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DNB Corporate social  
responsibility report 2012

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DNB





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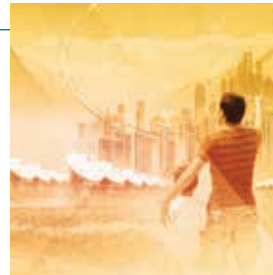
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# ABOUT THE CORPORATE SOCIAL RESPONSIBILITY REPORT

This report examines DNB's targets, guidelines, measures and results related to corporate social responsibility. DNB regards its corporate social responsibility (CSR) as a shared responsibility towards achieving sustainable economic, environmental and social development in the areas and business sectors where the Group operates.

The report for 2012 is based on the three topics governance, climate and the environment and society.



## GOVERNANCE

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This topic deals with the governing documents and tools which form the basis for DNB's work on corporate social responsibility and sustainable development.

In addition, a description is given of how the organisation is working to develop these documents and tools and putting them into practice. The topics covered include the Group's code of ethics, corporate social responsibility policy, guidelines for responsible investment and lending, requirements regarding suppliers' corporate social responsibility and structured dialogue with various stakeholder groups.



## SOCIETY

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This topic describes DNB's contribution to safeguarding basic human rights and finding solutions to various challenges in society.

Key topics are the safeguarding of the Group's employees, human rights, financial contributions to sport-ing, cultural and humanitarian organisations and the development of responsible products and services.



## CLIMATE AND THE ENVIRONMENT

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This topic deals with how DNB meets the challenges and opportunities caused by climate change.

In addition, a description is given of how DNB is working to reduce the direct and indirect environmental impact of its operations. Key topics are carbon accounting reports, travel and transportation, certifica-tions and environmental requirements for customers, suppliers and investment objects.

The process to define what to include in the report and main focus areas is based primarily on feedback from DNB's internal CSR committee, dialogue with owner, employee, customer and community representatives and structured stakeholder dialogue from 2011. In addition, special focus has been placed on feedback on previous reports from internal and external stakeholders, best practice within CSR reporting both in the financial industry and in general and events registered over the past two years.

The division into the three topics governance, climate and the environment and society is in line with international reporting standards and indices and consistent with how external parties follow up DNB's corporate social responsibility work.

Since 2011, DNB has produced a complete corporate social responsibility report verified by an external party every year. Updated and supplementary information on CSR in DNB, as well as previous corporate social responsibility reports, are available on the [Group's web pages](#).

In addition to issuing separate corporate social responsibility reports, DNB aims to further integrate non-financial information, or so-called ESG indicators<sup>1)</sup>, into its future annual reports. Through more comprehensive reporting, DNB wishes to demonstrate how, in the longer term, non-financial aspects will help the Group achieve its financial targets and strategic ambitions.

The reporting period for this report is 2012. However, to show longer-term trends, results and key figures are generally also available for 2011. The information in the report is obtained from various internal systems and reports.

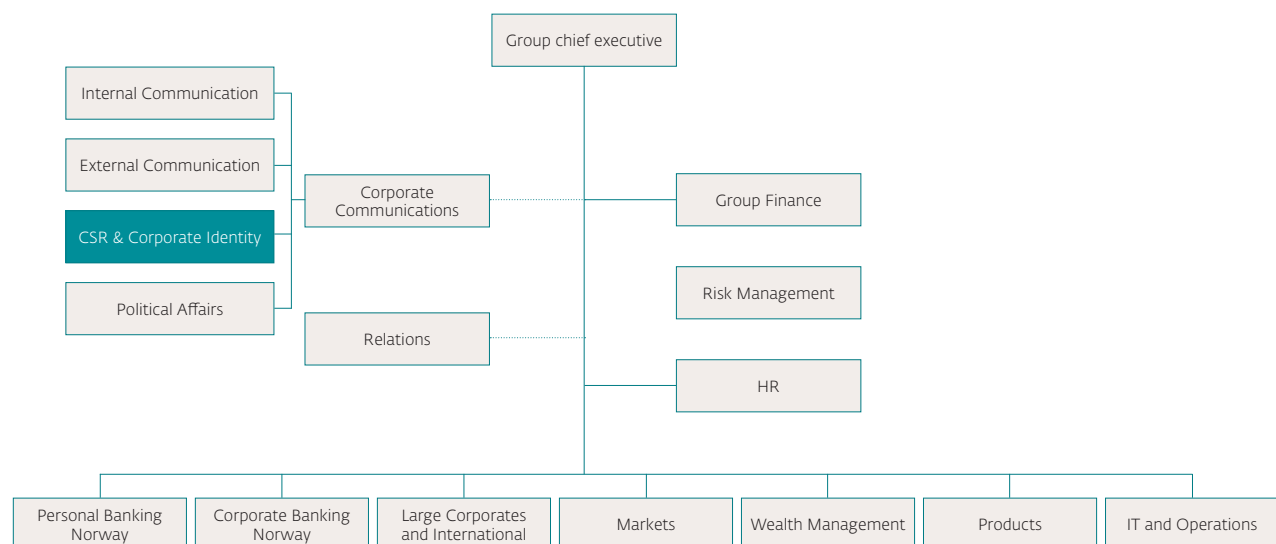
This report has been verified by an independent third party, see page 42.

The reporting organisation's name is DNB, headquartered in Oslo, Norway. The report comprises the entire operations of the DNB Group in Norway. In the main, the Group's international operations are also included in the report. Where this is not the case, it is specifically stated.

DNB Baltics and Poland and the subsidiary DNB Monchebank in Russia are included in the financial reporting in this report. With respect to environmental aspects, a separate carbon accounting report was prepared for DNB Baltics for the first time in 2012. Thus, DNB's environmental reporting for 2012 comprises more than 85 per cent of total operations. Due to insufficient data, there is limited reporting of environmental and social aspects for DNB Monchebank in Russia.

This CSR report is based on the guidelines from the [Global Reporting Initiative \(GRI\)](#). At the back of this report, a separate table shows how DNB reports based on these guidelines. For more information on GRI, see page 38.

## ORGANISATION OF THE WORK ON CORPORATE SOCIAL RESPONSIBILITY



(New group structure January 2013)

<sup>1)</sup> Reporting of ESG indicators implies reporting of environmental and social aspects as well as aspects related to sound governance. Such information is often included in CSR reports.

# AN IMPORTANT ROLE IN PEOPLE'S LIVES

**DNB plays an important role in the lives of many people, whether this is helping young people realise their dream to own their first home or assisting small and large companies in putting good ideas into practice. We also hedge risk, ensure liquidity and stimulate creative initiatives.**

Throughout 2012, the contours of the new banking reality became more distinct. This reality is now sweeping across the entire banking sector with full force and will definitely entail fundamental changes both for the sector's structure and for the banks' business models. At the start of 2013, DNB also implemented organisational changes to make us as well-equipped as possible to meet the needs of our customers and a new banking reality.

There are three main drivers behind the new banking reality. The first driver is stricter regulation and higher capital adequacy requirements. 2012 was the year when the temperature of the debate on our framework conditions became more heated. The final outcome is still unknown, and important clarifications will hopefully be made during 2013. The second driver is changing customer behaviour. The use of online and mobile banking is now accelerating fast. The era when customers visited their local branch during their lunch break is definitely over. The third driver is ongoing macroeconomic turmoil and greater market volatility. The economic mood can easily shift from optimism and belief in the future to pessimism and fear for what is ahead. Our main view is that a recession will be avoided, though the crisis in Europe and the US is definitely not over. We must prepare ourselves for more setbacks, something that, of course, will affect the financial markets.

A new group structure makes us well-positioned to take responsibility for DNB's influence on people and the environment through all parts of our operations: whether this is the sale of products and services, marketing, procurement, corporate governance, or through our internal measures relating to the working environment, ethics and eco-efficiency.

An important milestone for DNB has been the move to our new headquarters complex in Bjørvika, one of Oslo's most exciting development areas. In the autumn of 2012, more than 2 000 employees moved into the new premises, which by 2014 will house a total of 4 200 employees. This move is a very important measure towards realising our target to reduce our greenhouse gas emissions by 20 per cent by 2014. The location at a public transport junction, combined with few parking spaces and the availability of bicycles and electric cars, will encourage employees and customers to choose environmentally-friendly means of transport. Energy-efficient IT operations and the use of renewable



energy will ensure that we are at the forefront within energy-efficient office operations. DNB employees have been proud to move into these new premises.

In 2012, DNB consolidated its position as one of the best financial services institutions within corporate social responsibility by qualifying for inclusion in the Dow Jones Sustainability Index for the fourth year in a row. The Dow Jones Sustainability Index is the most important international corporate social responsibility index, measuring performance within financial, environmental and social aspects. It includes only the top 10 per cent within each industry sector worldwide. Qualifying for inclusion is increasingly difficult and this year's inclusion therefore clearly demonstrates the results of our sustainability work to important stakeholders such as the public authorities, customers and employees.

The participants of the UN initiative Global Compact, more than 7 000 companies, are committed to following sustainable and responsible business practices. DNB continues its support of the Global Compact and the initiative's ten fundamental principles in the areas of human rights, labour standards, the environment and anti-corruption.

The inclusion of more environmental and social topics, and issues relating to good corporate governance in DNB's annual reports is an important corporate social responsibility measure for the Group. This is part of DNB's move towards more integrated corporate reporting<sup>1)</sup>. Integrated corporate reporting will show the connections and interplay between the financial and non-financial factors which affect the Group. The aim is to give a more comprehensive and complete picture of DNB's strategic ambitions, target figures and risk.

The Corporate Social Responsibility Report will continue to exist until integrated corporate reporting has been introduced. The report will highlight our work to promote sustainable development over the past year and point out initiatives which, in our opinion, constitute our most significant contributions and challenges ahead.



Rune Bjerke  
Group chief executive

<sup>1)</sup> Integrated corporate reporting, often called integrated reporting, is a term under development and refers to the combined reporting of financial and non-financial key indicators. However, while this, for some, means the inclusion of certain non-financial information in the annual report, integrated reporting as a concept means showing the interaction between the non-financial and financial conditions which influence a company, thus giving a more comprehensive picture of risk and opportunities.

# ABOUT THE 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, advisory services, 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 SMS banking.

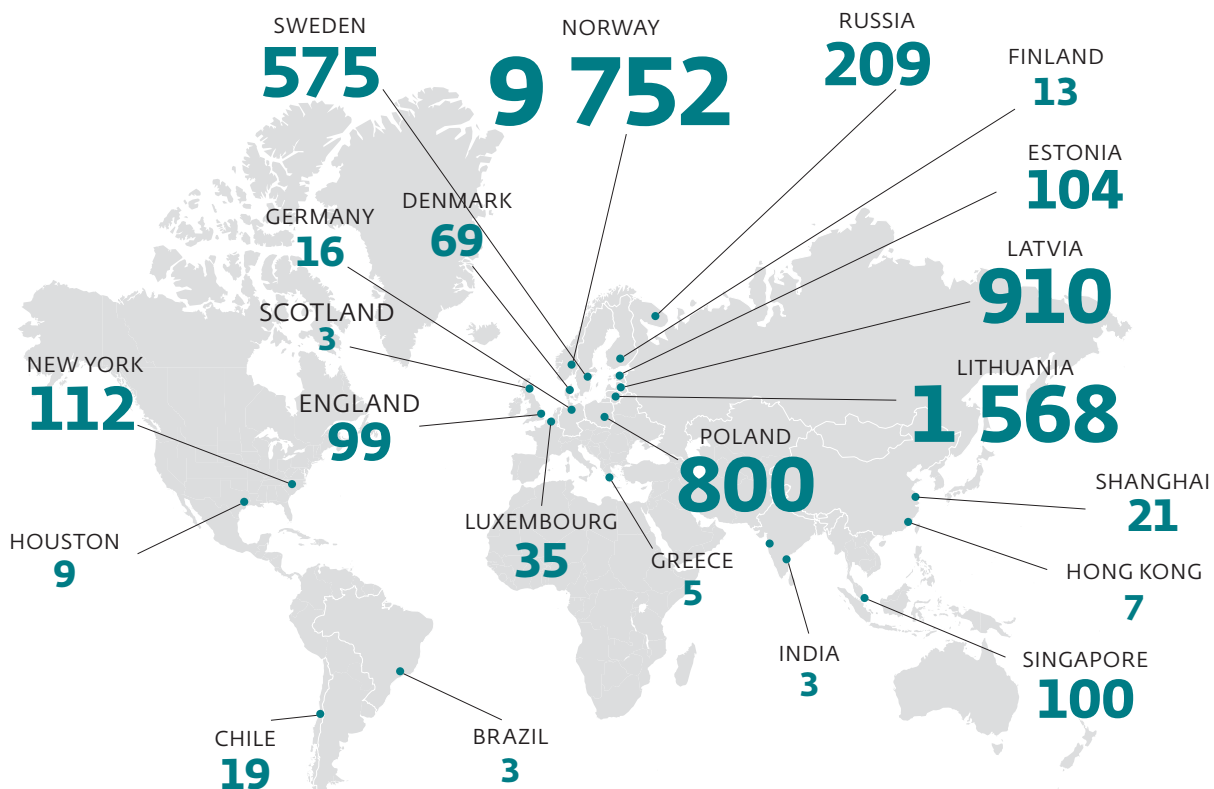
DNB is among the world's leading banks within its international priority areas: energy, shipping and seafood.

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.

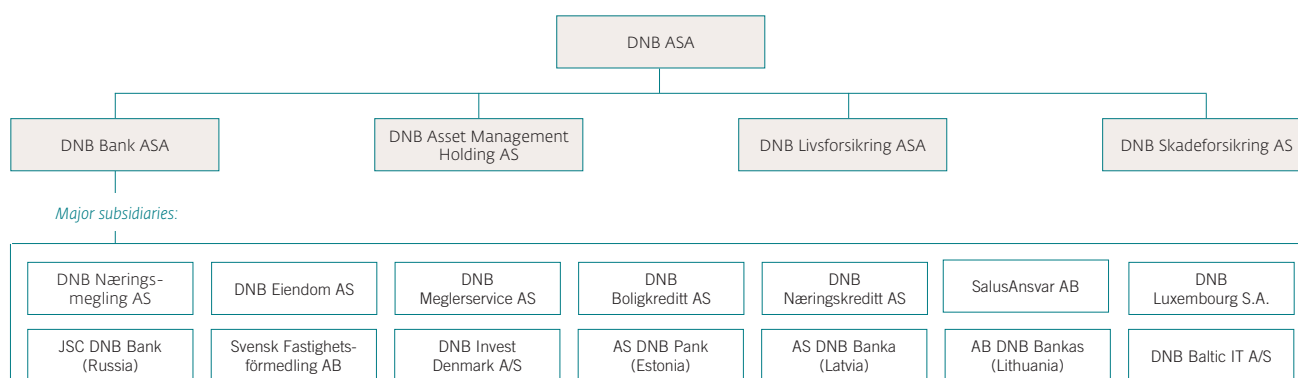
[// More about the DNB Group](#)

## DNB'S GEOGRAPHIC PRESENCE

Number of employees as at 31 December 2012



# LEGAL STRUCTURE



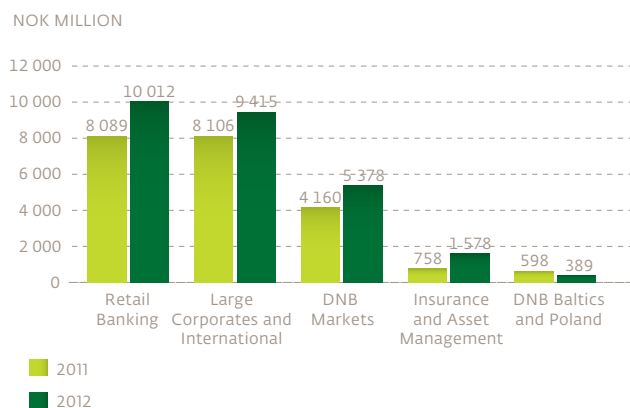
## OWNERSHIP AND LEGAL STRUCTURE

The Norwegian government, represented by the Ministry of Trade and Industry, is DNB ASA's largest shareholder, owning 34 per cent of the shares. According to the State Ownership Report (White Paper no. 13 2010-2011 Active ownership) the purpose of the government's ownership in DNB ASA is to ensure that the Group is headquartered in Norway and serves as a partner for Norwegian companies at home and in the export markets. This

gives the business community access to a large, Norwegian-based financial services group with a high level of expertise. 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.

