



Annual report 2014

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# DNB CORPORATE SOCIAL RESPONSIBILITY REPORT

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## Topics described in the various DNB reports for 2014



TOPIC	CSR REPORT	RISK AND CAPITAL MANAGEMENT	ANNUAL REPORT
<b>Capital management and capital adequacy</b>		Capital management and ICAAP Capital adequacy	Directors' report Note 4 to the accounts
<b>Climate and the environment</b>	Climate-smart office operations Responsible investment Responsible credit Responsible supplier management		Corporate social responsibility
<b>Credit and credit risk</b>	Responsible credit	Credit risk	Directors' report Note 5 to the accounts
<b>Customer privacy, including IT security</b>	Customer privacy and information security	Operational risk	Customer segments Directors' report
<b>Customers and market shares</b>	About the DNB Group		DNB in brief Group chief executive's statement Governance and organisation
<b>Employees, managers and remunerations</b>	Employees	Information about DNB's remuneration scheme	Employees Directors' report Note 51 to the accounts
<b>Ethics, including anti-corruption and anti-money laundering</b>	Ethics and anti-corruption Anti-money laundering	Operational risk	Corporate social responsibility Employees Directors' report
<b>Governance and organisation</b>	About the DNB Group About the corporate social responsibility report	Legal structure and consolidation rules Risk management and control in DNB	Legal structure Presentation of the Board of Directors and group management Corporate governance DNB's governance model Customer segments Governing bodies
<b>Key figures</b>	Key figures		DNB in brief Key figures
<b>Macroeconomic development trends</b>	Global development trends	Major developments Fundamentals of the Norwegian economy	Group chief executive's statement Directors' report
<b>Operational risk / quality</b>	Climate-smart office operations Responsible investment Responsible credit Responsible supplier management	Operational risk	Directors' report Note 5 to the accounts
<b>Regulations and guidelines</b>	Support to global initiatives	Risk management and control in DNB Capital management and ICAAP	Corporate governance Directors' report Accounting principles
<b>Regulatory framework</b>	Anti-money laundering Country-by-country reporting	Business risk, New regulatory framework, Capital management and ICAAP, DNB Livsforsikring, DNB Skadeforsikring	New regulatory framework Directors' report
<b>Risk management</b>	Responsible investment Responsible credit Responsible supplier management	Risk management and control in DNB, Liquidity risk and asset and liability management, Credit risk, Market risk, Operational risk, Business risk, DNB Livsforsikring, DNB Skadeforsikring	Corporate governance Directors' report Notes 5-18 to the accounts
<b>Role in society</b>	Trust and role in society		DNB in brief Corporate social responsibility Directors' report
<b>Strategy and targets</b>	Trust and role in society Products and services Sustainable operations and employees Prioritisation of corporate social responsibility issues Group chief executive's statement	Capital management and ICAAP	DNB in brief Customer segments Directors' report
<b>Summary of the year and future prospects</b>	Trust and role in society Products and services Sustainable operations and employees	The CRO's summary of the year Major developments Important events in 2014	Important events Group chief executive's statement Directors' report
<b>Taxes</b>	Country-by-country reporting Key figures		Directors' report Note 29 to the accounts

See [DNB.no/investor-relations](http://DNB.no/investor-relations)

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# ABOUT THE CORPORATE SOCIAL RESPONSIBILITY REPORT

The reporting period for this report is 2014. However, to show longer-term trends, results and key figures are generally also available for 2013. The information in the report is obtained from various internal systems and reports.

Since 2011, DNB has produced a complete corporate social responsibility report verified by an external party every year.

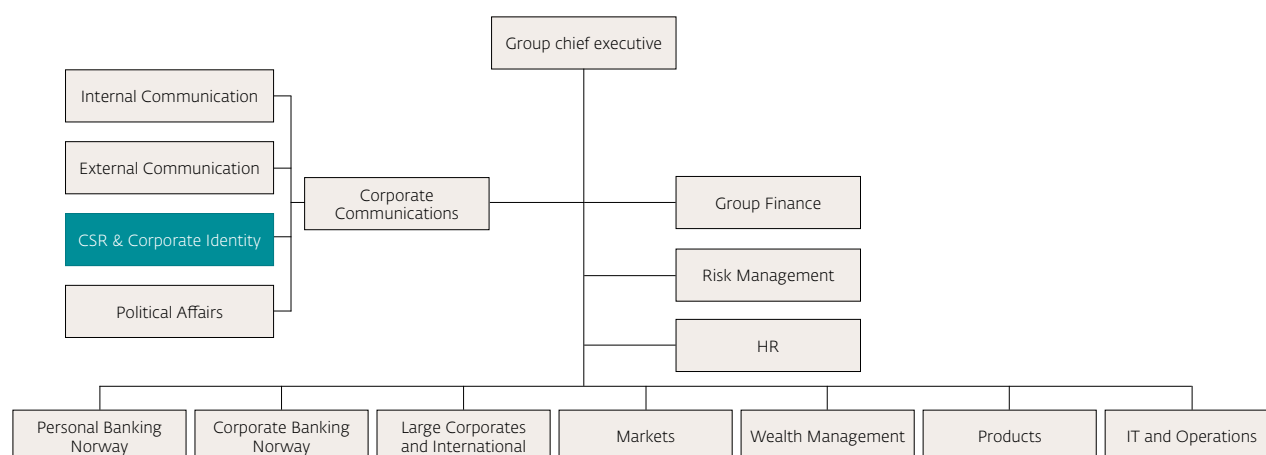
The previous report was published in March 2014. Updated and supplementary information on CSR in DNB and previous corporate social responsibility reports are available on the Group's web pages. The report comprises the entire operations of the DNB Group. Where this is not the case, it is specifically stated.

Reporting in this corporate social responsibility report is based on the revised guidelines from the Global Reporting Initiative (GRI), the GRI-4 core. The GRI index and more information about reporting in accordance with GRI can be found [here](#).

DNB's group management team and Board of Directors both approve DNB's corporate social responsibility report and ensure that all important subjects are covered. This includes targets and measures, which are reviewed every second year. The Board of Directors is in regular dialogue with DNB's largest owners and Finanstilsynet (the Financial Supervisory Authority of Norway) regarding financial, environmental and social matters. The Board of Directors is regularly involved in matters of a financial, environmental and social nature when specific matters are presented to the Board or when the group chief executive gives an account of such matters in board meetings.

This report has been verified by an independent third party, see page 39.

## ORGANISATION OF THE WORK ON CORPORATE SOCIAL RESPONSIBILITY



## GROUP CHIEF EXECUTIVE'S STATEMENT

During the top World Economic Forum Annual Meeting in Davos in January 2015, it was announced that DNB has been included in the list of the world's 100 most sustainable companies.



*"To get more out of less is one of the biggest challenges in the new banking reality."*

According to the media company responsible for the top 100 list, the companies selected represent pioneering players who manage to get more out of less while also raising the bar for corporate governance and social responsibility.

And this is one of the biggest challenges in the new banking reality, to be able to get more out of less. All banks must take into account that capital is in short supply due to a greater need for capital and increasingly stricter regulations, and this is therefore defined as one of the main drivers in the new banking reality. The second driver is changes in customer behaviour. Customers are becoming increasingly digital, and in 2014 the number of monthly visits to our digital channels was 18.5 million, of which 11 million represented visits to our mobile bank. The third driver is ongoing macroeconomic turmoil where shocks in both the oil and foreign exchange markets towards the end of 2014 resulted in high volatility at the start of 2015.

DNB aspires to be the bank that best meets customer needs in a time of rapid change. We have therefore defined three main areas in which we must succeed: capital, customers and culture.

The ability to carry through and adjust is critical to success in a new banking reality. The aim to create a common culture characterised by change capacity, engagement and good leadership is therefore an integral part of DNB's strategy. In this connection, systematic and long-term work within ethics, corporate social responsibility and sustainability contributes to building a common culture and reputation capital for the Group.

As part of this work, in 2014, new anti-corruption guidelines and an appurtenant guide were established for our employees, and training within anti-corruption and anti-money laundering was conducted for

all employees. A new division was also established within risk management to strengthen DNB's work to combat money laundering.

DNB's aim is that our engagement within corporate social responsibility and sustainability will also be reflected in our range of products. In January 2015, the global equity fund 'DNB Global Hållbar' was launched in Norway. The fund has no mandate to invest in companies involved in the extraction of fossil fuels or in power companies that mainly use coal.

DNB continues its support to the UN Global Compact and the initiative's ten fundamental principles relating to human rights, labour standards, the environment and anti-corruption.

DNB exercises corporate social responsibility mainly by fulfilling the Group's customer value proposition: "Here for you. Every day. When it matters the most." This means being there for our customers in important phases of their lives, for example when they buy their first home, start a new company or launch it on the stock market. Parallel to this, we will have an everyday presence, providing digital services and good advice. In 2014, more than 12 000 DNBers put into practice the customer value proposition every single day, securing the further strengthening of the Group and laying a good foundation for 2015, so that we can continue to realise our vision of "Creating value through the art of serving the customer".

**Rune Bjerke**  
Group chief executive



# ABOUT THE DNB GROUP



DNB is Norway's largest financial services group and one of the largest in the Nordic region. DNB's head office is located in Oslo, Norway.

The Group offers a full range of financial services, including loans, savings and investment, payment transfers, advisory services, real estate broking, insurance and pension products for personal and corporate customers and the public sector. DNB serves customers in Norway through the country's largest distribution network for financial services, a 24/7 customer service telephone and electronic services such as Internet and mobile banking. DNB is among the world's leading banks within its international priority areas: energy, shipping and seafood.

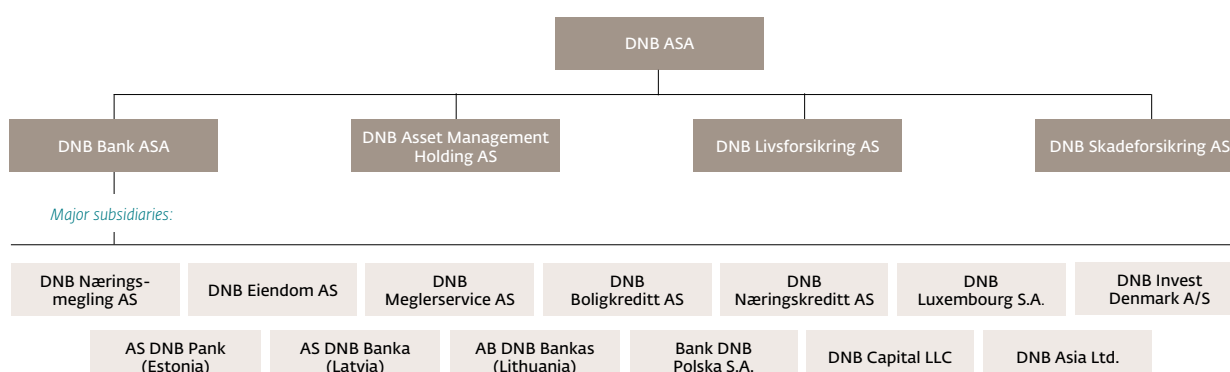
The Group is represented in the Scandinavian countries, Finland, the Baltics, Poland, Great Britain, Germany, Greece, Luxembourg, Russia, the US, Chile, Brazil, India, Singapore and China.

## OWNERSHIP AND LEGAL STRUCTURE

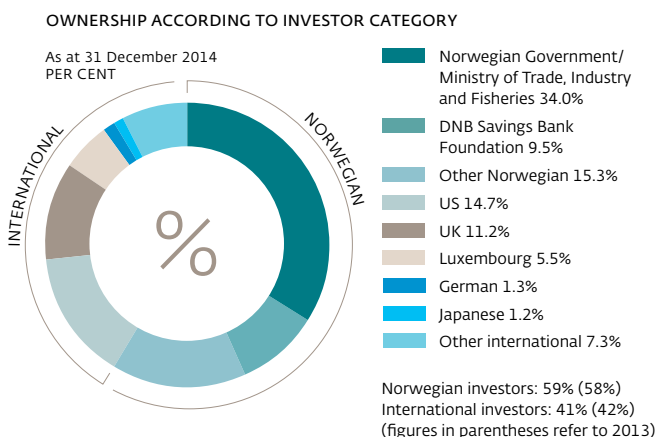
The Norwegian government, represented by the Ministry of Trade, Industry and Fisheries, is DNB ASA's largest shareholder, owning 34 per cent of the shares. According to the State Ownership Report (White Paper no. 27 2013-2014 Diverse and value-generating ownership), the purpose of the government's ownership in DNB ASA is to retain a large and highly competent financial services group headquartered in Norway. The company is to be run on commercial terms, with an aim to generate a competitive return. DNB and other companies in which the government is a shareholder must meet certain requirements stipulated in both the State Ownership Report and White Paper no. 10 2008-2009 Corporate social responsibility in a global economy.

