

Report under the Norwegian Transparency Act 2023



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Purpose and delimitations

Basic human rights and decent working conditions are fundamental to all of DNB's business operations, as an employer, as a supplier of financial services, and as a buyer of goods and services, as well as in connection with our lending and investment activities.

This report describes how DNB Bank ASA (DNB) works with due diligence, measures and monitoring when risk is detected. The report covers the period from 1 January 2023 to 31 December 2023.

The report describes the due diligence that was conducted in the DNB Group in 2023. DNB carries out due diligence in accordance with the Norwegian Act relating to enterprises' transparency and work on fundamental human rights and decent working conditions of 1 July 2022 (Transparency Act).

About DNB

DNB is Norway's largest financial services group and is among the largest in the Nordic region. The Group offers a complete range of financial services through its mobile banking app, online bank, customer service centres, branch offices and international offices, as well as its real estate services. Our strong position gives us a unique opportunity and special responsibility to contribute positively to society. We have around 237 000 corporate customers and 2 million personal customers. Our local presence throughout Norway means that we are close to our customers, and we are represented in 17 countries. DNB has 11 328 employees. These employees are our most important resource.

To read more about our business activities and organisation, see our annual report 2023, which is published on dnb.no/sustainability-reports.

The scope of the report

This report covers DNB, including subsidiaries that have a reporting obligation in accordance with the Transparency Act. This applies to DNB Eiendom AS, DNB Boligkreditt AS, DNB Livsforsikring AS, DNB Asset Management AS, DNB Næringseiendom AS, DNB Scandinavian Property Fund (SPF), Barcode 123 Holding AS, Barcode 123 AS, DNB Næringsmegling and DNB Eiendomsholding AS. DNB Bank ASA is the parent company, and makes up the DNB Group together with all of its subsidiaries¹.

Corporate governance

Environment and climate, social conditions and governance (sustainability or ESG factors) are integrated into DNB's strategy and corporate governance. Governing documents set out how we are to work with sustainability and comply with our obligations, and the individual managers are responsible for implementation and compliance with this in their respective entities or units. Read more about our corporate governance in accordance with the NUES recommendation² in Implementation of and reporting on corporate governance 2023 on our website dnb.no/sustainability-reports.

Our Code of Conduct is at the highest level of our governing documents, and establishes that we should demonstrate corporate responsibility and contribute to financial, social and environmental development that is sustainable in the areas and industries in which we operate. The corporate responsibility must be reflected in everything we do, including our investment and financing activities. The Group policy for sustainability is our overarching governing document for sustainability. According to the policy, we must take climate and environment into consideration, take social responsibility and ensure good corporate governance in all of our activities. It also stipulates that DNB is to map its own value chain in order to reveal the risk of actual or potential violations of human rights and labour rights that DNB could cause, contribute to or be directly associated with in its role as employer, investor, lender or purchaser. In addition, the policy states which international obligations and principles apply to DNB's activities, such as the obligation to comply with the OECD Guidelines for Multinational Enterprises on Responsible Conduct (the OECD Guidelines for Multinational Enterprises)³. The policy applies to all of the DNB Group's operations, regardless of geographical location, customer groups and organisational affiliation⁴, and has been approved by the Group Chief Executive Officer (CEO). The Group has separate instructions for sustainability in credit activities and for responsible investments, which clarify how the Group policy for sustainability is to be complied with in our work with customers and investments. The Group policy also clarifies roles and responsibilities for follow-up of the sustainability work. The Group policy is available on our webpage dnb.no/sustainability-reports.

- 1 Sbanken was merged with DNB on 2 May 2023. After the merger, Sbanken become a secondary brand name and customer concept in DNB Bank, with DNB Bank as the legally responsible financial institution for the Sbanken concept's customers and services.
- 2 The Norwegian Corporate Governance Board (NUES) publishes the Norwegian Code of Practice for Corporate Governance.
- 3 The OECD Guidelines for Multinational Enterprises on Responsible Business Conduct are the only multilateral guidelines that have been adopted and are the most comprehensive guidelines for responsible business activities. A main objective of the OECD Guidelines is that the business sector will contribute to sustainable development. The Guidelines contain clear expectations relating to the business sector's due diligence in areas such as human rights, labour rights, environment, anti-corruption and transparency: www.oecd-ilibrary.org/responsible-business-conduct
- 4 The policy does not apply to companies in which DNB has no controlling interest as defined by the Norwegian Private Limited Liability Companies Act, or companies which DNB owns jointly with other financial institutions. Nor does it apply to companies which DNB has taken over or acquired for temporary ownership.

The Board of Directors of DNB has overall responsibility for the company's operations and sets the Group's strategy and overriding goals, among other things, as well as ensuring satisfactory reporting. DNB's work with sustainability is presented to the Board and the Group Management team several times a year. Read more about how our sustainability work is followed up in Management and follow-up of the sustainability ambitions in the annual report 2023, on our website dnb.no/sustainability-reports.

