked as the fourth best company in Europe in terms of diversity. The ranking was conducted on behalf of the Financial Times, and assessed 850 companies from 24 different industries in 16 European countries. In the Banking and Financial Services category, we were ranked number one.
- We continued our commitment to financial equality through the huninvesterer i framtiden ('#girlsinvest in the future') campaign. In 2020, we had a particular focus on the pension gap between women and men.
- The inclusion index for 2020 gave consistently positive results, showing that most employees find the working environment to be inclusive.
- The expectation document for gender equality and diversity is the starting point for our requirements of – and dialogue with – companies related to responsible investments.
- We prepared a revised action plan for strengthening our attractiveness as a diverse and inclusive workplace.

Measurement parameter	2018	2019	2020	Target (if relevant)	Comments
GRI 405-2 Ratio of basic salary and remuneration of women to men	82.5	83.3	83.9	100%	Women's salary as a share of men's (average fixed salary)
Share of women at management levels 1–4	38.1	38.0	39.5	40%	In 2019, measurement parameters were changed to gender balance in management positions
Perceived inclusion among employees	82	83	84		

## Gender balance at management levels

Per cent



1) Group Management

# Financial literacy



## What does it mean/why is it important?

Financial literacy is essential for making the right financial decisions. As a major player, DNB has a responsibility and a unique opportunity to help customers with this. Through our work, we therefore want to increase our customers' financial know-how so that they can develop good habits. This benefits the customer, DNB and society as a whole. Enhancing our customers' financial literacy will also increase their awareness of their own needs, which in turn creates a demand for more relevant and tailored financial services. Greater financial literacy among our customers can thus strengthen our market position, and also our position as a responsible player in Norwegian society and as a financial adviser.

## Status 2020

- DNB launched the campaign #huninvesterer i framtiden ('#girlsinvest in the future') and maintained the positive trend from last year, with women making up 48 per cent of new mutual fund customers.
- An impressive 120 000 modules of A valuable lesson were completed in 2020, which is 100 000 more than in 2019.
- Around 14 000 customers aged 18–33 established savings agreements in mutual funds, an increase of 42 per cent compared with 2019. This indicates that an increasing number of young people are gaining a greater awareness about their own saving.

## Responsible area:

Personal Banking, Wealth Management and Markets

## Governing documents:

Corporate governance in DNB

## Link to the UN Sustainable Development Goals:



Measurement parameter	2018	2019	2020	Comments
Downloads of the savings app Spare (accumulated)	327 113	432 000	562 565	The number of downloads is not necessarily a goal in itself, but we see that purchases of savings products increase in step with the number of downloads

# Innovative business model and product development



## What does it mean/why is it important?

The market for financial services is constantly developing, and in 2020, we experienced a further acceleration due to the pandemic. Self-service increases and the digital journey requires more of banks than in the past. On top of this, we are experiencing increased competition from players both in and outside the financial sector.

To meet the expectations of our customers and the authorities, we opened up our payment services infrastructure in accordance with PSD2 last year. This makes it possible to provide services and offer products outside DNB's own distribution channels, and to seamlessly integrate the services of other providers into our own services. At the same time, the digital customer channels, such as the mobile bank, the Spare app, dnb.no and the corporate app DNB Puls have been further developed, and concepts such as Samsolgt ('co-sold') have been launched. We are constantly working to innovate and improve, and we work with third parties that can enhance DNB's insight, innovation and competitiveness.

## Status 2020

- DNB won the Norwegian innovation magazine INNOMAG's ranking of Norway's most innovative companies (second place in 2019).
- DNB Eiendom won the DOGA Award for Design and Architecture for good service design in Samsolgt ('co-sold') – a new, innovative estate agent service that makes the selling process completely digital, as well as simple, affordable and streamlined.
- We launched in-store cash services.
- We arranged DNB NXT Accelerator for the fourth time together with StartupLab, and for the first with Fremtind Insurance, this time digitally.

