

Corporate Responsibility Report 2023

Making a positive difference

BANKNORDIK

Table of contents

3 INTRODUCTION

Letter to our stakeholders
More than a financial institution
Our key stakeholders

9 SUSTAINABILITY

Our sustainability policy
Sustainability Committee
Sustainability Group
Our goals
Our direct economic impact

14 ESG

Our ESG and Nasdaq
ESG Key Figures
Building sustainable societies
Reducing our environmental impact
Action plan for reducing the CO₂ footprint from loans
Action Plan for Reducing CO₂ footprint from Investments
Sustainable investments make a difference
Leadership almost in gender balance

30 OUR STAKEHOLDERS

Our investors
Our customers
Our employees
Our local community

50 DATA

Progress on SDG's
ESG data, definitions

Introduction



Letter to our stakeholders

Dear reader,

It is with great pride that I present our annual Sustainability Report. I am pleased to provide an overview of our steadfast commitment to sustainability, encapsulating both our achievements and our ongoing commitment to fostering positive change. The Sustainability Report is an opportunity to take stock and plan our sustainability journey for 2024 – and beyond.

At BankNordik Group, we aim to integrate sustainability into our business decisions and processes, which is an ongoing development. This report serves as a testament to this journey and achievements along the way. It is a collective effort to contribute to a prosperous future in collaboration with our key stakeholders, spanning from our employees, customers, shareholders, and the communities we serve.

With more than 115 years as a financial institution, we are familiar with our role and responsibilities with respect to the different communities we operate in. We firmly believe we have a duty to help

these communities grow stronger if we want to sustain and improve our own position.

Central to our sustainability agenda are our environmental, social, and governance (ESG) indicators, as they provide the basis for our current state and plans for improvement. Our selection of ESG indicators is based on relevance to our core business and key stakeholders. Our employees are our most valuable resource, and we do our utmost to facilitate an environment where work-life-balance is the objective. We need people who strive to develop professionally without compromising their private lives because the two are interdependent.

As you will read in the report, we have different initiatives that we believe will foster a positive outcome as part of this agenda. For example, making mandatory and voluntary courses available, encouraging maternity and paternity leave with full salary, flexible working-hours and possibility to reduce working-hours are



Our values

At BankNordik, we are dedicated to adopting a proactive stance on sustainability and corporate responsibility, guided by our values and strategic principles. In every decision we make, we strive to leverage our expertise and core competencies to bring about a positive impact for our key stakeholders. We approach these initiatives with enthusiasm and a steadfast commitment to fostering positive change.

some of the initiatives, which are currently ongoing. We have equal pay for equal work and are proud to say that we have equal gender representation in our management team, which we strive to maintain.

We view our role in the financial sector as an opportunity to empower our customers to make sustainable choices that help reduce greenhouse gas emissions and contribute to a more sustainable future. Our approach to sustainability and corporate responsibility is founded in the belief that the most effective initiatives are those closely related to our business strategy and core competencies. To ensure alignment with our vision, strategy, and values, we have integrated these activities and initiatives into our framework.

We provide a range of sustainable financial products, including electric car loans, green home loans, and energy efficiency loans, enabling our customers to make a positive impact in their local communities. Additionally, we invest in sustainable assets that generate positive outcomes without adverse effects. Our managed portfolios are assessed and filtered through ESG indicators, which is facilitated by our investment product providers, insuring our customers' investments a high level of sustainability scrutiny.

Our own commitment to the sustainability agenda and a green transition can be observed in our plans for eliminating our direct emissions (scope 1) by the end of 2025 and our sourced electricity and heating (scope 2) by the end of 2030. The first plan is on track, while the latter is still dependent on our vendors. The data and data quality of scope 3 is currently under development and we have collaborated with external stakeholders on improving the quality. We made vast progresses on this in 2023 and we aim to improve further in 2024.

While formalising our strategic focus on sustainability in 2022, we have initiated the integration of sustainability into our daily practice in 2023. One example of such integration is the course on sustainability dialogue with business customers we arranged for our business advisers early last year and the planning for a similar in-house course for our private customer advisers to be held in 2024. The objective is to gain tools and competencies with which to enter into dialogue about sustainability or to be able to guide our customers to where relevant information can be found.