Support for accountability in DNB's policies and procedures

DNB's governing documents state that DNB must protect human rights and perform risk-based due diligence in our entire value chain⁵. As an employer, DNB must respect fundamental human and labour rights and ensure decent working conditions.

Our governing documents in the work to manage risk of violations of human rights and labour rights in our value chain

- **Group instructions for sustainability in DNB's credit activities:** In the instructions, we describe what we require and expect from customers we provide credit to or for whom we facilitate capital market-based financing, in relation to human rights. The requirements and expectations are part of our ESG risk assessment process. All of DNB's customers must, within their sphere of influence, fully support and respect internationally recognised human rights and ensure that they are not involved in violations of these. Furthermore, customers must respect the eight fundamental or core conventions laid down by the ILO (International Labour Organization). Customers must comply with applicable laws and regulations in their home country/country of domicile, in addition to applicable laws and regulations in countries where they conduct business operations. They must also act in accordance with relevant international conventions and guidelines adopted by international organisations, such as the UN and the OECD.
- **Group instructions for responsible investments:** The instructions are intended to ensure that DNB does not contribute to the violation of human rights or labour rights, corruption, serious damage to the environment or other actions that could be regarded as unethical. They are also meant to ensure that assessments of risks and opportunities related to environmental, social and governance (ESG) factors are integrated into the investment management.
- **DNB's Code of Conduct for business partners:** The Code of Conduct is based on international frameworks, and contains clear requirements in the areas of human rights and labour rights, environmental management and ethical business conduct in own operations. It also specifies that business partners are under an obligation to comply with all legislation associated with decent working conditions and human rights in their business operations, and that they must communicate similar principles in their own supply chain.
- **Group policy for procurement and outsourcing:** The Group policy is intended to ensure that DNB does business with suppliers in such a way that the Group's requirements for responsible business conduct are met, and that the products and services used in DNB's operations are produced and delivered in a sustainable manner and do not contribute to violations of human rights or of decent working conditions.
- **Group instructions for procurement and sourcing processes:** The instructions are intended to ensure that our procurement processes and purchasing do not contribute to violations of human rights or of decent working conditions. The requirements relating to responsible business conduct for suppliers must be followed up during the agreement period through dialogue, analyses and audits. As part of its work with suppliers, DNB must conduct risk-based due diligence, in line with applicable legislation, the UNGP and the OECD Guidelines for Multinational Enterprises. Any breaches of these principles and guidelines that are identified must be assessed more closely, and measures must be taken. Suppliers must comply with applicable legislation in the countries in which they operate.
- **Group instructions for third-party risk management in DNB:** DNB has dealings with many different kinds of third parties, including suppliers, agents and cooperating banks. The purpose of the instructions is to set out principles for the risk assessments DNB must carry out before concluding an agreement with a third party, and for how the risks are to be followed up during the agreement period. The content of the risk assessment of a third-party relationship will depend both on the third party concerned and on the content of the specific agreement to be entered into. The risk assessment will cover many different risk types, including risks relating to regulatory requirements, reputation, security and commercial matters. The assessment and follow-up must be carried out with a view to identifying the overall risk the agreement could pose to DNB. The requirements set out in these instructions include specific requirements for risk assessments of third-party relationships, and they expand on the general requirements laid down in the Group policy for risk management in DNB and the Group instructions for operational risk.

⁵ DNB's governing documents are available on our website dnb.no/sustainability-reports.

DNB has committed to complying with the UN Guiding Principles on Business and Human Rights (UNGP) and the OECD Guidelines for Multinational Enterprises. These guide DNB's work to map – and minimise the risk of – human rights violations. Moreover, DNB has undertaken to comply with the Equator Principles, which, among other things, clarify the Group's obligations to respect fundamental human rights in connection with project financing.

Due diligence

Performing due diligence is a key part of DNB's efforts to respect fundamental human rights and decent working conditions. Due diligence is a process that is implemented to identify and document the extent to which DNB, through its operations, has a negative impact on fundamental human rights and decent working conditions, so that the Group can work to prevent and mitigate that negative impact.