# KEY FIGURES 2012

## PRE-TAX OPERATING PROFIT BEFORE IMPAIRMENT BROKEN DOWN ON BUSINESS AREAS – NOK MILLION



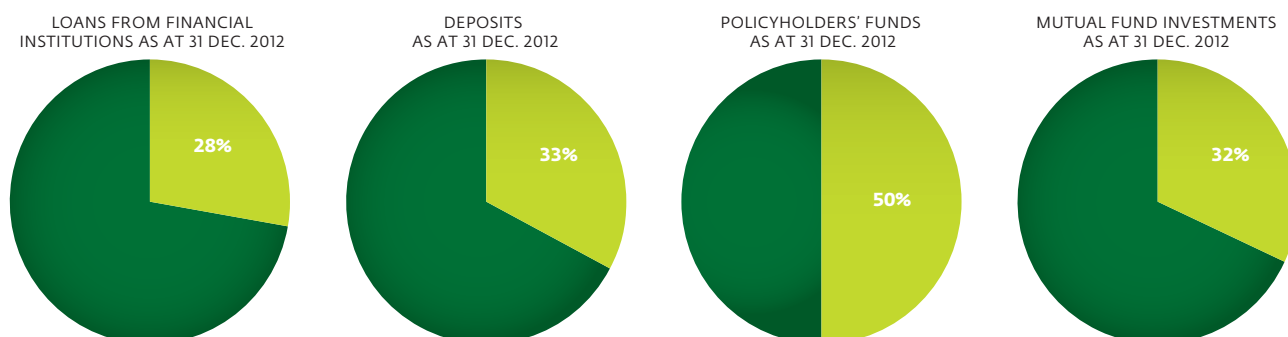
## KEY FIGURES

Personal customers in Norway	2 100 000
Corporate customers in Norway	220 000
Internet bank users in Norway	1 600 000
Customers in life and pension insurance companies in Norway	1 000 000
Number of registered users of SMS services	600 000
Number of non-life insurance customers in Norway	188 000
Number of mutual fund customers in Norway	520 000
Number of full-time positions, DNB Group *	14 431
Number of full-time positions in Norway *	9 752
Profit for the year	NOK 13 657 million
Return on equity	11.2%
Common equity Tier 1 capital ratio	10.7%
Dividends	NOK 2.10 per share

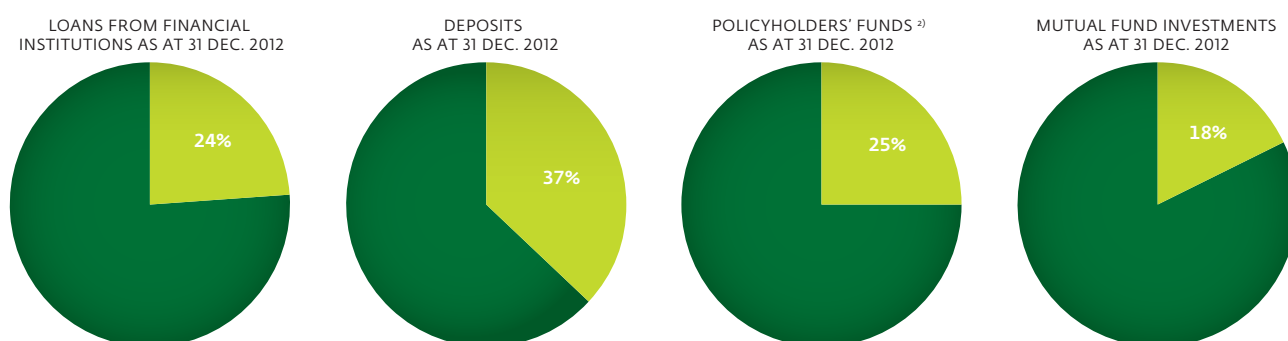
\* Includes employees in service functions involved in the management of investments in DNB Livsforsikring's property portfolios. These are not included in the number of full-time positions in DNB's annual report for 2012.

# DNB's MARKET SHARES IN NORWAY

## RETAIL MARKET <sup>1)</sup>



## CORPORATE MARKET <sup>1)</sup>

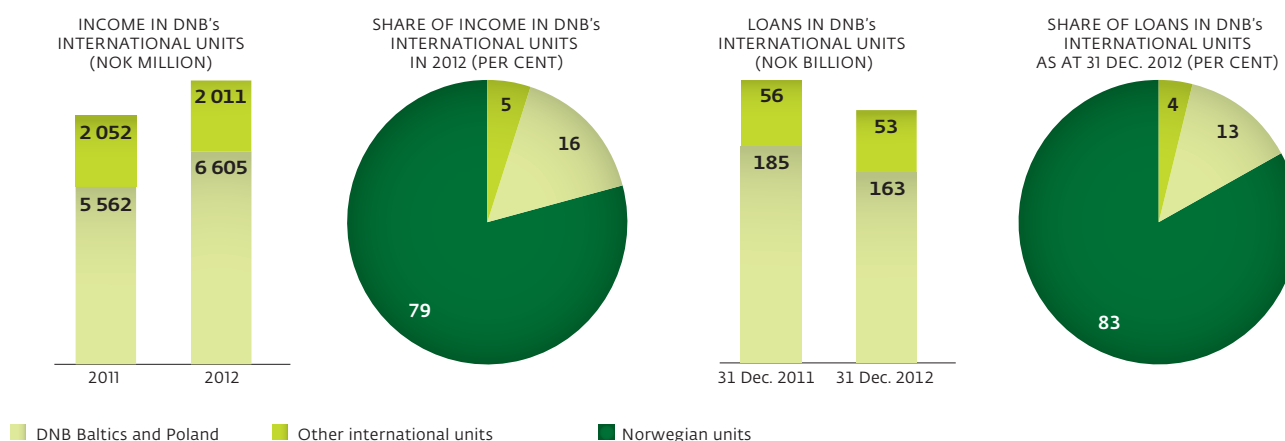


■ DNB's market shares

<sup>1)</sup> Source: Statistics Norway and Finance Norway.

<sup>2)</sup> Includes the public sector.

# DNB's INTERNATIONAL UNITS





# VALUE CREATION 2012

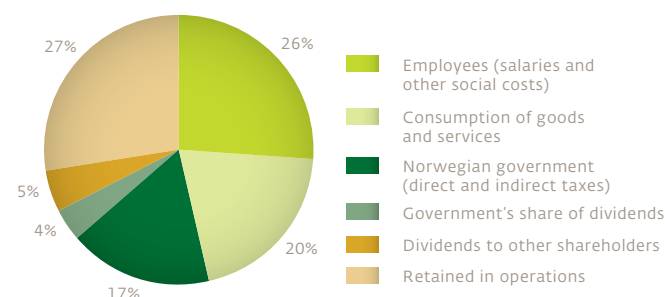
## TOTAL VALUE CREATION

Amounts in NOK 1 000	2012
Consumption of goods and services **	7 753
Employees (salaries and other social costs)	10 050
Norwegian government (direct and indirect taxes)	6 652
Government's share of dividends	2 074
Dividends to other shareholders	1 346
Retained in operations	10 237
<b>Total distributed value creation*</b>	<b>38 112</b>

\*) 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.

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

## DISTRIBUTION OF VALUE CREATION



# VISION, VALUES AND STRATEGY

## VISION AND VALUES

*DNB's vision:*

**Creating value through the art of serving the customer**

DNB will create value for customers, owners, employees and society in general.

*DNB's values:*

**Helpful, professional and show initiative**

The values reflect what should characterise DNB. Employees who are helpful, professional and show initiative will ensure that customers always have a good experience when they contact DNB.

DNB's vision and values are about putting the customers in focus. By having satisfied customers whose needs for financial services are well met, DNB aims to be the leading bank throughout Norway and a leading international player within selected customer segments, products and geographic areas.

An important target for the Group is to achieve even stronger customer orientation in its operations and improve customer satisfaction.

## STRATEGY

DNB is Norway's largest financial services group, and the healthy Norwegian economy gives the Group a sound basis for continued growth. However, uncertainty regarding future economic developments and new requirements from the authorities call for a high level of adaptability and will be guiding for DNB's future strategic decisions. Capital-efficient growth, improved customer satisfaction scores and reduced cost levels will be given high priority in the future.

# TARGETS AND MEASURES 2013-2016

In 2011, DNB's group management team decided on new targets and measures which will contribute to integrating sustainability into the Group's operations.

Read more about target attainment and the implementation of the measures on [the Group's web pages](#). The current status will be updated at a minimum on a quarterly basis.

## GOVERNANCE

Targets and measures	Deadline by year-end
Include more non-financial information in the annual report and further develop DNB's corporate reporting towards integrated reporting <sup>1)</sup>	2014
Start using a new tool for social and environmental risk assessment in lending operations	2013
Further integrate environmental, social and corporate governance (ESG factors) in asset management operations	2014
Identify climate risk in our investment and loan portfolios	2014
Integrate climate change in risk analyses at group level	2014
Certify the DNB Group in accordance with the ISO 14001 environmental management system	2013 <sup>2)</sup>

## SOCIETY

Targets and measures	Deadline by year-end
Place climate, environmental and social issues on the agenda in cooperation with other market players	2015
Develop new responsible products and services	2015
Offer more personal finances training	2014
Promote equality and diversity in the DNB Group	2013

## CLIMATE AND THE ENVIRONMENT

Targets and measures	Deadline by year-end
Include reporting of climate and environmental indicators for the Group's international operations	2013
Reduce greenhouse gas emissions by measuring and following up internal measures and purchasing carbon offsets	2014
Increase employee commitment with respect to climate and environmental challenges	2013

<sup>1)</sup> Integrated reporting – definition by the IIRC: A process which describes an organisation's strategy, governance, performance and prospects in a way that reflects the commercial, social and environmental context within which it operates.

<sup>2)</sup> DNB's target is to certify the Group's operations in Oslo, Trondheim and Bergen by year-end 2013, while the rest of the Group thereafter will be certified on an ongoing basis. There are plans to certify all of the Group's operations in Norway and internationally during 2015/2016

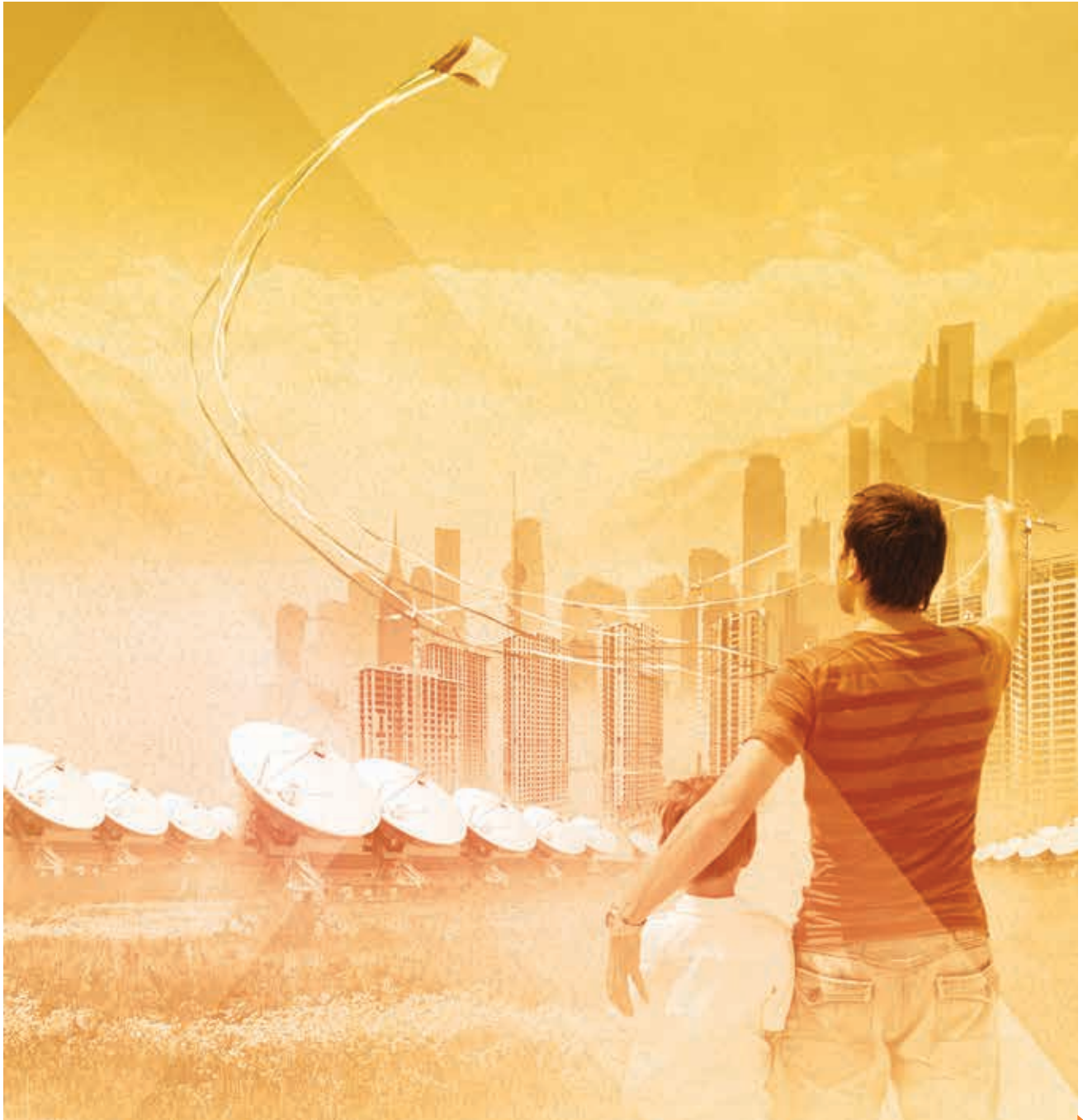
# STATUS 2012

## HIGHLIGHTS

- Carbon accounting report extended to include the Baltic States
- ISO 14001 certification initiated
- First purchases of carbon offsets for air travel
- Reduction in air travel and greenhouse gas emissions
- Inclusion in the Dow Jones Sustainability Index for the fourth consecutive year
- Close to 400 participants at personal finance courses run on a voluntary basis

## DEVELOPMENT AREAS

- Increase in waste, including residual waste and paper/cardboard
- No green products or services launched
- No products with particularly responsible qualities launched
- Poorer performance in the Carbon Disclosure Project, contrary to the target to become the best Nordic financial institution reporting to the CDP
- Slight increase in the sickness absence rate



## GOVERNANCE

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# GOVERNANCE

As Norway's largest bank, DNB wants to be a role model in the field of sustainable value creation by integrating ethical, environmental and social aspects into its business operations. DNB's group policy for corporate social responsibility governs efforts throughout the Group to comply with and develop its corporate social responsibility.

## IMPORTANT EVENTS IN 2012

- For the fourth consecutive year, DNB qualified for inclusion in the prestigious Dow Jones Sustainability World Index in 2012. This means that DNB is considered to be among the top ten per cent in its industry in the world in terms of contributing towards sustainability.
- During 2012, DNB revised its guidelines for corporate social responsibility within credit activities and expects to implement the guidelines in the course of 2013. In order to ensure compliance with the guidelines for responsible investment, DNB enters into active dialogue with companies the Group invests in.
- During 2012, DNB's responsible investment analysts were in dialogue with 35 companies to discuss sustainability issues. In the course of 2013, all DNB employees will complete a new ethics programme aimed at improving their ethical alertness.
- In 2012, DNB set itself a target to further integrate non-financial information, or so-called ESG indicators<sup>1)</sup>, into its future annual reports.
- DNB Baltics launched a new strategy in 2012, in which non-financial targets play an important part.

## COMPLIANCE AND DEVELOPMENT OF CORPORATE SOCIAL RESPONSIBILITY

DNB's corporate social responsibility policy is based on internationally recognised guidelines, including the [OECD's guidelines for multinational companies](#), the [UN Principles for Responsible Investment \(PRI\)](#) and the ten principles for business activities from the [UN Global Compact](#). These principles cover the areas human rights, labour rights, the environment and anti-corruption.