Our business revolves around our stakeholders, and their demands play a pivotal role in shaping our strategic direction. As we look ahead, it becomes increasingly imperative for us to lead the charge on sustainability, emphasise

transparency, and uphold compliance with growing regulatory standards. We are preparing to align with the Corporate Social Responsibility Directive (CSRD) and the European Sustainability Reporting Standards (ESRS) in the coming years. In 2024 we will launch our first double materiality assessment as an initial preparation. This, we believe, is a crucial step toward fostering a sustainable future where transparency and accountability take centre stage.

While acknowledging our achievements, we are mindful of the challenges that persist. Climate change, social inequality, and economic uncertainty require our continued focus, collaboration, and proactive measures. BankNordik Group remains resolute in addressing these challenges, embedding sustainability into every facet of our business. In this report, you will learn about how we go about these initiatives, our ESG performance in 2023, and our ambitions for sustainability in 2024 and further. I hope you will enjoy the read.

Turið F. Arge

Chief Executive Officer

More than a financial institution

As a financial institution, our commitment extends to a diverse clientele encompassing individuals, businesses, and corporations in both the Faroe Islands and Greenland. Our expertise and services are within banking, pension, real estate, and insurance. With a dedicated team of more than 200 highly skilled professionals, we take pride in our comprehensive service offerings.

In Greenland, the BankNordik Group operates banking activities only at present, but we are confident that this market offers considerable opportunities for growth. In the Faroe Islands, we operate insurance services under the Trygd brand, pension services under NordikLív, and real estate services under Skyn.

Yet, our identity goes beyond that of a mere financial institution. We have fostered robust, enduring, and sustainable relations both with our customers and our local communities. This commitment remains solid as we endeavour to fortify our position as their most reliable financial collaborator. Proactive-

ly engaging with our customers, we collaborate to help enable them to achieve their financial aspirations and sustainability objectives. Our dedicated employees, armed with expertise and extensive experience, are the driving force behind the development and the delivery of financial services tailored to meet these goals.

We are steadfast in our dedication to assuming a pivotal role in empowering our stakeholders to support the shift towards a more sustainable future. Beyond being a social responsibility, this commitment aligns strategically with our core business as a robust and profitable financial institution. Our ambitions are deeply embedded in our company values, seamlessly aligning with the expectations for transparency and accountability articulated by our key stakeholders. The combination of these stakeholders, our commitment to transparency, and our sense of accountability forms the bedrock of our sustainability strategy, woven together by our overall business strategy.



Assuming responsibility is inherent to our business approach, enabling us to leverage our skills, expertise, knowledge, and relationships for a positive impact on the financial decisions of our primary stakeholders. With a legacy of over 115 years as a robust and reliable financial partner, we place immense importance

on fostering close relationships, maintaining a steadfast local commitment, and implementing robust credit controls. You can read more about this in the following sections.

2.1bn in asset management in Greenland and Faroe Islands

2023 figures

Group:

Market value:	1,579 bn.
ROE:	16.9%

BankNordik:

Income:	479 m.
Cost/income:	49%
Dividend:	80 m.

Trygd:

Insurance income:	148 m.
Combined ratio:	86

BANKNORDIK

GREENLAND

BANK (mDKK)	
Loans and advances	1,442
Deposits and other debt	1,143
Mortgage credit	943
Operating cost/income, %	49
Number of FTE, end of period	17

FAROE ISLANDS BANK AND INSURANCE (mDKK)

Loans and advances	7,441
Deposits and other debt	7,555
Mortgage credit	1,654
Operating cost/income, %	49
Number of FTE, end of period	189

BANKNORDIK

TRYGD

SKYD

Our key stakeholders

Our steadfast commitment to sustainability and corporate responsibility is a cornerstone of our mission to create enduring value for our stakeholders: our employees, customers, local communities, and investors. While acknowledging the distinction between primary and secondary stakeholders, we consistently evaluate all stakeholders in the context of significant materiality issues and their shared impact.

In alignment with this approach and in anticipation of evolving regulatory frameworks, we are set to conduct a double materiality assessment and as well a gap analysis of the missing data. This endeavour aims to enhance our understanding of stakeholders' concerns regarding potential impact, risks, and opportunities in the ESG landscape. The insights gained will enable us to better navigate our surrounding world, prioritise sustainability initiatives, and strategically focus on financial stability and growth prospects in our operating markets.