### Responsible area:

Payments & Innovation

### Governing documents:

Corporate governance in DNB

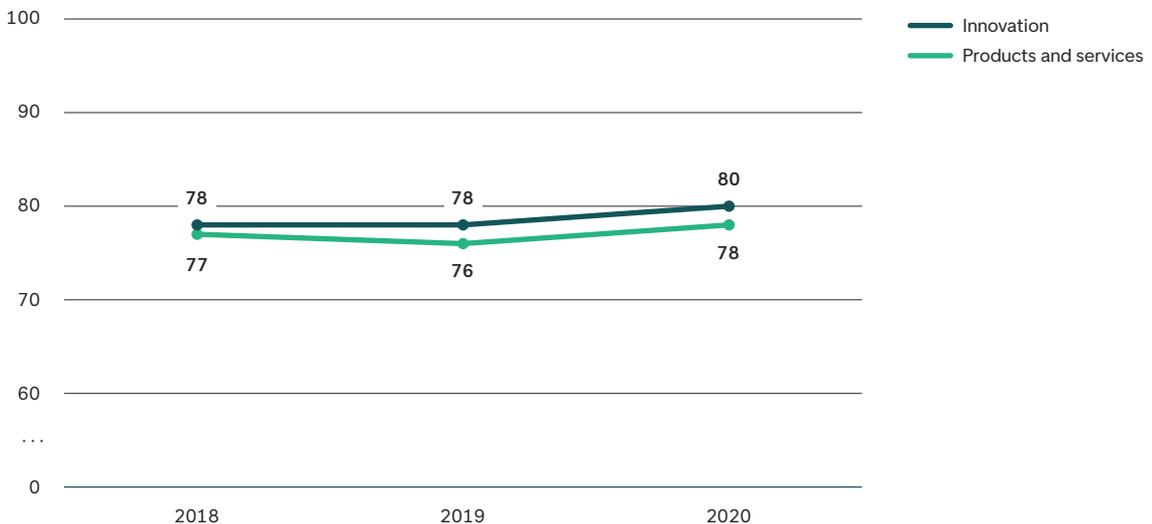
### Link to the UN Sustainable Development Goals:



Measurement parameter	2018	2019	2020	Target	Comments
RepTrak score on innovation in DNB	78	78	80	n . a .	
RepTrak score relating to products and services	77	76	78	n . a .	

## RepTrak score on innovation

Points



# Create the best customer experiences

## User-friendly products and services



### What does it mean/why is it important?

DNB's products and services must be accessible and easy to use for different target groups. Our customers' needs must always be the starting point for the products and services we provide. This means, among other things, offering simple and relevant solutions, being accessible, and providing transparent and competitive terms and conditions and good customer service. We want to earn our customers' trust and ensure that we deserve our customer relationships by providing good customer experiences. This is especially important at a time when we are encountering new and unknown competitors in a rapidly changing market.

In 2020, it was particularly important for us in DNB to assist concerned customers in a demanding and highly uncertain time. Our customers had to use our digital services to a greater extent than before, and we were able to set up efficient and well-adapted digital solutions in record time.

### Status 2020

- We established a new live chat to help deal with a dramatic increase in the number of customer enquiries after the COVID-19 pandemic hit Norway. In addition, 25 new robots processed nearly 70 000 requests for interest-only periods.
- We developed a new service for approving payments for businesses, in collaboration with ERP providers, the industry association for accountants, Regnskap Norge, and the banking and financial service industry's infrastructure company, Bits.
- We launched electronic registration of personal property and real estate, reducing the average processing time from 14 days to 2 seconds.
- We have also increased the number of completed eSigning assignments in connection with credit applications from 1 737 to 9 765.