DNB's policy for corporate social responsibility and ethics and the accompanying guidelines apply equally to both its international operations and the rest of the Group.

In addition to the group policy for corporate social responsibility, guidelines and business models are in place to ensure that corporate social responsibility becomes an integrated part of day-to-day operations.

DNB shall comply with all laws and regulations applicable to the Group's operations, known as compliance. The compliance function is an independent function which identifies, evaluates, gives advice on, monitors and reports on the Group's compliance risk. In all business areas, support units and international entities, compliance

## NUES

DNB follows the Norwegian Code of Practice for Corporate Governance, see [www.nues.no/en](http://www.nues.no/en). For a more detailed account of DNB's corporate governance principles and practice, see pages 32-45 in the financial annual report.

## INTEGRATED COMPANY REPORTING

DNB aims to further integrate non-financial information, or so-called ESG indicators<sup>1)</sup> into its future annual reports. This will provide stakeholders with a better understanding of how DNB has taken sustainability into account in its business model, and of DNB's role in society. Through more comprehensive reporting, DNB wishes to better demonstrate how non-financial aspects help the Group achieve its financial targets and strategic ambitions.

## DNB BALTICS – FOCUS ON NON-FINANCIAL TARGETS

DNB Baltics launched a new strategy in 2012, in which non-financial targets constitute a separate part. DNB Baltics wants to contribute to the development of the financial market in its region by communicating DNB's points of view regarding price wars, risk, due care and increased transparency, and wishes to take a leading position in the field of ethical responsibility in banking and business, focusing on corporate social responsibility. DNB Baltics undertakes to develop its local capital markets by promoting financial transactions such as syndication and association agreements, bond issues and capital planning tools. This will entail both cooperating with competitors and bringing the benefits of these transactions to existing and potential customers' attention.

<sup>1)</sup> Reporting of ESG indicators implies reporting of environmental and social aspects as well as aspects related to sound governance. Such information is often included in CSR reports.



officers have been appointed with responsibility for ensuring compliance with relevant regulations.

// Read more about compliance on pages 37-43 in the financial annual report.

The group compliance officer is responsible for the Group's overall control of and reporting of compliance risk and any breaches of laws and regulations pertaining to the Group. The group compliance officer reports to the Board of Directors through the group chief executive at least once a year.

DNB is a member of the [World Business Council for Sustainable Development](#) and the [United Nations Environment Programme Finance Initiative](#) and has adopted the [Equator Principles](#), a voluntary set of guidelines for managing environmental and social issues in project finance.

## ETHICS

### Code of ethics

DNB has a group policy for ethics. The purpose of the related guidelines (called the code of ethics) 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 (cf. the paragraph on economic crime, pages 15-16). High ethical standards also mean always focusing on the customer, showing respect and consideration for others and constantly building credibility. This has a value in itself for both the Group and each individual employee.

If an employee gains knowledge about a violation of the law or other reprehensible actions at the workplace which are contrary to DNB's code of ethics, he or she may notify Group Audit. All such notifications are treated confidentially.

### Ethics training

Each individual manager is responsible for making sure that employees are well-versed in the code of ethics and for putting ethical dilemmas on the agenda. The Group's code of ethics was revised in 2011, and a new ethics programme was developed in 2012 to help implement the code. This programme is mandatory for all of the Group's employees in 2013.

As DNB has offices all around the world and employees from a variety of cultures, considerable resources were used to promote the code of ethics in other countries in 2012. All employees in Latvia, Lithuania, Estonia and Russia have been trained in the code of ethics and in solving relevant ethical dilemmas. Following the entry into force of the UK Bribery Act in the summer of 2011, DNB's London office also intensified its training measures in 2012.

### Certification of advisers

All of DNB's financial and investment advisers and their managers are certified in accordance with the national authorisation scheme for the financial industry. At year-end 2012, DNB had a total of 1 319 authorised advisers, of whom 130 were authorised in the course of the year. In addition, the Group provides mandatory, web based e-learning programmes focusing on money laundering for all



DNB participates actively in surveys and indices from a number of organisations providing important input in the development of DNB's social responsibility efforts:

- Carbon Disclosure Project
- Dow Jones Sustainability Index
- EIRIS
- FTSE4Good
- Oekom
- RobecoSAM Corporate Sustainability Assessment
- Vigeo



*All employees in Russia have received training in DNB's code of ethics. The ethical compass (picture) is an important element in ethics training.*

employees working directly with customers. This programme was completed by 3 498 DNB employees in Norway and abroad during 2012.

#### **Ethics scores**

Knowledge of the code of ethics is followed up in the DNB Group's annual employee survey. At 83 points, the score for 2012 was roughly the same as in 2011, when the score was 84 points.

In the annual RepTrak reputation survey, DNB achieved the same reputation score in 2012 as in 2011, 68 points, which corresponds to an average reputation. Ethics is one of the RepTrak reputation dimensions. This dimension says something about how the market perceives DNB with respect to openness about its operations, ethical responsibility and integrity. In 2012, DNB achieved a score on the ethics dimension of 67.5 points, which was virtually unchanged from 2011. The ethics dimension still has the lowest score among the seven reputation dimensions which constitute DNB's reputation score.

DNB's group guidelines for ethics are available in their entirety on [the Group's website](#).

#### **RESPONSIBLE INVESTMENTS**

DNB Asset Management is a leader in the field of responsible investments, with experience in the field from as far back as 1988. DNB offers both mutual funds and mandates based on tailor-made ethical investment criteria.

DNB has guidelines to ensure that the Group does not invest, neither directly nor through mutual funds, in companies involved in the production of tobacco and/or pornography, anti-personnel mines and cluster weapons, or in companies which develop and produce central components for use in weapons of mass destruction as a key part of their operations. Weapons of mass destruction are defined as ABC weapons (atomic, biological and chemical).

#### **// Ethical investment guidelines**

Nor does the Group, through its investment activity, wish to contribute to serious or systematic infringement of human and labour rights, such as forced labour and the worst types of child labour, involving force, illegal operations or health-damaging work. Nor will the Group be involved in grave harm to the environment or serious corruption.

Suppliers of mutual funds to the Group are also comprised by DNB's ethical investment guidelines. All new funds from external suppliers to be offered in DNB's trading solution shall be compliant with DNB's ethical investment guidelines. During 2012, DNB's responsible investment analysts were in dialogue with several mutual fund suppliers to ensure that they follow the principles for responsible and sustainable investing and ownership administration.

DNB offers a number of socially responsible and green mutual funds in the Norwegian personal customer market:

- DNB Barnefond
- DNB Eco Absolute Return
- DNB Renewable Energy
- DNB Grønt Norden
- DNB Global Emerging Markets

DNB Global Emerging Markets applies particularly strict investment standards. In addition to following the ethical minimum standard, the fund does not invest in companies which are involved in conventional weapons, alcohol or gambling.

#### **// DNB Global Emerging Markets**

#### **Ethical investment committee**

A special committee has been established in DNB to administer and follow up ethical investment guidelines throughout the Group. The guidelines apply to all financial investments made both directly and through mutual funds. The committee makes sure that matters are as well elucidated as possible before issuing a recommendation to the heads of the various asset management units regarding a possible exclusion of companies from the investment portfolio. The committee is regularly updated on DNB's exercise of ownership rights, i.e. how the Group integrates sound governance, environmental and social considerations in its investment operations. In cases where the exercise of ownership rights is unsuccessful, the committee will recommend the exclusion of the relevant company. The committee will regularly consider whether the grounds for excluding a company still exist. Based on new information, the committee may recommend that the decision to exclude a company be revoked.

#### **Active ownership**

In order to ensure compliance with the responsible investment guidelines, DNB wishes, through its direct investments and on behalf of its mutual fund clients, to be an active owner and to engage in dialogue with companies DNB invests in. Through active ownership or ownership administration, DNB aims to influence companies in which the Group has ownership interests in the desired direction. Action may be taken based on special issues

relating to environmental or social aspects and business ethics, or a wish to improve the companies' policies or routines in special areas.

Active ownership is exercised based on either individual events or special aspects which are reviewed on a regular basis. Sustainable cotton production was priority area as far as DNB's ownership administration was concerned in 2012, and DNB's responsible investment analysts were in regular dialogue with Swedish clothing and textile companies about challenges within cotton production. Furthermore, a sustainable seafood project was established, aimed at raising awareness within DNB on environmental risk factors within the seafood industry, getting input for analyses and investment decisions and having a positive sustainability influence on the major players in the industry. Qualitative dialogues with individual companies are very time and resource consuming. However, as such dialogues have proven to be effective, they are prioritised as far as resources allow.

During 2012, DNB's responsible investment analysts were in dialogue with 29 companies to discuss sustainability issues (see table on corporate dialogue in 2012). DNB has a long-standing and wide-ranging commitment with some of these companies. DNB has been in dialogue with more than 250 companies through the consultancy firm GES Investment Services, based on seemingly reprehensible incidents or suspected breaches of international standards.

DNB has direct ownership positions in a wide range of companies. These equity investments are also followed up pursuant to the active ownership principles described above. Social, environmental and ethical issues are followed up through regular dialogue with the companies in which the bank has ownership positions.

DNB publishes the results of votes cast at general meetings in cases where DNB votes contrary to recommendations from the relevant company's executive management. DNB also publishes the results of votes in matters which are of public interest or of special interest to the relevant holders of mutual fund units. DNB's voting is published on the Group's website. Thus far, this applies only to the Norwegian market.

### External involvement

In 2012, DNB joined forces with other Norwegian asset owners and asset managers to establish the [Norwegian forum for responsible and sustainable investments](#) (Norsif). Norsif is an independent association for asset owners, asset managers, service providers and industry associations with an interest in responsible and sustainable investment. Norsif aims to promote the development and increase awareness of the field of responsible investment – in the financial industry and among other stakeholders.

### EXCLUDED COMPANIES IN 2012:

Companies which breach DNB's ethical investment guidelines and show no willingness to rectify the situation may be excluded from the investment universe. As at 31 December 2012, DNB had excluded 58 companies due to factors such as serious environmental harm and human rights violations.

Exclusion criteria	Number of companies
Anti-personnel mines (land mines)	1
Cluster weapons	9
Nuclear weapons	11
Environmental aspects	8
Labour rights	1
Human rights	6
Pornography	2
Tobacco	20
Total number of excluded companies	58

### CORPORATE DIALOGUE IN 2012

Subject	Number of meetings*
Waste and emissions	3
Labour standards	5
Local communities/indigenous rights	1
Bribery and corruption	3
Human rights	5
Other social issues	13
Other environmental issues	5

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

## CONTROVERSIES

### ATOMIC WEAPONS

In the spring of 2012, the newspaper Klassekampen claimed that DNB had loaned money to Honeywell, a US company linked to the production and development of atomic weapons. Their source was the nuclear abolition campaign ICAN and its report "Don't bank on the bomb".

#### // The "Don't bank on the bomb" report

DNB cannot comment on specific customer relationships, but has in this case stated that in general, DNB also considers environmental, ethical and social aspects in connection with lending. With respect to atomic or mass destruction weapons, however, the Group follows different practices in its investment and lending operations:

DNB does not invest in companies which develop and produce central components for use in atomic weapons. As far as lending is concerned, in addition to other assessments of social, environmental and ethical issues, a significance analysis is performed of whether the development and production of central components for use in weapons of mass destruction is a key part of the relevant company's operations. In other words, a significance criterion is applied in the bank's lending operations which is not applied in the bank's investment operations.

A further harmonisation of the respective practices in investment and lending operations with regard to atomic or mass destruction weapons is under consideration. The involvement of customers and pressure groups in connection with the Honeywell case has provided important input to this work.

### INVESTMENTS ON OCCUPIED PALESTINE TERRITORY

In a report from the Norwegian People's Aid and the Norwegian Union of Municipal and General Employees, Norwegian

authorities and financial institutions are criticised for contributing to breaches of international law and human rights through investments in companies operating in the occupied Palestine territories on the West Bank and the Gaza strip. The Norwegian People's Aid has asked the Council of Ethics for the Government Pension Fund Global to recommend pulling out of these companies, and stated that it is time for Norwegian banks and fund managers to demonstrate their intent when they preach the importance of corporate social responsibility and responsible investments by placing the companies on their list of excluded companies. DNB has long been aware of and considered various issues in the occupied Palestine territories, and has been in contact with several of the companies named in the report from the Norwegian People's Aid and the Norwegian Union of Municipal and General Employees in order to obtain more information.

### LEGAL DISPUTES ABOUT SAVINGS PRODUCTS

Ivar Petter Røeggen instituted legal proceedings against DNB Bank ASA, claiming that two investment agreements for structured products be declared null and void. The Borgarting Court of Appeal found in favour of the bank on 30 September 2011. The judgment has been appealed to the Supreme Court, which is expected to pass its sentence in March 2013.

In addition to the civil action brought by Ivar Petter Røeggen, a group action was announced against DNB Bank ASA with 19 plaintiffs, relating to the same products as the action brought by Røeggen. The group action has been dismissed in a final judgment. Several of the plaintiffs from the original multi-party action, together with some of the other plaintiffs, have submitted a civil action against DNB Bank ASA. The action has been halted by the Oslo District Court awaiting a final decision in the civil action from Røeggen. Other units in the Group are also involved in legal disputes relating to structured products. The DNB Group contests the claims.

## RESPONSIBLE LENDING

DNB considers risk factors such as environmental and social aspects as well as aspects related to sound governance (ESG indicators) in its lending operations. These risk factors should be analysed just like other risk drivers and be decisive factors when determining whether to grant a credit.

Throughout 2012, DNB continued to develop its own tool for the assessment of the risk aspects mentioned above for large credit exposures, and the updated tool is expected to be implemented during 2013. The purpose of this tool is to ensure a consistent method for the assessment of ESG factors and to make sure that DNB still operates in accordance with best industry practice in this area. Furthermore, the tool is meant to ensure greater harmonisation with DNB's investment operations and contribute to more prudence in the assessment of cases with a higher presumed ESG risk.

CSR criteria constitute an integral part of the credit process throughout DNB's operations both in Norway and internationally.

### Equator principles

In 2008, DNB adopted the Equator Principles, an international voluntary set of guidelines for managing environmental and social issues in project finance. The Equator Principles are based on the International Finance Corporation Performance Standards on social and environmental sustainability and on the World Bank Group Environmental, Health, and Safety Guidelines (EHS Guidelines).

The principles are incorporated in DNB's credit guidelines. In line with the Equator Principles' definition of project finance, new projects with total project costs of more than USD 10 million are encompassed, as well as upgrades of existing projects where relevant. The Equator Principles were subject to a comprehensive review and further development throughout 2011 and 2012. DNB played an active part in this process and expects the revised principles to be implemented by the end of 2013.

#### // Equator principles



### Equator team

DNB has an internal Equator Team which categorises relevant projects based on the Equator Principles. The team also advises customer teams regarding social and environmental risks in individual projects, and facilitates training. The team is headed by a representative from External Relations and has participants from departments working with large corporates and credit management. The External Relations division in DNB has the prime internal monitoring and reporting responsibility related to the Equator Principles.

The Equator Team has internal reporting requirements for project compliance with the Equator Principles in connection with financing renewals, as well as standards for the preparation of underlying documents for the categorisation of projects.

In all Equator projects, there should be a structured stakeholder dialogue with the parties involved. The social and environmental aspects of projects are raised directly by either DNB or other lenders, or by a third party who is independent of the project. Projects in Equator Principle category A and, in some cases category B, are regularly monitored with respect to environmental and social issues.

### SUPPLIER MANAGEMENT

#### Compliance by suppliers

Corporate social responsibility is an integral part of all governing documentation for DNB's professional procurement units. All of DNB's suppliers must sign a declaration form stating that they do not contribute to human or labour rights violations, environmental harm or corruption. The declaration form regarding suppliers' corporate social responsibility is integrated in standard agreement templates and thus included in the Group's formal supplier and contract documentation.

#### // Declaration form regarding suppliers' corporate social responsibility

In 2012, a model for following up suppliers' corporate social responsibility was established to manage and monitor environmental and social risk in DNB's supplier portfolio. The target for 2013 is to improve the monitoring and reporting of risks related to social responsibility among DNB's suppliers.

### ECONOMIC CRIME

By economic crime we mean illegal acts motivated by profit. It is characterised by targeting both individuals and society in general, as well as large organisations. In DNB, we are in a constant state of readiness to uncover and combat organised economic crime and any attempts by individuals to profit financially from criminal acts.