The UNGP and the OECD Guidelines for Multinational Enterprises state that responsibility for preventing and handling negative consequences for human rights includes both own operations and impact that can be directly linked to the company's activities, products and services. DNB must perform due diligence of its

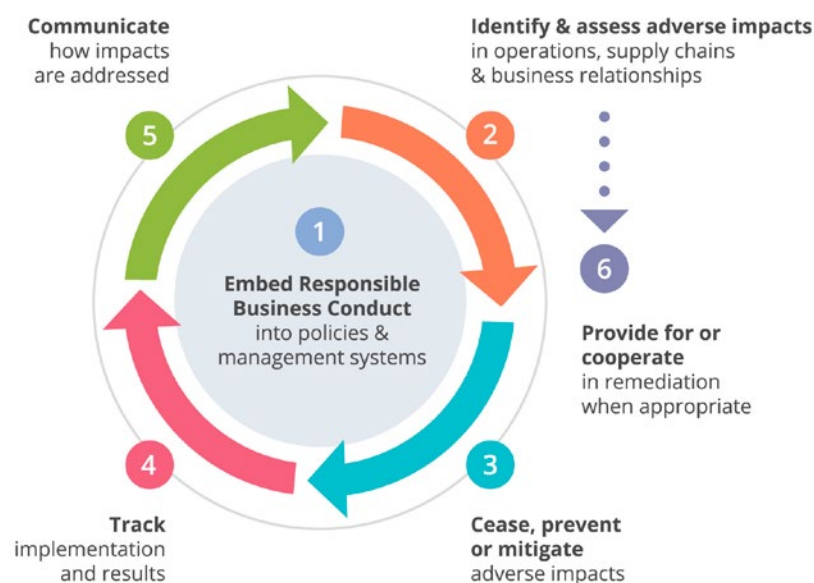
own operations, of its business partners, in its supply chain, and in its lending and investment activities, and the due diligence must be performed in accordance with the recommendations in the OECD Guidelines for Multinational Enterprises.

In DNB, we must be proactive and prevent violations of the rights that the Transparency Act is intended to safeguard. In the event that DNB is directly involved in human rights violations, we must help rectify the situation and ensure that compensatory measures are implemented. We must also communicate with the affected beneficial owners about how we dealt with the situation.

Monitoring

DNB takes a risk-based approach to its work on due diligence assessments. To assess which areas have the greatest risk of violations of human rights and decent working conditions, we have mapped the goods and services we purchase, as well as the countries from which they are sourced. Furthermore, assessments have been made of where in the supply chain the risk is considered to be highest. Finally, regardless of country and sector, there is an assessment as to whether DNB may have a greater responsibility for any negative impact.

The OECD model for due diligence



Suppliers with a higher inherent risk of violations of human rights and labour rights are monitored, for example, by means of a reassessment after one year, and companies with more than moderate risk are followed up by the contract manager.

Duty of confidentiality

As a financial institution, DNB has a far-reaching statutory duty of confidentiality relating to any information about customers or circumstances relating to others that we receive while carrying out our activities. DNB is therefore unable to share information about customer relationships and has little opportunity to share information about sectors or geographical locations that, together with other data points, could disclose confidential information.

Report on due diligence

Below is a report on the areas in DNB that are considered to be material, as well as information from subsidiaries that have a reporting obligation.

Procurement

In DNB, procurement is handled by a Group function that manages the Group's central business with suppliers and other third parties.

In 2023, DNB purchased goods and services in Norway worth approximately NOK 11.1 billion. We have around 4 600 suppliers, 124 of which accounted for 80 per cent of the purchasing costs. Important purchasing categories are the development and operation of IT solutions, marketing and consulting services, and goods and services relating to properties and office equipment. Currently, 87 per cent of DNB's suppliers are from the Nordic countries, the UK or the US.

Mapping and assessment before entering into contracts

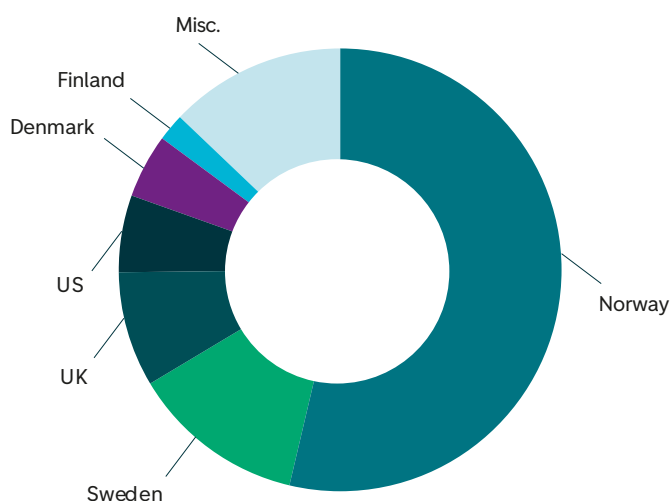
Before any contract is entered into, a risk assessment is performed of any supplier that is to sign a contract with DNB. Risk assessments are then performed at regular intervals during the contract period. Human rights and decent working conditions, including diversity and inclusion, are risk areas that suppliers are assessed on. For suppliers with higher inherent risk, for example, suppliers in a sector and/or country where the risk of human rights violations is greater, a more thorough assessment is performed before entry into the contract. This can be a matter of obtaining more information from the supplier or from external sources, or of the decision to enter into a contract being made at a higher management level in DNB.