### Responsible area:

Personal Banking, Corporate Banking

### Governing documents:

Group instructions for approval of products and services

### Link to the UN Sustainable Development Goals:



Measurement parameter	2018	2019	2020	Target (if relevant)	Comments
Customer satisfaction score (CSI), (Personal Banking)	74.7	72.8	73.6	75	Altered from 4Q numbers to yearly average
Prospera ranking	n.a	2	3		

## Openness about pricing of products and services

### What does it mean/why is it important?

Our customers should feel confident that we have their best interest at heart. In this context, it is important that we are clear about what products and services cost for the individual customer. Openness is a matter of simplifying the consumer financing product range and making mutual fund savings more widely accessible. DNB's strategy of offering consumer financing in a responsible manner stands firm. During the course of 2020, we made the pricing of mutual funds more transparent, launched several new mutual funds with a sustainability profile and worked on the ongoing development and improvement of our digital savings channels.

### Status 2020

- We introduced more transparent pricing of mutual funds.
- We continued working on implementing our credit strategy, and we saw a marked decrease in the default rate throughout 2020.
- We also continued our work to reduce the number of credit cards in our product range.

### Responsible area:

Personal Banking, Wealth Management

### Governing documents:

Group policy for communication, Group instructions for approval of products and services

### Link to the UN Sustainable Development Goals:



Measurement parameter	2018	2019	2020	Comments
GRI 417-2, 417-3 Compliance, marketing and communications	0	0	0	Number of fines or reactions from authorities with regard to marketing and communications
Cases considered by the Financial Services Complaints Board, in DNB's favour	85%	55%	42%	Figures for 2019 and 2020 do not include insurance. See key figures table for details

## Restructuring and skills enhancement



### What does it mean/why is it important?

For DNB, it is important to be able to attract, retain and develop the skills the bank will need in the future. Restructuring and skills enhancement is a matter of building a diverse and competent workforce. Technology, regulations and customer behaviour are driving forces for the changes that we see around us, and that require the bank to adapt. This means that we need a different skills mix than before. In DNB, we see great value in developing our employees so that they can enable us to meet the opportunities and needs of tomorrow. We believe that everyone needs skills enhancement, and we therefore invest a great deal in training and development opportunities for our employees. While developing our own employees, we also want to position ourselves as an attractive employer vis-à-vis those outside the Group who hold the core competence that DNB needs to obtain in the future.

### Status 2020

- We were rated the most attractive employer among business students in the Universum survey for the fifth year in a row. Among IT students we were ranked no. 5, and among law students we were ranked number 10.
- The coronavirus pandemic has led to an increased need for expertise in areas such as digital remote collaboration tools, self-management and leadership from a distance.
- We continued our initiative to develop our own training programmes.
- We had 330 applicants and 40 participants in the in-house talent programme Pioneer.
- All employees in DNB have access to our digital learning platform, Motimate, and over 90 per cent are active users of the platform.
- In the autumn of 2020, we carried out a major organisational change, which meant that many employees entered a transition phase involving a change of jobs.
- We established a flexible workforce, Flexforce, which has helped employees take on new roles and develop their competence.

### Responsible area:

People

### Governing documents:

DNB's ethical principles (Code of Conduct), Group standard for health, safety and environment, Group standard for leadership and competence development

### Link to the UN Sustainable Development Goals:



Measurement parameter	2018	2019	2020	Comments
Number of employees who have completed Motimate courses	9 045	9 282	9 383	
GRI 404-2 Upgrading employee skills	n . a .	n . a .	n . a .	Includes several indicators. See page 42-44 in Strategic report.

# Working conditions



## What does it mean/why is it important?

DNB wants to be an attractive employer, able to attract and retain valuable employees. Our employees are the Group's most important resource and must therefore be given ample opportunity to develop, build competence and take on increased responsibility. Competitive benefits and salaries that are perceived as fair by employees and by society are also important.

## Status 2020

- The coronavirus pandemic has naturally affected everyday life. Through good staffing management in DNB, we have been able to transfer employees from units with less activity to units with more pressing tasks, for example in units in direct contact with customers. This has been done in close cooperation with employees and the trade unions.
- After 12 March, we implemented measures to prevent the spread of the virus in the workplaces in accordance with applicable infection control rules. Furthermore, many employees worked from home from March onwards.
- We initiated a scheme for borrowing office equipment for use at home, offered a number of online exercise classes and provided support in the form of counselling. We gave employees access to the remote collaboration tool Teams, and provided training in the use of this tool.
- A survey showed that employees were more proud of working in DNB, with an increase from 82 points in 2019 to 86 points in 2020.
- The sickness absence rate for DNB in Norway was 3.4 per cent in 2020, which was a marked reduction from 4.0 per cent in 2019. For DNB's international offices, the sickness absence rate in 2020 was 2.2 per cent, up from 1.7 per cent the year before.

## Responsible area:

People

## Governing documents:

Group standard for health, safety and environment (HSE)

## Link to the UN Sustainable Development Goals:



Measurement parameter	2018	2019	2020	Comments
Percentage of employees proud to work in DNB	84	82	86	Calculated average on a scale of 0-100 where 100 means 'totally agree' with the statement "I am proud to work in DNB".
GRI 401-1 New employee hires and employee turnover*	965	826	697	*Turnover is calculated on the basis of all permanent employees who have left DNB, for whatever reason (incl. severance packages etc.)
GRI 401-1 New employee hires and employee turnover*	9.6%	8.1%	6.8%	*Turnover is calculated on the basis of all permanent employees who have left DNB, for whatever reason (incl. severance packages etc.)

# Responsible purchasing



## What does it mean/why is it important?

In 2020, DNB purchased goods and services for NOK 9.3 billion. 114 out of 4 400 suppliers accounted for approximately 80 per cent of the Group's purchasing costs. This is a complex universe and we are working systematically to reduce sustainability risks relating to procurement. We also want to contribute to raising our suppliers' level of awareness in this area and help them make improvements. In 2020, we reviewed and updated the Code of Responsible Business Conduct for Suppliers (equivalent to the Code of Conduct). The updated principles will be applied in 2021. We also launched a new third-party risk management tool to assess the risks associated with suppliers, including sustainability risk. In addition, we are still using EcoVadis and on-site audits for prioritising and following up our main suppliers.

## Status 2020

- We launched a new third-party risk assessment (TPRM) tool.
- We reviewed and updated the Code of Responsible Business Conduct for Suppliers (Code of Conduct).
- 57 per cent of our most important suppliers (responsible for a large proportion of purchases and important for DNB's operations) have completed the EcoVadis analysis.

**Responsible area:**  
Group Finance

**Governing documents:**  
DNB's Code of Responsible Business Conduct for Suppliers, DNB's procurement principles, DNB's anti-corruption guide

**Link to the UN Sustainable Development Goals:**



Measurement parameter	2018	2019	2020	Comments
Number of audits of important suppliers (based on risk and share of procurements)	3	2	3	

# Open and ethical business management



## What does it mean/why is it important?

Open and ethical business management is about ensuring confidence in the bank's intentions and future prospects through openness about the Group's opinions and activities. Trust in our operations is essential to ensuring long-term value creation. Our employees and business partners must comply with our ethical guidelines (Code of Conduct), and we must be open and clear in our reporting and communication. We use RepTrak's reputation survey to assess how well we are succeeding in being open and transparent. This is also reported regularly to the Board of Directors. In recent years we have seen a positive development, and we are using the reporting process to maintain this.

## Status 2020

- The good development in our reputation in terms of openness and transparency continued.
- We endorsed the UN Principles for Responsible Banking.
- 9 517 employees completed the course on the Code of Conduct, which includes anti-money laundering and anti-corruption.

**Responsible area:**  
People

**Governing documents:**  
Corporate Governance in DNB, DNB's Code of Conduct, Group policy for compliance, Group standard for anti-money laundering and anti-terrorist financing, Principles for corporate responsibility, Group policy for communication, Group policy for tax

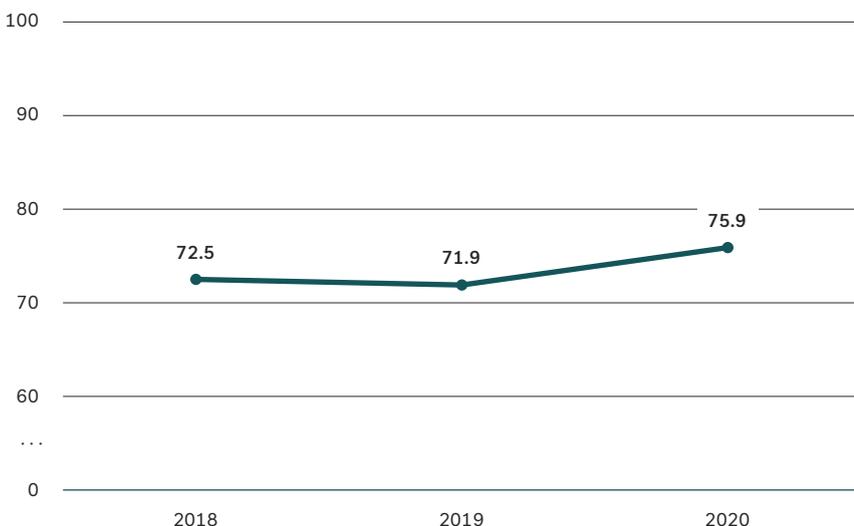
**Link to the UN Sustainable Development Goals:**



Measurement parameter	2018	2019	2020	Comments
RepTrak score for openness about business operations	72.5	71.9	75.9	
Third-party whistleblowing channel	21	15	8	No. of reported cases

## Development in score for openness about business operations

Points

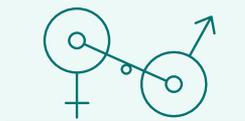


## Financial ambitions

Financial ambitions	2020-2022	Achieved in 2020
Return on equity (ROE) (Overriding target)	> 12%	8.4%
Cost/income ratio (Key performance indicator)	< 40%	41.5%
Common equity Tier 1 capital ratio <sup>1)</sup> (Capitalisation level)	> 17.1%	18.7%
Payout ratio (Dividend policy)	> 50%	75%

1 Approximate expectation from supervisory authorities as at 31 December 2020 including full Norwegian counter cyclical buffer requirement.

## Sustainability ambitions



DNB is a driving force for equality and diversity

→ Read more in the annual report from page 54



DNB finances sustainable growth through loans and investments

→ Read more in the annual report from page 62



DNB combats financial crime and contributes to a safe digital economy

→ Read more in the annual report from page 84



DNB helps its customers manage their personal finances

→ Read more in the annual report from page 94

# Purpose and values

Our purpose:

We are here. So you can stay ahead.

Our values:

We are curious, bold and responsible.

## Our work with the UN Sustainable Development Goals

The UN Sustainable Development Goals (SDGs) were adopted in 2015, as a global plan of action to end poverty, fight inequality and combat climate change and its impacts by 2030. The 2030 Agenda consists of 17 goals, each divided into a number of targets addressing the main areas that must be effectively dealt with in order to achieve the overall goals. For DNB, the SDGs have been a source of inspiration for our own sustainability work, and a valuable framework to have in our dialogue with corporate customers about how they choose to integrate sustainability into their strategies.

DNB supports all 17 SDGs, while also identifying specific goals of particular relevance to our operations. The two SDGs where we really feel that we can contribute positively, are:

- **Goal 5:** Achieve gender equality and empower all women and girls.
- **Goal 8:** Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

Other goals we focus on are 7, 9, 10, 12, 13, 14 and 16. We seek to contribute positively to, and reduce the negative impact on, these goals through our role as employer, investor, lender, facilitator and provider of financial infrastructure.

You can read more about our work with the SDGs in our Sustainability Factbook and on our website.

### UN Sustainable Development Goals

#### DNB's top priority SDGs



#### Other prioritised SDGs



#### The remaining SDGs



**We are here.  
So you can stay ahead.**

**DNB**

**Mailing address:**

P.O.Box 1600 Sentrum  
N-0021 Oslo

**Visiting address:**

Dronning Eufemias gate 30  
Bjørsvika, Oslo