The term economic crime includes the following:

- Money laundering and terrorist financing
- External fraud
- Internal misconduct



### 2012 EQUATOR REPORTING

In 2012, a total of eight projects were processed in accordance with the Equator Principles.

EP category	No. of projects in 2012
A	1
B	6
C	1
Total	8

EP category	Oil and gas	Shipping	Energy and energy support
A			1
B	1		4
C		2	
Total	1	2	5

EP category	North America	South America	Europe	Asia and Australia
A		1		
B	1	2	2	1
C			1	
Total	1	3	3	1

### Money laundering/terrorist financing

Money laundering implies converting proceeds from criminal acts to apparently legitimate funds. Terrorist financing implies collecting, acquiring or receiving funds to be used to finance terrorist actions. DNB is subject to strict statutory regulations to fight money laundering and terrorist financing. Among other things, the bank is required to investigate all suspicious transactions through so-called enhanced customer due diligence. The need for such due diligence is notified automatically through DNB's systems.

All employees who are in direct contact with customers or perform customer-related transactions must take a mandatory e-learning course on the subject of money laundering once a year. All managers are responsible for ensuring that customer due diligence and customer establishment take place in accordance with prevailing rules for the relevant unit and that suspicious transactions are reported. Individual employees must perform customer due diligence in accordance with prevailing rules and report any suspicious transactions. In DNB's Norwegian operations, 2 719 employees completed anti-money laundering training in 2012. 761 employees in DNB's international units completed corresponding courses. In addition, the Economic Crime Department held 48 lectures for close to 1 000 DNB employees in the course of 2012 as part of the training to counteract various forms of economic crime. 1 290 suspicious transactions were reported in 2012, which was a 76 per cent increase from 2011. This was due to the continuous improvement of DNB's electronic monitoring as well as increased expertise in the section which investigates suspected money laundering cases.

### Fraud

Fraud or attempted fraud against DNB means that the Group's customers or others use DNB's services in an unlawful manner for the purpose of making a profit for themselves or others to which they are not entitled, or aid and abet such actions. Fraud includes everything from credit card fraud and forged cheques to loan scams and bankruptcy crime. Fraud or attempted fraud must be reported immediately to the employee's immediate superior, who will notify DNB's investigation unit.

### Information security

Just like all other large companies, DNB is almost continually exposed to virus attacks and attacks from hackers from all over the world. Their objective is often economic crime. DNB offers all customers anti-virus programs via the Internet bank. In the event of virus attacks, customers are often contacted directly by DNB and informed about the danger.

### Internal misconduct

Internal misconduct comprises incidents where employees, temporary staff, employee representatives or members of governing bodies in DNB deliberately and unjustifiably seek to obtain economic benefits either for themselves or for others. Internal misconduct includes embezzlement, theft, misappropriation of funds, counterfeiting, fraud, the sale of information and withholding information in connection with the establishment of credit facilities. Irregularities comprise serious infringements of prevailing standard procedures, the Group's code of ethics, guidelines, powers of attorney or agreements. Group Audit in DNB contributes to preventing and exposing any internal misconduct and for investigating suspected misconduct and irregularities.

## STAKEHOLDER DIALOGUE

DNB has regular discussions with stakeholders and various target groups giving important feedback regarding the development of the Group. Feedback from community representatives and organisations provides an important backdrop to DNB's dialogue with other companies and for analysing their strengths and weaknesses as regards their treatment of people and the environment.

Target groups	Examples of dialogue
Employees	Annual employee survey. Consultation and working environment committees, regional committees. Daily news articles and the CEO's blog on the Group's Intranet, open to comments. Possibilities for collaboration and debate on Intranet sub-pages.
Customers	The DNB Group's Facebook page and the consumer and SME economists' blogs. Customer communication (chat) in the Internet bank. Regular customer surveys in the retail and corporate markets, annual customer satisfaction survey.
Shareholders	Press and analyst conferences, presentations on special subjects, participation in indices and investor surveys.
Authorities	Regular contact with the Ministry of Finance, Finanstilsynet (the Financial Supervisory Authority of Norway), the Ministry of Trade and Industry, the Norwegian Competition Authority, the Ministry of Labour, the Ministry of Foreign Affairs, the Norwegian parliament, the Banking Law Commission, the Data Inspectorate, the Norwegian Consumer Council and Norges Bank regarding topical matters.
Politicians	Regular contact with Members of Parliament regarding relevant political and regulatory matters for banks. Meetings with youth politicians.
Suppliers	Follow-up talks with selected suppliers based on agreement size and/or CSR risk. Supplier CSR declaration form.
Networks	Regular meetings in the Global Compact Nordic Network, UNEP FI and the World Business Council for Sustainable Development and Klimalab.
Non-profit organisations	Meetings with CARE Norway, the Norwegian Red Cross and the Crown Prince and Crown Princess' Humanitarian Fund regarding the use and development of cooperation agreements. Meeting with the WWF (World Wide Fund for Nature) and ZERO (Zero Emission Resource Organisation) regarding environmental and climate issues, challenges and opportunities.
Organisations	Meeting with the Norwegian People's Aid regarding investments on occupied Palestinian territory and with No to Nuclear Weapons regarding loans to companies which produce atomic weapons. Member of Finance Norway. Contact meetings about relevant matters with other industry associations.
Press	Articles, interviews, feature articles.
Society in general	Structured stakeholder dialogue in projects subject to the Equator Principles. Stakeholder dialogue via Facebook with customers and community representatives to obtain feedback on DNB's corporate social responsibility initiatives.
International organisations	Member of the Institute of International Finance (IIF) and the Swedish Bankers' Association. Participates in the work of the European Banking Federation (EBF) and has contact meetings with other large Nordic banks.

In addition, DNB engages in structured stakeholder dialogue every second year with selected owner, employee, customer and community representatives, which started in the autumn of 2011. The purpose of this dialogue is to hear stakeholders' views on DNB's corporate social responsibility and learn what they expect from the Group and which issues they believe should be given priority in the future.

The outcome of the structured stakeholder dialogue shows significant areas where internal and external stakeholders feel that DNB should continue to improve. The following areas were rated as highly important by both internal and external stakeholders and will have priority in DNB's CSR efforts in the time ahead:

- Corporate social responsibility should be firmly embedded in the Group's core operations by incorporating corporate social responsibility in DNB's business models and provide for the development of responsible products and services
- DNB should be an opinion former within corporate social responsibility
- DNB should have a clear climate strategy and reduce its greenhouse gas emissions
- DNB should develop more climate friendly products and services and improve its advisory competence, especially in relation to future climate and environmental requirements

Importance to stakeholders	High					Incorporate CSR in core operations
	Medium high			Overall responsibility/opinion former		
	Medium			Transparency		Climate and environment
	Medium low		Contribution to society	Employees		
	Low					
		Low	Medium low	Medium	Medium high	High
Internal priority						

To generate more feedback on CSR, DNB launched a campaign at Christmas 2012 on its Facebook page aimed at increasing involvement in DNB's social responsibility work. As many as 2.1 million people saw the message and 4 300 of them clicked to continue. A number of the comments substantiate the priority areas from the stakeholder dialogue carried out in the autumn of 2011, where corporate social responsibility incorporated in DNB's core operations was highlighted as the most important factor for DNB to develop further. Besides this, the Facebook campaign offered DNB a glimpse of what Facebook users are primarily interested in.

### Political affairs

The work on political affairs in DNB aims to create a better understanding of the role the financial services industry and DNB play in society. Political affairs work in DNB means promoting matters



554 likes  
 dnb\_bank #opera #operahuset #ladetbiliv #barefinkultur ?  
 #vakkertsygg #kulturav #benonstann #ayngestetetforade  
 #tragedie #omikk #helefolketshus #DIY ? #samfunnsansvar  
 #dnb

One of the messages from DNB's Facebook campaign at Christmas 2012.

☞ DNB should help those on the lowest rung of the ladder get into the property market. ☞

☞ Don't be so hard on people applying for a loan. Listen to your heart instead of using a template. Thanks. ☞

☞ Invest in renewable energy and try to be a good example for other banks investing in the money market and, in the long term, unsustainable solutions. Help initiate a movement that ensures a sustainable economy, disregards certain individuals' desire for maximising their own wealth at the expense of those less fortunate, in Norway or abroad. In short, think creatively and economically and focus on the future rather than the present. ☞

☞ Keep contributing to the building of ice rinks. Look at Sweden, they're building their twelfth indoor bandy arena and are aiming for 15-20. Stockholm alone has 50 ice hockey arenas while Oslo has five. ☞

of significance to our customers, employees and the Group's competitive power. In order to get our view across and be heard, it is vital to be in contact with the central authorities, members of parliament and other key players in society. Increasing public and media attention on DNB's views is important in order to mobilise like-minded people and help improve the knowledge of important issues and their context. In 2012, stricter banking regulation was high on the agenda, along with life insurance companies' challenges with respect to capital requirements and the pension reform. The Political Affairs Division had meetings with a greater number of representatives from political parties, the business community and other organisations, and put political and regulatory issues for banks on the agenda through a number of articles in the media in the course of the year.

### Customer involvement

In order to get to know its customers and better understand their needs, DNB involves customers in product and service development. Through customer dialogue on DNB's Facebook page,

customers can give direct feedback on their own banking experiences, which gives DNB the opportunity to immediately adjust and improve routines and processes. As at 31 December 2012, DNB had 158 000 Facebook followers.

Customers participate in developing the bank through DNB Labs. The idea behind DNB Labs is to provide a common arena for structured feedback where customers can help each other and share experiences, but also contribute to developing DNB's product and service range. This will give DNB a place from which to obtain inspiration when developing new functions or improving existing ones. During 2012, DNB had more than 1 800 Labs users, and ten ideas discussed in DNB Labs were realised.







## SOCIETY

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# SOCIETY

As Norway's largest bank, DNB plays an important role in many people's lives. As an employer, DNB will ensure satisfactory working conditions for its employees. As a provider of products and services, DNB will meet its customers' needs while respecting their basic rights. As an important player in society, DNB will help even more people make their dreams come true.

## IMPORTANT EVENTS IN 2012

- In 2012, DNB supported sporting, cultural and humanitarian organisations and research with NOK 119 million. DNB provided a personal finance course with close to 400 participants, targeted at people who do not actively seek advice in branch offices or the Internet bank. The course has been well received, by participants as well as by DNB employees who have volunteered as lecturers. DNB will continue to provide this course in 2013, and it is a strategically important part of DNB's corporate social responsibility efforts.
- During 2012, DNB's customer service centre received in excess of 6.5 million enquires. More and more customers contact DNB electronically, via Facebook, the Internet bank's chat function and on dnb.no.
- Customer satisfaction, which measures DNB customers' opinion of and satisfaction with the Group, remained unchanged from 2011 to 2012 at 97 per cent. The target is 100 per cent, which is the market average.
- In 2012, employee commitment was measured for the first time in DNB's employee survey, and the results showed a high level of commitment in all parts of the Group. The total score was 80.7 of a possible 100.

## HUMAN RIGHTS

### Human rights

By signing the UN Global Compact, DNB has undertaken to do its utmost to support and respect the protection of internationally proclaimed human rights and make sure that the Group is not complicit in human rights abuses. All governing documents for exercising corporate social responsibility in DNB refer to the need to respect these basic rights. This applies, among other things, to the group policy for corporate social responsibility, the group policy for ethics, the ethical investment guidelines, the declaration regarding suppliers' corporate social responsibility, and guidelines for corporate social responsibility in credit activities.

In projects covered by the Equator Principles, the human rights aspects of the project, such as labour rights, the rights of the native population and forced and child labour, are reviewed by a neutral third party.

In dialogues with customers and stakeholders, a key topic is human rights, especially in connection with responsible investment, loans and the follow-up of suppliers.

## DNB'S LARGEST SPONSORSHIP CONTRACTS:

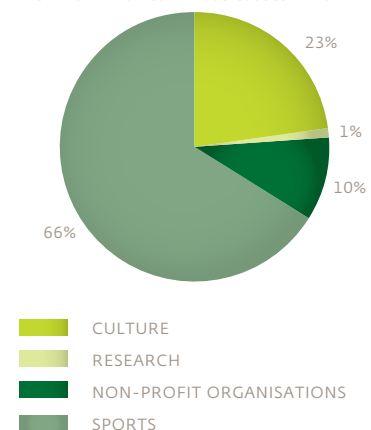
- Norwegian Biathlon Federation
- Norwegian Athletics Federation
- Norwegian Red Cross
- Norwegian Snowboard Federation
- Norwegian Ski Federation, alpine skiing
- Norwegian Orienteering Federation
- The Norwegian National Opera & Ballet
- Riksteatret
- The National Theatre
- Bergen International Festival
- Stavanger Arena



DNB sponsors the Norwegian National Opera & Ballet. The photograph is from the opera "The Magic Flute". Photo: Erik Berg.

## FINANCIAL SUPPORT

DNB provided financial support totalling NOK 119 million to various causes in 2012.





From "Galleri på Vraga", Oslo 18 June 2012, and the opening at the National Theatre underground station. During one week, in June, a street art exhibition was held in the centre of Oslo. More than fifty works of art were photographed and exhibited between Oslo's central railway station, the National Theatre and Aker Brygge. The purpose of the exhibition was to convey the intrinsic value of good art to the general public and increase the number of visitors to Norwegian museums. All of the photographs taken were from the art collection owned by the DNB NOR Savings Bank Foundation, and all of the original works can be viewed in Norwegian art museums.

Photo: Sverre Chr. Jarild

## CONTRIBUTION TO SOCIETY

### Promotes good causes

DNB provides significant financial support to sporting, cultural and charitable organisations and other non-profit causes. In 2012, such support totalled NOK 119 million, cf. graph for distribution. 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.

### A helping hand for good forces

Sparebankstiftelsen DNB NOR (the DNB NOR Savings Bank Foundation) is the second largest shareholder in DNB. The Foundation continues the traditions pursued by Norwegian savings banks, inter alia by contributing to charitable causes. Its charitable donations are made possible mainly due to dividend payments from DNB. Contributions include gifts, investments in non-profit causes and activities related to the donations and non-profit investments.

In 2012, the Foundation made donations to non-profit causes totalling NOK 105.4 million. In addition, the board allocated a financial framework of NOK 15 million to projects in connection with the Edvard Munch jubilee. Donations were made to 441

different projects. The causes given priority were "arts and culture" and "local communities, sports and games". Donations are granted to both small-scale projects in local communities and to large national projects. The common denominator of eligible projects is that they should benefit many, have a long-lasting value, stimulate activity and include an element of voluntary work.

The Savings Bank Foundation spent approximately NOK 39 million on visual art in 2012.

Since the Savings Bank Foundation was established, it has purchased art for a total of NOK 729 million and deposited it at Norwegian museums and exhibitions. The Foundation also buys string instruments which are subsequently loaned to Norwegian musicians via its subsidiary Dextra Musica. The company was established in 2005 and has since purchased string instruments for a total of more than NOK 180 million.

The intention is that the capital donated should be a source of inspiration for individuals and a variety of organisations so that they can realise their ideas and plans for the benefit of the general public. This is expressed through the Foundation's vision: "A helping hand for good forces".





*A savings and loan group in Abizeranye in Rwanda, 2012.*

### **Supports microfinance**

Microfinance is the provision of financial services to poor people, particularly in developing countries, who do not otherwise qualify for regular loans.

The Group supports a microfinance project in Rwanda under the auspices of the aid organisation CARE. The participants in the project receive help to organise themselves in saving and loan groups and thus gain access to local financial services. In addition, the participants are trained in business management.

In 2012, DNB helped establish 180 new savings and loan groups with an average of 25 members in each group. In total, 4 500 individuals have received support from the Group, improving the financial position of their families. Including family members, the situation for as many as 22 500 people has been improved.

In addition to providing financial support to humanitarian organisations involved in microfinance, the Group has also joined the [Norwegian Microfinance Initiative](#), which is a partnership between private and public actors which directly and indirectly invest in microfinance institutions (MFIs) in the form of equity, loans or guarantees. The Norwegian Microfinance Initiative operates on a commercial basis and the aim is to generate attractive returns, both sustainable effects and traditional financial returns. DNB has invested approximately NOK 55 million in cooperation with the Norwegian Microfinance Initiative. The money has mainly been invested in microfinance institutions in countries in Southeast Asia, Latin America and Sub-Saharan Africa. Microfinance institutions make loans, bank deposits and in some cases insurance, available to regular people in areas where traditional banks and insurance companies are few and far between.