See [the financial annual report](#) for an account of corporate governance in DNB.

### Legal structure



## OWNERSHIP



## KEY FIGURES

### CUSTOMER BASE

Personal customers in Norway	2 100 000
Corporate customers in Norway	Approx. 220 000
Internet bank users in Norway	1 900 000
Norway's largest asset management company with some 480 000 mutual fund customers in Norway and 276 institutional clients in Norway and Sweden	
Provider of life insurance and pension products to approximately one million individuals. Group agreements with some 23 000 companies, municipalities and public enterprises	
Approximately 227 100 non-life insurance customers	

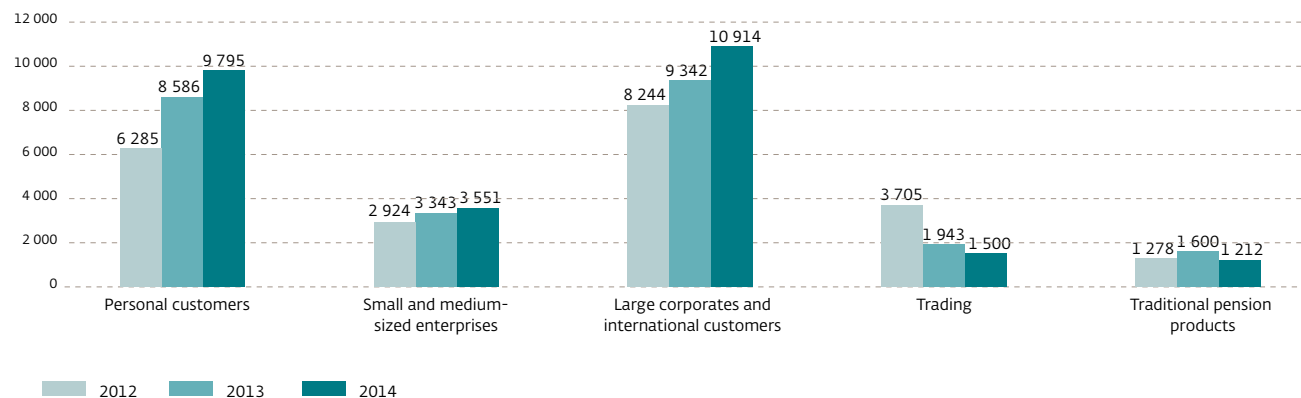
### DISTRIBUTION NETWORK

137 branch offices in Norway
9 international branches
4 international representative offices
87 branches in the Baltics
Represented in 2 700 locations throughout Norway through its branch offices, post offices and in-store postal and banking outlets
133 real estate sales offices
12 sales offices for life and pension insurance
31 insurance agents

## SEGMENTS

### SEGMENTS – PRE-TAX OPERATING PROFIT <sup>1)</sup>

NOK MILLION



1) Due to a restructuring of the segments in 2013, figures for the past three years are shown.

## VALUE CREATION

### TOTAL VALUE CREATION

Amounts in NOK 1 000	2014	2013
Consumption of goods and services *	8 194	8 322
Employees (salaries and other social costs)	9 726	10 180
Norwegian government (direct and indirect taxes)	9 109	7 815
Dividends to other shareholders	3 701	2 641
Government's share of dividends	2 488	1 757
Shareholders (dividends)	6 189	4 398
Retained in operations	14 428	13 113
<b>Total distributed value creation**</b>	<b>47 645</b>	<b>43 842</b>

\* Consumption of goods and services = total other operating expenses + depreciation.

\*\* Value creation = total net income (net interest income and other operating income) + gains + profits from operations held for sale – impairment losses on loans, goodwill and other intangible assets.

More about the [DNB Group](#)





# PRIORITISATION OF CORPORATE SOCIAL RESPONSIBILITY ISSUES

A number of factors affect DNB's prioritisation of corporate social responsibility issues:

- Feedback from DNB's stakeholders
- DNB's strategy
- Global development trends
- Support to global initiatives
- Requirements imposed by the authorities

## STAKEHOLDERS

DNB engages in regular dialogue with its stakeholders, defined as groups or persons that are either strongly affected by the Group's operations or can strongly influence the Group's operations. DNB's key stakeholders are customers, shareholders, the authorities, investors, employees and society at large. In addition to ongoing feedback from stakeholders, DNB engaged in a structured dialogue with representatives from important stakeholder groups in 2014. The stakeholders talked freely about which corporate social responsibility topics they thought were important for DNB and ranked selected topics on a scale from 1 (unimportant) to 5 (very important). The stakeholders were then weighted according to their ability to influence DNB, and the extent to which they are affected by DNB.

The main findings from the dialogue with the stakeholders show that the stakeholders are interested in DNB's corporate social responsibility work and that there is a growing awareness of this topic. The stakeholders do not completely agree on what they associate with the term corporate social responsibility. Certain topics are considered to be important by all of the groups, such as operational stability, ethics and anti-corruption. As for the other topics, it seems that a topic which is very important for one stakeholder group can be less important for the others.

→ See description of **approach used in the dialogue with stakeholders** on page 11.

## DNB'S STRATEGY

### DNB's strategy

DNB's strategic platform consists of the Group's vision, values and a shared customer value proposition. The strategy focuses on capital efficiency, customer experience and corporate culture.

**Capital:** DNB's ambition is to achieve continued growth and competitive returns parallel to strengthening its Tier 1 capital ratio. This requires clear priorities. DNB will give priority to growth within the areas which ensure the best risk-adjusted return, with special emphasis on non-capital intensive products and services.

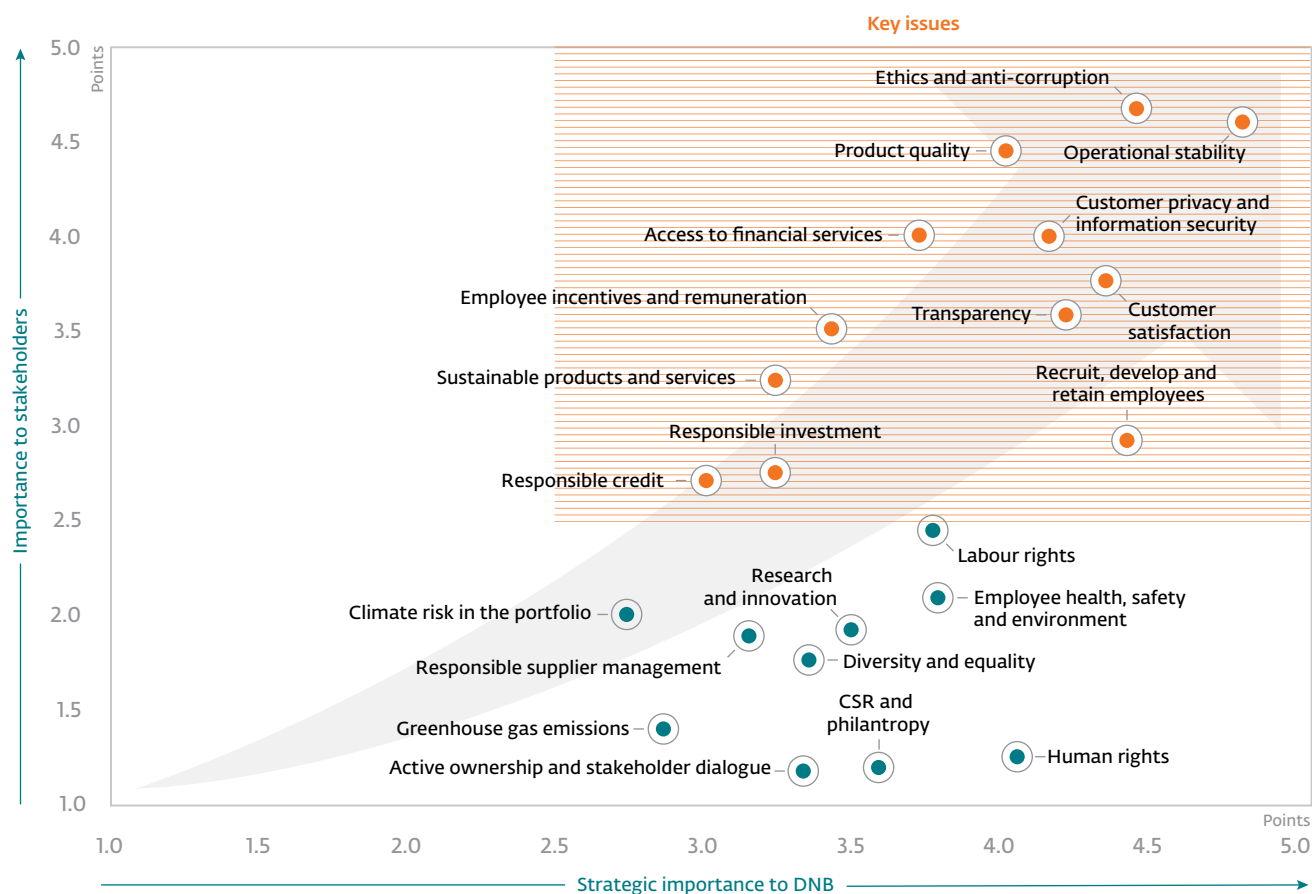
**Customers:** DNB wishes to ensure that customers have a good experience every time they are in contact with the bank. Innovation and continuous development and good access to the Group's services are key elements in this respect. DNB will show initiative, build trust and make sure that the size of the Group is advantageous for its customers.

**Culture:** DNB's corporate culture should be characterised by change capacity, engagement, good leadership and effective communication. Close cooperation between the various group units will ensure that customers get access to the Group's full range of products and services.





In this publication, DNB reports on the twelve most important issues in the materiality analysis. These issues have a score of 2.5 or higher, both on the axis showing importance to stakeholders and on the axis showing strategic importance to DNB.



Issues reported in addition to the twelve issues from the materiality analysis, are: human rights, responsible supplier management, greenhouse gas emissions (climate-smart office operations) and diversity and equality. These additional issues have been selected based on an assessment of requirements imposed by the authorities, self-imposed commitments in the form of support to global initiatives, and global development trends.

## REQUIREMENTS IMPOSED BY THE AUTHORITIES

Section 3-3c of the Norwegian Accounting Act stipulates reporting requirements relating to human rights, labour rights and social conditions, the external environment and fighting corruption in business strategies, daily operations and in relation to stakeholders. Section 3-3a of the Act also governs the reporting of non-financial and key result indicators, including environmental and personnel issues, future environmental requirements, equal opportunities and discrimination. DNB satisfies the authorities' reporting requirements through reporting in the annual report, in the separate corporate social responsibility report and in the separate overview prepared in accordance with the Global Reporting Initiative (GRI) reporting standard.



## SUPPORT TO GLOBAL INITIATIVES

In addition to complying with Norwegian standards, DNB has chosen to support and participate in a number of global initiatives and complies with international guidelines in the field of corporate social responsibility. This provides a basis for learning and knowledge sharing and for exerting influence.

**United Nations Global Compact** is a UN-endorsed international corporate network based on ten principles in the areas of human rights, labour, environment and anti-corruption.

**Purpose:**

DNB is a long-standing supporter of Global Compact, an important compass for companies' global corporate social responsibility (CSR) work. In 2014, DNB contributed by hosting the biannual conference for members of the Nordic Global Compact network. The topic of the conference was sustainable innovation.



**United Nations Environment Programme Finance Initiative (UNEP FI)** is a partnership between UNEP and 200 banks, insurance companies and investment companies around the world.

**Purpose:**

DNB wishes to be actively involved in developing sustainable solutions for the banking industry. In 2014, DNB headed the UNEP FI Banking Commission and was a member of the initiative's steering committee.



DNB participates in one of UNEP FI's working groups whose mandate is to develop practical guidelines to help financial institutions assess risk in their credit and investment portfolios relating to carbon sensitivity. DNB also participates in a project on banks and human rights.

**The OECD's guidelines for multinational companies** are based on principles and standards on human rights, transparency, anti-corruption, tax, employee relations, the environment and consumer interests.



**Purpose:**

For DNB, the OECD's guidelines are fundamental both for the Group's governing documents for CSR and for its practical work.

**Principles for Responsible Investment (PRI)** is a United Nations-supported initiative working to make investors incorporate principles for responsible and sustainable investment in their investment decisions and active ownership practices.



**Purpose:**

DNB participates in the initiative to show its commitment to responsible and sustainable investment operations, to benefit from a global investor network and to receive suggestions to improve internal processes.

**Global Reporting Initiative (GRI)** is an international reporting standard for sustainable development.

**Purpose:**

GRI has developed an internationally recognised standard for the reporting of economic, environmental and social conditions which DNB finds suitable for its own operations



DNB also followed GRI's G4 CSR reporting standard in 2014.