Identified risks

In 2023, we strengthened our mapping of risk by adapting relevant questions in our risk tool, and improved the process for updating information about the countries and industries in which there is a greater risk of violations of human rights and labour rights⁶. We also implemented a function in the risk tool, so that we can obtain more information about other links in the supply chain over and above our direct contracting party.

A basic risk assessment of 565 companies was carried out in 2023, and a higher inherent risk of human rights violations, among other things, was detected in 17 per cent of these supplier assessments, based on country risk and sector. These companies underwent a more thorough assessment before a final decision was made and the contract was signed. Due diligence was carried out for companies that deliver products, IT services and software to DNB. Our main findings were that issues relating to human rights and labour rights were not adequately incorporated into policies and guidelines, that strategies relating to ESG were unclear, and that the work to map or identify breaches of human rights was not fully developed in some companies.

Where do DNB's suppliers come from?



⁶ [Høyrisikolisten | Anskaffelser.no](https://ecovadis.com/) (high-risk list, in Norwegian only)
<https://ecovadis.com/>

Measures

Our standard contractual terms and conditions and our Code of Conduct for business partners are used when entering into all new supplier agreements. These documents commit the supplier to respecting human rights and labour rights. If the supplier does not accept DNB's Code of Conduct for business partners, we consider to what extent an exception is acceptable, and how the matter can best be addressed in the contract, for example by including the supplier's own ethical guidelines. Any deviations from our routines must be approved and documented in-house. At the end of 2023, DNB's Code of Conduct for business partners was enclosed as an appendix to our agreements with 89 per cent of our suppliers. This was an increase from 84 per cent in 2022.

For suppliers that are considered to represent a higher risk, either through industry risk or country risk, as well as for our more strategic suppliers, an EcoVadis analysis is required. The result of this analysis is used to follow up and monitor the suppliers' work with sustainability. In 2023, we made a concerted effort to encourage even more relevant suppliers to carry out an EcoVadis analysis. At the end of 2023, suppliers representing 74 per cent of DNB's supplier costs had a profile in EcoVadis, up from 63 per cent in 2022. The average score in the analysis was 63.7 out of 100, up from 62 out of 100 in 2022. This is better than the average of 45 out of 100 for all companies assessed by EcoVadis. The result of the analysis is used actively in supplier management.

In 2023, DNB carried out two on-site audits of suppliers:

- A supplier used for delivery and recycling of electronic equipment. The audit focused on compliance with DNB's Code of Conduct for business partners and how the supplier safeguards human rights and decent working conditions in their value chain, as well as the supplier's compliance with environmental legislation. The audit did not detect any breaches of contract or violations of law. However, some risk factors were identified, and this led to a process with the supplier to consider various improvement measures, including measures relating to better management and follow-up of their supply chain.

- One of our largest IT partners. The audit focused on compliance with DNB's Code of Conduct for business partners, how the supplier safeguards human rights and decent working conditions in their value chain, and how the supplier works to increase diversity and equality within their organisation. The audit did not reveal any breach of contract or violations of law, but several risk factors were identified. This led to a process with the supplier to consider various improvement measures.

We have had a close dialogue with our suppliers since the audits. We find that audits are a good tool for familiarising ourselves with the supplier's work and for enabling us to work together to close non-conformities and learn lessons.

In 2023, we also conducted six 'see-to-it' duty examinations⁷ of our partners in hotel and cafeteria services. No violations of pay or working conditions were identified during our examinations.

One of DNB's sustainability ambitions is that the Group will be a driving force for diversity and inclusion. The ambition also applies to our role as a major buyer of products and services. In 2023, we worked systematically on the topic of diversity and inclusion with suppliers whose main delivery is labour. This applies to 25 suppliers that deliver, among other things, consulting, legal and strategic IT services, which accounted for around 18 per cent of DNB's supplier costs in Norway. Among the 25 suppliers mentioned, 16 have committed to various diversity and equality requirements in their contracts. In addition, these 16 suppliers, as well as an additional 2, report on concrete key performance indicators regularly – at least once a year – or on targets relating to gender balance in the Board and management, including which measures are implemented to achieve gender balance. We have seen positive developments among our suppliers since we put this topic on the agenda.

To ensure that diversity and inclusion are safeguarded in our collaboration with our largest strategic IT partners, we have initiated several joint activities, both for those who work from DNB's premises and those who work from their own. The goal is to increase insight into and competence on each other's cultures, to create an awareness of our roles in society, and to ensure equality and build psychological safety. At the same time, we have taken steps in relation to these IT partners to increase the number of female managers and motivators, including

⁷ The 'see-to-it' duty: A statutory obligation to check that the pay and working conditions of a company's subcontractors are in line with prevailing application regulations. <https://www.arbeidstilsynet.no/regelverk/forskrifter/forskrift-om-informasjons--og-paseplikt-mv/2/6/> (in Norwegian only).

through adapted working days, skills-enhancing measures and a mentor scheme, which has also led to more women returning to work at the end of their maternity leave.