### **Innovation**

Since 2003, DNB's Innovation Award has drawn attention to the value of knowledge-based business development in Norway. Through its Innovation Award, DNB wishes to inspire innovation and growth, as well as provide an arena for relationship building. The award goes to an idea which applies new knowledge or uses existing knowledge in an innovative manner. The idea must have

### **DNB's CONTRIBUTIONS TO SOCIETY IN THE BALTICS**

DNB Baltics wants to promote transparency and corporate social responsibility. One of the key priorities is to establish a savings culture by teaching people family economy planning and long-term thinking. DNB Baltics wants to support young people by providing work experience in DNB, grants, sporting activities for children and various forms of charity. Emphasis is placed on being a driving force for innovation and helping to attract foreign investments to the Baltics, in particular from areas where DNB has a presence.

Sponsoring sports and culture is an important part of the bank's identity. DNB Baltics supports projects that reflect the bank's values: professional, helpful and show initiative. Support mainly goes to sports, culture and education. In Lithuania, for example, DNB has for the past ten years sponsored the men's national basketball team.



*DNB Bank in Lithuania has sponsored the men's national basketball team for ten years.*

a clear commercial potential in the form of sales, environmental benefits, jobs, cost savings etc., and a well thought-out business plan for how to realise the idea. Close to 5 000 participants have competed for the award, and to date prize money of almost NOK 15 million has been distributed, including the award for 2012. More than 700 ideas were submitted for DNB's Innovation Award in 2012.

### Committed employees

DNB has cooperated with the annual Norwegian TV charity campaign since the 1970s and contributes with financial support and as coordinator of the counting team. Several hundred employees participate in counting and reporting the money collected, many of them on a voluntary basis.

In cooperation with the Norwegian Red Cross, DNB has established Frivillighetsbanken (the Volunteer Bank). DNB's employees can register as Red Cross volunteers and help by serving as refugee guides, homework helpers, visitors, emergency service workers and door-to-door charity collectors, in addition to blood donors.

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.

### EMPLOYEES/WORKING CONDITIONS

#### A popular place to work

The employee survey conducted in 2012 showed a slight improvement from the previous year regarding satisfaction with working in DNB (see employee satisfaction scores in the key figures table). Employee commitment was measured for the first time in the survey, and the results indicated a high level of commitment in all parts of the Group, with a total score of 80.7 of a possible 100. Compared to other Norwegian employers in the same industry, DNB is seen as one of the most attractive places to work <sup>1)</sup>.

This is further supported by the Universum survey, where Norwegian students rate the attractiveness of various places to work. In 2012, business administration students ranked DNB as the third most attractive place to work. This was a step down from last year's second place, but the survey nevertheless shows that DNB is regarded as an exciting and secure place of employment. Such a ranking is an important success factor in attracting the best candidates to the Group.

#### Competence development

In the annual employee survey, all managers are rated for how they practice the Group's leadership principles: create results, develop individuals and teams, set direction and drive change. This is subsequently followed up. The aim is for each employee to conduct annual performance reviews with his/her manager to identify their development potential in order to increase involvement and work satisfaction and improve performance. During 2012, DNB employees spent more than 64 000 hours in total

### DNB's CONTRIBUTIONS TO SOCIETY IN THE BALTICS

DNB Estonia supports various projects and organisations to help children in need, such as "Aitan Lapsi" (Helping Children), which is one of the largest charity campaigns in Estonia, and aims to give cultural experiences to the least privileged. Furthermore, support is donated to the charity project "Hope for everyone", which aims to create opportunities and hope for children in need, emphasising that everyone is valuable, no matter where they come from.



DNB in Estonia actively supports various initiatives implemented by the local Bankers Association and the government aimed at improving knowledge about personal finances among the Estonian population. DNB in Estonia is a member of "Unistused ellu" (Make Dreams Come True), a business network established to promote research and development in the field of entrepreneurship. In Lithuania, DNB launched the development project LIFTAS in 2012 to promote entrepreneurship among young people. 51 secondary schools took part in the project.

DNB Estonia supports the international investment network [Seed Forum](#), which aims to help entrepreneurs with capital and know-how during their start-up phase.

<sup>1)</sup> Reference figures from TNS Gallup. A comparison has been made with a random selection of the employable part of the Norwegian population (18-65 years) working in the financial services industry during the period when the labour market survey was carried out.



on competence development. This figure only covers registered courses and e-learning, statutory training and other course types.

Learn more about working in DNB on our website:

[// Work at DNB](#)

### **Euality and diversity**

DNB is committed to giving men and women the same opportunities for professional and personal development, including salary and career advancement. At management levels 1-5, female representation was 34.1 per cent in 2012, up 2.1 per cent from 2011. The proportion of women in the group management team was unchanged at 45.5 per cent. At management levels 4 and 5, female representation increased somewhat from 2011, standing at 29 and 37 per cent, respectively, in 2012. The target set by the Board of Directors for the top four management levels in the Group is minimum 30 per cent.

DNB has special processes to ensure that the interests of female talents are safeguarded in connection with management changes and appointments. In order to ensure equal opportunities between men and women, gender is a criterion which is taken into account in all internal and external appointments. DNB gives priority to female applicants for management positions, subject to equal qualifications and is committed to gender-balanced participation in its talent and management development programmes.

When selecting candidates for the group trainee programme and summer internships, candidates who are qualified and of a non-Norwegian nationality or ethnicity shall be included in the final stage of the process.

Physical adaptation for employees with reduced working capacity has been taken into account in the planning of new office buildings in Oslo, Bergen and Trondheim. The number of disabled parking spaces has been adapted to actual requirements in each building.

DNB has identified measures aimed at keeping senior employees in their job longer rather than retiring. In 2012, DNB facilitated a combination of contractual pension payments and reduced working hours. In 2012, the average retirement age was 63.7 years in the Group's Norwegian operations, an increase from 62.4 years in 2011. This is partly due to more consistent compliance with the retirement age of 67 years. The number of employees under 62 years of age who retired on a disability pension dropped from 35 in 2011 to 19 in 2012.

### **Restructuring and job transition management**

To ensure that assignment and restructuring processes take place in a satisfactory manner and that the same rules and guidelines are applied for all employees, common guidelines in the DNB Group have been worked out in cooperation with the employee representatives.

The DNB career change centre is a separate unit, designed to contribute to an active internal employment market and increased mobility. It plays an important role in the recruitment process for permanent as well as temporary positions and supplies temporary staff for full-time and part-time assignments through its sub-section

DNB Ressurs. As the Group's own temporary staff agency, DNB Ressurs also coordinates the Group's secondment opportunities. The career change centre was established in 2012 to promote increased mobility through internal recruitment, the use of internal staff for temporary positions and coaching and counselling for employees who are in the middle of a restructuring or change process.

DNB offers work training for employees on long-term sick leave in cooperation with non-profit organisations. In 2012, DNB had nine employees on so-called Pro Bono Publico projects with the Norwegian Red Cross and the Church City Mission.

DNB's inclusive workplace agreement was extended in 2012. In order to achieve the targets specified in the agreement: sickness absence reductions, special adaptation for employees with reduced capacity for work and a higher average retirement age, DNB has implemented several measures. As part of the cooperation agreement with the Norwegian Labour and Welfare Administration, DNB also takes in people on long-term sickness leave to see if they are ready to return to work.

### **Remuneration**

In 2011, DNB implemented new group guidelines for variable remuneration.

The group guidelines for variable remuneration should ensure that the Group's schemes counteract excessive risk taking and help the Group achieve and retain a robust capital adequacy ratio and long-term profitability. The scheme should promote sound and effective risk management in DNB and ensure that total remunerations promote the Group's strategy and interests. Variable remuneration is based on specific performance measurements of defined target areas stipulated in the respective executive's score card and an overall assessment reflecting compliance with the Group's vision, values, code of ethics and leadership principles. DNB's variable remuneration scheme applies globally, though non-Norwegian branches and subsidiaries will also be required to comply with local legislation, regulations and guidelines. Variable remuneration (bonus) for senior executives cannot exceed 50 per cent of fixed salary. The variable remuneration scheme applies to all managers at levels one to three. In addition, DNB awards a group bonus to all permanent employees. The Board of Directors of DNB ASA decides whether to award a general bonus and the size thereof.

For 2013, it has been decided that recorded return, the Tier 1 capital ratio and cost levels should constitute the Group's key figures for calculating variable remuneration. In addition to the financial key figures, measurement criteria include the Group's customer satisfaction index and reputation scores.

### **Dialogue and rights**

All employees in Norway, also those who are not members of the two trade unions with bargaining rights in DNB, are comprised by the negotiated collective wage agreement and other agreements. DNB recognises the right to join a trade union and to participate in collective bargaining.

DNB has a joint consultation and working environment committee at group level with three representatives from each of the parties

and a working environment committee with four representatives from each of the parties and one representative from the occupational health service. The subjects covered by the committees include strategy and challenges for the Group, internationalisation, the consequences of new legislation and any planned major changes in the Group's operations. In addition, there is a corresponding joint consultation and working environment committee in each business area and support unit. One of the tasks of the committee is to stimulate the employees' interest in the Group's operations, financial performance and operating profits and create an understanding for DNB's position in society. In addition, the committee is involved in planning safety and environmental measures and closely monitoring developments in matters which affect the employees' safety, health and welfare.

In 2012, a group-wide agreement for all DNB employees entered into force. The number of group agreements has been reduced from five to one. The employees' working conditions in DNB are regulated by the new agreement, which covers subjects ranging from holiday entitlement to the salary system. The new agreement has also resulted in improvements in various schemes for DNB's employees, for example better living allowances in connection with reorganisation of the Group entailing that employees must relocate. Common rules will increase mobility and give the employees greater opportunities.

### Health, safety and environment

Health, safety and environment (HS&E) issues are important elements in the Group's human resources policy, and DNB works systematically to improve the working environment.

According to the HS&E guidelines, managers with personnel responsibility must be trained in local legal and regulatory requirements and in the Group's guidelines and processes regarding HS&E issues. DNB has a mandatory training programme for all new managers with personnel responsibility. The programme is also available to managers who need to refresh their skills in this area. DNB also offers an e-learning course in working environment training for safety representatives and members of working environment committees.

In 2012, new HS&E guidelines were introduced to facilitate systematic follow-up and development of HS&E efforts. These guidelines will be implemented globally in 2013. Operations in each country must have individual rules for following up sickness absence and ensuring that medical help is provided in emergencies. The guidelines also include security principles for DNB's international offices and for travelling employees.

In 2012, sickness absence was 4.5 per cent in the Group's Norwegian operations, an increase from 4.2 per cent in 2011. In DNB in the Baltics and Poland, the sickness absence rate was 2.7 per cent.

## CUSTOMERS

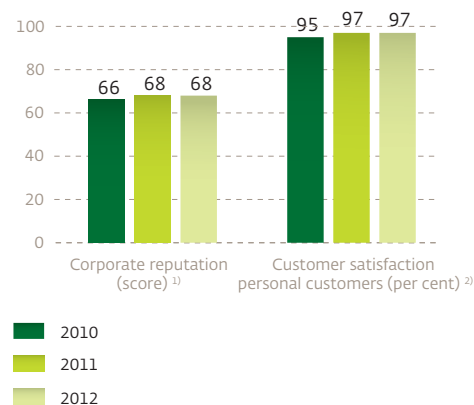
### Customer satisfaction and reputation

The Group's operations and financial performance are influenced by the way DNB is perceived by its customers and the market in general. Thus, both corporate reputation and customer satisfaction are assessed when measuring the target attainment of the

## REPUTATION

DNB's result in RepTrak Norway's reputation survey showed a consistent development from 2011 to 2012. The reputation score is reported as an annual average and is based on one main survey and three additional surveys. The main survey for 2012, carried out in January and February 2012, resulted in a score of 66 points, while the annual average ended up at 68 points.

## CORPORATE REPUTATION AND CUSTOMER SATISFACTION



1) Over 80 points: excellent reputation, 70-79 points: good reputation, 60-69 points: average reputation, 40-59 points: weak reputation, less than 40 points: bad reputation.

2) Numbers are based on DNB Market Analysis' customer satisfaction survey among personal customers and reported as annual averages of four quarterly surveys. The satisfaction score shows DNB's satisfaction rating relative to the score in the rest of the market. The market average is set at 100.

group chief executive and the group executive vice presidents, which entails that corporate social responsibility forms part of the basis for group management's remuneration.

Surveys of DNB's personal customers' opinion of and satisfaction with the Group show that the relative satisfaction score remained stable from 2011 to 2012 at 97 per cent. The target is 100 per cent, which is the market average. Satisfaction increased by two percentage points among small corporate customers from 2011 to 2012, and is currently at 97 per cent.

### Responsible products and services

DNB offers mutual funds in the Norwegian personal customer market with stricter criteria than the ethical baseline standard for investments (see page 13).

DNB Barnefond and DNB Global Emerging Markets have such additional criteria and do not invest in companies where the production of alcohol, gambling and conventional weapons constitutes more than five per cent of turnover.

Observing corporate social responsibility and a high ethical standard is a prerequisite for developing all products and services in DNB.

### Personal finance courses

DNB considers that providing financial advice also to those who do not contact the bank through a branch office or the Internet bank on their own initiative is a particularly important part of its corporate social responsibility. DNB has developed a personal finance course in cooperation with the Norwegian Red Cross. The main target groups are users of the Red Cross' various initiatives, including single parents, women with immigrant backgrounds and those on the "Network After Imprisonment" scheme. The course is held by DNB volunteers who are given the chance to share their expertise with those who need it the most. The course was developed further in 2012 including a collaboration agreement with the Crown Prince and Crown Princess' Foundation/Pøbelprosjektet plus Oslo Adult Education, where further courses have been held. In total, 400 participants from these institutions attended courses given by DNB in 2012, increasing their knowledge of personal finances.

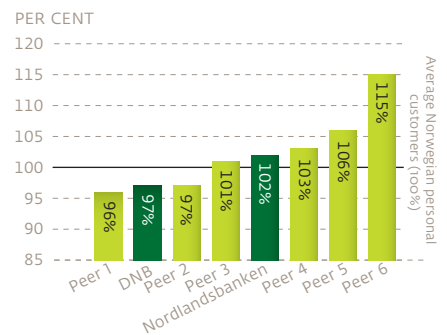
School Week is an annual initiative for secondary school pupils in the Oslo region. Two weeks each year, DNB invites school classes to Oslo to spend an informative day learning about banking and finances. During the day, the pupils learn about personal finances and savings through theory and plenary activities. In 2012, close to 800 pupils participated. In addition, a concept has been made based on the School Week programme which can be used by all DNB's local offices across Norway.

### Raising awareness about savings

Saving for the future provides safety, predictability and flexibility. In 2012, DNB set out to increase awareness about savings and help customers make responsible choices. At the end of 2012, close to 400 000 customers had entered into savings schemes with DNB, compared to just under 100 000 in 2011.

## CUSTOMER SATISFACTION COMPARED WITH PEERS

### Personal customers, fourth quarter 2012



## IMPROVING KNOWLEDGE OF PERSONAL FINANCES

DNB's consumer economist and SME economist have their own blogs, [sunnokonomi.no](http://sunnokonomi.no) and [sunnbedrift.no](http://sunnbedrift.no), Facebook pages and Twitter accounts.



DNB had 158 000 Facebook followers as at 31 December 2012.

### Increasing knowledge among young people

For many young people, moving into a place of their own, insuring their possessions is not among their top priorities. In 2012, DNB provided young people with information and advice on insurance, and more than 10 000 young people bought their own household contents insurance in DNB during 2012. To help young people who want to buy their first home, DNB launched a special unit for young home buyers as a Facebook app in 2012.

DNB in Latvia has published a book on various bank-related topics explained in an easy-to-understand manner called "TRY" (much like "The Bank Book", published in Norway in 2011). When launching the book, DNB invited people to "pop-up" cafés where well-known figures invited young people to have an informal chat and presented tips from the book. A similar book entitled "Deposits and zippers" was distributed to young people in Lithuania. 30 000 copies were distributed during 2012. Lithuania launched its "UP" programme in 2012, a concept to help young people about to enter adult life.

### New technology for the SME segment

In 2012, DNB in Lithuania launched the application "Starting a company" for iPad and PC. The product was tailor-made for SME customers. Within two months of launching the application it had been downloaded more than 1 000 times, making it the most downloaded iPad app in Lithuania in 2012.

### FASTER AND MORE ACCESSIBLE

#### Easier to get in contact with the bank

DNB is committed to making it easier for customers to contact the bank through its 24/7 customer service telephone, a chat function in the Internet bank and customer service through social media (Facebook). In the Baltics, DNB Latvia launched its own Facebook page at the beginning of 2012, following in the footsteps of DNB Lithuania at the end of 2011. The objective is to give customers a new channel for communicating with the bank. Towards the end of 2012, DNB's Facebook site in Lithuania had more than 20 000 followers.



The "Starting a company" application for iPad and PC was the most downloaded iPad app in Lithuania in 2012



DNB Lithuania distributed more than 30 000 copies of the book "Deposits and zippers" to young people in 2012.

In 2012, DNB in Norway introduced a web chat facility through Finn.no, giving customers the chance to talk to DNB about home mortgages and buying a home.

DNB's customer service centre received just over 6.5 million enquiries during 2012. The customer service centre deals with all kinds of issues. Many people need help in using the Internet bank, and an increasing number are assisted using the chat function at dnb.no rather than over the phone. It is up to the customers how they want to contact DNB. Most questions are about the Internet bank, card use and loans. As many as 60 per cent of enquiries are received between 8 and 16 o'clock, while 40 per cent occur after 16 o'clock. By the end of 2013 it is expected that around 50 per cent of enquires will be received outside normal office hours.

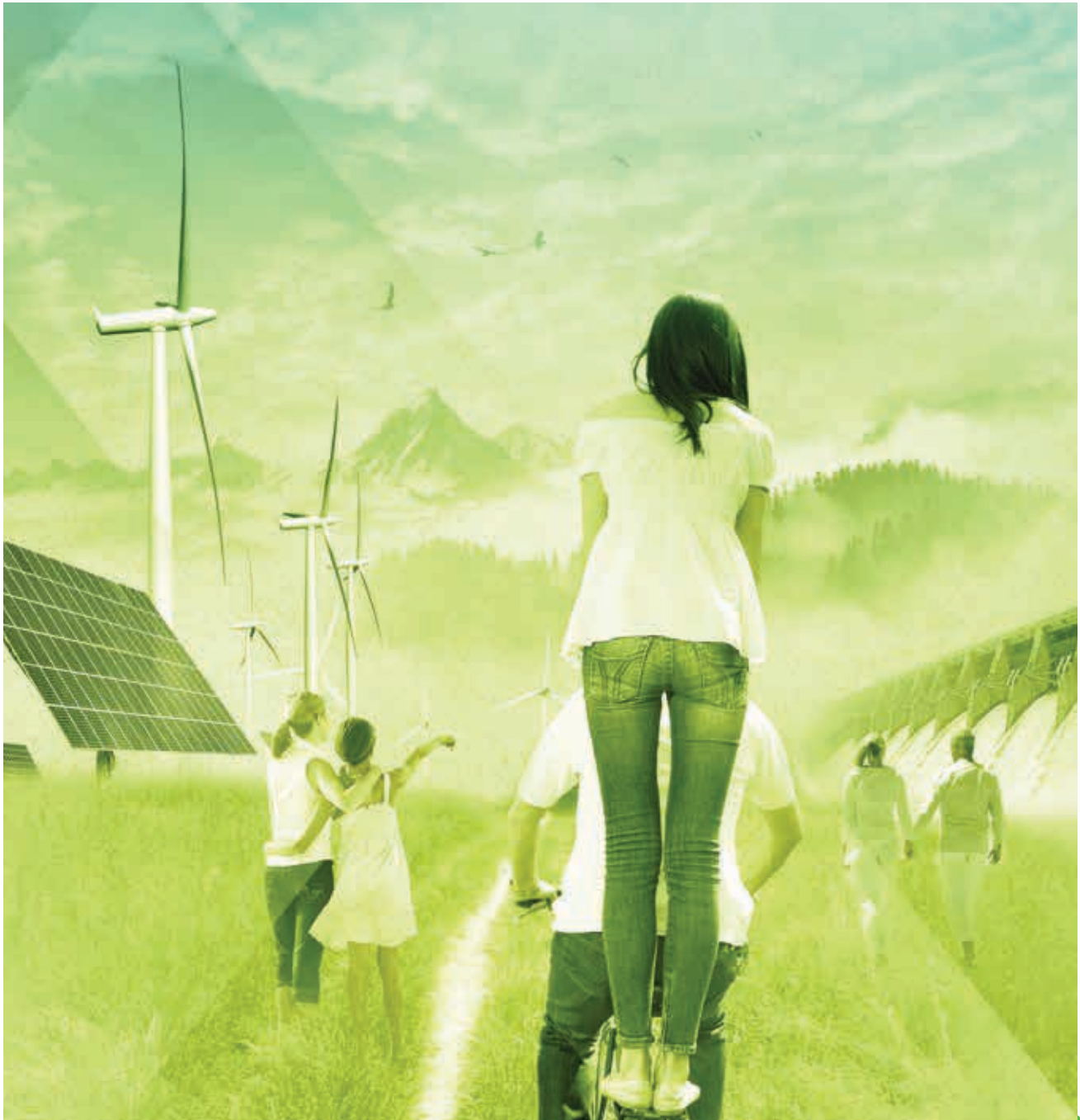
### More flexible

DNB is alone among banks in the Baltics and Norway in offering personal and corporate customers the chance to become customers anywhere in the Baltics and in Norway from their local branch office. In practice, this means that a customer in Latvia can open a bank account and get Internet banking in Estonia, Lithuania and Norway from his/her local branch office. The application process is the same in all countries. The product "DNB Plus" was launched in 2011, though sales began in 2012.

### Swifter processing

During 2012, the purchasing process was further automated for more products. DNB has an ambition to offer the fastest online home mortgage approval process through new self-service options and greater e-signing opportunities. In 2012, 21.2 per cent of DNB's home mortgage applications were signed electronically. This figure was even higher for car loans signed via our electronic channels. As many as 80 per cent of these customers signed their car loan electronically.





## CLIMATE AND THE ENVIRONMENT

**29** IMPORTANT EVENTS IN 2012

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# CLIMATE AND THE ENVIRONMENT

DNB considers climate change to be one of the greatest challenges of our time and a source of both risk and opportunity. The DNB Group will seek to reduce its direct greenhouse gas emissions through regular measurement and monitoring. DNB also follows up customers, companies the Group invests in and suppliers to ensure that they comply with DNB's environmental requirements.

## IMPORTANT EVENTS IN 2012

- DNB's carbon accounting report for 2012 now includes just over 85 per cent of total operations after the inclusion of DNB Baltics in the Group's environmental reporting.
- In 2012, DNB started its work to environmentally certify operations pursuant to ISO 14001. The plan is to certify the entire DNB Group by the end of 2015.
- The carbon accounting report for DNB's operations in Norway showed a reduction in CO<sub>2</sub> emissions related to air travel of close to 12 per cent, or 900 tons, from 2011 to 2012.
- DNB purchased carbon offsets for all flights in 2012 and thus compensated for its CO<sub>2</sub> emissions.
- DNB's employees started moving into the new headquarters in Bjørvika in Oslo in the autumn of 2012. 2 000 employees moved in 2012, and in the course of 2014, close to 4 200 employees will be located in DNB's new and energy-efficient buildings.

## DIRECT CLIMATE AND ENVIRONMENTAL IMPACT

### Carbon accounting report

DNB's direct impact on the climate and the environment is mainly related to its greenhouse gas emissions and waste from its office operations. Each year, DNB prepares a carbon accounting report, quantifying emissions from the heating of buildings, transport using the Group's own vehicles, waste, purchased electricity, district heating/cooling and air travel. The audit is based on the most frequently used international standard used to measure greenhouse gas emissions, the Greenhouse Gas Protocol Initiative (the GHG Protocol).

Compared with figures for 2011, the carbon accounting report for DNB's operations in Norway shows that DNB is approaching the target of a 20 per cent reduction in air travel per employee by year-end 2013 (based on 2009 figures). For DNB's operations in Norway, there was a reduction in CO<sub>2</sub> emissions related to air travel of close to 900 tons, or 12 per cent, from 2011 to 2012. The amount of waste produced by DNB's operations in Norway increased by close to 12 per cent from 2011, which is due to the vacation of DNB buildings in Oslo in connection with the relocation to the new headquarters in Bjørvika. Cardboard/paper and residual waste represented the greater part of this increase.

### // DNB's carbon accounting reports for 2012

In 2012, DNB prepared the first separate carbon accounting report for DNB Baltics, which includes DNB's operations in Estonia, Lithuania and Latvia. and DNB thus has a carbon accounting report which comprises more than 85 per cent of its total operations.

DNB participates in the Carbon Disclosure Project (CDP), a climate reporting project, both by being among the 722 investors who are the formal signatories of the survey, and by answering the survey on behalf of its own operations. CDP is an independent organisation whose objective is to procure and publish information on corporate greenhouse gas emissions and other information regarding how companies tackle the problem of reducing such emissions. In 2012, more than 4 100 businesses worldwide completed CDP's survey. DNB considers that the voluntary reporting to CDP is a way of communicating, internally and externally, both the Group's strengths and improvement areas regarding greenhouse gas emissions.

DNB's target is to be the best Nordic financial services group reporting to the CDP. In order to succeed, DNB will have to improve its reporting according to best practice in the financial services industry. This includes reporting emission figures for the entire Group and highlighting DNB's targets, not least the results achieved.

## DNB's CDP RESULTS OVER THE PAST THREE YEARS (POINTS):

Best Nordic 2012	DNB 2012	DNB 2011	DNB 2010
91	68	63	59

## COMPENSATING FOR EMISSIONS

### Buying carbon offsets

2012 was the first year DNB compensated for all of the Group's emissions from air travel through the purchase of UN-approved CO<sub>2</sub> quotas. The cost of quota purchases shall be directly connected to each unit's business travel. The main intention is to highlight the environmental consequences of air travel, in order to reduce, in the longer term, the Group's air travel and emissions. DNB calculates the Group's emissions related to air travel and invests through the Clean Development Mechanism in projects which contribute to reducing greenhouse gas emissions in a developing country. In 2012, 6 567 tons of DNB's CO<sub>2</sub> emissions were rendered carbon neutral through the purchase of quotas<sup>1)</sup>. Quotas have been bought in SN Power's wind power project Totoral in Chile. The wind power project is partially financed by DNB, which finances a number of renewable energy projects in Chile. DNB Markets' Commodities unit purchased the carbon offsets on behalf of DNB. Read more about the project in the fact box.

Through DNB Finans, leasing customers are offered a solution to make car fleets carbon neutral through the purchase of UN approved CO<sub>2</sub> quotas. In 2012, the purchase of CO<sub>2</sub> quotas by leasing customers compensated for the emission of 5 009 tons CO<sub>2</sub>. In addition, Autolease, which offers solutions within car financing and fleet management to corporate customers, compensated for emissions from its own operations through quota purchases.

<sup>1)</sup> Applies to air travel booked in DNB's operations in Norway and the Baltics.

### FACTS ABOUT THE TOTOTAL WIND FARM:

The **Tototal Wind Farm** is owned and managed by SN Power. Tototal is SN Power's first wind farm and the first and one of the largest wind farms project financed in Chile. The wind park is located 300 kilometres north of Santiago, in Canela, Choapa province, Coquimbo region, which is one of the poorest regions in Chile. The wind park consists of 23 two-megawatt Vestas windmills. The 46 megawatt project will help Chile reach its target to promote pure energy and diversify its energy mix with a number of renewable energy technologies.

The project is expected to generate an average of 103 gigawatt hours per year of electricity to the Chilean central grid and will relieve the considerable supply limitations experienced in the country. By increasing renewable energy production, the Tototal Wind Farm helps reduce environmental pollution and improve the quality of life in the population. Tototal will annually generate enough electricity to meet the needs of some 55 000 Chilean households.



From SN Power's wind power project Tototal in Chile.

Tototal is approved and registered to generate certified emission reduction units (CERs) under the UN's Clean Development Mechanism (CDM). Through the production of renewable energy, Tototal will replace some of Chile's thermal energy production, and the UN confirms that the project will reduce annual global CO<sub>2</sub> emissions by approximately 71 000 tons. The CDM approval and registration was a crucial factor for the realisation of the project.

### INDIRECT CLIMATE AND ENVIRONMENTAL IMPACT

DNB has an indirect impact on the environment by offering environmentally friendly products and services and by influencing customers to make environmentally and climate friendly choices.

To DNB, it is important to systematically evaluate both investment and loan portfolios in relation to climate risk and opportunities. Guidelines and models are described in the Governance chapter, pages 10-18.

#### Financing renewable energy

Energy is an important business sector for DNB. While oil and gas will remain key energy sources over the coming years, environmentally-friendly energy production will gain in importance due to the need to reduce greenhouse gas emissions. DNB finances a number of river power plants in South America which qualify for inclusion in the Clean Development Mechanism (CDM). Wind and solar energy is also among the Group's priority areas. Among other things, DNB finances wind farms in Sweden, offshore wind farms in Great Britain and Germany, and solar farms in Italy and the US.

The production of energy from renewable sources is a capital and knowledge-intensive sector, and DNB has several specialist units working within this field. In addition, the Group has dedicated analysts in its investment bank who specialise in the renewable energy sector, and also arranges trade in emission quotas.

Approximately 36 per cent of DNB's financing of the energy sector is channelled to renewable energy projects, which corresponds to just over NOK 40 billion. DNB expects moderate growth in this field in 2013.

### QUOTA PURCHASES

The DNB Group and DNB's subsidiaries compensated for a total of 11 576 tons CO<sub>2</sub> through quota purchases in 2012.

Origin	Compensated tons of CO <sub>2</sub> 2012	Compensated tons of CO <sub>2</sub> 2011
DNB Group	6 567	0
DNB Finans, leasing customers	5 009	3 074
<b>TOTAL</b>	<b>11 576</b>	<b>3 074</b>

In connection with loans to projects in countries with a high political risk, DNB often acts as co-lender with multilateral financing institutes such as the World Bank's IFC (International Finance Corporation), which can provide the banks with the required local knowledge in these countries. The IFC operates in more than 100 developing countries and helps companies and financial institutions in these countries create more jobs and ensure further development in local communities.

## **ENVIRONMENTALLY FRIENDLY PRODUCTS AND SERVICES**

### **Discounted interest rates on car loans**

DNB offers loans with discounted interest rates for cars which do not harm the environment to the same extent as conventional cars. This applies, for example, to electric cars, ethanol cars, natural/biogas cars or petrol or diesel cars, including hybrid cars, which have maximum emissions of 120 grams CO<sub>2</sub> per kilometer. A list of cars qualifying for a lower interest rate is available on [DNB's web pages](#). Diesel cars must have particle filters.

### **Socially responsible, "green" mutual funds**

DNB manages the Nordic region's oldest and largest environmental fund, DNB Renewable Energy, which invests primarily in Norwegian and international companies which employ new technology to produce and use cleaner energy sources, increase energy efficiency and promote growth in the renewable energy sector. The related fund DNB Eco Absolute Return had total assets under management of EUR 118 million as at 4 March 2013.

### **Paperless services**

The Group is offering a growing range of paperless services which reduce environmental harm. DNB aims to become the best digital bank, which implies as many paperless processes as possible for customers and employees. Today, 28 per cent of DNB's home mortgage applications are signed electronically through BankID. DNB will offer electronic signing for more types of loans and various account products. All agreements which are signed electronically, will be offered to customers in a simple and secure manner and will be easily retrievable in the customer's electronic file. If a dialogue between the customer and DNB is required, electronic channels such as e-mail, SMS and online chat will as far as possible be used.

## **ENVIRONMENTAL CERTIFICATION**

### **Eco-lighthouse**

At year-end 2012, 26 of DNB's properties in Norway and Sweden were environmentally certified through the Norwegian eco-lighthouse or the Svensk Miljöbas programme. Eco-lighthouse is a Norwegian public certificate recommended by the Norwegian Ministry of the Environment. In order to be awarded an environment certificate, the company must fulfil a number of requirements within areas such as procurement, energy consumption, transportation, waste management and health, safety and environment. The certificates must be renewed every third year. Miljöbas is a corresponding certificate in Sweden.

### **Environmental management system certification – ISO 14001**

By 2015, DNB's target is to certify all operations in accordance with the international environmental management system standard ISO 14001. The first step in this extensive work will be to certify parts of the Norwegian operations during 2013, while

## **WHAT IS ISO 14001?**

ISO 14001 (International Organization for Standardization 14001) is an environment management system established to help businesses reduce their negative influence on the environment with respect to air, water or land pollution. The standard specifies the environmental management system requirements which are intended to make it possible for an organisation to formulate a policy and targets which take into account both regulatory requirements and other requirements which organisations impose on themselves, as well as information about significant environmental aspects. This applies to the environmental aspects which an organisation states that it is in control of and has an influence over. The standard does not specify criteria for targets and target attainment.

(Source: Wikipedia and Standards Norway)



*More than 4 000 employees will be located in DNB's new head office in Bjørvika by year-end 2014.*

the rest of the Group's operations in Norway and internationally thereafter will be certified on an ongoing basis. A certification in accordance with ISO 14001 will contribute to continual improvement and quality assurance of the environmental and climate emissions work in DNB and contribute to greater involvement and interest in this area among DNB employees. In the longer term, this certification will replace the eco-lighthouse programme.

## NEW HEAD OFFICE

### NEW ENERGY-EFFICIENT HEAD OFFICE

In the autumn of 2012, approximately 2 000 employees moved into DNB's new head office in Bjørvika in Oslo. A total of 18 buildings will be vacated by year-end 2014, whereby just over 4 000 employees will be located in one and the same place. The environmental targets for the new head office are ambitious and comprise, among other things, a 50 per cent reduction in energy consumption and in greenhouse gas emissions per employee compared with current levels.

The main energy sources will be renewable, including thermal energy from seawater. The buildings' location at a public transport junction, combined with few parking spaces, an electric car pool and cycle parking facilities, will encourage employees and customers to choose environmentally-friendly means of transport.

## ELECTRIC CAR POOL FOR EMPLOYEES IN BJØRVIKA



Due to the move to DNB's new head office in Bjørvika in Oslo in the autumn of 2012, the number of parking places for DNB employees was reduced significantly, from some 800 to 100. The establishment of an electric car pool for employees is intended to replace the use of private cars and reduce the use of taxis. In 2012, DNB bought nine electric cars and one hybrid car, and is considering buying up till 40 electric and hybrid cars by the end of 2014.

The environmental criteria for procurement, green IT and good solutions for sorting waste material for subsequent recycling will also provide environmental benefits, including a substantial reduction in the amount of waste.

In DNB's new head office, all food waste is composted. During a process which takes 18 hours, all food waste from the kitchens and canteens is turned into organic fertiliser. A "follow-me print" solution has been chosen in DNB's new head office. Printouts can be fetched from the closest printer once users have identified themselves with their entrance cards. The solution will reduce the number of unnecessary printouts and thus reduce paper consumption. In addition, this solution gives each employee more flexibility since the principle of clean desk and free seating has been introduced, whereby each workstation is cleared at the end of the working day.

Based on 2009 figures, these environmental targets have been set for DNB's new head office:

- 70 per cent reduction in energy consumption per employee
- The buildings will have a weighted energy demand which does not exceed 120 kWh/m<sup>2</sup>/year, corresponding to energy class B in the Energy Performance of Buildings Directive ("low energy building").
- The actual energy consumption should be below 140 kWh/m<sup>2</sup>/year
- 55 per cent reduction in greenhouse gas emissions per employee
- 50 per cent reduction in paper consumption per employee
- 30 per cent reduction in residual waste per employee
- Increase in the waste-recycling ratio from 55 per cent to 75 per cent
- Environmentally-friendly procurement
- Reduced and more environmentally friendly business travel
- 50 per cent fewer business trips with own car
- 10 per cent fewer business trips by air
- 50 per cent reduction in number of taxi trips
- Employees use environmentally-friendly transport to/from work
- The buildings will be environmentally certified (the new head office has already been certified under the eco-lighthouse programme, but will also be ISO 14001 certified by the end of 2013)

By the end of 2013 and 2014, it will be possible to see the total environmental benefit as a result of the move. If the targets set for the new headquarters are reached, this will have a significant effect on the Group's emissions of greenhouse gases.

#### NEW WORKING METHODS

DNB's two main sources of greenhouse gas emissions are business travel and energy consumption. A new, standardised PC platform for the Group will facilitate the use of web meetings, online chat and document sharing, thereby reducing the need for physical meetings and travel. At the new head office, the main rule will be that no employees will have fixed workstations.

#### BREEAM:

BREEAM (Building, Research, Establishment – Environment Assessment Method) is a method which gives a structured and comprehensive approach to environmental aspects in building and construction projects. As many as nine environmental topics are covered in BREEAM, something which ensures a holistic approach to environmental aspects in projects. BREEAM documents characteristics such as management, health and comfort, energy, choice of materials, land use, transport, waste disposal, water and pollution.



## TRAVEL AND TRANSPORT

### Travel guidelines

DNB has special guidelines for employees and others who travel on behalf of the DNB Group. The Group's employees must assess the necessity of each business trip in relation to its financial and environmental consequences. Furthermore, it must be assessed whether alternative forms of communication, such as telephone meetings, web solutions or video conferences, can replace face-to-face meetings. The objective is to minimise possible negative influences on the environment as travel is a central source of greenhouse gas emissions.

## COMMERCIAL PROPERTY

DNB Næringseiendom is considered to be one of Norway's largest private property owners and is a subsidiary of DNB Livsforsikring ASA. The company administers 1.4 million square metres of property, mainly office buildings, shopping centres and hotels. As at 31 December 2012, the total market value <sup>1)</sup> was approximately NOK 38 billion. Most of the properties are located in Oslo, Bergen, Trondheim and Stockholm. Included in the portfolio is also property in the United Kingdom.

Areas of activity comprised by DNB Næringseiendom:

- Rental of premises
- Delivery of property services to lessees
- Advice related to the purchase, sale and development of commercial property

DNB Næringseiendom should be a natural, preferred and long-term partner within property leasing, development and management.

## TARGETS AND STRATEGIC MEASURES

DNB Næringseiendom believes that there is a close connection between high environmental standards and strong competitive power. In its property purchases, DNB Næringseiendom therefore gives priority to buildings which satisfy the classification "Excellent" in BREEAM, and with respect to rehabilitation projects, the criterion "Very Good" in BREEAM will be normative. Furthermore, DNB Næringseiendom has a clear target to sort waste in at least five fractions and to have a sorting percentage of 60, and 80 per cent for projects. DNB Næringseiendom contributes actively to the establishment of an international environmental classification tool in Norway based on BREEAM. All of DNB Næringseiendom's 110 relevant buildings (developed properties and/or buildings and apartments which can be leased) were energy-classified during 2011/2012.

### Green leases

Through the introduction of green leases, specific energy-saving targets are set for the benefit of lessees. Energy savings create a better indoor climate and reduce costs and the total environmental impact from DNB Næringseiendom's buildings.



The photo shows new lighting in Strandveien 15.

Green leases, or environmental appendices to lease contracts, were established in the market during 2012. DNB Næringseiendom signed three environmental appendices during 2012 and aims to sign more during 2013.

### Example of energy-saving measures

DNB Næringseiendom AS has rehabilitated the lighting system in Strandveien 15 at Lysaker outside Oslo, owned by DNB Livsforsikring. Annual energy and operating costs have been reduced by approximately NOK 300 000.

When DNB Næringseiendom became involved in the project, the garage area lacked a detector system. The light fittings were on 24/7 and had a limited life span. Several thousand energy watts were wasted. Detectors in combination with environmentally-friendly lighting have contributed to less heat generation and reduced the need to change light bulbs.

During the past year and a half, such detectors and lighting solutions have been delivered to DNB Næringseiendom's other properties in Vollsveien 17-19, Grenseveien 95 and Brynsveien 3A and B in Oslo. The choice of environmentally-friendly lighting solutions contributes to meeting the authorities' requirements and wishes for energy-effective buildings. In addition, major cost savings are achieved.

<sup>1)</sup> NOK 38 billion is the total market value of DNB Livsforsikring's property portfolio, including the company's ownership interest in Scandinavian Property Fund.

# KEY FIGURES

	Unit	2012	2011
<b>Governance</b>			
Number of financial advisers authorised according to the new national scheme		1 319	1 189
Reduction/increase in the number of reports to the Norwegian National Authority for Investigation and Prosecution of Economic and Environmental Crime (ØKOKRIM) regarding suspected money laundering	%	76	-13
Number of employees who have participated in and passed money laundering courses <sup>1)</sup>	Number	3 480	3 919
Score for the statement "I have good knowledge of the Group's code of ethics" in the employee survey	Score	83	84
Number of customer complaints and fraud cases handled by the complaints unit	Number	39 210	36 107
Percentage of investments managed by the Group and monitored in accordance with ethical investment guidelines	%	100	100
Number of companies excluded from the investment portfolio in accordance with the ethical investment guidelines	Number	58	57
Number of Equator projects	Number	8	
Percentage of contracts which include signed declarations regarding the supplier's corporate social responsibility relative to the total number of active contracts	%	100	95
DJSI score, economic dimension	Score	85	85
<b>Society</b>			
	<b>Unit</b>	<b>2012</b>	<b>2011</b>
Total number of employees <sup>2)</sup>		14 431	14 819
Norway		9 752	9 805
Estonia		104	
Latvia		910	
Lithuania		1 568	
· DNB Baltics		2 582	2 512
Poland		800	1 168
Sweden		575	605
Denmark		69	
England		97	
Scotland		4	
Finland		13	
Luxembourg		35	
Greece		6	
Russia		209	
Germany		16	
Chile		19	
Brazil		3	
Hong Kong		7	
India		3	
Shanghai		21	
Singapore		100	
New York		112	
Houston		9	
· Asia and Americas		273	271
Percentage of employees working part-time <sup>3)</sup>	%	9.2	9.4
Percentage of women working part-time	%	14.1	14.6
Percentage of men working part-time	%	4.3	4.4
Percentage of temporary employees	%	2.6	2.8
Number of employees from temporary staff recruitment agencies <sup>3)</sup>		612	647
Number of employees terminating employment <sup>3)</sup>		657	608
Women		310	233
Men		347	287
Norway		565	520
Sweden		25	29
Rest of Europe		29	22
Asia and Americas		38	37
Turnover	%	7.2	7.3
Sickness absence rate Norway	%	4.5	4.2
Sickness absence rate DNB Baltics and Poland	%	2.7	2.5
Estonia	%	0.38	
Latvia	%	4.10	
Lithuania	%	1.53	
Poland	%	4.75	
Female representation	%	55.1	54.7
Management level 1	%	0.0	0.0
Management level 2	%	45.5	45.5
Management level 3	%	27.8	25.8
Management level 4	%	29.1	26.4
Total levels 1-4	%	29.2	26.6
Management level 5	%	37.2	35.7
Total levels 1-5	%	34.1	32.2

	Unit	2012	2011
Other	%	51.9	52.7
Female representation on the Board of Directors	%	50.0	37.5
Average salary men <sup>3)</sup>	NOK	624 165	602 135
Average salary women <sup>3)</sup>	NOK	492 158	471 918
Women's salary relative to men's salary	%	79	78
Management level 1	%	I/R	I/R
Management level 2 <sup>4)</sup>	%	57.1	77.1
Management level 3	%	87.4	82.1
Management level 4	%	90.8	88.3
Management level 5	%	87.7	85.9
Number of new employees recruited		609	1 152
Men		335	634
Women		274	518
<30 years		258	380
30-50 years		304	543
>50 years		47	229
Parental leave			
Men	Man-days	12 285	12 474
Women	Man-days	35 103	24 909
Parental leave for sick children			
Men	Man-days	2 249	2 092
Women	Man-days	2 831	2 924
Average actual retirement age		63.7	62.4
Men	Age	64.5	62.6
Women	Age	63.1	62.3
Overall employee satisfaction score	Score	75.6	75.1
Score for the statement "DnB NOR is an attractive workplace" in the employee survey	Score	82	81
Ranked among the top three most attractive employers by business students	Ranking	3	2
Pre-tax operating profit before impairment	NOK million	20 769	21 833
Consumption of goods and services	NOK million	7 753	8 231
Salaries and social costs	NOK million	10 050	9 294
Dividends	NOK million	3 420	3 258
Taxes <sup>5)</sup>	NOK 1 000	4 485 203	5 899 175
Norway	NOK 1 000	4 056 664	4 966 568
USA	NOK 1 000	16 944	613 498
England	NOK 1 000	182 739	146 374
Sweden	NOK 1 000	154 750	19 052
Singapore	NOK 1 000	26 572	67 130
Poland	NOK 1 000	18 877	50 018
Luxembourg	NOK 1 000	10 092	10 666
Hong Kong	NOK 1 000	373	262
China	NOK 1 000	8 241	4 271
Russia	NOK 1 000	4 218	3 925
Germany	NOK 1 000	1 694	1 643
Brazil	NOK 1 000	326	0
Chile	NOK 1 000	0	10 162
Denmark	NOK 1 000	0	0
Finland	NOK 1 000	0	0
India	NOK 1 000	73	78
Lithuania	NOK 1 000	206	3 584
Estonia	NOK 1 000	0	0
Latvia	NOK 1 000	3 434	1 944
Financial support and sponsorship	NOK million	119	120
Financial support and sponsorship as a percentage of operating profits	%	0.57	0.55
Percentage of financial support channelled to non-profit causes and research	%	11.2	14
RepTrak reputation score <sup>6)</sup>	Score	68	68
Customer satisfaction score, personal customers (% of average for the financial services industry) <sup>7)</sup>	%	97	97
DJSI score social dimension	Score	69	75
<b>Climate/environment</b>	<b>Unit</b>		
Paper <sup>8)</sup>	1 000 kg	870	1 302
Paper per employee <sup>8)</sup>	kg	89	133
Energy consumption <sup>8)</sup>	GWh	101.8	105
Per employee	MWh	10.8	10.7
Consumption of heating oil	MWh	486	539.6
District heating	MWh	4 006.90	2 793
Greenhouse gas emissions <sup>8)</sup>	Tons of CO <sub>2</sub> equivalents	19 228	20 398
Per employee	Tons of CO <sub>2</sub> equivalents	2	2.10
Total weight of waste <sup>8)</sup>	kg	1 331 188	1 190 732
Residual waste	kg	583 489	567 472
Paper/cardboard	kg	691 703	566 256
Glass	kg	6 280	6 845
Metal	kg	12 410	11 772
Plastic	kg	1 545	5 918
EE waste	kg	4 098	11 005

	Unit	2012	2011
Hazardous waste	kg	0	2 297
Organic waste	kg	31 664	19 167
Residual waste per employee <sup>8)</sup>	kg	59.8	57.9
Waste-recycling ratio <sup>8)</sup>	%	57.1	51.7
Air travel <sup>9)</sup>	1 000 km	44 311	49 500
From Norway	1 000 km	43 374	49 500
Norway	1 000 km	19 988	21 538
International	1 000 km	23 386	27 962
From the Baltics	1 000 km	937	n/a
Estonia	1 000 km	168	n/a
Latvia	1 000 km	594	n/a
Lithuania	1 000 km	175	n/a
Percentage of employees in Norway and Sweden working in environmentally certified buildings	%	63	60
CDP score			
Transparency	Score	68	63
Performance	Score	E	D
DJSI score environmental dimension	Score	80	67

1) The 2012 figure includes 2 719 employees in the Group's Norwegian operations and 761 at international offices. This figure includes participants completing the AML e-learning course. Figures reported for previous years included attendance at seminars.

2) Includes employees in service functions involved in the management of investments in DNB. Livsforsikring's property portfolios. These are not included in the number of full-time positions in DNB's annual report for 2012.

3) DnB NOR Group excluding DnB Baltics and Mochebank.

4) The significant increase from 2011 is due to new remuneration regulations for senior executives and risk takers, which resulted in a major increase in annual salaries in 2011 in order to prevent a significant reduction in total remuneration. For some employees, previous bonus payments were converted to annual salary.

5) Some figures from 2011 have been adjusted due to changes made in previous years or the recognition of deferred tax assets.

6) The reputation score is reported as an annual average and is based on one main survey and three additional surveys.

7) Measures DNB customers' opinion of and satisfaction with the Group.

8) DNB's operations in Norway only.

9) Figures for 2012 apply to DNB's operations in Norway and the Baltics. Figures for 2011 apply to DNB's operations in Norway only.

# GRI INDEX FOR REPORTING 2012

The Global Reporting Initiative (GRI) is an internationally recognised framework for reporting organisations' economic, environmental and social performance.

DNB has used the GRI guidelines for sustainability reporting (G3) when developing the Group's CSR report. The table below gives a detailed overview of GRI indicators reported by DNB. The table refers to information in DNB's annual report and corporate social responsibility report for 2012, as well as publicly available information, e.g. on the Group's website [dnb.no](http://dnb.no).

We consider this report to comply with the GRI application level B+, which has been third-party verified by an external auditor.

Indicator	Description	Reference	Reporting level
<b>PROFILE</b>			
<b>Strategy and analysis</b>			
1.1	Statement from the CEO about the relevance of sustainability to the organisation and its strategy	CSR report 2012, Group chief executive's statement, p. 3, Targets and results, p. 8 Annual report 2012, Group chief executive's statement, p. 13 Group policy for corporate social responsibility	Full
1.2	Description of key risks and opportunities	Annual report 2012, pp. 54,55 CSR report 2012, Group chief executive's statement, p. 3	Full
<b>Organisational profile</b>			
2.1	Name of the organisation	CSR report 2012, About the Group, p. 4	Full
2.2	Primary brands, products and services	CSR report 2012, About the Group, p. 4	Full
2.3	Operational structure of the organisation, including main divisions, operating companies, subsidiaries, and joint ventures	CSR report 2012, About the Group, pp. 5-7 Annual report 2012, pp. 6-7, 9	Full
2.4	Location of organisation's headquarters	CSR report 2012, About the Group, p. 4	Full
2.5	Number of countries where the organisation operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report	CSR report 2012, About the Group, p. 5 Key figures table, p. 36	Full
2.6	Nature of ownership and legal form	CSR report 2012, About the Group, p. 5 Annual report, pp. 6-7	Full
2.7	Markets served (including geographic breakdown, sectors served, and types of customers)	CSR report 2012, About the Group, pp. 4-7 Annual report, pp. 56-61	Full
2.8	Scale of the reporting organisation	CSR report 2012, About the report, p. 2	Full
2.9	Significant changes during the reporting period regarding size, structure, or ownership	Annual report 2012, pp. 26-27 CSR report 2012, Group chief executive's statement, p. 3	Full
2.10	Awards received in the reporting period	Most winning in the Morningstar fund awards Best website – Farmand award 2012 Winner of Gulltaggen 2012 for best customer loyalty programme Winner of Gullkorn 2012 for best product launch	Full
<b>Reporting parameters</b>			
<b>Reporting profile</b>			
3.1	Reporting period	CSR report 2012, About the report, p. 2	Full
3.2	Date of most recent previous report	CSR report 2012, About the report, p. 2	Full
3.3	Reporting cycle (annual, biennial, etc.)	CSR report 2012, About the report, p. 2	Full
3.4	Contact point for questions regarding the report or its contents	CSR report 2012, About the report, p. 43	Full
<b>Reporting scope and boundaries</b>			
3.5	Process for defining report content	CSR report 2012, About the report p. 2, Governance, pp. 16-17	Full
3.6	Boundary of the report	CSR report 2012, About the report, p. 1-2	Full
3.7	Any specific limitations on the scope or boundary of the report	CSR report 2012, About the report, p. 2	Full
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period	N/a	N/a
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the indicators and other information in the report	CSR report 2012, About the report, p. 2, Key figures table, pp. 35-37 Carbon accounting report for DNB ASA, DNB Baltics and DNB's operations in Norway	Full
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/ acquisitions, change of base years/periods, nature of business, measurement methods)		Full

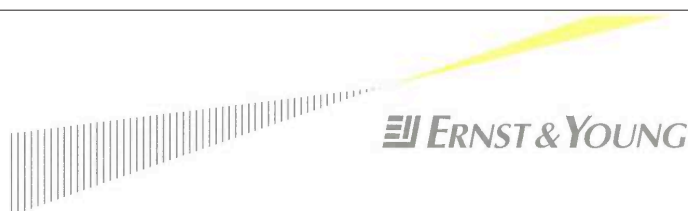


Indicator	Description	Reference	Reporting level
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods		Full
3.12	Table identifying the location of the Standard Disclosures in the report		Full
3.13	Policy and current practice with regard to seeking external assurance for the reporting		Full
<b>Organisational profile</b>			
4.1	Governance structure of the organisation, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organisational oversight	Annual report 2012, pp. 32-45	Full
4.2	Indicate whether the chair of the highest governance body is also an executive officer	Annual report 2012, pp. 26-31	Full
4.3	For organisations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members	Annual report 2012, pp. 26-31	Full
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body	Annual report 2012, pp. 38-39	Full
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organisation's performance (including social and environmental performance)	Annual report 2012, pp. 44-45	Full
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided	Annual report 2012, pp. 36-37 The Group's web pages, Instructions for the Board of Directors	Full
4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organisation's strategy on economic, environmental, and social topics	Annual report 2012, pp. 36-37	Full
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the annual status of their implementation	Annual report 2012, pp. 61-63 CSR report, Governance, pp. 10-18	Full
4.9	Procedures of the highest governance body for overseeing the organisation's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles	Annual report 2012, pp. 37-44	Full
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance	Annual report 2012, pp. 37-44	Full
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organisation	Annual report 2012, pp. 61-63 CSR report, Governance, pp. 10-16	Full
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organisation subscribes or endorses	CSR report 2012, Governance, pp. 10-11 The Group's web pages	Full
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organisations in which the organisation views membership as strategic	CSR report 2012, Governance, pp. 10-11 The Group's web pages	Full
4.14	List of stakeholder groups engaged by the organisation	CSR report 2012, Governance, pp. 16-18 The Group's web pages	Full
4.15	Basis for identification and selection of stakeholders with whom to engage	CSR report 2012, Governance, pp. 16-18	Partial
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group	CSR report 2012, About the report p. 2, Governance, pp. 16-18	Full
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns, including through its reporting	CSR report 2012, Governance, pp. 16-18	Full
<b>Performance indicators</b>			
<b>ECONOMIC</b>			
	Disclosure on management approach	Annual report 2012, pp. 33-45 CSR report 2012, Group chief executive's statement, p. 3, Governance pp. 10-18	Full
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments	Annual report 2012, pp. 4-5, 48-61 CSR report 2012, About the Group, pp. 5-7, Society, pp. 20-23, 26-27, Climate and the environment pp. 29-31, 34	Full
EC3	Coverage of the organisation's defined benefit plan obligations	Annual report 2012, p. 154.	Full
<b>ENVIRONMENT</b>			
	Disclosure on management approach	Annual report 2012, pp. 61-64 CSR report 2012, Governance pp. 10-18, Climate and the environment, pp. 29-34	Full
EN1	Materials used by weight or volume	CSR report 2012, Key figures table, p. 36 (paper consumption)	Partial

Indicator	Description	Reference	Reporting level
EN3	Direct energy consumption by primary energy source	CSR report 2012, Key figures table, p. 36 Annual report 2012, pp. 63-64 The Group's web pages, Carbon accounting report	Full
EN4	Indirect energy consumption by primary source	CSR report 2012, Climate and the environment, p. 29, Key figures table, p. 36 Annual report 2012, pp. 63-64 The Group's web pages, Carbon accounting report	Full
EN7	Initiatives to reduce indirect energy consumption and reductions achieved	CSR report 2012, Governance, pp. 10-18, Climate and the environment, pp. 29-34, Targets and measures, p. 8 Annual report 2012, pp. 61-64 The Group's web pages, Carbon accounting report and status targets and measures	Partial
EN 16	Total direct and indirect greenhouse gas emissions by weight	CSR report 2012, Key figures table p. 36 Annual report 2012, pp. 63-64 The Group's web pages, Carbon accounting report <i>DNB will not be able to fully report the results achieved until year-end 2013/2014</i>	Full
EN 18	Initiatives to reduce greenhouse gas emissions and reductions achieved	CSR report 2012, Climate and the environment, pp. 29-34, Targets and measures, p. 8 The Group's web pages, Carbon accounting report <i>DNB will not be able to fully report the results achieved until year-end 2013/2014</i>	Partial
EN 22	Total weight of waste by type and disposal method	CSR report 2012, Key figures table p. 36	Full
EN 26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation	CSR report 2012, Governance, pp. 10-18, Climate and the environment, pp. 29-34 Annual report 2012, pp. 63-64	Partial
EN 28	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations	No fines imposed on DNB in 2012	Full
EN 30	Total environmental protection expenditures and investments by type	CSR report 2012, Climate and the environment, pp. 29-31	Partial
<b>LABOUR PRACTICES AND DECENT WORK</b>			
	Disclosure on management approach	CSR report 2012, Society, pp. 20-27, Targets and measures, p. 8. The Group's web pages, status targets and measures Annual report 2012, pp. 64-65	Full
LA 1	Total workforce by employment type, employment contract, and region	CSR report 2012, Key figures table, p. 35 Annual report, p. 64	Full
LA 2	Total number and rate of employee turnover by age group, gender, and region	CSR report 2012, Key figures table, p. 35	Full
LA 4	Percentage of employees covered by collective bargaining agreements	CSR report 2012, Society, p. 25	Full
LA 5	Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements	CSR report 2012, Society, p. 25	Full
LA 6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	CSR report 2012, Society, pp. 25-26 Annual report 2012, pp. 64-65	Partial
LA 7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of workrelated fatalities by region	Annual report 2012, pp. 64-65 CSR report 2012, Key figures table, p. 35	Partial
LA 12	Percentage of employees receiving regular performance and career development reviews	CSR report 2012, Society, p. 23	
LA 13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity	Annual report 2012, pp. 24-31 CSR report 2012, Key figures table, p. 35	Partial
LA 14	Ratio of basic salary of men to women by employee category	CSR report 2012, Key figures table, p.35	Full
<b>HUMAN RIGHTS</b>			
	Disclosure on management approach	CSR report 2012 Governance pp. 10-18, Society pp. 20-27, Climate and the environment, pp. 29-34 Annual report 2012, pp. 61-63 The Group's web pages	Full
HR 1	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening	CSR report 2012, Governance, pp. 10-18, Key figures table, p. 35 Annual report 2012, pp. 61-63	Full
HR 2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken	CSR report 2012, Governance, p. 15, Key figures table, p. 35 Annual report 2012, pp. 61-63 The Group's web pages. Carbon accounting report.	Full
HR 6	Operations identified as having significant risk for incidents of child labour, and measures taken to contribute to the elimination of child labour	DNB is a bank and a financial services group whose operations do not entail such risk. However, these matters are taken into account in supplier relationship management and in DNB's management approach.	Partial

Indicator	Description	Reference	Reporting level
HR 7	Operations identified as having significant risk for incidents of forced or compulsory labour, and measures taken to contribute to the elimination of forced or compulsory labour	DNB is a bank and a financial services group whose operations do not entail such risk. However, these matters are taken into account in supplier relationship management and in DNB's management approach.	Partial
<b>SOCIETY</b>			
	Disclosure on management approach	CSR report 2012, Society, pp. 20-27, Targets and measures, p. 8 Annual report 2012, pp. 61-63 The Group's web pages. Carbon accounting report.	Full
SO 5	Public policy positions and participation in public policy development and lobbying	CSR report 2012, Governance, pp. 16-18, Society, p. 23	Full
SO 6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country	CSR report 2012, Society, p. 23 DNB does not give financial support to political parties or related organisations. The Group does not receive any financial support from public authorities or from other bodies or institutions.	Full
SO 8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	CSR report 2012, Key figures table, p. 35	Full
<b>PRODUCT RESPONSIBILITY</b>			
	Disclosure on management approach	Annual report 2012, pp. 2, 14-21, 66 CSR report 2012, Governance, pp. 10-18 The Group's web pages. Carbon accounting report	Full
PR 5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction	CSR report 2012, Society, pp. 25-26, Key figures table, p. 36 Annual report 2012, pp. 62-63	Partial
<b>FINANCIAL SERVICES SECTOR SUPPLEMENT</b>			
FS 1	Policies with specific environmental and social components applied to business lines	CSR report 2012, Governance, pp. 10-18 The Group's web pages. Carbon accounting report Annual report 2012, pp. 61-63	Full
FS 3	Processes for monitoring clients' implementation of and compliance with environmental and social requirements included in agreements or transactions	CSR report 2012, Governance, pp. 10-18 Annual report 2012, pp. 61-63 The Group's web pages. Carbon accounting report	Full
FS 10	Percentage and number of companies held in the institution's portfolio with which the reporting organisation has interacted on environmental or social issues	CSR report 2012, Governance, pp. 10-18 Annual report 2012, pp. 61-63 The Group's web pages. Carbon accounting report	Full
FS 11	Percentage of assets subject to positive and negative environmental or social screening	CSR report 2012, Governance, pp. 10-18	Full
FS 14	Initiatives to improve access to financial services for disadvantaged people	CSR report 2012, Society, p. 26 Annual report 2012, pp. 61-63 The Group's web pages. Carbon accounting report	Partial
FS 16	Initiatives to enhance financial literacy by type of beneficiary	CSR report 2012, Society, pp. 26-27 Annual report 2012 pp. 61-63 The Group's web pages. Carbon accounting report	Partial

# ASSURANCE REPORT



**Statsautoriserte revisorer  
Ernst & Young AS**

Dronning Eufemias gate 6, NO-0191 Oslo  
Oslo Atrium, P.O.Box 20, NO-0051 Oslo

Foretaksregisteret: NO 976 389 387 MVA

Tlf.: +47 24 00 24 00

Fax: +47 24 00 24 01

www.ey.no

Medlemmer av Den norske Revisorforening

## INDEPENDENT ASSURANCE REPORT

### To the management of DNB ASA

#### *Scope of engagement*

We have been engaged by the management of DNB to prepare an independent assurance report of the *DNB Corporate Social Responsibility Report 2012* (the Report). DNB's management is responsible for selecting the information, collecting the data for presentation and preparing the Report. Our task is to issue a statement on the Report based on our work.

#### *Reporting criteria*

As a basis for this assurance engagement, we have used relevant criteria in the sustainability reporting guidelines of the Global Reporting Initiative (GRI G3). We consider these reporting criteria to be relevant and appropriate to review the Report.

#### *Work performed*

Our work is performed in accordance with ISAE 3000, "Assurance engagements other than audits or reviews of historical financial information". The standard requires that we plan and execute procedures in order to obtain limited assurance that the Report as a whole is free of material misstatements.

Our review has involved the following activities:

- two in-depth reviews from a representative sample of DNB's variety of activities, to gain an understanding of DNB's practical approach to managing sustainability in the organisation
- interviews with reporting responsible to assess the process of defining and collating the Report
- obtaining and considering evidence to support the assertions and claims made in the Report
- evaluation of the overall presentation of the Report, including the consistency of the information, based on the above-mentioned criteria.

Our review has not included assessing the implementation of policies.

We believe that our procedures provide us with an appropriate basis to conclude with a limited level of assurance on the Report.

#### **Conclusions**

Nothing has come to our attention that causes us to believe that the information in the Report does not comply with the above mentioned reporting criteria. This also applies to DNB's statement that the Report satisfies the requirements for application level B+ according to GRI's guidelines for sustainability reporting, GRI G3.

Oslo, 13<sup>th</sup> March, 2013  
ERNST & YOUNG AS

Terje Klepp (sign)  
State Authorised Public Accountant (Norway)

(This translation from Norwegian has been made for information purposes only.)



## **DNB**

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Mailing address:  
P.O.Box 1600 Sentrum  
N-0021 Oslo

Visiting address:  
Dronning Eufemias gate 30  
Bjørvika, Oslo

[dnb.no](https://dnb.no)

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Contact person for the report:  
Vibeke Tegnemy  
External Relations