**The Equator Principles** are a credit risk management framework for determining, assessing and managing environmental and social risk in project financing.



**Purpose:**

DNB adopted the Equator Principles in 2008 and has since used this framework to manage environmental and social issues in project finance.

In 2014, the Equator Principles were extended to apply to project-related corporate loans and bridge loans. DNB also uses the extended framework.

At the end of 2014, 80 banks and financial institutions worldwide had undertaken not to provide such financing/advice to customers who do not wish to or are unable to comply with the principles.

**CDP** is an international, not-for-profit organisation providing a global system for companies and cities to measure, disclose, manage and share vital environmental information.



**Purpose:**

DNB reports to CDP to help improve the quality of reporting key environmental information such as the emission of greenhouse gases.

CDP enables DNB's investors to compare the Group's environmental work and results with those of others.

**Dow Jones Sustainability Index (DJSI)** is the world's best-known sustainability index and comprises companies with strong financial, environmental and social performance.



**Purpose:**

DNB uses the index to improve its work on issues which are significant for the Group, and in 2014 was the only Nordic bank to be included in the DJSI.

The index enables DNB's investors to compare the Group's CSR work with that of others.

**The Norwegian forum for responsible and sustainable investments (Norsif)** is an independent association for asset owners, asset managers, service providers and industry associations with an interest in responsible and sustainable investment.



**Purpose:**

DNB wishes to contribute to promoting knowledge of and further developing the field of responsible investing.

DNB is represented on the association's Board of Directors and heads the working group for communication and member contact.

**Green Bond Principles** are voluntary guidelines that recommend the process for the development and issuance of green bonds.

**Purpose:**

DNB signed the principles in May 2014.

DNB has used Green Bond Principles both when arranging green bonds for customers and when issuing the Group's own green bonds.



## GLOBAL DEVELOPMENT TRENDS

In recent years, specialist knowledge groups, international organisations and research communities have identified various sustainability trends that they believe will affect all future business activities. Among the most common trends are: climate change, energy and fuel, material resource scarcity, water scarcity, population growth, wealth, urbanisation, food security, ecosystem decline and deforestation.

One of the aims of the Group is to reduce risk and harness the opportunities arising from these trends. A separate project has been set up to identify the most serious consequences and risk types for DNB.

To reflect these priorities, DNB reported on the following corporate social responsibility issues in 2014:

### Trust and role in society

DNB will meet the expectations of society and the surrounding world with respect to attitudes and behaviour, products and services and infrastructure.



#### Priority areas

- Ethics and anti-corruption
- Anti-money laundering
- Country-by-country reporting
- Customer privacy and information security
  - Access to financial services
  - Human rights
  - Reputation

### Products and services

DNB will deliver products and services of prime quality and meet customer expectations in order to build and maintain trust and a good reputation.



#### Priority areas

- Product quality and streamlining
  - Responsible investment
  - Responsible credit
  - Customer satisfaction

### Sustainable operations and employees

Internal processes of high quality contribute to sustainable operations, innovation and good customer experiences



#### Priority areas

- Operational stability
- Employees: Recruitment and development/ Incentives and remuneration/ Diversity and equality
- Climate-smart office operations
- Responsible supplier management



## APPROACH USED IN THE DIALOGUE WITH STAKEHOLDERS






The meetings with stakeholders were conducted as individual or collective interviews where the relevant organisations themselves appointed one or more representatives. After a brief introduction, the stakeholders were asked to communicate their thoughts on corporate social responsibility in DNB, after which selected corporate social responsibility issues were discussed. The stakeholders indicated how important the topics were for them by assigning scores ranging from 1 (unimportant) to 5 (very important). The stakeholders were given the opportunity to freely discuss the reasons for their choices.

DNB weighted the different stakeholder groups based on the degree to which they can affect goal attainment in DNB and the degree to which they are affected by DNB. This type of approach involves a certain amount of subjectivity. To corroborate the final assessments, the results were simulated using various weightings for the different stakeholder groups. These simulations did not result in any significant changes in the issues that were deemed most important and the tendencies were the same. It was thus assumed that the approach gave as accurate an impression as possible of what the stakeholders see as important corporate social responsibility issues for DNB.

The table below shows the weightings of the different stakeholder groups:

Stakeholder group	Weighting
Customers	30%
Investors/shareholders	30%
Authorities	15%
Employees	15%
Society at large	10%
Total	100%

The table shows which stakeholders participated and why:

Stakeholder group	Stakeholders	Reason for choice of the stakeholder
<b>Customers</b> 	Account officers in DNB Strategy and analysis departments in the personal banking and corporate banking areas in DNB	Have an overall idea of what is of interest for DNB's various groups of customers, carry out customer satisfaction and reputation surveys and analyse the results.
<b>Investors/owners</b> 	DNB Investor Relations The Norwegian National Insurance Fund DNB Savings Bank Foundation	Have an overall idea of what is of interest for different groups of investors and DNB's shareholders. Is one of DNB's largest owners. Is one of DNB's largest owners.
<b>Authorities</b> 	The Political Affairs division in DNB	Is in continual contact with the authorities.
<b>Society at large</b> 	The Confederation of Norwegian Enterprise The Norwegian Consumer Council Framtiden i våre hender (Future in Our Hands) DNB's press contacts	Represents the interests of employers. Represents the interests of consumers. Make demands on DNB with respect to sustainability, responsible investments and development. Are in continual contact with the media.
<b>Employees</b> 	HR Trade union representatives	Represents the employees' interests. Represent the interests of their members.



## TRUST AND ROLE IN SOCIETY

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- 16** Anti-money laundering
- 16** Country-by-country reporting
- 17** Customer privacy and information security
- 17** Access to financial services
- 18** Human rights
- 18** Reputation
- 18** Corporate social responsibility and philanthropy



## TRUST AND ROLE IN SOCIETY

Trust and transparency are the most important factors in the relationship between DNB and the Group's stakeholders. This was confirmed in the stakeholder dialogue in 2014. DNB's role in society is a result of the total expectations of the surrounding world with respect to attitudes and behaviour, products and services, infrastructure, employment and value creation.

Fulfilling the Group's role in society is the key to maintaining trust. Without trust, the financial markets' value chains would collapse and DNB would no longer be able to perform its main function, which is to raise, invest and distribute capital. This would make it impossible for the Group to achieve its strategic ambitions of continued growth and a competitive return on capital while strengthening its Tier 1 capital ratio.

The extent to which DNB has built up trust and shown that it fulfils its role in society is evaluated and followed up by means of external reputation surveys. The results of these surveys are part of DNB managers' scorecards. It is important to succeed in this area if the Group is to contribute towards solving the major global challenges of the future, such as climate change and resource scarcity.





**Targets and KPIs:**

- Further develop procedures and practices for maintaining high ethical standards in DNB and combating and avoiding corruption.
  - Increase DNB's ethics score in RepTrak's annual reputation survey to the best among peers.
- Report and communicate how DNB addresses environmental, social and governance issues and be open about other aspects of relevance to stakeholders.
  - Increase DNB's CSR score in RepTrak's annual reputation survey to the best among peers.
- Ensure that financial products and services are available to as many people as possible.
  - Increase the number of participants on personal finance courses.
  - Position DNB as the best bank for those who wish to start their own business <sup>1</sup>.

**Status:**

- Has established new guidelines and a new guide for anti-corruption.
- Has conducted an internal campaign to strengthen employees' information security knowledge.
- Has held anti-corruption and anti-money laundering training courses for all employees.
- Has made knowledge of personal finances available to more people through cooperation with the Norwegian Red Cross and investments in the Norwegian Microfinance Initiative.
- Has completed personal finance courses for 250 people in cooperation with the Norwegian Red Cross and Pøbelprosjektet, a project to help young people who are not in school or paid employment, to get a job or start further education.

**In the period ahead:**

- Strengthen the organisation to comply with new anti-money laundering rules by establishing a new division.
- Evaluate system changes relating to new country-by-country tax reporting requirements as a result of guidelines from the OECD and the G20 countries.

**ETHICS AND ANTI-CORRUPTION**

In order to maintain high ethical standards, DNB has separate guidelines for ethics (the code of ethics). The purpose of the guidelines is to increase awareness of, and compliance with, the high ethical standards required of all DNB employees. The code of ethics should support efforts to combat corruption, extortion, bribery, money laundering, fraud, terrorist financing and the financing of criminal activities.

DNB is an international financial services group with operations in a number of countries. In addition to the Norwegian Penal Code and local legislation, DNB and its employees are also required to observe the US Foreign Corrupt Practices Act and the UK Bribery Act, since the Group has operations in the US and Great Britain. Overall, these Acts give a broad definition of corruption, and DNB's practices must be ethically sound and within the confines of the law.



<sup>1</sup>) Changed from the original target: "20 per cent annual growth among customers starting their own business" due to insufficient data. The position target of 70 points is measured via TNS Gallup's Brand Tracker, commissioned by DNB.



### DNB's anti-corruption guide

The object of DNB's anti-corruption guide is to show what it means to take ethics seriously when DNB employees interact with the Group's stakeholders. The guide contains examples and tips, but no complete overview of situations where there is a possible risk of corruption. Sometimes it is difficult to know what the best course of action is. Through open dialogue, employees can come up with wise solutions and give each other advice. Managers and employees completed a dilemma training programme in 2014 that involved discussing ethical dilemmas related to corruption.



#### → Dilemma:

Your supplier over the last three years wishes to mark the good cooperation with DNB and gives you an expensive ceramic dish. You are not in negotiations with the company right now. Can you accept this gift?

#### → Advice:

It is nice to be appreciated, but here there are several issues which must be considered: the gift is a bit too expensive and even though you are not in negotiations with the company, it is probable that you will renegotiate the agreement at a later date. The best response here could be to return the gift and inform the giver in a polite way that it is not necessary to give gifts.

The DNB Group has zero tolerance to corruption and established new guidelines and a new guide in 2014. In the course of the year, all business areas and support units carried out analyses to assess corruption risk in their respective units. The results of this process provide the basis for internal priorities and for the measures required to prevent corruption from taking place in DNB. The further work will be risk-based, which means that training and other activities will be tailored to ensure that units and employees that are most at risk of ending up in a situation involving corruption, get the best possible assistance.

### "Call to Action"

In 2014, DNB supported the international initiative "Call to Action: Anti-Corruption and Global Development". This is an appeal from the private sector, urging the authorities to promote good and effective anti-corruption procedures and implement robust guidelines. The initiative is a commitment to fight all forms of corruption, including extortion and bribery, as promoted by the UN Global Compact's tenth principle on anti-corruption.

See [a list](#) of who has signed the initiative.

Ethics training in the Group in 2014 concerned combating economic crime and consisted of eight lessons related to money laundering and corruption. The aim was to create engagement, discussion and commitment as to what a high ethical standard means for each individual employee on a daily basis. The ethics programme is mandatory for all employees in DNB, and it is the responsibility of DNB managers to ensure that the programme is completed. The programme is available in several languages. In addition, ethics and anti-corruption are key topics in the introduction programmes for new employees and new managers.

In 2014, more than 85 per cent of DNB's employees completed such training, and more than 48 000 lessons were completed. 90 per cent had taken the course before the final deadline at end-February 2015.

DNB has appointed a head of ethics for the entire Group who employees can contact to seek advice. The head of ethics has her own information page on the Group's Intranet which contains contact information. All queries to the head of ethics are treated confidentially. Typical queries from employees concern corruption and money laundering, the duty of confidentiality and the right of privacy and customer communication. The head of ethics is also contacted by customers who wish to discuss matters related to their customer relationship in DNB.



DNB has an internal notification procedure whereby employees can report their concerns about unethical or unlawful behaviour that is at odds with organisational integrity. A link to the internal notification web page is posted on the Group's Intranet. The web page is available in several different languages. Internal notifications should be sent by e-mail to DNB's group chief audit executive. All internal notifications are treated as strictly confidential, and the informant will be kept anonymous even though the tip-off itself is not anonymous. All employees have been informed about the notification mechanism through the Group's ethics training. All new employees are given the same information. DNB's employees are protected from reprisals or the like resulting from notifications. This is described in the code of ethics.

In 2014, the group chief audit executive received a total of 18 notifications, which was a slight increase from the previous year.

## ANTI-MONEY LAUNDERING

New and more complicated rules governing anti-money laundering, counter-financing of terrorism and international sanctions are continually being introduced. In 2014, DNB strengthened the organisation by establishing a new division with overall responsibility for these topics. The division has group-wide responsibility for compliance with relevant regulations. In addition, an analysis of the risk of money laundering and financing of terrorism was carried out in 2014. This work will be continued and provide the basis for future priorities. During the year, all employees participated in various training and information measures focusing on these topics.