Our target is to commence the initial materiality assessment in 2024, a key initiative central to the sustainability strategy enabling us to move the agenda forward. We provide more on this elsewhere in this report.

For more information on our key stakeholder groups, see page 30.



Sustainability



Our sustainability policy

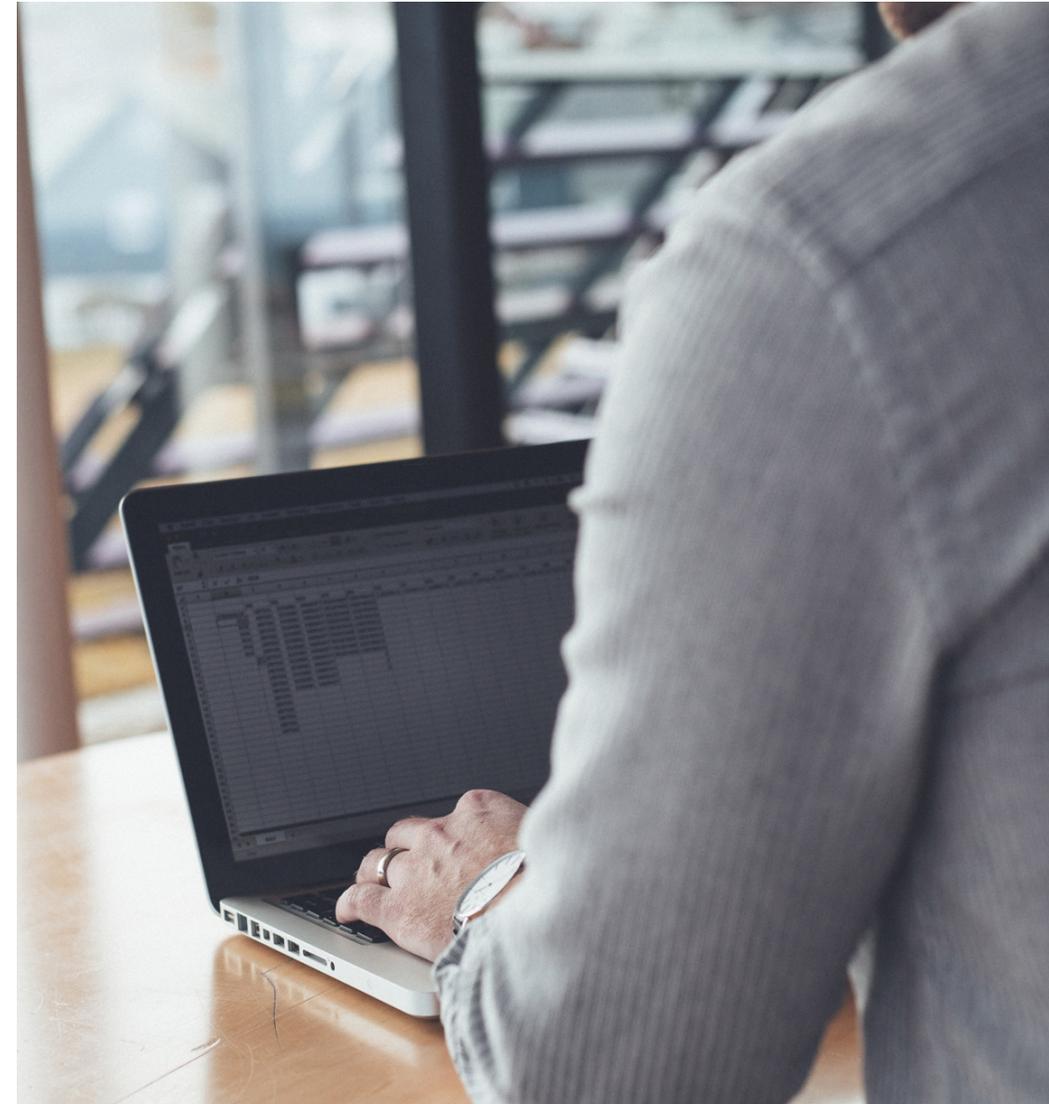
In alignment with our strategic approach, we formulated a sustainability policy that received board approval in December 2022. The primary aim of this policy is to delineate the framework for managing sustainability and the associated processes at BankNordik. It outlines responsibilities, task allocation, and guidelines for task execution. By establishing a clear sustainability policy, the BankNordik Group actively integrates sustainability into its core business, aiming to make these guidelines transparent to all stakeholders involved in the company's sustainability and corporate responsibility efforts.

The policy holds pivotal significance in organising the activities undertaken by the sustainability committee and group, as detailed below.

Our sustainability policy is based on Finance Denmark's five recommendations to:

1. Integrate sustainability into the business model.
2. Develop more sustainable products.
3. Implement sustainability in your own business.
4. Provide clear and credible documentation and communication about sustainability.
5. Publish CO2 footprint and goals for future reductions.

To read more about our sustainability policy, please follow this [link](#).



Sustainability Committee

The committee has been established with the strategic mandate to address and make decisions on relevant topics, both specific and broad in scope. Practical experience has underscored the importance of members' decision-making authority for the evolution of a sustainability focus, coupled with the necessary influence and rooted within the entire company. Consequently, the committee is comprised of the sustainability adviser and members of the BankNordik Group's management team, each holding overall responsibility for their respective business areas or staff groups.

As an integral part of the implementation process, the CEO assumes ownership of the committee, ensuring that resources are thoughtfully directed and

allocated to the strategic plan that integrates sustainability seamlessly into the company, permeating all its activities at BankNordik. The sustainability adviser coordinates the committee's operations. For more information, please see the sustainability policy [here](#).

In 2023, the committee teamed up with the sustainability adviser to get a better understanding of the new Corporate Sustainability Reporting Directive (CSRD) and the underlying European Sustainability Reporting Standards (ESRS). The objective has been to prepare the reporting requirements we anticipate will become relevant over the coming years. This work was kicked off by the initial planning of a double materiality assessment and will continue in 2024.

Sustainability Group

To bolster the quality and secure pertinent expertise for BankNordik's sustainability endeavours even further, we have set up a diverse Sustainability Group comprising key individuals. Led by the sustainability adviser, the group is tasked with addressing specific and relevant topics/goals and defining BankNordik's trajectory in terms of sustainability. The group formulates recommendations, which are then presented to the committee for deliberation and final decisions on the topics and goals at hand.

The sustainability adviser is responsible for overseeing the group's activities. In line with the committee's work in 2023, the sustainability group has had similar discussions and workshops in order to prepare the BankNordik Group for the coming reporting requirements to be issued by the EU.

For more information, please see the sustainability policy [here](#).

Sustainability



Our goals

Over the past few years, we have discovered the value of utilising the United Nations' Sustainable Development Goals (SDGs) as a framework to contribute to a more sustainable future. Acknowledging the interconnectedness of the 17 SDGs, we have pinpointed five that closely align with our business and have directed our initiatives toward them. They are:

- › Quality Education (SDG 4)
- › Gender Equality (SDG 5)
- › Decent Work and Economic Growth (SDG 8)
- › Sustainable Cities and Communities (SDG 11)
- › Climate Action (SDG 13)

As you will notice in this report, we refer to the relevant SDGs wherever they apply.

In 2023, we assessed our focus on the SDGs in accordance with our business and sustainability because we assumed that we would potentially need to adjust our focus on certain goals. However, our assessment did not clearly conclude that we needed to broaden our focus on sustainability and focus on more SDGs, since the most impactful materiality of sustainability topics are aligned with our core competencies and business strategy.

However, as the SDGs are all interconnected, we are constantly scanning the landscape, polishing our perspective and considering other goals that may be more relevant to include in our sustainability agenda. This should also emerge in the process of our double materiality assessment in 2024 as outlined in the stakeholder section above.



Our direct economic impact

We are aware of the economic impact we have on our local communities and strive to make a positive contribution. Our team of 200 highly skilled and engaged employees has contributed to our strong financial performance over the years, as noted in our Annual Report 2023.

We run a profitable business and are a significant contributor of corporate tax in our local communities. Additionally, we provide direct employment in our own company and indirectly create jobs in our value chains, both upstream and downstream. Our most significant impact lies in supporting our customers, particularly when we assist them in growing their businesses in a sustainable manner, and by offering a positive voice in their personal financial decision-making.

In order to meet current and future demands, we are committed to establishing relevant development programs in 2023 that will enable us to sustain and grow our position to having a positive impact on our local communities and key stakeholders.

Read more about our initiatives elsewhere in this report.

DIRECT ECONOMIC IMPACT IN 2023, DKKm

	2023	2022
Total income	528	446.8
Salaries and benefits	-164.4	-152.3
Supplier spend	-109.4	-84.9
Corporate tax	-72	-43.0
Payment to providers of equity	-80	-250.0
Community investment	-23	-2.2
Economic value retained	228	-85.3

ESG



Our ESG and Nasdaq

In 2023, BankNordik once again earned the certification of “Nasdaq ESG Transparency Partner,” continuing our achievements from previous years. This recognition is attributed to our active participation in contributing relevant ESG indicators to the Nasdaq ESG data listing centre. The assessment of these indicators on the Nasdaq online listing centre platform has resulted in the certification of our commitment.

This certificate serves as evidence of our dedication to enhancing market transparency and elevating ESG standards. The Nasdaq badge signifies acknowledgment for companies that provide transparent and objective ESG-related data to their current and potential investors.

We hope and aspire to earn this title again in 2024.



ESG KEY FIGURES

Environmental data¹

Key figures	Unit	Target (2025)	2023	2022	2021	2020	2019
Co2e, scope 1	Tonnes	0	98.3	93.7	118.7	143.4	143.1
Co2e, scope 2*	Tonnes	170	240.4	233.4	290.4	287.5	287.1
Energy Consumption	GJ	4,200	4,894	4,891	5,067	5,328	5,204
Renewable Energy Share	%	50	46.8	38.9	37.9	31.6	34.5
Digital Document Share	%	99	89.17	82.76			

*Our emission factors in scope 2 have been adjusted because the energy waste was set too low, which has increase our Co2e. The energy waste factor is set by the Faroese Environment Agency. The figures from previous years have been accordingly adjusted. In line with this adjustment the target for 2025 has been adjusted accordingly, from 75 to 170, and approved by the board.



¹ The Environmental ESG key figures in this report reflect the Group's Faroese and Greenlandic activities, while the environmental figures in the report published in connection with the Annual Report for 2020 only reflected the Group's Faroese activities.

ESG KEY FIGURES

Social data²

Key figures	Unit	Target (2025)	2023	2022	2021	2020	2019
Full-Time Workforce	FTE		205.22	200.3	202.2	377.7	392.7
Gender Diversity	%	40-60	61	63	64	60	59
Gender Diversity, Management	%	40-60	50	49	50	41	42
Gender Pay Ratio	Times		1.3	1.2	1.2	1.3	
Employee Turnover Ratio ³	%	7	11.08	7.59	16.3	10.7	12.2
Sickness Absence ³	Days/FTE	5	8.60	10.9	8.6	7.8	8.7
Other	Unit	Target (2025)	2023	2022	2021	2020	2019
Net Promoter Score - transactional	Score	>60	58	46	60.6	69	

² The social key figures in 2019 and 2020 reflect the Group's activities in the Faroe Islands, Denmark and Greenland, while the key figures in 2021 reflect the Faroese and Greenlandic activities.

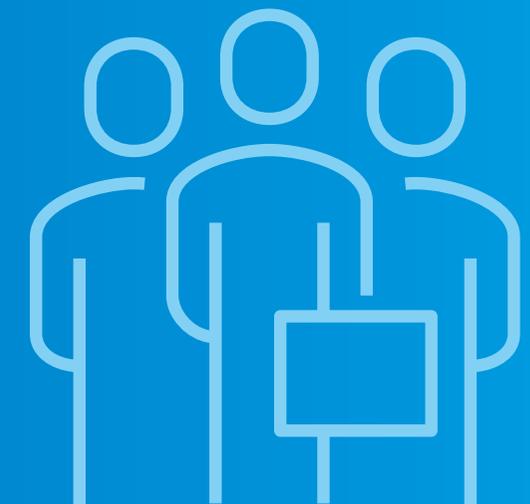
³ The divestment of our Danish business affected Employee Turnover Ratio in 2021.



ESG KEY FIGURES

Governance data⁴

Key figures	Unit	Target (2025)	2023	2022	2021	2020	2019
Gender Diversity, Board	%	40-60	40	40	20.0	16.67	33.3
Board Meeting Attendance Rate	%		95.10	95.6	100	98.9	95.7
CEO Pay Ratio	%		5.87	6.5	6.7	6.4	5.7



⁴ The governance key figures in 2019 and 2020 reflect the Group's activities in the Faroe Islands, