

A woman with dark hair, wearing a dark blue button-down shirt, is looking off to the side while holding a smartphone. The background is a bright, sunlit outdoor setting with buildings.

**Sustainability
Report**

2020

Norwegian Finans Holding Group

Contents

Definitions	3
Bank Norwegian in Brief	4
Bank Norwegian – Our Story	5
1. Our Sustainability Commitment	6
CEO Letter: 2020 – A different year	7
Responding to COVID-19	8
Sustainability at Bank Norwegian	9
The UN Sustainable Development Goals	12
Materiality Analysis	13
ESG risk assessment	14
We support “Stiftelsen Rettferd” (The Justice Trust)	18
2. Our policies	19
Policies and governing documents	20
Responsible investment	22
New regulatory framework for the Bank	23
3. Our ESG Performance	24
Environmental	25
Social	26
Governance	28
4. Report on UN Global Compact	31
What Bank Norwegian does	32
Indicators to measure outcomes	35
MyClimate contribution	36

Definitions

AML	Anti-Money Laundering
CoP	Communication on Progress
CTF	Counter-Terrorist Financing
ESG	Environmental, Social and Governance
GC	Global Compact
GRI	Global Reporting Initiative
GSSB	Global Sustainability Standards Board
HSE	Health, Safety and Environment
KYC	Know Your Customer
NAS	Norwegian Air Shuttle
NBIM	Norges Bank Investment Management
NGO	Non-governmental organisation
NPAP	New Product Approval Policy
PEP	Politically Exposed Person
RMF	Risk Management Framework

Bank Norwegian in Brief

■ Bank Norwegian is an agile and fully digital bank for retail customers that has challenged the established banks since its inception in 2007 by offering simple and transparent deposit and lending products online.

The Bank's investment in new technology, automated solutions and mobile apps provides efficient operations, low costs, great scalability and high flexibility.

The mobile app, which was launched in 2017, has become an increasingly important communication channel towards our customers.

In 2020, the service has been further developed to improve operational reliability and customer friendliness. During the year, customers logged in a total of 28.7 million times.

Through the COVID-19 pandemic, the Bank has had a strong focus on developing new and improving existing services in order to

meet the changing needs of customers in the best possible way.

Our business model is characterized by being truly digital, and we offer the same products across all the markets: instalment loans, credit cards with Norwegian Reward bonus program, savings accounts and insurances.

Our passion is to improve customer experience through technology and deep customer insight. Around 100 employees across 14 nationalities works daily to offer attractive and customer friendly services to our customers.

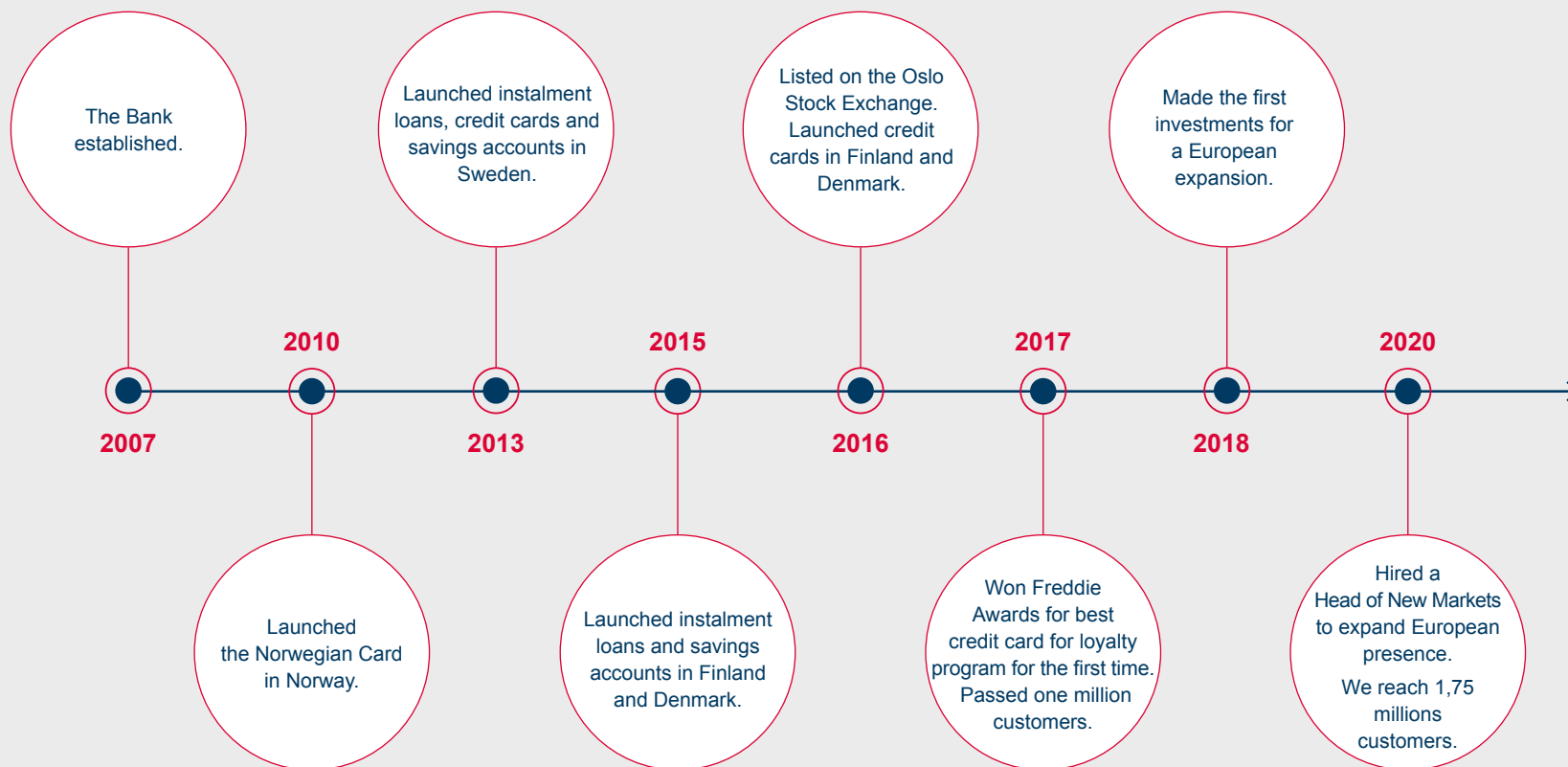
≈90%

Average customer satisfaction 2020

43,000

Gross customer growth during the year

Bank Norwegian - our story



1. Our Sustainability Commitment



2020: A different year



**Tine
Wollebakk**
CEO

■ Last year challenged us to take a close look into how we can improve our financial services to meet our customers' changing needs. I am proud that we were able to adapt both our work processes and products to support our customers in difficult times. This is thanks to the strength, innovativeness and persistence shown by our employees. Our small yet dedicated team has been key for our success in the Nordic market and the number of customers increased in 2020 to ~1.75 million and our net profit ended at a solid NOK 1.9 billion, fairly in line with 2019 despite COVID-19 effects both on income and loan losses. 2020 proved that employee welfare and engagement are crucial to maintain performance when the conditions change. Therefore we will continue to invest in our employees and their welfare.

Customer protection is at the top of our agenda and the Bank devotes significant effort towards this. During 2020 the Bank has further strengthened the organisation, increasing the ability to safeguard the consumer and ensuring swift implementation

of new legislation and guidelines as they become available. We introduced a number of initiatives to address applications for deferred payment, conducted extra precaution in our lending policy and adapted our insurances to better fit with new customer needs during the pandemic. The launch of an insurance for groceries that help customers who are on sick leave, unemployed or laid off was highly valued by our credit card customers.

Another unique initiative we introduced to help customers was to provide financial support to the establishment of an independent "helpline" for customers in financial distress set up by the trust named "Stiftelsen Rettferd" (the Justice Trust). We support this helpline because we have learned that customers in financial distress often lack access to low-threshold advice and assistance. This will benefit not only the financially distressed customers, but also the financial institutions and the society in general. I hope other financial institutions will follow our example and support this initiative.

Looking ahead, I am confident that last year's experiences have improved the Bank's ability to continue to deliver long term and sustainable value to our customers and other stakeholders.

Fornebu, April 27, 2021

Tine Wollebakk

Responding to COVID-19

■ COVID-19 has challenged our society, work life and economy, but the pandemic has also given the Bank new insights in how the business and products can help our customers in difficult times. Taking care of employees and maintaining our service level towards customers and stakeholders high has been our top priority during the pandemic.

CONTINGENCY PLANNING AND EMPLOYEE WELFARE

The Bank's Crisis Management Team was immediately activated on 12 March 2020, to ensure operational adaption and continuity. The responsibility was later transferred to the management team which continued operations with a high focus on infection control measures throughout 2020. A contingency plan to handle proven or potential infection cases was implemented. To comply with local infection control measures and to safeguard the staff, the Bank has mainly been operated from home office without significant challenges to our operation. Our employee survey reveals that employees perform their tasks well remotely and that digital interaction with colleagues and managers works well. The management has prioritized ensuring a positive and social work environment and offered digital social events and

online training to the employees. Important measures have also been to prioritize office space for those who need to meet physically in the office for collaboration and the administration has coordinated the use of our office space according to infection control measures.

CUSTOMER SUPPORT AND HELP WITH PAYMENTS

Responsible lending and support to customers to prevent financial distress and difficulties in repaying the debt has always been a high priority for Bank Norwegian, but when the pandemic hit our markets, we increased our efforts in this area.

By the end of March 2020, the Bank had implemented appropriate measures to contribute to the protection of consumers, as well as well-functioning payment and credit schemes. The Bank has been careful to balance and review the major changes in social activity and possible economic changes that our existing customers and applicants face. To meet the growth in requests related to deferred payments, we also facilitated strengthened support for customers for payment deferrals or adjustments of their repayment schemes. The Bank initiated a collaboration with the trust "Stiftelsen Rettferd", a NGO that

offers independent advice and debt counselling to consumers in financial distress.

ADAPTED INSURANCES TO CUSTOMER'S NEEDS

We offer several insurances that proved helpful for our customers in a period with growing unemployment rates and lay-offs. We doubled the pay out to our customers on insurance cover related to unemployment. A few months into the pandemic we learned that our customers mostly used the Bank's credit card on buying groceries rather than on traveling. To increase customer value for the Bank's card, we included a new, free insurance that covers a one-off payment corresponding to one month's consumption of groceries for card holders on sick leave, who are laid off or unemployed, limited to NOK 10,000. The insurance was launched at the end of last year and so far, the feedback from customers is very positive.

Sustainability at Bank Norwegian

■ Bank Norwegian plays an important role in society by offering deposit and lending services. For us, sustainability is about combining profitability with responsible operations. Bank Norwegian seeks to generate long-term value for customers, employees, owners and society in general. We have an open mindset to be aware and responsive to social changes and we do our best to understand how these changes will affect our customers and operations, and strive to respond accordingly.

The Bank's business activities require a long-term perspective and a high level of trust from customers and society in general. This trust requires Bank Norwegian to have transparent business principles and to communicate openly with customers, employees, owners, authorities and other stakeholders.

Bank Norwegian has developed policies and guidelines for sustainability. These have been adopted by the Board and are

integrated with the Bank's daily operations. The ultimate responsibility for these policies and guidelines lies with the Board of Directors, which defines the strategic direction and establishes policy frameworks and control processes. The CEO is responsible for integration of the policies and guidelines into the operations, and each department is responsible for taking this further and advancing and developing the frameworks within its area of responsibility.

Access to regulated credit products is beneficial to the society. At the same time, access to grant credit also comes with a responsibility for the Bank to have a high level of awareness and conduct responsible lending. Responsible lending is crucial for the Bank's profitable growth and for protecting individuals.

The Bank has a clear framework regarding how unsecured lending shall be marketed. A key principle is that our marketing must be directed at customers who themselves

HOW THE BANK DEFINES SUSTAINABILITY

Sustainability should be understood as the ability to meet the needs of the present generation without compromising the ability of future generations to meet their needs. Economic, environmental and social sustainability are defined as the three pillars of sustainability.

have identified a need for credit. Search engines are therefore an important marketing channel as it connects with customers who are searching for the Bank's products. We believe that search engines help inform consumers about and compare different alternatives, thus promoting consumer choice and free competition. The Bank aims to create value for society and simultaneously lay the foundations for further profitable growth.

We believe that search engines promote consumer choice and free competition.

Economic sustainability

The use of various strategies for employing existing resources in an efficient and responsible manner while laying the foundation for long-term benefits. Economic sustainability involves using the assets of the Bank efficiently to ensure further profitable growth.

Environmental sustainability

Responsible interaction with the environment to avoid depletion or degradation of natural resources and allow for long-term environmental quality. Environmental sustainability involves considering the Bank's potential impact on the environment and seek to minimize adverse impacts.

Social sustainability

Focuses on understanding and managing business impacts, both positive and negative, on people and the society. Social sustainability involves identifying how the Bank may directly or indirectly affect its stakeholders and managing such impacts proactively.

Bank Norwegian aims to contribute to a sustainable development of the environment and to limit negative impact as much as possible. The objective is to take the environment into consideration in all parts of the business. The Bank is fully digital and only offers products online and via the app.

The Bank's procedures and processes are largely automated with electronic documentation and communication that reduce paper consumption and transportation. The Bank aims for electronic invoicing for as many customers as possible and encourage all customers to select electronic invoicing solutions.

Responsible marketing of our services is important. The Marketing Department adheres to the framework on sustainability and social responsibility, as well as the Bank's Code of Conduct. Our marketing is only directed at customers who have themselves identified a need for credit. Search engines are therefore an important marketing channel as it connects with customers who are searching for the Bank's products. In all marketing, we use digital channels and platforms rather than paper and posters.

The Bank's offices are located in a Breeam-In-Use certified building.

The Bank's offices are located in a Breeam-In-Use certified building. The office location facilitates easy access to public transportation and charging of electric cars. Food and residual waste are recycled, pre-owned furniture is used as much as possible and own routines for disposal of IT equipment are established. With the pandemic more employees have worked from home and this has led to less travelling and lower emissions.

Top management and the Board encourage sustainability work and initiatives and are leading by example. The Bank has established a Sustainability Policy. The Sustainability Policy provides a framework for sustainability in Bank Norwegian and provide a governing platform for the Bank's sustainability work and standards for all business decisions, including investment, outsourcing and credit decisions. Compliance with this policy is a prerequisite for achieving the Banks goals for a sustainable business.

The policy has been approved by the Board of Directors and the CEO is the *formal* owner of the policy; ensuring top to bottom implementation and compliance within the Bank. All employees are encouraged to be aware of and contribute to the commitment to sustainability in Bank Norwegian.

The Bank's investment mandate contains ESG requirements. The Bank makes investments that safeguard economic, environmental and social sustainability. Compliance with the requirements for responsible investments is implemented in the Bank's Market Risk Policy and thus integrated into our business. There are specific activities, companies and industries in which Bank Norwegian does not invest. Bank Norwegian does not invest in activities, companies and industries which are excluded by NBIM (Norges Bank Investment Management). The Bank's "Exclusion List" requires that potential investments meet the Bank's criteria for human and labour rights, corruption, serious environmental damage as well as certain industries such as production of tobacco, pornography and controversial weapons.

The Bank is a member of and will comply with the UN Global Compact's ten principles related to human rights, the environment, labour rights and anti-corruption. The Bank expects that all partners also adhere to these principles. The guidance of these principles integrate sustainability into our business.





Bank Norwegian is working to support the UN's goals for sustainable development. As part of the annual risk assessment, the

Bank conducted a number of sustainability workshops to define the sustainability goals the business has a positive and negative impact on. The Bank must comply with and strive to influence the UN's sustainability development goals within its market area to achieve a better sustainable future.

The UN Sustainable Development Goals

■ The United Nations Sustainable Development Goals are the world's collective work plan for a sustainable future. Bank Norwegian work to support these sustainability goals. All parts of the organisation shall think sustainability when making decisions and in daily activities. As part of the annual risk assessment, the Bank shall carry out sustainability workshops.

The Bank shall comply with and strive to positively influence the UN Sustainability Development Goals within its market area to achieve a better sustainable future. The Bank has an influence on sustainability goals 4, 5, 8, 12, and 13. Goal 17 is a method goal and gives an indication of how we will work.

Goal	How the Bank addresses the goals	Status 2020
 Quality education	Annual e-learnings and courses shall be mandatory for all employees. All employees shall be encouraged to participate in seminars and courses outside the Bank. All employees shall be aware of the commitment to sustainability in Bank Norwegian. The Bank shall educate its customers in an effort to increase consumer awareness and promote sustainable spending.	<p>Bank employees are obligated to participate in regular e-learnings covering AML and CTF.</p> <p>We started on the work of improving our application, introduction functionalities allowing customers to monitor their spending patterns.</p>
 Gender equality	The Bank shall actively ensure full and genuine participation, and equal opportunities to gain senior positions at all level for all genders as well as equal pay. The Bank shall employ Equality Check to regularly assess the Banks ability to ensure gender equality and diversity in the workplace.	<p>At the end of 2020 48% of the Banks employees were women. 48% of management positions were held by women.</p> <p>The Bank employed Equality Check and will continue to do so on an annual basis.</p>
 Decent work and economic growth	The Bank shall ensure a safe and secure working environment and fair working conditions for all employees. Through facilitation of innovation and job creation, the Bank shall stimulate sustainable economic growth.	<p>In 2020, the Bank increased its staff with 8 FTEs.</p> <p>In the course of 2021, the Bank will move into new offices suitable for personnel growth and modern working conditions.</p>
 Responsible production and consumption	The Bank shall initiate and support good sustainability activities. The Bank shall focus on recycling and reuse internally.	Food and residual waste are recycled, pre-owned furniture is used as much as possible and own routines for disposal of IT equipment are established.
 Climate action	The Bank shall strive to reduce own greenhouse gas emissions and energy consumption in the office building. The Bank shall make investments that promote emission reductions. The Bank shall initiate and support good sustainability activities.	<p>The Bank's offices are located in a Breeam-In-Use certified building. The office location facilitates easy access to public transportation and charging of electric cars.</p> <p>Parking facilities allows for charging of electric cars.</p>
 Partnership for the goals	The Bank shall expressly aim to collaborate with customers, suppliers, organisations, authorities and other stakeholders to meet the sustainability goals. Collaboration is essential to achieving sustainable development.	The Bank requires that material suppliers for the Bank's operations adhere to the Bank's Supplier Conduct Principles which covers all the ESG factors.

Materiality Analysis

■ During the last months of 2020, Bank Norwegian completed a materiality analysis according to the Global Reporting Initiative reporting standard (GRI). The consulting and auditing company BDO assisted Bank Norwegian in this work.

The materiality analysis was based on a broad involvement of different stakeholders through digital surveys. All individual answers were anonymised and processed according to GDPR. The quantitative analysis was supplemented by qualitative surveys among selected key stakeholders.

The contribution from the stakeholders, showed that board members, shareholders, employees, analysts, suppliers, partners, and society at large had a common view of what's considered important.

The illustration (*next page*) presents the results of the stakeholder contribution and the Bank's materiality analysis.

The results of the materiality analysis determine what should be the main focus within the area of sustainability at Bank Norwegian.

From the figure (*next page*) we see that Environmental factors are not deemed especially relevant for a digital bank as Bank Norwegian, but the focus should instead be on Social factors and Governance.

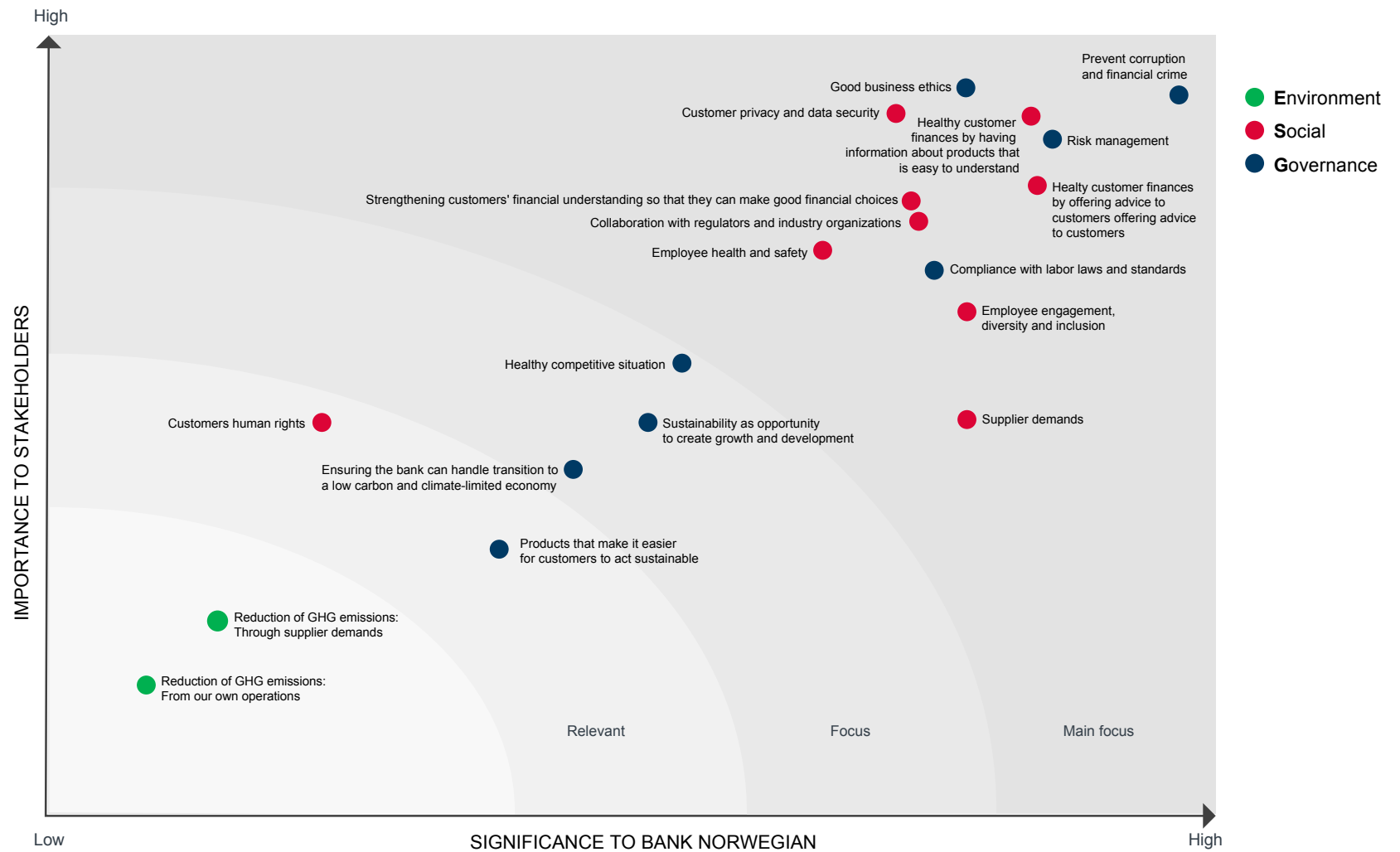
The focus area on the Governance part of the ESG should be on preventing corruption and financial crime, focus on business ethics and Risk Management, in addition to being compliant with labour laws and standards.

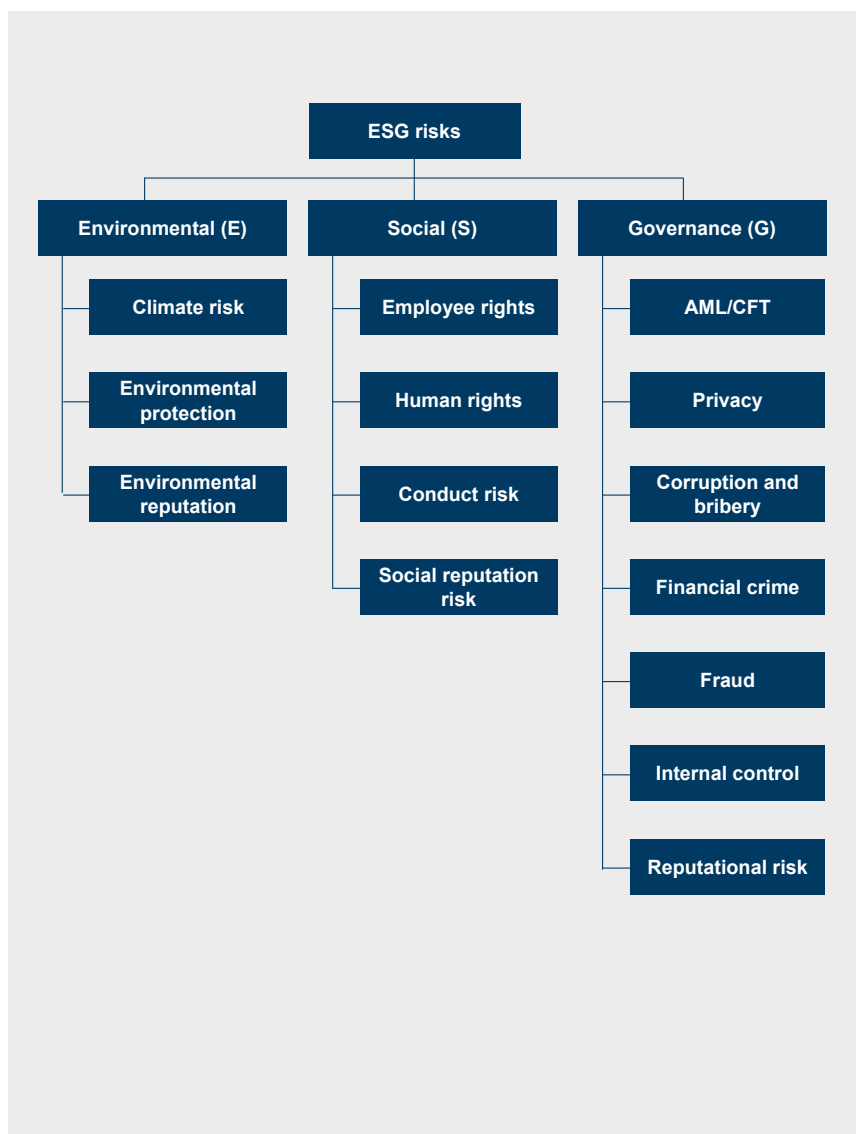
It is highly important for the stakeholders that Bank Norwegian contributes positively to consumer privacy and data security. The bank should also contribute positively to healthy consumer finances by ensuring that the information about the products the bank offers is easy to understand. Offering advice to customers who face financial problems and strengthening customers' financial understanding of the risk they take is also important, contributing to sound financial decisions by the customers. The bank should also have focus on employee health and safety, engagement, diversity and inclusion.

Bank Norwegian should also contribute positively to the Norwegian economy becoming more sustainable by making demands on suppliers, with expectations that suppliers should contribute to equality, inclusion, human rights and prevention of corruption in their business and operations.

During the coming period Bank Norwegian will focus on developing the Bank's approach to sustainability in core business and financial services.

Materiality assessment Bank Norwegian





ESG risk assessment

■ The Bank ensures that its Risk Management Framework always is compliant with EBA standards. The RMF was reviewed and approved by the Board of Directors on 27 November 2020.

During 2020, the Bank conducted several workshops to identify and assess the risks the Bank is exposed to in the area of sustainability. Environmental, social and governance (ESG) refers to the three central factors in measuring sustainability. Risk analyses associated with ESG is an important and regular part of the annual

internal control review, identifying any new risks and/ or weaknesses in established control measures. The Bank's identified ESG risk groups are given below.

The ESG risk analysis yielded 78 potential sustainability related risks for the Bank. The table below gives an overview of the assessed risks grouped into Environment, Social and Governance, respectively. The table shows that 11 risks were identified as "moderate", while the remaining risks were identified as "low" or "very low".

ESG	Very low	Low	Moderat	High	Very high	Sum
Environment	9	7	2	0	0	18
Social	9	11	2	0	0	22
Governance	11	20	7	0	0	38
Sum	29	38	11	0	0	78

The tables below describe the risks identified as “moderate” and the corresponding control measures established.

Environmental risks

Area and risk description	Control measures
<p>Climate risk</p> <ul style="list-style-type: none"> • New framework conditions that increase operating costs and/or taxes/ fees (regulatory risk). 	<ul style="list-style-type: none"> • Identification and assessment of relevant ESG risks. • Established Sustainability Policy. • Conducted materiality assessment. • Member of the UN Global Compact. • Practicing responsible investments (Storebrand). • Donation to climate protection.
<p>Environmental reputation risk</p> <ul style="list-style-type: none"> • Collaboration with Norwegian Air Shuttle (NAS) and Norwegian Reward: earning CashPoints combined with brand names contribute to increased flying and climate emissions. 	<ul style="list-style-type: none"> • NAS' modern aircraft fleet has reduced climate emissions per passenger by 30 percent over the past ten years. • The goal of NAS is to reduce CO₂ emissions by 45 percent by 2030, which is in line with the Paris Agreement. • By 2023, NAS will cut non-recyclable plastic by 100 percent and recycle all disposable plastic in Scandinavia.

Social risks

Area and risk description	Control measures
<p>Conduct risk</p> <ul style="list-style-type: none"> • Increased requirements for documentation for loan applications beyond BankID. 	<ul style="list-style-type: none"> • The Bank collects information from credit checks and the authorities, such as electronic pay slips and data from the debt registers. • The Bank conducts checks on e-mail addresses, registered addresses and telephone numbers. • Participation in a working group lead by Bits that will propose measures for safer use of digital services.
<p>Conduct risk</p> <ul style="list-style-type: none"> • The bank finances customers that the market, media and/or other stakeholders believe should not have been granted (not fraud). 	<ul style="list-style-type: none"> • The Bank has a conscious relationship to what risk it's willing to take. • Board-approved policies. • The bank rejects a large proportion of applications, and only offers credit to those who are considered to have sound finances and the opportunity to service the credit.

Governance risks

Area and risk description	Control measures
<p>Financial crime</p> <ul style="list-style-type: none"> The Bank's assessments in product development processes do not take sufficient account of the risk of money laundering. 	<ul style="list-style-type: none"> Established New Product Approval Policy and Outsourcing Policy.
<p>Financial crime</p> <ul style="list-style-type: none"> The Bank's products and services are misused for terrorist financing without the bank discovering and or stopping this. 	<ul style="list-style-type: none"> Written procedures and internal training in KYC. Continuous monitoring embedded in daily operations.
<p>Privacy</p> <ul style="list-style-type: none"> Violation of industry standards (banking and insurance). 	<ul style="list-style-type: none"> The Bank has looked to industry standards but has made its own assessments. In some cases, the Bank's own standards are stricter. The Bank participates in the credit committee under the auspices of Finans Norge where this is discussed.
<p>Privacy</p> <ul style="list-style-type: none"> Personal data going astray as a result of operational incidents within the Bank and/ or with suppliers. 	<ul style="list-style-type: none"> Established a framework for the protection of personal data. Various control measures in the 1st, 2nd and 3rd lines of defense. Training (e-learning). Privacy coordinator who oversees and coordinates, as well as ac as internal adviser on privacy matters.
<p>Fraud</p> <ul style="list-style-type: none"> The Bank incurs losses as a result of fraud by customers. For example, that the customer intentionally shares BankID with a partner or others. 	<ul style="list-style-type: none"> The debt registers ensure a complete overview of Norwegian customers' unsecured debt. The Bank collects information from credit checks and the authorities, such as electronic pay slips and data from the debt registers. The Bank conducts checks on e-mail addresses, registered addresses and telephone numbers. Participation in a working group lead by Bits that will propose measures for safer use of digital services.
<p>Reputational risk</p> <ul style="list-style-type: none"> The Bank operates in a way that makes the public feel that the Bank lacks management and control. 	<ul style="list-style-type: none"> The Bank has established a healthy corporate culture (tone at the top). Established risk management framework, Code of Conduct, and board-approved policies. The Bank has a conscious relationship to what risk the Bank is willing to take. The Bank rejects a large proportion of the applications, and only offers credit to those whom the Bank considers having sound finances and the opportunity to service the credit at the time of application. Increased focus and new measures to detect and prevent fraud. Increased follow-up and requirements from supervisory authorities due to level 2 bank. Strengthening the finance department ensures increased capacity and quality in processes. Established own control functions for risk management and compliance in accordance with the CRR / CRD4 regulations.

We support a new independent initiative for financial counselling

■ Bank Norwegian is committed to increase the general knowledge about personal finance and debt and improve financial literacy among the public. Help and advice should be easily available. Unfortunately this is not the case and last year we formed a collaboration with “Stiftelsen Rettferd”.

“We want to offer a debt counselling service that both the users of the project and creditors can trust. We collaborate with public advisors and creditors on behalf of the customers,” says **Tor Bernhard Slaathaug**, Secretary General of “Stiftelsen Rettferd”.

With the support from Bank Norwegian, the Trust has been able to establish a strong professional counselling service. In total, they hold 3 front-line advisers with long experience from financial advice from KLP [Norway’s largest pension company], NAV [the Norwegian Labour and Welfare Administration] and the tax office.

“People with debt problems understand that they have a problem, but they do not know how to solve it. We have secured employees with long expertise in the field of debt and personal finance advice to build trust among our users,” Slaathaug explains.

As a result of the financial support from Bank Norwegian, the Trust has been able to establish dialogue with municipalities and local NAV offices to build competence and collaboration across the organisations.



“Many local communities have difficulties with maintaining a large enough professional environment for debt advisors since resources are scarce. Our ambition is that the project ‘Debt Advice’ hopefully will become a good supplement to public services both when it comes to capacity as well as extending the professional environment for debt advisors,” Slaathaug concludes.

About “Stiftelsen Rettferd”

“Stiftelsen Rettferd” (The Justice Trust) has a long history and experience from counselling persons in financial difficulties. For more than 25 years they have helped individuals in need. Last year the trust established a new independent help line for individuals in financial distress.

2. Our Policies



Policies and governing documents

Level 1						
✓ Approved by the Board of Directors	Business Strategy ✓	Terms of Reference ✓	Risk Management Framework (including risk appetite statement) ✓	Code of Conduct ✓		
✓ Approved by Management						
Level 2						
Capital Management Policy ✓	Credit Risk Policy ✓	Liquidity and Funding Risk Policy ✓	Market Risk Policy ✓	Operational Risk and Internal Control Policy ✓	Compliance Risk Policy ✓	Sustainability Policy ✓
Model Risk Management Framework ✓	Outsourcing Policy ✓	Remuneration Policy ✓	Conduct Risk Policy ✓	Information Security Policy ✓	AML/CTF Policy ✓	GDPR Policy ✓
Level 3						
Budget and capital plan ✓	Recovery Plan ✓	Capital and Liquidity Contingency Plan ✓	Conflicts of interest Policy ✓	Dividend Policy ✓	New Product Approval Policy (NPAP) ✓	
Crisis and disaster recovery plan (CDRP) ✓	Authorizations for credit granting ✓	Contingency plans ✓	Whistleblowing Routines ✓	Routine for handling inside information and trading in securities ✓	Insurance Policy ✓	
Level 4						
Process descriptions	Detailed routines	Risk Assessment Procedures	Control and Compliance Plans	Check lists	Job Descriptions	Division of Labour – Compliance
Details of credit scorecards	Procedures for debt collection	Procedures for credit granting	Outsourcing procedures	Reporting Procedures	Powers of attorney	

The Risk Management Framework, Code of Conduct, policies and guidelines are binding and applies to all operations of the Bank. These documents are updated, reviewed and approved by the Board of Directors at least annually.

■ The Bank’s document hierarchy is outlined in the table to the left. The Sustainability Policy and related policies are marked in blue.

The Risk Management Framework, Code of Conduct, policies and guidelines are binding and applies to all operations of the Bank. These documents are updated, reviewed and approved by the Board of Directors annually.

Risk Management Framework

The overall purpose and objective of the Risk Management Framework is to provide guidance, principles and expectations for Bank Norwegian’s Risk Management Processes and to ensure that material risks will be managed in accordance with Bank Norwegian’s Business Objectives and Risk Appetite.

Code of Conduct

The Code of Conduct provides an ethical and behavioral framework to guide behavior in our day-to-day operations.

Sustainability Policy

The Sustainability Policy shall provide a framework for sustainability in Bank Norwegian and provide a

governing platform for the Bank's sustainability work and standards for all business decisions, including investment, outsourcing and credit decisions.

Conduct Risk Policy

The Conduct Risk Policy is intended to provide guidance for the Bank's overall objective for handling conduct risk.

Market Risk Policy

The Market Risk Policy shall provide guidelines for the Bank's overall objectives for managing market risk, as well as the Bank's exposure to, measurement of and reporting of such risks.

All bank investments shall be in line with the Bank's Code of Conduct and Sustainability Policy.

Credit Risk Policy

The Bank's credit risk policy, competence, routines and controls with regards to granting credit and monitoring the credit risk exposure shall ensure the Bank's healthy and long-term development in accordance with the Bank's strategy. The Credit Risk Policy is intended to support the Bank's business strategy, overall risk strategy and risk appetite as defined in the Risk Management Framework, and the Bank's Code of Conduct.

Outsourcing Policy

The Outsourcing Policy shall outline Bank Norwegian's principles and processes about outsourcing. The purpose of the policy shall be to ensure appropriate and sound processes for planning and implementing outsourcing arrangements, and to ensure that

outsourcing is conducted in a manner that supports the Bank's business model, business strategy and risk appetite.

AML/CTF Policy

The Anti-Money Laundering and Counter-Terrorist Financing Policy is issued to set Bank Norwegian's principles and standards for prevention and management of risks associated with financial crime within the Bank.

The purpose of the Policy is to:

- Establish the AML/CTF strategy and framework for Bank Norwegian.
- Prevent Bank Norwegian from being used in financial crimes.
- Ensure that the Bank takes appropriate action to mitigate the risks associated with crime; and
- Comply with the legal AML/ CTF requirements applicable to Bank Norwegian.

GDPR Policy

The GDPR Policy shall ensure that the Bank complies with the relevant Personal Data Act and the General Data Protection Regulation.

Conflicts of Interest Policy

This policy sets out Bank Norwegian's arrangements in connection with the identification, documentation, escalation and management of conflicts of interest.

Whistleblowing Routines

The Whistleblowing Routines outlines the purpose, responsibility, procedure and follow-up regarding

notification of critical issues.

New Product Approval Policy

Bank Norwegian has established a policy for the approval of new products, services, markets, exceptional transactions, processes and systems (together "Products") as a part of the operational risk framework.

The NPAP shall provide the Bank with a clear framework for assessing and approving developments or changes to Products. The Policy should also provide guidance and expectations for monitoring and reporting the risk exposure relating to Products. Furthermore, the Policy shall ensure compliance with laws, regulations, external expectations and internal routines.

Responsible investment

■ Bank Norwegian strives to make investments that safeguard economic, environmental and social sustainability. Compliance with the requirements for responsible investments is at all times implemented in the Bank's Market Risk Policy and thus integrated into our business. The Bank has a low tolerance for ESG related risks. All investments shall be made in line with the Bank's Code of Conduct and Sustainability Policy.

The Bank's investment portfolio mainly consists of 0-20% risk weighted assets such as central bank and government exposures, public sector entities and municipalities, as well as covered bonds and exposures to other financial institutions.

There are specific activities, companies and industries in which Bank Norwegian does not invest. These include companies that violate fundamental ethical norms or impose substantial costs on society through their operations. By not investing in these companies, the Bank reduces exposure to unacceptable risks.

Bank Norwegian shall not invest in activities, companies and industries which are excluded by NBIM (Norges Bank Investment Management) and the Bank's own "Exclusion list".

EXCLUSION LIST

We require that companies invested in meet the Bank's criteria for human and labour rights, corruption, serious environmental damage as well as production of tobacco and controversial weapons.

Bank Norwegian shall not invest in activities, companies and industries which are excluded by NBIM and the Bank's own "Exclusion list".

- Production of coal or coal-based energy.
- Production of nuclear weapons.
- Serious violations of individuals' rights in situations of war or conflict.
- Production of tobacco.
- Severe environmental damage.
- Serious violations of human rights.
- Shipping.
- Other particularly serious violations of fundamental ethical norms or corruption.
- Production, sale and marketing of pornography.

New regulatory framework for the Bank

■ Bank Norwegian supports a well-regulated industry. Our business is conducted in accordance with applicable laws and regulations in the countries we offer our products.

The Regulatory requirements for the Bank have also been affected by COVID-19, and several new requirements were introduced to remedy the economic effects of the pandemic on households.

On 13 March 2020, the Ministry of Finance decided to follow the Norwegian Central Bank's advice to reduce the countercyclical capital buffer requirement for banks from 2.5 to 1 per cent. The requirement was reduced to counteract the fact that a reduced supply of loans to households would intensify the decline as a result of the outbreak of the COVID-19. The countercyclical capital buffer requirement was kept unchanged in a decision by the Ministry of Finance on 18 June.

In a statement on 23 March, the Ministry of Finance emphasized that banks may, in accordance with the Consumer Loans Regulations, grant a temporary grace period of up to six months due to circumstances that occur during the loan's term and which temporarily impair the customer's ability to pay. It was emphasized in a separate press release by the

financial supervisory authority that banks must ensure that the customer's interests are safeguarded and that the customer is given supplementary information about costs and conditions that follow from any changes in the payment plan.

Many of our customers who were affected by the crisis and applied for a deferral of installments and interest were granted deferral, in line with the current procedure. The Bank grants three payment deferrals per year and was not dependent on relaxing this principle. All customers were informed of the consequences of the postponement of the loan costs.

On 9 December, the Ministry of Finance adopted a new lending regulation, which merged the regulations for mortgages and consumer loans into a common lending regulation. The financial supervisory authorities proposed a number of tightening measures to impose on the Banks' lending practices in the consultation memorandum on new regulations but was not heard by the government, which decided to continue the requirements for consumer loans. The new lending regulations will apply for four years until 31 December 2024 but will be evaluated in the autumn of 2022.

In Finland, the interest rate cap was temporarily reduced from 20 to 10 per cent for new unsecured repayment loans from 1 July to 31 December, and the new law was justified by the pandemic. In addition, there was a ban on increasing loan costs and direct marketing of unsecured credit. On December 30, the President approved a new law in which the ban on marketing and a temporary interest and cost ceiling of 10 percent for new repayment loans was extended to apply until 30 September 2021. The new interest rate ceiling does not apply to credit cards or existing loans. The Bank adapted to the new rules prior to the entry into force.

Denmark introduced an interest rate cap for annual costs of 35 per cent on 1 July. A ban was also introduced on marketing unsecured credit at a cost of more than 25 per cent, and borrowers could not pay more than 100 per cent of the total loan amount in costs. It was also forbidden to market credit in media that also have advertising for gambling, which has led to major challenges for the external marketing to the financial industry since gambling advertising is legal in Denmark. All these requirements implemented by the Bank before the law was implemented.



3. Our ESG Performance

Environmental, social and governance refers to the three central factors in measuring sustainability.

Environmental

CLIMATE EMISSIONS

Donation to climate protection

Bank Norwegian has calculated and compensated for the Company's yearly CO₂ footprint related to energy (power consumption), employees' travels to and from work (mobility), business trips, board meetings, material and waste. Even with a substantial decrease in transportation to and from work in 2020 due to COVID-19, the calculation shows that employee transportation to and from work is the biggest contributor to the Bank's emission. There has been no work-related traveling in 2020. The calculation indicates that our 95 FTE is offsetting for 25.9 tons CO₂ with a value of EUR 650. The drastic reduction in emissions from 170 tons in 2019 is caused by 75% of our employees working from home and no business related traveling in 2020.

The Bank's contribution to Climate Protection also includes a small donation for Climate Education.

Carbon emissions – investment portfolio

The Bank has collected data regarding carbon emissions of our investment portfolio. The portfolio mainly consists of 0-20% risk weighted assets such as central bank and government exposures, public sector entities and municipalities, as well as covered bonds and exposures to other financial institutions. The carbon footprint is measured as the number of tons of CO₂ equivalents per million dollars in revenue. Scope 1 is direct emissions from the Company's activities, while scope 2 is emissions related to goods/ services used to run a company (electricity, heating, etc).

Based on the contents of the Bank's portfolios, it can be assumed that the carbon footprint of Bank Norwegians various portfolios is about the same as the average for the Nordic financial sector:

The Scope 1 average for the Nordic financial sector is 0.66 tCO₂e / m USD

The Scope 2 average for the Nordic financial sector is 1.72 tCO₂e / m USD

In comparison, the corresponding figures for the MSCI index are about 2000 tCO₂e / m USD and for a Norwegian industrial company it will be between 500-2000 tCO₂e / m USD. This shows that a portfolio of mainly securities issued by financial institutions will have a low carbon footprint.

Social

HUMAN RIGHTS

Bank Norwegian shall always act in accordance with universal human rights. The Bank is committed to conduct business in accordance with the highest ethical standards and in compliance with all applicable laws, rules and regulations. The Bank has established a Code of Conduct, which has been devised to provide directors and employees with the required information to enable a proper understanding of their ethical responsibilities and on how to always conduct business with the highest levels of integrity. As such, the Bank ensures that business operations do not violate human rights principles.

The Bank has established a board-approved Sustainability Policy to ensure that the international human rights described in the United Nations Declaration of Human Rights are respected and complied with. The Bank shall prevent and mitigate adverse impacts on human rights from its own activities, associated relationships and contribute positively to human rights whenever possible. Bank Norwegian fully respects the

customer and offers products to all people without prejudice.

The Bank promotes equality and aims at minimising the risk of any form of discrimination against employees. The Bank ensures that no employee is treated differently and that opportunities for employment, training and promotion are accessible to all candidates irrespective of their status (i.e. gender, gender identity, ethnicity, religion or other beliefs, disability, sexual orientation or age). In addition, the Bank ensures that selection for employment, promotion, transfer and training and access to benefits, facilities and services are fair, equitable and based on merit.

Bank Norwegian has established guidelines to ensure that there is no discrimination due to gender, ethnic background or religion in cases concerning pay, promotions and recruitment. The Bank adheres to the Working Environment Act of Norway, and have routines for health, safety and the environment (HSE). We strive to create a safe and healthy working environment for

our employees and focus on preventing work injuries. All employees must undergo an annual review of the Bank's Code of Conduct.

HUMAN RESOURCE DEVELOPMENT

The Bank places emphasis on the professional development of employees, and a key to success is communication across departments. This results in dedicated specialists with broad expertise of the Bank.

Our employees are our most important resource and competence development is about building a competent and diverse organisation that is equipped for the future. There shall be equal opportunities for competence development and promotions for all employees.

The Bank recognizes the individual's need for development and sense of accomplishment. Through our employee survey, the need and desire for competence development has been identified. Employees and managers will work together to identify the employees' wishes and the Bank's needs

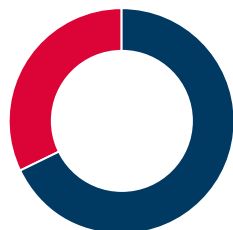
The Bank has established a Board-approved Sustainability Policy.

Gender balance



■ Women 48%
■ Men 52%

Age spread



■ 20 – 39 years 68%
■ 40 – 70 years 32%

and set individual goals and plans for self-development.

Human resource development is a continuing process. The Bank had strong focus on this throughout 2020 and has set clear goals for even more improved efforts in 2021:

- Mapping of employee competence and potential for development
- Establish a leadership hub for middle management
- Create further awareness of tools available for professional development

ABSENTEEISM AND INJURY REPORTING

There is a low turnover of key employees and absence due to illness was 2,2 percent in 2020. There were no injuries reported. The Bank has a working environment committee and a safety representative.

Modern day working conditions and lifestyle causes many to suffer from pains due to prolonged hours in a seated position in front of the computer. The Bank provides all its

employees with health insurance that covers physical therapy, chiropractic and other forms for manual treatment, in addition to regular medical treatment.

To ensure satisfying working conditions at home, necessary IT and office equipment was deployed to all employees when COVID-19 broke out in March. All employees received an NOK 5,000 allowance to individually purchase additional equipment needed to optimise their home working environment. Additionally, physical activity sessions were organized and held via video conference.

EQUALITY

Bank Norwegian has a satisfying gender distribution, with 48% of employees and 48% of the management at the Bank being female. Women make up 42.9% of the Board of Norwegian Finans Holding ASA and 42.9% of the Board of Bank Norwegian ASA.

The Bank is committed to ensuring equal pay for equal work and gender balance at all levels. Eliminating discrimination risk in

recruitment processes is a priority as the Bank is expanding, both in current and new markets.

Bank Norwegian aims at engaging the employees by working with competence development, ensuring work-life balance and diversity. The Bank has established a culture that fosters collaboration, teamwork, and individual growth. The Bank works towards a balanced workforce in terms of gender, age and experience in order to tap into a wide range of knowledge, skills and specialist competencies for achieving its business strategies.

Highlights

- Gender balance: 48% women, 52% men;
 - Management: 41% women, 59% men
- Age spread: from 20 to 70 years:
 - 68% in the range 20 – 39 years
 - 32% in the range 40 – 70 years
 - Average age: 37 years
- Employees have diverse backgrounds, with more than 14 different nationalities represented.

Governance

REPORTING FRAMEWORK

The Bank became a member of the UN Global Compact in March 2019, and the Bank submits annually a “Communication on Progress” in accordance with GC Active standard. The CoP is a public disclosure to stakeholders on progress made toward implementing the Ten Principles of the UN Global Compact and shall support broader UN goals and issues. The CoP serves to enhance transparency and accountability, drive continuous performance improvement, and provide a repository of corporate practices to promote dialogue and learning.

The Bank utilizes the GRI Standards issued by the Global Sustainability Standards Board for sustainability evaluation and disclosures.

WHISTLEBLOWING MECHANISM

Bank Norwegian has internal guidelines for internal alerts and has set up its own warning system for this. The Bank has also established a Conflict of Interest Policy. The Bank expects employees to promptly inform their immediate manager or safety deputy if they find any conflict with laws, regulations

or other public regulations, serious violations of internal guidelines, or any other conditions that might harm the Company’s reputation. The management encourages knowledge about such matters in order to provide the necessary clarifications, correct errors or damage as soon as possible, respond to undesirable behaviour, as well as to learn from mistakes.

The Bank has placed a locked mailbox in a suitable location in the office in order to enable employees’ anonymous reporting. We are also working on a digital mechanism to further lower the bar for anonymous reporting.

No incidents were reported in 2019 and 2020.

ESG INVOLVEMENT FROM THE BOARD

Ownership of purpose starts at the top of any organisation. Therefore, the Board of Directors has taken an active role to ensure that the Bank’s commitment to sustainability is on the agenda throughout the organisation. In 2020 the Board at Bank Norwegian were

closely involved in the work around ESG. To improve and strengthen the Bank’s work related to sustainability, the Board has taken an active role in the adoption and implementation of the Bank’s Sustainability Policy as well as the Bank’s Sustainability Report. ESG has also been on the Board’s agenda as a separate focus area and will be an agenda item in each meeting going forward.

STRATEGIC ESG OPPORTUNITIES

Financial crime

Bank Norwegian is committed to prevent the Bank from being used for any illegal activity, both externally and internally. Managing the risk of financial crime is vital to maintaining Bank Norwegian’s commitment to serve as a positive contributor in society. A separate department for dispute and financial crime is established to support and take care of issues related to financial crime. This department serves all our customers that have any claims or/and disputes related to their products.

Bank Norwegian is committed to prevent the Bank from being used for any illegal activity.

Business is carried out in markets with low country risk.

Actions taken against anti-corruption:

The Bank has established a Risk Management Framework to ensure that internal procedures support the Bank's anti-corruption commitment.

Business is carried out in markets with low country risk. The Corruption Perceptions Index ranks 180 countries and territories by their perceived levels of public sector corruption, according to experts and business people. According to the Corruption Perceptions Index 2020, the markets in which the Bank operates are ranked as follows:

- Norway – 7;
- Sweden – 3;
- Denmark – 1; and
- Finland – 3.

The Bank exclusively serves consumer customers and all customers transactions are monitored. All customers are also screened for "Politically Exposed Persons" and "Counter Terrorism Financing".

With reference to the ESG risk assessment, four different kinds of corruption risks have been identified, but assessed as low or very low.

AML/CTF

The purpose of the Bank's AML/CTF framework is to prevent and detect transactions and patterns linked to criminal offences or the financing of terror.

New customers are subject to checks and audits to ensure that all AML/CTF requirements are complied with. Bank Norwegian has modern IT structure. It is well equipped in the event of new customer engagements to fulfil the legal requirements for customer due diligence. All customers are validated against third party source (credit information, address register etc.) and requirements for identification, and screened against Political Exposed Persons and sanctions list.

All existing customers are monitored. If a customer is found on the PEP and sanctions list, necessary action will be taken. All customers are screened daily for their PEP or sanction status. All transactions are monitored through the AML/CTF system to identify suspect transactions.

An assessment of AML/CTF risk is carried out by the Bank and facilitated by the second line of defence annually. As part of the third line of defence, internal audit reviews the AML/CTF area annually. Operational incidents are reported to the Head of Risk

Management and the Board of Directors. Recommendations from the Internal Audit Function are recorded and followed up by the Head of Risk Management. Status of outstanding improvement measures are reported to the management and Board of Directors.

Yearly an internal risk report covering AML/CTF is prepared and presented to Senior Management. In order to assess risks linked to money laundering and financing of terrorism, all geographic markets are presented separately. Primarily, the products are similar but differ a little between the markets, which also affects the risk exposure of the products.

(Assignment of responsibility for 1st, 2nd, and 3rd line of defence to the bank's AML/CTF-Policy are presented in the table, next page).

SUPPLIERS

In accordance with Bank Norwegian's Code of Conduct and Sustainability Policy the Bank shall not operate in a way that is harmful to people, the society or environment, and thereby support long-term social and ecological balance. Business partners are expected to integrate the United Nations Global Compact's 10 Principles for Businesses into their corporate strategies,

Business partners are expected to integrate the United Nations Global Compact's 10 Principles for Businesses into their corporate strategies, culture and day-to-day operations.

culture and day-to-day operations. Respect for human rights are demanded from suppliers and business partners.

The Bank shall encourage customers and suppliers to follow the guidelines and principles that apply to Bank Norwegian's activities. Bank Norwegian shall minimise exposure to business partners that could create material adverse social and environmental impact.

The Bank's Outsourcing Policy with attached Guidelines for Planning, Entering and Managing Outsourcing Arrangements ensures that the Bank will terminate contracts with business partners that do not adhere to the UN Global Compact's 10 Principles and other requirements from the Sustainability Policy. The Bank requires that material suppliers for the Bank's operations adhere to the Bank's Supplier Conduct Principles which covers all the ESG factors.

Responsibilities	1st Line		2nd Line		3rd Line
	Customer Service	AML operating function	Compliance	Risk management	Internal audit
Identify, assess, and control the risks of their business	X	X	X	X	
Investigate suspicious transactions and report to AML function	X	X			
Investigate suspicious transactions reported by CSR and external parties		X			
Investigate suspicious transactions		X			
Report suspicious transactions and asset freezing		X			
Ongoing monitoring and fulfillment of all AML/CFT duties by the bank		X			
Ensure updated routines		X			
Support the organisation and provide professional advice		X			
Know and carry out the policies and procedures and be allotted sufficient resources to do this effectively		X			
Ongoing training of current employees		X	X		
Training new employees		X	X		
Risk assessment	X	X	X	X	X
Risk adjust transaction monitoring		X			
Report to management		X	X	X	
Report to authorities		X			
Government relations		X	X		
Ensure that policies are adopted and kept up to date			X		
Follow up and Control			X	X	X



4. Report on UN Global Compact

The bank is a member of and shall comply with the UN Global Compact's 10 principles for human rights, labour rights, the environment, and anti-corruption.



UN Global Compact

The Bank became a member of the UN Global Compact in March 2019, and the Bank annually submits a “Communication on Progress” (in accordance to GC Active standard. The CoP is a public disclosure to stakeholders on progress made toward implementing the Ten Principles of the UN Global Compact, and shall support broader UN goals and issues. The CoP serves to enhance transparency and accountability, drive continuous performance improvement, and provide a repository of corporate practices to promote dialogue and learning.

Principles

What Bank Norwegian does

Environment

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights, and

Bank Norwegian has enshrined human rights attitudes and principles in our updated Code of Conduct; approved by The Board of Directors in January 2020. The Code represents our commitment to our customers, clients, suppliers and business partners, government authorities, shareholders and employees. All employees must undergo an annual review of the Bank's Code of Conduct.

Bank Norwegian shall always act in accordance with universal human rights, and as a company we comply with all applicable laws and respect internationally recognised human rights.

Bank Norwegian does not invest in activities, companies and industries which are excluded by NBIM (Norges Bank Investment Management). The Bank's “Exclusion List” requires that companies invested in, meets the Bank's criteria for human and labour rights, corruption, serious environmental damage as well as production of tobacco and controversial weapons.

Principle 2: make sure that they are not complicit in human rights abuses.

The Bank is committed to conducting business in accordance with the highest ethical standards and in compliance with all applicable laws, rules and regulations. Our Code of Conduct ensures that business operations do not violate human rights principles. In 2017, the Bank's Board adopted special guidelines for corporate social responsibility which have been integrated into our daily operations.

The Bank is an equal opportunity employer and has established guidelines to ensure that no employee is treated differently or discriminated and that opportunities for employment, training and promotion are accessible to all candidates irrespective of their status.

Labour

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

The Bank adheres to the Working Environment Act of Norway, and have routines for health, safety and the environment (HSE). We strive to create a safe and healthy working environment for our employees and focus on preventing work injuries.

At Bank Norwegian, we see people as our most important asset. We aim to engage our employees by working with competence development, work-life balance and diversity. Any employee can join a trade union.

Principles

What Bank Norwegian does

Principle 4: the elimination of all forms of forced and compulsory labour

The Code of Conduct provides an ethical and behavioral framework to guide behavior in our day-to-day operations. We only use suppliers who commit to adhere to these guidelines.

The Bank conducts an annual HSE risk assessment and report. The Bank conducts employee surveys. Safety representatives are elected by the employees.

Principle 5: ensure the effective abolition of child labour; and

The Bank does not employ anyone below 18 years of age.

Principle 6: the elimination of discrimination in respect of employment and occupation.

The Bank works towards a balanced workforce in terms of gender, age group and experience in order to tap into a wide range of knowledge, skills and specialist competencies towards achieving its business strategies.

All employees are given the Employee Handbook which provides employees a detailed overview of policies that are specific to the organisation along with other key procedures, guidelines and benefits.

The Bank has established whistleblowing routines. The company encourages everyone to report irregularities as and when they are discovered or occur.

The Bank has established routines for handling threats to employees and/or third parties.

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges;

All customers of the Bank are consumer customers and not companies. This significantly reduces the risk that the Bank finances customers who violate laws, regulations and/or local regulations in the area of environmental protection.

Tone at the top: top management and the Board encourage sustainability work and initiatives, and are leading by example. The Bank has established a sustainability policy that has been approved by the Board. All employees are encouraged to be aware of and contribute to the commitment to sustainability in Bank Norwegian.

The Bank has, through its Contingency Plan, ensured emergency procedures to prevent and address accidents affecting the environment and human health.

The Bank's investment mandate contains environmental requirements. Compliance with the requirements for responsible investments is implemented in the Bank's Market Risk Policy and thus integrated into our business.

Principles

What Bank Norwegian does

Principle 8: undertake initiatives to promote greater environmental responsibility; and

The Bank has calculated its carbon emission for 2019 at myclimate and has donated an offsetting amount for climate protection. The calculation shows that employee transportation to and from work (mobility) is the biggest contributor to the Bank's emission.

In all marketing, the Bank uses digital channels and platforms rather than paper and posters.

The Bank's offices are located in an energy efficient building which in 2020 obtained the Breeam-In-Use certification.

The Bank has adopted recycling schemes for used office furniture; food and residual waste; disposal of IT equipment. Parts of the waste are recycled in new products and some components are reused in new products. Hazardous waste is finally disposed of.

The Bank's Outsourcing Policy with attached Guidelines for Planning, Entering and Managing Outsourcing Arrangements ensures that the Bank will terminate contracts with business partners that does not adhere to the UN Global Compact's 10 Principles and other requirements from the Sustainability Policy.

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

The Bank is fully digital and exclusively offers products and services on the website and app.

The Bank's procedures and processes are largely automated with electronic documentation and communication that reduce paper consumption and transportation.

The Bank aims for electronic invoicing for as many customers as possible and encourage all customers to select electronic invoicing solutions.

Anti-corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

All customers of the Bank are consumer customers and not companies. This significantly reduces the risk that the Bank finances customers who violate laws, regulations and/or local regulations in the area of environmental protection.

Tone at the top: top management and the Board encourage sustainability work and initiatives, and are leading by example. The Bank has established a sustainability policy that has been approved by the Board. All employees are encouraged to be aware of and contribute to the commitment to sustainability in Bank Norwegian.

The Bank has, through its Contingency Plan, ensured emergency procedures to prevent and address accidents affecting the environment and human health.

The Bank's investment mandate contains environmental requirements. Compliance with the requirements for responsible investments is implemented in the Bank's Market Risk Policy and thus integrated into our business.

Indicators to measure outcomes

Labour

- Gender balance: 48% women, 52% men;
 - Management: 41% women, 59% men
- Age spread: from 20 to 70 years:
 - 68% in the range 20 – 39 years
 - 32% in the range 40 – 70 years
 - Average age: 37 years
- Employees have diverse backgrounds, with more than 14 different nationalities represented.
- Employee Survey in May 2020, focusing on the impact of COVID-19, with an 88% participation rate. 84% of employees worked from home. The conclusion was that employees quickly received equipment and assistance with setup enabling them to work from home. Employees were able to conduct their work in a satisfactory manner, and cooperation with management and colleagues worked well in spite of working remotely. Employees working from the office considered the infection control measures put in place good.
- Employee attendance in 2020: 98%
- Adjustable sit-stand desks at the Bank's office.
- Fresh fruit and lunch is delivered every day.

Environment

Donation to climate protection:

Bank Norwegian has calculated and compensated for

the Company's yearly CO₂ footprint related to energy (power consumptions), employees' journey to and from work (mobility), business trips, board meetings, material and waste. The calculation indicate that our 95 FTE is offsetting for 25.9 tons CO₂ with a value of EUR 650.

The Bank's contribution to Climate Protection also includes a small donation for Climate Education.

Carbon emissions investment portfolio:

The Bank has collected data regarding carbon emissions of the investment portfolio. The portfolio mainly consists of 0% weighted assets such as central bank and government exposures, public sector entities and municipalities, as well as covered bonds and exposures to other financial institutions. The measured carbon footprint is equivalent of an average for the Nordic financial sector. The carbon footprint is measured as the number of tons of CO₂ equivalents per million dollars in revenue.

Scope 1 is direct emissions from the company's activities, while scope 2 is emissions related to goods / services used to run a company (electricity, heating, etc). Based on the contents of the Bank's portfolios, it can be assumed that the carbon footprint of the Bank's

various portfolios is about the same as the average for the Nordic financial sector:

The Scope 1 average for the Nordic financial sector is 0.66 tCO₂e / m USD

The Scope 2 average for the Nordic financial sector is 1.72 tCO₂e / m USD

In comparison, the corresponding figures for the MSCI index are about 2000 tCO₂e / m USD and for a Norwegian industrial company it will be between 500-2000 tCO₂e / m USD. This shows that a portfolio of mainly securities issued by financial institutions will have a low carbon footprint.

MyClimate contribution

Contribution to Climate Protection

27.04.2021

BANK NORWEGIAN ASA



Offsetting for 25.9 t CO₂
with a value of EUR 644.00



Donation of EUR 6.00



This contribution to climate protection is having a real impact!

myclimate carbon offset projects are reducing these emissions in developing and emerging countries. The projects meet the highest standards (Gold Standard, Plan Vivo) and contribute to the UN's sustainable development goals (SDGs). myclimate projects not only reduce greenhouse gas emissions but also contribute to the social, ecological and economic development in the region.



DESIGN & ADVISORY: ITERA
PHOTO COVER: GETTY IMAGES
OTHER PHOTOS: BANK NORWEGIAN