In 2014, all employees in DNB were trained in anti-money laundering through e-learning, a series of articles on the intranet, dilemma training, lectures, a newsletter and classroom teaching. There are separate courses for employees responsible for investigating suspicious transactions. Monthly meetings are held to strengthen cooperation and learning across the organisation for employees with responsibility for anti-money laundering and counter financing of terrorism.

In 2015, IT infrastructure and models for monitoring customers and transactions will be updated, while customer information, including information on beneficial owners, will be improved and updated.

In 2015, priority will be given to the work to facilitate the introduction of the EU's fourth anti-money laundering directive. The EU Anti-Money Laundering Directive forms the basis for the Norwegian Money Laundering Act. The prevailing Act is from 2009 and is based on the third directive, issued in 2005. The fourth directive is expected to be adopted by the EU during the spring of 2015. Though it will take time before this is implemented in Norwegian law, DNB will start its preparations in 2015.

DNB reported approximately 2 000 suspicious transactions to ØKOKRIM (the Norwegian National Authority for Investigation and Prosecution of Economic and Environmental Crime) in 2014, a 25 per cent increase compared with 2013. Several persons were prosecuted and convicted as a result of DNB's reporting.

## COUNTRY-BY-COUNTRY REPORTING

Country-by-country reporting is based on the wish to avoid erosion of the tax base and profit shifting. In 2014, the OCED and the G20 countries took initiatives vis-à-vis multinational companies and prepared guidelines on how country-by-country reporting should become an integral part of companies' transfer pricing documentation.

The new information requirements are more comprehensive than prevailing Norwegian legislation. The purpose of the country-by-country reporting is to achieve a better basis for allocating profits and evaluating the risk of incorrect pricing. The new approach will give the tax authorities greater insight into companies' global operations and internal transfer pricing guidelines. A country-by-country report should contain an overview of company turnover, profits, taxes paid, invested capital, number of employees and assets per country, as well as legal entities and their main operations.

→ DNB currently openly reports its **tax expenses per country where DNB is represented**.



DNB is closely following developments in the OECD and in countries in which the Group has operations and is considering which internal system changes are necessary in order to implement such reporting. DNB expects that one or more of these countries will introduce such a reporting obligation. It is expected that these requirements will be implemented by 2015 at the earliest.

## CUSTOMER PRIVACY AND INFORMATION SECURITY

DNB handles large amounts of customer data of both a personal and business nature. The amount of information increases in step with the offering of digital products and services. DNB has guidelines and requirements governing information security and the handling of personal data which must be observed in all systems solutions, products and services.

DNB has a separate policy for security management in the Group. Secure communication and the treatment of customer data are part of security management. To underpin the security policy, the group has guidelines for information security and for handling personal data.

In addition to establishing a number of technical security measures, DNB is committed to providing training in and raising awareness of information security. In 2014, an extensive campaign was implemented to strengthen knowledge of this subject among all employees as part of the National Security Month in Norway. Similar awareness campaigns will be continued in 2015. In addition, information security is a topic in the training course for employees and managers.

Ethics training has reminded all employees of the Group's principles related to the duty of confidentiality and privacy protection. All of DNB's financial advisers are authorised under the national scheme. The topics information security and privacy protection are included in this training.

Cybercrime is increasing, and DNB wishes to help customers better secure their assets. At [dnb.no](http://dnb.no), customers can find information about secure use of online and mobile banking, cards, and other services. DNB customers are notified if they have an Internet banking virus on their computer.

DNB cooperates with private and public institutions, both in and outside Norway. DNB has been an initiator and contributor to FinansCERT, an organisation which contributes to combating crime across the sector. DNB has a sizeable security organisation and it is therefore natural for DNB to play a role in working groups, committees and panels set up by the authorities. In 2014, DNB contributed to the Norwegian government's Digital Vulnerability Committee and the National Strategy to Combat and Prevent ICT crime.

## ACCESS TO FINANCIAL SERVICES

DNB believes it is vital to make knowledge of personal finances available to more people. In 2014, personal finance courses developed in cooperation with the Norwegian Red Cross were arranged for a total of 250 people. Of these, 200 were from Pøbelprosjektet (this project helps young people who are not in school or paid employment, to get a job or start further education) and 50 were users of services run by the Red Cross.

DNB sees it as an important part of its role in society to help those who wish to create values and jobs. In 2014, DNB therefore launched a special initiative to simplify the lives of entrepreneurs so that they can spend as much time as possible on what they are best at: developing and producing products and services, winning customers and ensuring that their companies earn money. In 2014, the score for the variable "the best bank for those who wish to start their own business" rose by as much as six points. The result shows that by the end of 2014, there was a greater variation in the opinion of the Norwegian general public as to which bank is best for those who want to start a company, and DNB was ranked number one.

The Group provides financial support to humanitarian organisations involved in microfinance projects and has invested in the Norwegian Microfinance Initiative, NMI, which is a partnership between private and public actors which directly and indirectly invest in microfinance institutions in the form of equity, loans or guarantees. NMI operates on a commercial basis and the aim is to generate attractive returns, both sustainable effects and traditional financial returns.

Read more about  
[customer privacy](#)

### NMI initiative

In addition to equity investments and loans to micro-finance institutions, NMI advises institutions on how to improve their operations and become more targeted, as well as increase social effects. The customer base which benefits from the investments is currently 80-90 per cent women, and approximately 90 per cent of all loans are granted to projects whose aim is to generate income for the borrowers.



NMI's mission is to give poor people in developing countries the opportunity to work and improve their quality of life based on a sustainable platform, but this should give a return in the form of development effects and financial returns. DNB was involved in the establishment of the initiative, where Norfund is the largest investor, contributing NOK 450 million, and KLP, Storebrand, DNB and Ferd have each contributed NOK 90 million.

## HUMAN RIGHTS

DNB shall respect human rights both in its own operations and as an investor, lender and purchaser. The main objective is that the Group's activities shall not violate the rights of others, and human rights principles are laid down in DNB's policy for corporate social responsibility. The United Nations Guiding Principles on Business and Human Rights are also reflected in the guidelines for ethical investments and play a key role in DNB's exercise of ownership rights.

The Group participates in a project under the auspices of the United Nations Environment Programme Finance Initiative (UNEP FI) on banks and human rights. The project involves analyses of legislation and the regulatory parameters, as well as dialogues with banks and stakeholder groups.

## REPUTATION

Corporate reputation is the sum of everything those around an organisation perceive it to be. DNB regularly measures its corporate reputation. In the fourth quarter of 2014, DNB achieved a reputation score of 67.8 points in RepTrak's main survey, a reduction of 3.2 points from the fourth quarter of 2013. The score was just below the threshold for a "good reputation" (70 points), which means that, according to the RepTrak scala, DNB has a "moderate reputation". In the same reputation survey, DNB scored lower than its competitors with respect to ethics and corporate social responsibility. RepTrak from the Reputation Institute is an international and well-known analysis tool used to measure organisations' reputation.

Reputation is the most important measurement indicator under the topic "Trust and role in society". The Group's operations and financial performance are influenced by how DNB is generally perceived by its customers and the market. DNB's reputation score is part of managers' scorecards, and progress is measured quarterly.

## CORPORATE SOCIAL RESPONSIBILITY AND PHILANTHROPY

DNB provides significant financial support to sporting, cultural and charitable organisations and other non-profit causes. Donations are made in all locations where DNB has operations of a certain size. The objective is to create positive associations, increase knowledge of the Group's brand and promote good customer relations, in addition to being a motivating factor for DNB's employees. In 2014, such direct support totalled NOK 133.2 million.

### DNB's largest sponsorship contracts in 2014

- Norwegian Biathlon Federation: NOK 18 million
- VIF Fotball: NOK 8 million
- Norwegian Athletics Federation: NOK 6.3 million
- Norwegian Ski Federation, alpine skiing: NOK 6.25 million
- Strømsgodset fotball: NOK 5 million
- Norwegian Snowboard Federation: NOK 4.2 million
- Norwegian Red Cross: NOK 4 million
- DNB Arena (Stavanger): NOK 3.75 million
- Riksteatret: NOK 4.17 million
- The Norwegian National Opera & Ballet: NOK 3.95 million
- Bergen International Festival: NOK 2.75 million

DNB does not give financial support or any other kind of assistance to political parties or related organisations. The Group does not receive any financial support from public authorities or from other bodies or institutions.

### Bank with a heart

In 2014, DNB invited senior volunteers and users of the Red Cross' visitation services to social pre-Christmas gatherings in more than 30 branch offices in different parts of Norway. The guests were served coffee and cake, and received useful information on how to use the Internet, as well as an introduction to the bank's Internet and mobile banking services. More than 1 000 senior citizens attended the events.



### Red Cross

On 12 December 2014, DNB gave the Red Cross NOK 0.50 for each payment made using a DNB bank card. As many as 2 272 458 payments were processed through DNB's systems. The donation to the Red Cross came to NOK 1 136 229.



## PRODUCTS AND SERVICES

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- 21** Product quality and streamlining
- 22** Responsible investment
- 24** Responsible credit
- 26** Customer satisfaction



## PRODUCTS AND SERVICES

The Group's corporate reputation is mainly influenced by how DNB's products and services are perceived outside the Group. The stakeholders also regard products and services as vital to how DNB meets its corporate social responsibility and thus assign considerable weight to these factors.

Products and services that are simple to use and understand are a top priority for the stakeholder group "Society", which was represented by the Norwegian Consumer Council and the Norwegian organisation Framtiden i våre hender (Future in Our Hands) in the stakeholder dialogue in 2014.

Innovation and the development of new products and services are part of the value chain in addition to establishing and administering customer relationships, products and service and providing customer service. Quality in these processes will ensure that DNB's customers have a good experience every time they are in contact with the bank. The Group's strategy involves consolidating DNB's market position by means of such good customer experiences, together with local competitive power and in-depth industry expertise.

DNB expects demand for various forms of financial investments will rise due to the global increase in wealth. Products and services will therefore be important in the future, also in light of global trends.





**Targets and KPIs:**

- Refine processes to manage environmental and social issues in credit processes.
  - Further develop the tool for incorporating corporate social responsibility in credit activity to ensure that social and environmental risks in individual sectors are identified. Thus, guidelines will be worked out for three to five sectors.
- Manage environmental and social issues in investment activities.
  - Launch the fund Global Hållbar in Sweden.
  - Launch fixed-income funds in Sweden with stricter criteria than in the ethical investment guidelines.
  - Develop new climate-friendly products and services.
- Ensure that DNB's products and services meet internal and external quality requirements and stakeholder expectations regarding transparency.
  - Streamline the product portfolio in the personal customer market by phasing out and modernising the offering and ensuring honest and understandable customer communication.

**Status:**

- Has streamlined the product portfolio: The number of mutual funds has been reduced by eleven, several account and debit card products have been phased out, and a number of payment services have been simplified or withdrawn.
- Has been an active owner through dialogue with individual companies as an investor.
- Has updated the guidelines for corporate social responsibility within credit activities and completed training for 510 managers where a review of and training in the new guidelines was the main topic.
- Has started to work on guidelines for the energy sector.
- Has launched the fossil-free equity fund Global Hållbar in Sweden.
- Has launched fixed-income funds in Sweden with stricter criteria than in the ethical investment guidelines: DNB Företagsobligationsfond, DNB Realräntefond and DNB FRN-fond.
- Has launched DNB Global Hållbar in Norway.

**In the period ahead:**

- Estimate the susceptibility of the sustainable mutual funds Sverige Hållbar and Global Hållbar to climate risk by measuring the portfolios' so-called carbon footprint.
- Further integrate DNB's environmental management system in investment activities by systematically including environmental issues in the dialogue with the companies in the investment portfolios.
- Complete the energy sector guidelines. Start to prepare sector guidelines for seafood and shipping.
- Set targets for responsible investments based on a new reporting framework from UN PRI.

**PRODUCT QUALITY AND STREAMLINING**

Mergers and extensive product development have given DNB a large and complex product and service portfolio. DNB is working continuously to streamline and modernise this portfolio.

One of the results of this process was that the number of mutual funds was reduced by eleven during 2014. In addition, several account and debit card products were phased out, while a number of payment services were simplified or withdrawn.

When communicating with customers, DNB employees must be clear, sincere and open. Banking should not be difficult to understand. The financial industry has a long tradition of using long, difficult words and phrases for the simplest things. Customers want this practice to change. DNB is therefore now reviewing all its letters and emails to simplify and improve its customer communication, and in 2014, 64 letter templates relating to loans, saving, everyday banking services and insurance were reviewed. In the course of 2015, DNB will also revamp and streamline its branch offices to improve customer experiences.