Own employees

In DNB, People is the Group's centralised HR function. As an employer, DNB must respect fundamental human and labour rights and ensure decent working conditions. The Group's internal personnel-related guidelines, People Guide, generally contain information and guidance for managers and employees relating to schemes, rules and routines to ensure a good understanding of DNB's employer responsibility, and that this is exercised properly. DNB is bound by collective agreements with six trade unions, which contribute to proper working conditions in DNB and promote a good dialogue between the parties on work-related matters.

DNB emphasises development of the working environment to ensure that the Group's working conditions are inclusive and promote health and employee development. This is achieved through HSE work based on mapping, risk assessment and targeted follow-up.

We do not tolerate any form of harassment or discrimination, and we will promote equality and prevent discrimination through targeted and planned work. Read more about how we work with equality and combat discrimination in Report on the activity duty and duty to issue a statement 2023 on our website dnb.no/sustainability-reports.

Mapping and assessment

In general, there is low risk of HSE incidents in office activities. The risk of serious violations of human rights and labour rights is considered to be low for employees in DNB. The background for this is that Norway has a well-established and sound framework for working life that is safeguarded in the Norwegian Working Environment Act and national rules against discrimination.

DNB has good HR processes that promote equal opportunities and prevent discrimination. Systematic risk assessments allow us to identify risk of discrimination and obstacles to equality, and we then implement measures to reduce this risk and attempt to remove the obstacles.

Identified risks

DNB is part of an industry that has few occupational accidents and a low HSE risk. This is confirmed by the results of the mapping and registration of incidents. However, we see a growing trend of employees experiencing harassing behaviour and threats from customers.

We have not identified a high risk of discrimination or barriers to equality at system level in key HR processes for recruitment, work-life balance, pay and working conditions, or development opportunities. However, we have identified an inherent risk of discrimination in processes that entail discretionary judgement at the various management levels.

Measures

Control measures have been implemented to reduce the risk of discrimination in DNB, and the conclusion is that the risk is low. However, this underlines the importance of maintaining a continuous focus on competence-building measures and training in making unbiased discretionary judgements at management level. This work will continue and will be developed in 2024.

Employees who are at risk of experiencing unwanted customer behaviour undergo training, and we have procedures for safeguarding and following up the parties affected in connection with this type of incident.

DNB attaches importance to ensuring that all employees have working conditions that promote health and allow them to develop, through continuous, targeted HSE work that is based on mapping and risk assessments. DNB also aims to be a driving force for diversity and to be a workplace where all employees are treated with respect, with a working environment in which speaking out about unacceptable circumstances is positively received. Managers must help prevent harassment in the workplace by talking about what is meant by unwanted behaviour. In addition, DNB conducts preventive work through training relating to e.g. diversity and inclusion, data protection, HSE and working environment issues.

Lending to corporate customers

In line with the OECD Guidelines for Multinational Enterprises, DNB has integrated due diligence into its lending activities for the corporate market. This means that we in DNB will not extend credit to customers that contribute to the violation of human or labour rights, corruption, serious environmental harm or other actions that could be regarded as highly unethical.

Mapping and assessment

All of DNB's customers must comply with applicable legislation in the countries in which they conduct their activities. We expect our customers to act in accordance with relevant international conventions and guidelines set out by international organisations, such as the UN and the OECD. Compliance with legislation and guidelines for accountability is followed up in a separate ESG risk

assessment tool, including our customers' follow-up of their suppliers' and business partners' accountability and respect for human rights and decent working conditions.

Due diligence is also performed for every loan transaction, and at least once a year by the bank's customer team for all customer relationships with a total credit commitment of over NOK 8 million. For customers with a credit commitment of more than NOK 50 million, risk classification is also required, using an ESG risk assessment tool that has been developed in-house. The tool covers four thematic areas: climate, environment, social conditions and governance. Conversations on human rights, decent working conditions, equality and diversity are also included in all customer dialogues when customers have a credit commitment of over NOK 50 million. Further, external information sources are used in the risk assessment to help identify circumstances that may require more thorough due diligence, customer dialogue or other actions. The extent to which customers comply with the OECD Guidelines for Multinational Enterprises is given particular weight in the risk assessment. If our customers fail to comply with such guidelines, or there are indications of this, they will be given a higher ESG risk in our risk scoring, and in certain industries, they will automatically be placed in a high risk class. If serious circumstances are uncovered, this will affect the final ESG risk classification and the decision-making level for granting credit.

If the level of ESG risk is considered to be high, action plans will need to be established with a defined time frame with a view to reducing the risk.

Identified risks

The bank takes a risk-based approach to its work with due diligence in the credit process, with particular emphasis on specific countries and industrial sectors that use subcontractors to a large extent. Due to this practice, higher inherent risk was detected in 2023 in connection with building a ship in Asia with financing from DNB.

Measures

In accordance with our commitment to the Responsible Ship Recycling Standards and our objective to include a clause on responsible recycling of ships in loan agreements, in 2023, all new and refinanced loan agreements with collateral in ships contained a clause on responsible recycling. Through customer dialogue, we identified measures in this case that include requirements set out in the loan documentation associated with ongoing physical monitoring at the shipyard, as well as

requirements relating to ongoing reporting to the bank in accordance with the OECD framework.

In 2023, DNB carried out competence-raising measures relating to the performance of due diligence, with a focus on human rights in the Group's credit activities. The measures included case studies and discussion questions relating to potential breaches of human rights and labour rights, in addition to training and incorporation of routines for due diligence and follow-up of customers and their sub-suppliers.

DNB Asset Management AS

DNB Asset Management AS (DAM) offers securities and asset management services for personal and corporate customers in Norway and other countries. DAM is a wholly-owned subsidiary of DNB Bank ASA, and belongs to the business area Wealth Management.

Mapping and assessment

The Group instructions for responsible investments are intended to ensure that DNB does not contribute to violations of human rights or labour rights, or to corruption, serious damage to the environment or other actions that could be regarded as unethical. They are also meant to ensure that assessments of risks and opportunities related to environmental, social and governance (ESG) factors are integrated into the management of funds and form the basis for exercising ownership rights. Through the exercise of ownership rights, we attempt to influence companies we have invested in, or may invest in. Our exercise of ownership is based on the UN Global Compact⁸ and the OECD Guidelines for Multinational Enterprises, and is in line with the UNGP. Ownership rights are exercised through dialogue, meetings and other efforts to exert a positive influence. We will seek to influence companies positively, and in cases where companies are suspected of acting contrary to the Group instructions for responsible investments and/or internationally recognised standards and conventions, DNB will encourage them to remedy the situation.

We have defined some geographical areas as high-risk areas because we see an increased risk of violations of human rights and labour rights here. We have also developed a tool that shows the company's income by country, so that we can map the company's activities and risks more accurately. We use the information, among other things, to talk to companies that operate in the high-risk areas that have been identified. Further details about this process and the sectors we have identified as being high risk can be found in DAM's expectation document for human rights, which is published on dnb.no/sustainability-reports.

⁸ <https://unglobalcompact.org/>

Identified risks

The risk of violations of human rights and decent working conditions, as defined in DNB's Group instructions for responsible investments, is considered to be low in DAM. Through the work with due diligence, however, areas have been identified that have a somewhat higher probability of risk than others.

Measures

With regard to investments in companies that operate in sectors or areas with increased risk of violations of human and labour rights, we attempt to engage in a dialogue with the companies on their routines, with a view to detecting any violations. We have both reactive and proactive company dialogues relating to this. In 2023, we performed an updated risk assessment of different countries to improve our understanding of changes in the geographical risk associated with our investments. See DAM's expectation document for human rights for more information about the sectors in which we consider the risk to be elevated.

When we suspect a possible violation of the Group instructions for responsible investments, we will engage in a dialogue with the company to improve our understanding of the matter. If influence through a company dialogue or other active exercise of ownership rights are unsuccessful, we have the opportunity to exclude the company from DNB's investment universe. In 2023, five companies were excluded due to violations of human rights and/or labour rights. For more information, see page 44 of DAM's annual report for responsible investments for 2023. We have also had dialogues with 119 companies on human rights and labour rights.

All exclusions are publicly available and categorised according to their reason on DAM's website. The exclusion list is also published annually in the report on responsible investments on DAM's website.

In addition, DAM reports on its investment portfolio in line with the requirements in the Sustainable Finance Disclosure Regulation (SFDR). It is the opinion of DAM that the requirements in the SFDR relating to due diligence in connection with investment supplement the requirements in the Transparency Act relating to the asset classes shares and bonds. The SFDR requires reporting on Principal Adverse Impact (PAI) indicators, which are a set of sustainability metrics that, among other things, map possible damage to social, economic and environmental factors that the investments contribute to. Some of the metrics are voluntary, like PAI 11–16, while others are mandatory. PAI 10, 11 and 16 are related to the requirements in the Transparency Act. DAM published its first PAI report in June 2023, and will publish annual reports in line with the requirements in the SFDR. The reporting also

covers selected voluntary PAI indicators that, among other things, cover the proportion of companies in our portfolios that have adopted ethical guidelines for their supply chains. DAM's PAI reports are available on its website.

DNB Livsforsikring AS

DNB Livsforsikring is a wholly owned subsidiary of DNB Bank ASA and is an integrated part of the DNB Group. As one of the leading life insurance companies in Norway, DNB Livsforsikring offers pension, savings and insurance products to personal and corporate customers in Norway.

For DNB Livsforsikring as a capital owner, the risk of actual or potential negative impacts on fundamental human rights and decent working conditions is related to the companies the subsidiary invests in. DNB's Group instructions for responsible investments integrate the OECD Guidelines for Multinational Enterprises, among other documents, into the Group's requirements relating to responsible investment practices. The instructions provide guidance for DNB Livsforsikring as a capital owner and for any party that manages funds on behalf of DNB Livsforsikring.

As part of the due diligence process for companies DNB Livsforsikring invests in, the investment universe is regularly screened for potential or actual negative impacts on social, environmental or ethical criteria, based on internationally recognised guidelines and principles. Potential negative consequences are identified and mapped based on the screening and an internal assessment, as well as alerts about incidents.

DAM and DNB Næringseiendom AS manage most of DNB Livsforsikring's investments. Read more about how DAM and DNB Næringseiendom conduct due diligence in the sections on DNB Asset Management and DNB Næringseiendom.

DNB Eiendom AS

DNB Eiendom is a subsidiary of DNB Bank ASA and is one of Norway's leading real estate agencies. The company sells private homes, holiday properties and new buildings, as well as properties for commercial and agricultural purposes, and is one of few chains with a nationwide network of real estate agency branch offices. The company had 93 offices at the end of 2023.

DNB Eiendom's operations comply with the rules that govern estate agency activities and activities that are naturally related to real estate services, within that which is permitted at any given time in accordance with the Norwegian Estate Agency Act and associated regulations.

DNB Eiendom follows the governing documents, instructions, guidelines and personnel policy that apply to DNB Bank.

DNB Boligkreditt AS

DNB Boligkreditt is a wholly owned subsidiary of DNB Bank ASA. DNB Boligkreditt is a licensed credit institution, and has the right to issue covered bonds. The company's assets generally consist of mortgages that are secured with collateral. DNB Bank ASA manages the mortgages on behalf of DNB Boligkreditt.

DNB Boligkreditt follows the governing documents, instructions, guidelines and personnel policy that apply to DNB Bank.

DNB Næringseiendom AS

DNB Næringseiendom manages alternative investment funds that invest directly and indirectly in commercial property in Norway and Sweden. The report below covers all of DNB Næringseiendom's operations, including management of the fund DNB Scandinavian Property Fund DA (DNB SPF) and the fund's subsidiaries Barcode 123 Holding AS and Barcode 123 AS, as well as DNB Eiendomsholding AS, which holds real estate investments on behalf of DNB Livsforsikring AS.

Read more about how DAM conducts due diligence in the section on DNB Asset Management.

Mapping and assessment

DNB Næringseiendom maps and assesses all potential contracting parties before entering into an agreement with them. Any party that is invited to participate in a tender process is assessed in DNB Næringseiendom's assessment and documentation tool, and before an agreement is entered to, the potential contracting party must also be assessed in the Group's risk assessment tool. Read more about the risk assessment tool in the section on procurement. Before DNB Næringseiendom enters into an agreement, it uses its own assessment and documentation tool one more time, and the risk assessment forms part of a broad-based analysis.

Identified risks

To carry out its mission, DNB Næringseiendom uses contractors and subcontractors to work on its buildings. In large remodelling projects and rehabilitation projects, there is an inherent risk of dangerous physical conditions at construction sites, including inherent risk of personal injury and other physical injuries.

In all purchases, remodelling projects and rehabilitation projects, there is also an inherent risk of a lack of employment contracts with suppliers and poor living

conditions for workers. There is a risk of workers having contracts that do not comply with collective agreements or other minimum requirements relating to pay and contractual terms and conditions. This risk applies to both Norwegian and foreign workers.

DNB Næringseiendom makes a number of purchases in connection with its properties. Different risks associated with the manufacture of the products that are bought are identified in the risk tool that is used for procurement.

Measures

All of DNB Næringseiendom's sub-suppliers must accept DNB's Code of Conduct for business partners. In addition, DNB Næringseiendom enters into a customised contract for each contractual relationship, where the intention is to regulate relevant risk. It also seeks to enter into framework agreements, and to buy services from a limited number of suppliers in order to ensure that it has better knowledge of the suppliers it does business with.

DNB Næringseiendom has drawn up work manuals that are used on projects, in addition to carrying out work on safety, vigilance and continuous training on projects. Further, DNB Næringseiendom has incorporated a requirement in all agreements with its contractors specifying that they can only enter into agreements with up to two levels of subcontractors. Regular spot checks are also conducted at construction sites, where we require that documentation is presented. Moreover, DNB Næringseiendom has an audit plan, where some suppliers are selected to undergo more thorough audits.

DNB Næringsmegling AS

DNB Næringsmegling is a wholly owned subsidiary of DNB Bank ASA, and is one of Norway's leading commercial property companies. It offers services for purchase, sale, rental and valuation of commercial property, in addition to conducting market analyses, settlement and other advisory services for its customers. The company's main office is in Oslo, with branch offices in Bergen, Trondheim and Stavanger. DNB Næringsmegling operates in accordance with the rules that govern estate agency activities, primarily relating to commercial real estate.

DNB Næringsmegling uses DNB Bank's Group-wide agreements and follows the governing documents, instructions, guidelines and personnel policy that apply to DNB.

Remedy and compensatory measures

DNB has not been found to have directly caused or contributed to violations of fundamental human rights or decent working conditions in its supply chain, in its own operations or through any of its business partners. At the same time, it is important to point out that it is not possible to eliminate all risk, and that we therefore work continuously to improve our tools for performing due diligence.

If it is discovered that DNB has directly caused or contributed to violations of fundamental human rights or decent working conditions in its own operations, in its supply chain or through any of its business partners, the Group will implement measures to ensure that those responsible for the violations will remedy the situation and make sure that compensatory measures are implemented. Any violations will be documented in accordance with internal processes.

Communication and transparency

In DNB, we aim to be transparent about the assessments made in our supply chain and regarding our business partners, and we report on measures and challenges in our own external reports and enquiries. For more information about DNB's work with sustainability, see the annual report 2023, which is available on our website, dnb.no/sustainability-reports.

More information about DNB's work on human rights and the Transparency Act, as well as how DNB can be contacted, can be found on our website⁹.

Channels for notification and complaints

Transparency is a fundamental principle in DNB. All employees are responsible for acting ethically and for reporting any conduct that violates legislation, regulations or DNB's governing documents or routines.

Employees and other personnel who work in DNB are encouraged to speak up about unacceptable circumstances. Employees can raise concerns with their immediate manager, their manager's manager or the relevant specialist unit. If this does not lead to a solution, unacceptable circumstances can also be reported via DNB's whistleblowing channel. It is possible to make an anonymous report or contact a trusted person before making a report.

With regard to the supply chain and the Group's business partners, DNB has facilitated the notification of negative incidents through various channels, including EcoVadis and our risk management tool. We also have a notification channel on our website dnb.no, where suppliers, business partners and other stakeholders can contact us to report incidents and request access to information.

The road ahead

In DNB, work relating to the Transparency Act and due diligence is a continuous process. We work constantly to improve our routines and processes for identifying and following up potential violations of human rights and labour rights in our operations, regardless of whether this is in our role as a buyer or in connection with our products.

In our credit activities, we will continue our efforts to promote respect for human rights. We will further improve our ESG risk assessment tool and enhance support for detecting risk in our customers' value chains. One of our goals for 2024 is to integrate an information source for ESG-related country risk analysis delivered by the Economist Intelligence Unit into our risk assessment tool. In light of greater demands for due diligence in rules and legislation, as well as expectations of transparency from society in general, we will also continue to develop our tools for monitoring and reporting on action plans for customer due diligence.

Respect for human rights, including labour rights, will continue to be an important topic in our investment activities in 2024, through dialogues and cooperation with companies we have invested in. Ensuring further integration of country risk assessments and due diligence in the supply chain will be a particular focus for 2024, as it was cemented as a key issue for both companies and legislators in 2023.

The work with responsible purchasing will continue in 2024. We will work continuously with in-house training, improvement measures and compliance with current rules and legislation, as well as with optimisation of our risk system to ensure compliance with the Transparency Act in general, and respect for human rights in particular. We will also work to ensure that sustainable choices count more in our supplier selection processes, and we want to have a positive impact through our purchasing and supplier relationships. In 2024, we will take a closer look at certain suppliers that deliver physical products to DNB and their supply chains. We will also follow up measures that have been started as a result of the mapping that has been conducted so far.

⁹ dnb.no/om-oss/barekraft/menneskerettigheter (in Norwegian only)


Oslo, 13 March 2024
The Board of Directors of DNB Bank ASA



Olaug Svarva
(Chair of the Board)



Jens Petter Olsen
(Vice Chair of the Board)



Gro Bakstad



Christine Bosse



Petter-Børre Furberg



Julie Galbo



Lillian Hattrem



Stian Tegler Samuelsen



Jannicke Skaanes



Kim Wahl



Kjerstin R. Braathen
(Group Chief Executive Officer, CEO)

The Boards of Directors of the following subsidiaries have adopted the parts of the report that are relevant to them:

Barcode 123 AS, Barcode 123 Holding AS, DNB Asset Management AS, DNB Boligkreditt AS, DNB Eiendom AS, DNB Eiendomsholding AS, DNB Livsforsikring AS, DNB Næringseiendom AS, DNB Næringsmegling AS and DNB Scandinavian Property Fund DA.

Updated on 25 June 2024