The number of claims, customer complaints and fraud cases considered by the complaints unit in 2014 rose by close to 38 per cent. More than 55 000 cases were handled. The increase was mainly due to a greater number of consumers using their right to complain to the credit card provider when they find that products bought online are flawed or defective.



## RESPONSIBLE INVESTMENT

Rules have been established for the Group's investment operations to ensure that DNB does not contribute to the infringement of human and labour rights, corruption, serious environmental harm or other acts which can be perceived to be unethical.

DNB does not invest in companies if they themselves or through the entities they control produce tobacco or pornography. Nor does DNB invest in companies involved in anti-personnel mines or cluster weapons, as described in the Anti-Personnel Mine Ban Convention and the Convention on Cluster Munitions, or in companies which develop and produce central components for use in weapons of mass destruction. Weapons of mass destruction are defined as NBC weapons (nuclear, biological and chemical weapons).

In cases where companies in which DNB has a holding are suspected of acting contrary to DNB's ethical investment guidelines and internationally recognised standards and conventions, DNB will encourage them to correct their actions. Companies that act contrary to DNB's guidelines or over time show no willingness to rectify the situation may be excluded from the Group's investment portfolio, see separate table.

Responsible and sustainable investment activity implies exerting influence on companies, beyond buying and selling shareholdings, to promote responsible business practices in the companies in which the Group has invested. DNB exercises active ownership primarily through dialogue with individual companies. During 2014, DNB's responsible and sustainable investment analysts had 30 meetings with companies to discuss various CSR and sustainability issues, see separate table. Through the consultancy firm GES Investment Services, DNB has been in active dialogue with 110 companies concerning seemingly reprehensible incidents or suspected breaches of international standards or conventions. These dialogues are structured processes with clear targets for the desired outcome.

DNB will further refine its processes to embed social and environmental considerations in its investment activities. Planned measures include the further integration of DNB's environmental management system in investment activities. As part of this, environmental issues will be addressed systematically in the dialogue with the companies in the investment portfolios.



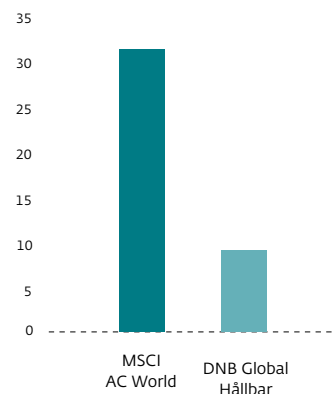
### DNB Global Hållbar

In the spring of 2014, DNB launched its global sustainability fund, DNB Global Hållbar, in the Swedish market. Climate change, resource scarcity, access to energy, poverty and major social upheavals, such as migration and an ageing population, are challenges which must be solved. The DNB Global Hållbar fund invests in companies that DNB's fund managers expect to be able to handle these sustainability challenges better than their competitors. The fund avoids investing in companies that extract fossil fuels, and in electricity companies that are highly dependent on coal.

The fund's investment process combines DNB's five-star global equities management with a well-established sustainability analysis. The equities in the fund are selected from all sectors (apart from energy) and regions, and the fund invests in both large and small companies. At the end of 2014, the fund had total assets of NOK 595 million under management. The fund was launched in Norway in January 2015.

### CARBON FOOTPRINT FROM DNB GLOBAL HÅLLBAR

KG CO<sub>2</sub> / NOK 1 000



Internal calculations as at December 2014

Source: MSCI, CO<sub>2</sub> data from 2013.



## ETHICAL INVESTMENTS IN PRACTICE

DNB's guidelines for ethical investments do not apply only to special, "ethical" funds. They represent a basic standard for financial investments through DNB Livsforsikring AS, equity investments and companies established under DNB Asset Management Holding AS. The guidelines cover all asset classes and also apply to external suppliers of mutual funds in which the Group invests or which are offered to the Group's customers.

DNB has an Ethical Investment Committee that will monitor compliance with the guidelines. If a company is involved in controversial weapons, tobacco or pornography, all securities/holdings will be sold, and the company will be excluded from the investment universe. When a company is suspected of violating other criteria in the guidelines, DNB will principally try to influence the company through active ownership and dialogue.

DNB puts considerable resources into ensuring that the Group's responsible and sustainable investments are of high quality, and three analysts in Oslo and Stockholm are dedicated to working on sustainability issues. DNB also uses an external consulting firm that monitors companies in the portfolio and engages in dialogue with companies on behalf of DNB and other customers.

In order to ensure compliance with the investment guidelines and act as an active owner, DNB regularly engages in direct dialogue with companies in which the Group has invested in order to influence them in a positive direction. Active ownership is often triggered by special issues relating to environmental or social aspects and business ethics, or a wish to improve the companies' general sustainability performance.

The Ethical Investment Committee discusses which companies DNB should invest in. Event-based dialogue is based on the severity of the suspected violation of the guidelines, the size of the Group's holding in the company and the probability that the dialogue will influence the situation.

DNB also takes an active interest in special issues that are continually reviewed.

## EXCLUDED COMPANIES IN 2014

Exclusion criterion	Number of companies
Anti-personnel mines (land mines)	1
Cluster weapons	6
Nuclear weapons	11
Environmental aspects	12
Labour rights	1
Human rights	8
Pornography	2
Tobacco	22
Total number of excluded companies	63

## CORPORATE DIALOGUE IN 2014

Subject	Number of meetings*
Waste and emissions	1
Labour standards	-
Local communities/indigenous rights	1
Bribery and corruption	2
Human rights	3
Other social issues	21
Other environmental issues	2

\* There was more than one meeting with some companies.

## DNB's group policy for corporate social responsibility

By signing the UN Global Compact, DNB has undertaken to support a precautionary approach to environmental challenges, promote greater environmental responsibility and encourage the development and diffusion of environmentally friendly technologies. These responsibilities are reflected in DNB's group policy for corporate social responsibility.

The Group's support of the precautionary approach is reflected in a number of guidelines aimed at ensuring that DNB does no harm through its business operations. An important premise for sustainable and responsible investing is to avoid grave harm to the environment. The environment is a recurring topic in analyses of the risk associated with different companies and in active ownership. Within lending operations, impact studies of possible harm to the environment are key elements, for example in projects covered by the Equator principles (see more information on page 25). By signing the UN Global Compact, DNB is also committed to undertaking initiatives to promote greater environmental responsibility and encourage the development and diffusion of environmentally friendly technologies and solutions.

## Read more about DNB's sustainability library

## Read more about DNB's guidelines for ethical investments



## RESPONSIBLE CREDIT

DNB is committed not to offer products or services or perform other acts which entail a significant risk of contributing to unethical conduct, the infringement of human or labour rights, corruption or serious environmental harm.

Apart from this, DNB's credit policy contains principal lending guidelines, stating that environmental risk factors shall be analysed on a par with other possible risk drivers and be of decisive importance with respect to whether or not applications for credit should be approved. DNB thus wishes to contribute to sustainable social development through responsible business practices focusing on environmental issues, ethics and social responsibility.

DNB has separate guidelines for corporate social responsibility within credit activities. The guidelines describe how DNB's business areas should assess corporate customers' CSR performance and risk associated with environmental and social factors and corporate governance. The guidelines apply to all of DNB's credit activities. The assessment is performed on all new customers, as well as in connection with renewals of commitments with existing customers.

The guidelines were updated in 2014. The main changes are:

- a ban on granting credit to companies which are involved in the production of controversial weapons
- greater consistency with DNB's guidelines for ethical investments
- documentation of how customers handle medium high or high ESG risk

The guidelines also contain instructions with respect to how ESG risk should be assessed independent of the country and region in which the relevant customer operates.

In DNB, ESG risk must be assessed and incorporated in the decision-making basis in the credit approval tool (ASAP-LC) wherever relevant. The risk assessment must be documented before individual credits are approved.

With respect to small and medium-sized corporate customers, a due diligence matrix is used for assessing customers' ESG risk. The due diligence matrix should help account officers assess ESG risk based on customers' CSR performance, type of operations and country of operation.

DNB will continue to develop the processes to integrate ESG risk in credit assessments. One of the measures is to see how the classification of environmental risk can be incorporated in the loan processing system.

The Group will also work to improve the reporting options in the loan processing system to make it easier to follow up the scope and results of environmental and social risk evaluations.

A greater awareness of topics relating to corporate social responsibility and ESG risk will create added value for customer relationships. Engaging in dialogue with customers about such risks can contribute to good solutions, reveal new opportunities and reduce risk for customers and the bank.

Every year, DNB arranges a training seminar for the bank's senior executives to increase their credit competence. In 2014, the new guidelines for corporate social responsibility within credit activities were an important part of this seminar. A total of 510 persons attended the seminar, mainly from the Group's large corporate and corporate banking units in Norway and the Baltics.

### ESG risk

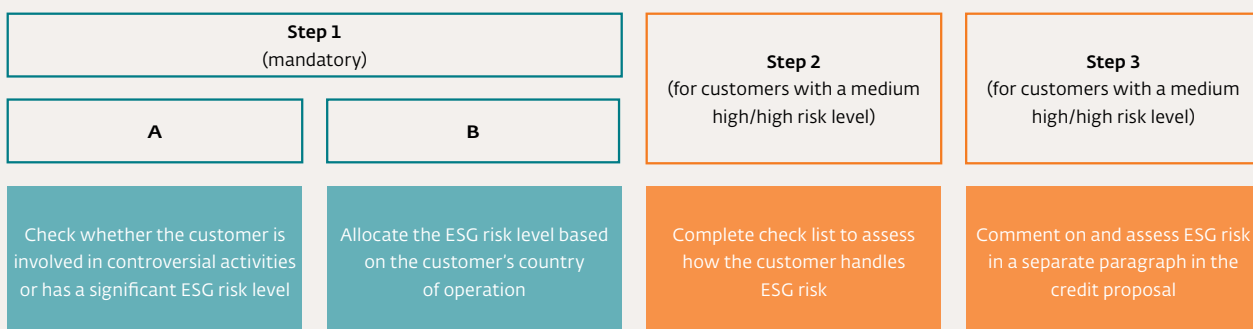
ESG risk is risk relating to the environment (E- Environment), social conditions (S- Social) and corporate governance (G- Governance).

Read more about [DNB's guidelines for corporate social responsibility within credit activities](#)



## RESPONSIBLE CREDIT ASSESSMENTS IN PRACTICE

The main features of the guidelines for corporate social responsibility in credit activities are shown below:



## EQUATOR PRINCIPLES

DNB has adopted the Equator Principles, a common set of guidelines used by the majority of large international financial institutions for managing environmental and social issues in project finance. All project financing involving total costs of more than USD 10 million is to be reviewed according to the Equator Principles.

DNB has an internal Equator Team which categorises relevant projects based on the Equator Principles. Credits that fall in under these principles must be presented to the Equator Committee for assessment and categorisation, preferably before being presented at the relevant credit-approval level. If this is not possible or logical, for example if a social or environmental due diligence has not been carried out or has not been completed, the matter should be reviewed by the Equator Committee after being considered by the relevant credit-approval body and as soon as practically possible. As part of the annual loan review, compliance with the Equator Principles should be evaluated and reported to the relevant credit-approval body for each credit commitment.

With effect from 2014, the Equator Principles have also been applied in connection with project-related corporate loans and bridge loans that meet specific criteria (EP III).

In 2014, a total of eight projects were processed in accordance with the Equator Principles and are reported in the table below.

Type of project finance	Distribution per Equator category		
	Category A	Category B	Category C
Project-related loans	1		
Project finance		5	2
Distribution per sector	Detailed distribution per category		
	Category A	Category B	Category C
Power production		4	2
Infrastructure		1	
Other	1		
Distribution per region	Category A	Category B	Category C
America		3	2
Asia & Oceania	1		
Europe, Middle East and Africa		2	
Distribution according to type of country	Category A	Category B	Category C
OECD		4	1
Non-OECD	1	1	1
Independent review	Category A	Category B	Category C
Yes	1	5	2
No			

### Strong growth within renewable energy

DNB's lending to finance wind, solar and hydropower increased by close to 25 per cent in 2014 and renewable energy is thus one of the industries on which DNB's exposure is growing the most. Most of the loans, around NOK 40 billion, finance hydropower, but solar and wind power projects account for a steadily increasing proportion.



DNB has participated in financing one of the world's largest solar farms, Desert Sunlight in California, USA. The solar farm, which was completed in 2015, will generate enough power to meet the needs of approximately 160 000 average homes in California. It will displace around 300 000 metric tons of carbon dioxide (CO<sub>2</sub>) per year, which corresponds to the emissions from roughly 60 000 cars.



## GREEN BONDS

Like normal bonds, a green bond is a debt security that must be repaid as agreed. The difference is that the issuers of green bonds also undertake to use the proceeds for purposes that contribute to the transition to a low-carbon, climate resilient economy with low greenhouse gas emissions. The greenness of the bonds is assessed and verified by an independent, objective third party. It is not only institutional investors with specific mandates to make socially and environmentally responsible investments who demand green bonds; green bonds also hold appeal for ordinary investors who are looking for climate-friendly investments.

The world's first green bond was issued in 2007. At the end of 2014, the total market came to approximately USD 58 billion. [Read more here](#). In January 2015, the Oslo Stock Exchange became the first stock exchange in the world to launch a [separate list for green bonds](#).

DNB signed the international Green Bond Principles in May 2014. The principles are voluntary guidelines and recommend a process for developing and issuing green bonds. The principles were developed with guidance from issuers, investors and environmental groups. The Green Bond Principles recognise several broad categories as valid "green purposes" for funds raised by means of green bonds. These include, but are not limited to:

- Renewable energy
- Energy efficiency (including energy-efficient buildings)
- Sustainable waste management
- Sustainable land use (including sustainable forest management and agriculture)
- Biodiversity conservation
- Clean transportation

In January 2015, the Green Bond Principles had been signed by 75 companies.

DNB issued its first green bond in February 2015, and was the first Nordic commercial bank to hold such a bond on its own balance sheet. By purchasing these bonds, institutional investors have thus contributed to financing up to 14 wind power projects that DNB has financed in Ireland, England and Sweden. DNB wants this issuance to contribute directly to raising the knowledge of green bonds and thereby boost the development and growth of the market for climate-friendly bonds. Institutional investors and private individuals are increasingly interested in sustainable investments. Green bonds can give DNB access to new and different sources of capital than ordinary bonds. As a major player in the market for financing power and renewable energy in and outside Norway, DNB is well-positioned for the anticipated strong growth in renewable energy, especially solar, wind and hydropower. DNB's green bond will be listed on the Oslo Stock Exchange.

## DNB shares knowledge about renewable energy

At the 2014 Zero Emission Conference, which went under the heading "The green shift: Roadmap 2030", Berit Henriksen, head of DNB's energy division, took part in a discussion about the financial sector's importance for and contribution to "the green shift".



Berit Henriksen, Kristin Halvorsen (Cicero), Abyd Karmali (Bank of America) and Karan Partovi (Nordea) discussing the financial sector at the Zero Emission conference. Photo: Marius Nyheim Kristoffersen

## CUSTOMER SATISFACTION

Customer satisfaction among DNB customers is followed up by means of separate customer satisfaction surveys. The survey results are an element in the scorecards for managers in DNB. The customer satisfaction score for 2014 as a whole in the personal customer area was 71.1 points, down from 72.5 in 2013. The score among large corporate customers in 2014 was 82.0 points, up from 81.0 in 2013. The positive trend was confirmed in the annual peer survey carried out by Greenwich Associates for the largest companies in Norway. According to this survey, in 2014, DNB further strengthened its position in relation to its competitors.



## SUSTAINABLE OPERATIONS AND EMPLOYEES

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- 29** Operational stability
- 30** Employees
  - Recruitment and development
  - Incentives and remuneration
  - Diversity and equality
- 32** Climate-smart office operations
- 34** Responsible supplier management



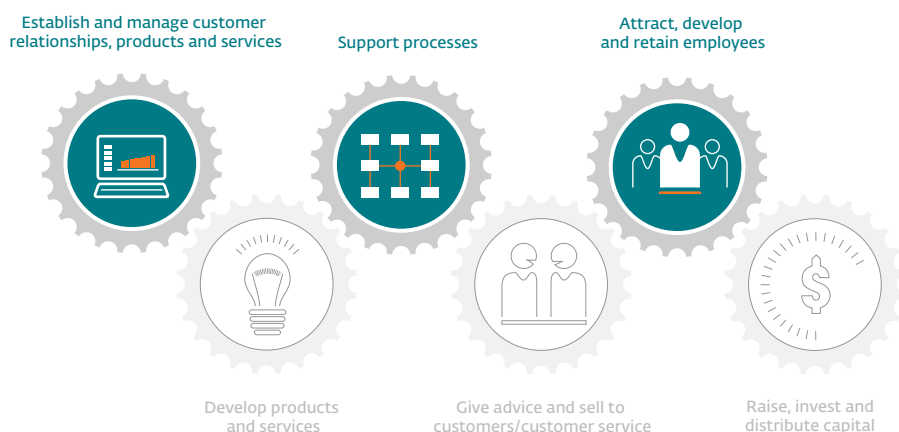


## SUSTAINABLE OPERATIONS AND EMPLOYEES

Aspects relating to the Group's operations and employees are of great significance for DNB's stakeholders. Operational continuity and low system risk are considered to be very important, together with privacy protection and information security. Stakeholders also emphasise the importance of the Group's ability to recruit, develop and retain employees.

Internal processes support all parts of DNB's value chain and contribute to good customer experiences, which is a vital element of DNB's strategy. DNB's employees also play an important role in realising the two other elements in the strategy: capital efficiency and culture.

The annual employee survey measures the ability of the Group to maintain high-quality internal processes and to have skilled and committed employees. The infrastructure in DNB must be of high quality in order to reduce the risk and capitalise on the opportunities represented by, for example, global development trends.



**Targets and KPIs:**

- Get an overview of opportunities and risks in the Group's portfolio relating to climate change.
  - Integrate climate change in risk analyses at group level.
- Further develop procedures for observing human rights in the Group's operations and in the supplier chain.
  - Introduce a new model for following up corporate social responsibility in the supplier chain.
- Continual improvement of results within the fields where the Group has the greatest environmental impact: energy, waste and business travel.
  - Introduce the environment management system ISO 14001 throughout the Group.
- Increase the employees' knowledge of internal environmental efficiency.
  - Performance targets are established based on a break-even analysis carried out in 2014.
- Have strategies and measures for ensuring greater diversity among employees and managers and avoiding discrimination on the basis of ethnic background, disabilities or gender.
  - Increase female representation at management levels one through four to 40 per cent.
  - Performance targets for diversity set based on a break-even analysis carried out in 2014.
- Have strategies and measures for recruiting, developing and retaining talented employees in DNB.
  - 100 per cent of DNB's employees shall have development plans.

**Status:**

- Has introduced an environmental management system based on the international standard ISO 14001 in the Group's Norwegian and Nordic operations to ensure climate-smart office operations.
- Has implemented various measures to increase the availability of central banking services used by customers, for example by entering into agreements with new IT suppliers that will ensure reliable and efficient operations, and has had an internal focus on operational stability.
- Has recruited resources to monitor the Group's model for responsible supplier management.
- Has set new climate targets for the period 2015-2017.

**In the period ahead:**

- Various measures are being implemented to improve the gender balance at the various management levels in the Group.
- A project has been established to identify the most important consequences of long-term trends, risks and opportunities for DNB.
- The environmental management system will be implemented in DNB's international offices in 2015.

**OPERATIONAL STABILITY**

In 2014, DNB placed special emphasis on improving the operational stability of its digital services. Significantly higher stability was achieved compared with previous years, and customers confirm that their user experience has improved.

The process of moving from seven to one data processing centre started in 2014 and will be completed as scheduled. During the moving period, new development projects have been put on hold to ensure that the bank's operations and services are what customers can expect from a bank whose vision is to create value through the art of serving the customer.

DNB's new main data processing centre is located outside Stavanger and has production in two large data halls. In each of the halls, equipment and data are duplicated. This is to ensure that if there is an outage in one of the halls, production can continue in the other one. In addition, DNB has a secondary data processing centre at Rjukan where the Group has copies of equipment and data. If there is an incident in the main data centre, the data processing centre at Rjukan is capable of taking over business-critical systems. The new data processing centres will be completed in 2015.



### Green Mountain Data Centre

The Green Mountain Data Centre outside Stavanger is Norway's largest data processing centre and has energy-efficient solutions based on green IT. The data processing centre's carbon footprint is close to zero as it uses electricity produced by several hydroelectric power plants that have zero emissions. The data processing centre has a cooling source available from the fjord, where the water temperature is stable at eight degrees Celsius all year round at depths below 75 metres. The cooling system uses gravity to lead cold water into the data processing centre's cooling station and consequently requires no form of energy.



In 2014, DNB further strengthened its cooperation with the Indian IT company HCL Technologies. Together with EVRY, this company is responsible for the operation of a number of the Group's large and central IT systems. The agreements entered into with these companies are important to ensure continued stable and effective operations.

The process to develop services and manage applications for the bank's various IT systems was further strengthened in 2014 through the cooperation with Tata Consultancy Services.

## EMPLOYEES

The new banking reality, entailing stricter capital requirements and rapid changes in customer behaviour and market conditions, has a significant impact on DNB's employees. The results from the employee survey conducted in 2014 show that efforts to establish a common strategic direction based on a clear vision have yielded results and that the employees are highly dedicated. The score on the main index (engagement index) was 85 points, an increase of four points from 2013. The group strategy "New Deal" is well known in the organisation and guides the employees' daily work. Developing a corporate culture is a central part of the group strategy, and a wide range of measures have been implemented to strengthen employee engagement and managers' communication skills. In the employee survey, the score for the statement "DNB is an attractive workplace" increased to 86 points, up six points from 2013.

The employee survey is sent to all employees in DNB each year. The main index (engagement index) is one of the most important measurement parameters in the survey. The results are followed up annually, among other things by means of quarterly surveys.

### Recruitment and development

DNB is one of the most attractive employers in Norway and was ranked number two in Universum's business student survey in 2014.

The Group reached its downsizing targets in 2014, and the number of full-time positions was reduced by 373. The DNB Group recruited 816 external applicants during 2014, an increase of 376 from 2013.

DNB wishes to give each individual employee learning and development opportunities that reflect the Group's business targets and strategic platform. Competent employees are one of DNB's main assets to ensure that the Group reaches its strategic targets and meets its stakeholders' requirements and needs.

Competence and talents must be nurtured, and the Group offers a range of training programmes. There are also good opportunities for professional and personal growth. In order to increase the effectiveness and availability of the training programmes, a number of new training measures were developed in 2014, using webinars, video and other forms of electronic teaching. In 2014, more than 7 000 employees participated in the Group's training measures, an increase of more than 1 000 compared with 2013. Other initiatives to retain and develop talented employees in DNB include highlighting internal career opportunities and offering targeted competence training.



DNB has established four professional academies that deliver business-critical training modules in the fields of credit, savings, insurance and cash management to the entire Group. Among other things, the academies offer training in accordance with industry requirements determined by Finance Norway governing the sale of savings and non-life insurance products. The purpose of the authorisation scheme for financial advisers, AFR, and the national approval scheme for sellers and advisers of non-life insurance, GOS, is to strengthen the financial sector's reputation and ensure that each individual adviser meets the relevant competency requirements. In 2014, more than 2 700 employees completed training via DNB's own academies.

In 2014, a common goal and development process was adopted by all managers and employees in the Group. The aim is to ensure that the Group's strategic direction is reflected in the work tasks and priorities of each employee through individual business and behavioural goals. In the employee survey for 2014, 96 per cent of DNB's employees responded that they had completed the performance dialogue, and 91 per cent that they had drawn up a goal and development plan.

### **Incentives and remuneration**

DNB's variable remuneration scheme is in compliance with the Group's guidelines and supports strategies, financial targets and values. The total remuneration should be competitive and cost-effective and not expose the Group to unwanted risk. The Group's total limit for variable remuneration is determined annually by the Board of Directors' Compensation Committee. Individual remunerations are awarded within defined limits in each unit based on a total evaluation of the individual employee's pre-agreed financial and non-financial goals.

In order to attract and retain individuals with critical expertise, the business areas can also have remuneration schemes of varying scope and structure, based on market analyses. It is a guiding principle that all remuneration should be based on an overall assessment of the employee's contribution to the attainment of the Group's, the unit's and individual goals.

The remuneration schemes of DNB's international offices and subsidiaries are adapted to local labour markets and regulations.

### **Diversity and equality**

DNB's aim is to have at least 40 per cent female representation at the top four management levels in the Group. In 2014, the percentage of women was 30.5 per cent, up from 29.4 per cent in 2013. To reach the target of 40 per cent, the Group has implemented various measures.

#### Measures to improve the gender balance when recruiting to and filling vacated management positions:

- In recruitment processes for executive positions, the best qualified man and woman shall be identified before the final choice of candidate is made.
- When recruiting managers, potential female candidates shall be identified and actively encouraged to apply for the positions.
- A balanced gender mix should be one of the assignment criteria in restructuring processes.
- In the event of changes in the composition of management teams, particular emphasis should be placed on improving the gender balance.

#### Measures to ensure sufficient access to female management talents:

- 50 per cent female participation in internal management development and talent programmes.
- Minimum 40 per cent female candidates on lists for successor planning.
- Requirement that managers identify potential female management talents and use performance dialogues to motivate them to seek management challenges.
- More emphasis on the individual development of leadership skills among identified female managers and management talents.
- Gender balance among managers and key persons who are profiled and make statements internally and externally on behalf of the Group.
- Internal mentor and network scheme for female management talents.

The group recruitment guidelines should help ensure quality, diversity and non-discrimination in selection processes. Local regulatory requirements must be complied with, and DNB has a zero-tolerance approach to discrimination in the recruitment process.



## CLIMATE-SMART OFFICE OPERATIONS

DNB's direct impact on the climate and the environment is mainly related to its energy consumption, business travel and waste from office operations. DNB's CO<sub>2</sub> emissions declined by 15.6 per cent in 2014, which mainly reflected a reduction in energy consumption in office buildings. Emissions stemming from air travel were down 5 per cent, despite a 9 per cent increase in the number of kilometres travelled by air, which was due to reduced plane emissions in 2014 compared with 2013.

In order to better manage the Group's environmental impact and ensure more energy-efficient office operations, DNB has introduced an environment management system based on the international standard ISO 14001. The environment management system will help the organisation set and follow up targets and implement relevant measures while ensuring continued focus on environmental issues in the Group. Eco-efficient operations entail optimal resource utilisation with minimal environmental impact.

In May 2014, parts of DNB's operations in Norway were certified in accordance with the standard, while the remaining operations in Norway and the Nordic region were subject to an external audit and were certified in the first quarter of 2015. The process to certify the Group's other operations outside the Nordic region will continue in 2015.

DNB's environmental management system assesses the Group's direct environmental impact not only through travel, waste and energy consumption, but also in the form of environmental risks and opportunities within lending, investment and procurement.

See key figures table for more statistics related to female representation and gender balance in DNB.

In 2014, DNB set new environmental targets related to energy, waste and business travel for the period 2015-2017:

### Energy consumption 2015-2017<sup>1)</sup>

- Main buildings in Norway<sup>2)</sup>: 10 per cent reduction in kWh compared with the level in 2014
- Other bank buildings: 8 per cent reduction in kWh compared with the level in 2014

### Waste 2015:

- Gather data and establish standard procedures:
  - Prepare overviews of the amount of waste and waste flow in DNB
  - Establish appropriate standard procedures for controlling and measuring these

### Business travel 2015-2017

The hypothesis is that more business travel by air can be replaced by using digital interaction solutions such as Lync<sup>3)</sup> and/or video. DNB therefore wishes to work to increase the use of these interaction tools.

- Gather data and establish standard procedures for use of video and Lync
  - Establish appropriate standard procedures for control and measurement
- Communication and training of employees

New targets for energy, waste and business travel initially apply to DNB's Norwegian operations. Targets for the rest of the Group's operations will be set when the figures are available and a break-even point can be determined. The target is to set a break-even point after the rest of DNB's offices have implemented DNB's environmental management system by the end of 2015.

1) The target for energy consumption is set as kWh/m<sup>2</sup>. Previous targets have been related to kWh per employee.

2) Bjørvika in Oslo, Solheimsviken in Bergen and Beddingen in Trondheim.

3) Lync is communication integrating telephone, video conferences, webchat and screen sharing.





### EFFECT OF NEW, GREEN HEADQUARTERS

One of DNB's most important measures to increase eco-efficiency has been to gather all its operations in Oslo in common premises: the new climate-smart headquarters in Bjørvika. When planning the new headquarters in 2009, specific environmental targets were set. The targets were ambitious, comprising, among other things, a 50 per cent reduction of energy consumption and greenhouse gas emissions.

#### Main elements of the environmental plan (2009)

- Fulfil the energy class B requirements in the Building Energy Directive, entailing annual energy consumption below 120 kWh/m<sup>2</sup>.
- Mainly use renewable energy sources, such as thermal energy from sea water.
- Promote the use of eco-friendly transport by locating the headquarters at a public transport junction, having a limited number of parking places and offering the use of electric cars and bicycles.
- Achieve environmental gains by adopting new working methods and increasing the use of web meetings (Lync and video), environmental criteria for procurement, green IT and good solutions for sorting recyclable materials.

During the period from 2012 to 2014, more than 4 000 employees moved into DNB's new headquarters in Bjørvika in Oslo. In total, 18 buildings in Oslo have been vacated and the amount of office space reduced by close to 100 000 m<sup>2</sup>.

The environmental accounts for the new headquarters show a decline in energy consumption of approximately 45 per cent for the period 2012-2014. This corresponds to a reduction in CO<sub>2</sub> emissions of 61 per cent. However, the consumption of energy per kWh/m<sup>2</sup> is unchanged compared with the period before the relocation at approximately 228 kWh/m<sup>2</sup>.

#### The main reason for unchanged energy consumption

The figures include energy consumption which is not covered by the energy class B requirements, including energy for under-street heating, data processing halls, cafeteria and meeting areas and charging of electric cars. The environmental target from

2009 was based on a portfolio of older buildings with large basement areas, requiring less energy than current premises.

DNB Næringseiendom was not included in the statistics for 2010.

In 2010, each employee had his/her own work station, whereas in 2014, DNB had more employees per work station.

Effective energy monitoring of new buildings is complex and demanding and calls for expertise and structure. DNB has decided, together with Entro and DNB Næringseiendom, to install 147 new electricity metres in the new headquarters in Bjørvika to improve the monitoring and management of electricity consumption.

The location at a public transport junction, 750 fewer parking places and new working methods have resulted in fewer and more environmentally-friendly business trips. Only 50 of more than 4 300 employees in Bjørvika have parking places, and this has lowered DNB's expenses for renting parking places and emissions from the use of private cars. The target of reducing the use of private cars to commute to work by 50 per cent has been reached.

The use of taxis has continued to decline, resulting in cost savings of some NOK 1.7 million in the period 2010-2014, a reduction of approximately 19 per cent and rather far from the target, which was 50 per cent.

The target of reducing plane travel by 10 per cent was already reached in 2012. The reduction in Norway was 12 per cent. In 2013, too, DNB reduced plane travel by more than 10 per cent (for total operations in Norway).

Despite the introduction of new working tools (Lync), 'clean desk' and the installation of 'follow-me print' on all printers, paper consumption in DNB's operations in Norway as a whole has remained stable at approximately 800-850 tons and 75-80 kilos per employee. The amount of waste per employee and the recycling ratio have hardly changed since 2009. According to the waste statistics, the amount of waste per employee and in DNB is lower than average for corresponding companies and otherwise in Norway. DNB will not be able to reach the target of a recycling percentage of 75 per cent since the percentage of waste paper, which has been the largest recycling item, continues to decline.



### DNB compensates for all its emissions

In 2014, DNB purchased electricity from two hydropower plants and one wind power plant documented by guarantees of origin (see factbox). The guarantees are issued by ECOHZ and Markeds-kraft and come from power producers which have all made extensive renewable energy investments. The deliveries, which totalled 66.1 GWh, covered the Group's total electricity consumption in the Nordic region and the Baltics. Through these purchases, DNB reduced its CO<sub>2</sub> emissions relating to electricity consumption to close to zero while supporting the development of new renewable power production.

DNB compensates for its emissions, not including electricity consumption, by purchasing CO<sub>2</sub> quotas, a total of 8 400 tons CO<sub>2</sub>. The Commodities section in Markets executed the emissions trades on behalf of DNB.

### RESPONSIBLE SUPPLIER MANAGEMENT

DNB imposes strict requirements on its suppliers and their observance of corporate social responsibility. All procurements shall be transparent in compliance with the Group's ethical standards to ensure that all potential suppliers are ensured equal and fair treatment in accordance with the group guidelines for procurement.

DNB's principles for meeting corporate social responsibility in the supplier chain (Code of Responsible Business Conduct for Suppliers) set explicit and strict requirements regarding suppliers' responsibilities in relation to sub-suppliers, their responsibility for observing and respecting human rights and global working environment standards, and requirements for suppliers' environmental management systems and ethical operations.

In 2014, DNB recruited a person to follow up the Group's model for risk categorisation and supplier management, including on-site reviews of selected suppliers. DNB will continue to develop the model to integrate DNB's environmental management system in supplier monitoring. Integration will take place through internal training and increased emphasis on environmental topics in negotiations with suppliers.

All employees in Group Procurement are required to participate in the Procurement Academy, a programme consisting of various modules where participants are trained in how DNB works strategically with procurement, category management, supplier management, ethics and negotiation. In 2014, 24 of the division's 34 employees completed the training. In the course of 2015, all the employees will have completed the programme.

In 2014, DNB purchased goods and services for a total of NOK 11.2 billion. The main categories of purchases are:

- IT
- Property, human resources and office equipment
- Marketing and consultancy services

Some 170 suppliers provide 80 per cent of the Group's total procurement volume.

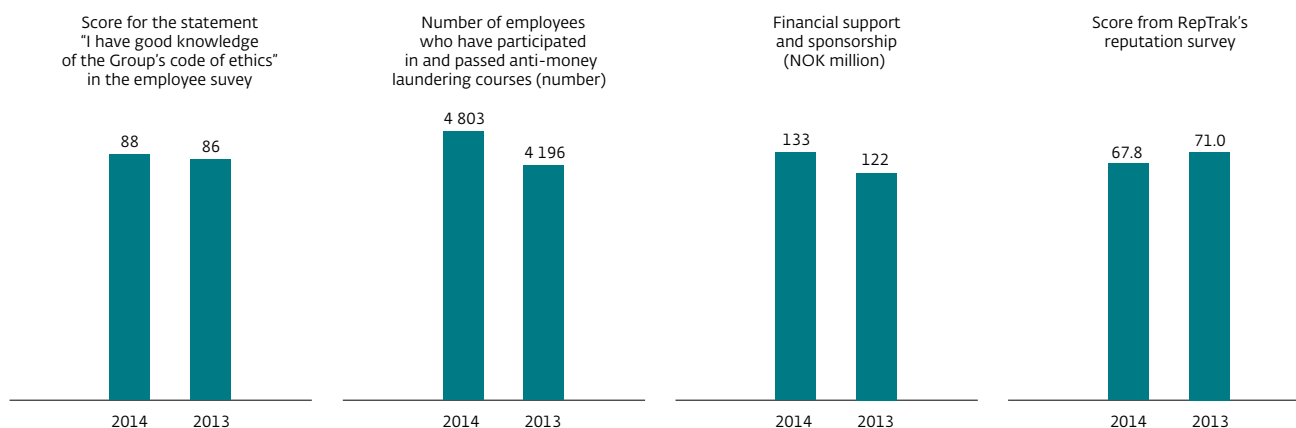


The photo shows windmills in Ytre Vikna, North Trøndelag, Norway, one of the wind power plants from which DNB has purchased guarantees of origin. The plant, which is operated by Sarepta Energi AS, meets national and EU requirements for protection of the environment, habitats, bird life and biodiversity. DNB has also purchased guarantees of origin from the hydropower plants HOI1 and Vittingfoss. The power plants, which are both in the county of Buskerud, are operated by E-CO Energi AS and Ringerikskraft. The income the power companies receive from DNB's purchase of guarantees of origin is allocated to the building of new renewable wind and hydro power plants.

Visit [DNB's website to read more about the principles](#)





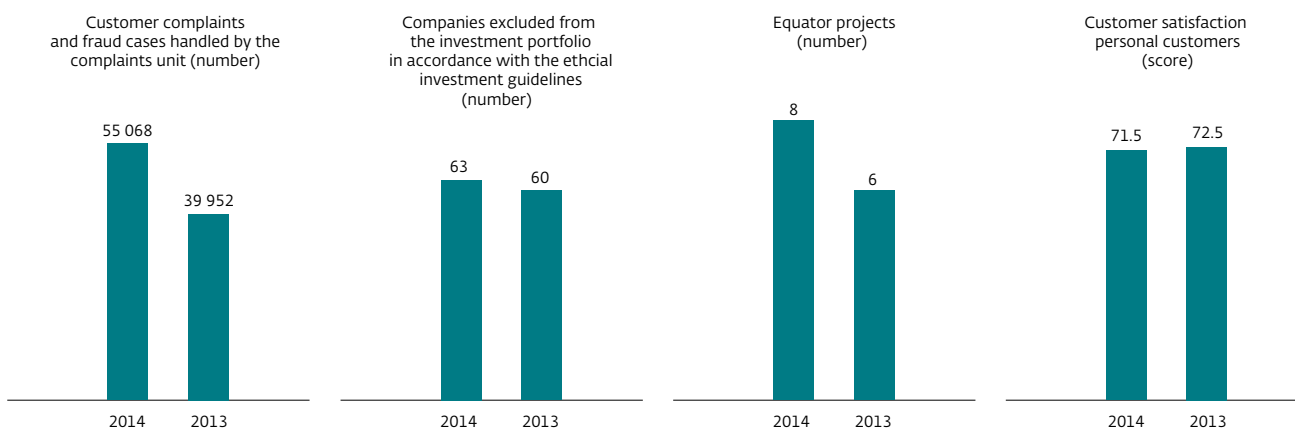


## TRUST AND ROLE IN SOCIETY

Topic	Unit	2014	2013	Comments*
<b>Ethics and anti-corruption</b>				
Number of authorised financial advisers	Number	1 257	1 325	105 certified in 2014
Score for the statement "I have good knowledge of the Group's code of ethics" in the employee survey	Score	88	86	
<b>Anti-money laundering</b>				
Number of employees who have participated in anti-money laundering courses	Number	4 803	4 196	Norway
Increase in the number of notifications sent to the Norwegian National Authority for Investigation and Prosecution of Economic and Environmental Crime regarding suspected money laundering and terrorist financing	%	25	1	Norway
<b>Country-by-country reporting</b>				
Tax expense	NOK 1 000	6 471 136	5 187 771	
Norway	NOK 1 000	5 289 517	4 622 427	
USA	NOK 1 000	516 363	97 322	
England	NOK 1 000	240 813	179 525	
Sweden	NOK 1 000	188 335	159 884	
Singapore	NOK 1 000	107 840	59 357	
Poland	NOK 1 000	32 164	1 880	
Luxembourg	NOK 1 000	11 835	10 570	
Hong Kong	NOK 1 000	61	347	
China	NOK 1 000	6 741	10 747	
Russia	NOK 1 000	2 207	7 220	
Germany	NOK 1 000	9 071	4 144	
Brazil	NOK 1 000	647	1 314	
Chile	NOK 1 000	35 885	10 362	
Denmark	NOK 1 000	6 178	3 607	Taxes of NOK 7 962 relating to København Eiendommer recognised in the income statement, no taxes paid
Finland	NOK 1 000	-	10 979	
India	NOK 1 000	65	81	
Lithuania	NOK 1 000	18 901	9 965	
Estonia	NOK 1 000	-	-	
Latvia	NOK 1 000	4 513	-1 960	
<b>Access to financial services</b>				
Participation in personal finance courses - DNB in cooperation with the Red Cross, Pøbeoprosjektet and Oslo Adult Education	Number	250	330	
Position DNB as the best bank for those who wish to start their own business	Score	56	NA	TNS Gallup's Brand Tracker, commissioned by DNB. Break-even point set in the second quarter of 2014.
<b>Corporate social responsibility and philanthropy</b>				
Financial support and sponsorship	NOK million	133.2	122	Support and sponsorship administered centrally from Norway
Financial support and sponsorship as a percentage of operating profits	%		0.5	Support and sponsorship administered centrally from Norway
Percentage of financial support channelled to non-profit causes and research	%		1.3	Support and sponsorship administered centrally from Norway
<b>Reputation</b>				
Overall	Score	67.8	71.0	Score from RepTrak's reputation survey 4Q2014
Ethics	Score	67.2	69.7	Score from RepTrak's reputation survey 4Q2014
Corporate social responsibility	Score	69.2	73.1	Score from RepTrak's reputation survey 4Q2014

\* Unless otherwise stated, the figures apply to the DNB Group.





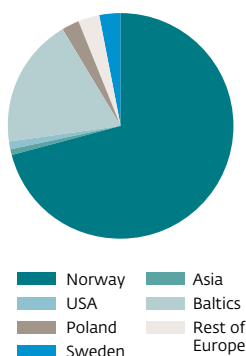
## PRODUCTS AND SERVICES

Topic	Unit	2014	2013	Comments*
<b>Product quality</b>				
Number of customer complaints and fraud cases handled by the complaints unit	Number	55 068	39 952	Norway
<b>Responsible investment</b>				
Percentage of investments managed by the Group and monitored in accordance with the ethical investment guidelines	%	100	100	
Number of companies excluded from the investment portfolio in accordance with the ethical investment guidelines	Number	63	60	
Number of meetings with companies to discuss various CSR and sustainability issues	Number	30	39	There was more than one meeting with some companies.
<b>Responsible credit</b>				
Number of Equator projects	Number	8	6	One project-related loan, the remainder are project financings.
<b>Customer satisfaction</b>				
Customer satisfaction personal customers	Score	71.1	72.5	Internal measurement, scale from 0 to 100
Customer satisfaction large corporates	Score	82.0	81.0	Internal measurement, scale from 0 to 100

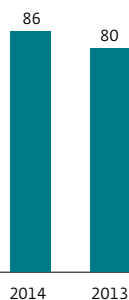
\* Unless otherwise stated, the figures apply to the DNB Group.



Number of employees according to country



Score for the statement "DNB is an attractive workplace" in the employee survey



Energy consumption (GWh)



Energy consumption per employee (MWh)



## SUSTAINABLE OPERATIONS AND EMPLOYEES

Topic	Unit	2014	2013	Comments*
<b>SUSTAINABLE OPERATIONS</b>				
<b>Supplier management</b>				
Percentage of contracts with suppliers requiring observance of DNB's Code of Responsible Business Conduct for Suppliers	%	100	100	
<b>Climate-smart office operations</b>				
<b>Energy</b>				
Total energy consumption	GWh	87.2	95.5	Figures for 2014 include DNB's operations in the Nordic region and the Baltics, while figures for 2013 include Norway and the Baltics.
Energy consumption per employee	MWh	7.3	8.1	Electricity and district heating/cooling
<b>Waste</b>				
Total weight of waste	kg	1 670 403	1 633 452	Figures for 2014 include DNB's operations in the Nordic region and the Baltics, while figures for 2013 include Norway and the Baltics.
Residual waste for combustion	kg	786 972	674 882	Revised figure for 2013
Residual waste for deposit	kg	336 200	372 081	
Paper/cardboard	kg	477 401	529 272	
Glass, recycled	kg	15 596	12 235	
Metal, recycled	kg	12 730	15 880	
Plastic, recycled	kg	7 197	2229	
EE waste, recycled	kg	17 228	8 145	
Hazardous/special waste	kg	6 752	3908	
Organic waste, recycled	kg	10 202	8 740	
Refuse wood	kg	125	6080	
Residual waste per employee	kg	94.2	62.2	
Waste-recycling ratio	%	32.8	35.9	In Norway, the waste-recycling ratio was 55.9 per cent in 2014.
<b>Business travel</b>				
Air travel	1 000 km	42 931	39 498	The figure for 2014 includes DNB's operations in the Nordic region and the Baltics, while the figure for 2013 includes Norway and the Baltics. The comparable figure for Norway and the Baltics in 2014 was 39 875 km.
<b>Greenhouse gas emissions</b>				
Total greenhouse gas emissions	Tons of CO <sub>2</sub> equivalents	17 112.0	20 267.0	Scope 1, 2 and 3. The figure for 2014 includes DNB's operations in the Nordic region and the Baltics, while the figure for 2013 includes Norway and the Baltics.
Greenhouse gas emissions per employee	Tons of CO <sub>2</sub> equivalents	1.4	1.7	Scope 1, 2 and 3. The figure for 2014 includes DNB's operations in the Nordic region and the Baltics, while the figure for 2013 includes Norway and the Baltics.
<b>Other consumption</b>				
Water consumption	m <sup>3</sup>	56 666	NA	Applies to the three large office locations in Norway: Beddingen (Trondheim), Solheimsviken (Bergen) and Bjørvika (Oslo).
Paper consumption	1 000 kg	733	808	Norway

\* Unless otherwise stated, the figures apply to the DNB Group.



Topic	Unit	2014	2013	Comments*
<b>EMPLOYEES</b>				
Main index in the employee survey (engagement index)	Score	85.0	81.0	
Score for the statement "DnB NOR is an attractive workplace" in the employee survey	Score	86.0	80.0	
Ranked as an attractive employer by business students	Ranking	2	2	Norway
Total number of employees	Number	12 732	13 119	
Total number of employees specified in the accounts	Number	12 064	12 452	
Total number of full-time positions	Number	12 201	12 665	
Total number of full-time positions specified in the accounts	Number	11 643	12 016	
Number of employees according to country				
Asia	Number	131	101	
Americas	Number	161	160	
Baltics	Number	2389	2430	
Poland	Number	321	330	
Rest of Europe	Number	235	417	
Sweden	Number	396	378	
Norway	Number	9 099	9 303	
<b>Recruitment and development</b>				
Number of new employees recruited	Number	816	440	The figure for 2013 does not include the Baltics and Poland
Men	Number	399	239	The figure for 2013 does not include the Baltics and Poland
Women	Number	417	201	The figure for 2013 does not include the Baltics and Poland
<30 years	Number	409	315	Norway
30-50 years	Number	203	115	Norway
>50 years	Number	28	10	Norway
Average retirement age	Age	62.6	61.9	The banking group
Number of employees terminating employment	Number	905	1 091	
Women	Number	422	523	
Men	Number	483	565	
Turnover	%	10.4	11.6	Percentage of the workforce leaving the Group in the course of the year.
Internal mobility	Number	401	517	Number of employees who have changed jobs in Norway or moved from a position in an international unit to a position in Norway.
Number of new participants in the corporate trainee programme	Number	7	6	
Number of DNB employees on long-term contracts outside their home country	Number	76	71	
Percentage of employees who have completed a performance dialogue	%	96	92	
Percentage of employees who have drawn up a goal and development plan	%	91	71	
Number of hours of competence training per employee	Hours	9	11	
Competence training costs per employee	NOK	2 795	2 841	
Number of employees who have completed training through DNB's academies	Number	2 783	2 773	
Number of employees who have participated in the Group's training programmes	Number	7 217	5 987	
<b>Incentives and remuneration</b>				
Average salary men	NOK	667 697	642 400	Norway
Average salary women	NOK	529 276	508 700	Norway
Women's salary relative to men's salary	%	79.3	79.2	
<b>Diversity and equality</b>				
Female representation in the group management team	%	36.4	36.4	Including the group chief executive
Female representation at management level 1	%	0	0	
Female representation at management level 2	%	40.0	40.0	
Female representation at management level 3	%	25.8	28.9	
Female representation at management level 4	%	31.6	29.9	
Female representation at management level 5	%	33.7	33.1	
Total female representation at management levels 1-4	%	30.5	29.4	
Total female representation at management levels 1-5	%	32.2	31.5	
Female representation at management level 6 and below	%	46.5	48.6	
Female representation on the Board of Directors	%	37.5	50.0	

\* Unless otherwise stated, the figures apply to the DNB Group.



# ASSURANCE REPORT



Board of Directors in DNB ASA

## **Independent Statement of DNB's Corporate Social Responsibility Report 2014**

The management in DNB engaged us to prepare an independent assurance report of the DNB Corporate Social Responsibility (CSR) Report 2014 (the Report). Our review is based on relevant criteria for sustainability reporting from the Global Reporting Initiative (GRI) version G4. We consider these criteria as adequate and relevant in our review of the Report.

### **Responsibility of the Management**

The management in DNB is responsible for the selection of information, collection of data and presentation of the Report, including the material aspects related to sustainability and CSR. The responsibility includes establishing, implementing and maintaining internal control, ensuring adequate reporting.

### **Tasks and Responsibility of the Auditor**

Based on our work, our task is to issue an independent assurance report of the Report.

Our work and assurance report are conducted in accordance with ISAE 3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information". Within the scope of this standard, we have planned and carried out procedures to obtain limited assurance that the Report is free of material misstatement, and that the Report is prepared in accordance with the criteria.

Our work includes these activities:

- Interviews with the responsible representatives in the reporting work.
- Collection and assessment of relevant information that support the Report.
- Evaluation of completeness and accuracy of the reported figures, including consistency.
- Assessment of consistency towards the framework of GRI.

We consider that our work provides an appropriate basis to conclude with a limited level of assurance on the Report.

A review of policy implementation has not been undertaken.

### **Conclusion**

Based on our work, nothing has come to our attention giving us reason to believe that the information in the Report includes material misstatements, nor that the Report does not comply with criteria DNB has stated in the Report.

Oslo, March 11<sup>th</sup>, 2015

**PricewaterhouseCoopers AS**

A handwritten signature in blue ink, appearing to read 'Eli Moe-Helgesen', enclosed within a faint circular stamp.

Eli Moe-Helgesen  
State authorized public accountant.

*PricewaterhouseCoopers AS, Postboks 748 Sentrum, NO-0106 Oslo*

*T: 02316, org. no.: 987 009 713 MVA, www.pwc.no*

*Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap*



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EVERY DAY.  
WHEN IT MATTERS  
THE MOST.

**DNB**

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Contact person for the report:  
Vibeke Tegneby  
CSR & Corporate Identity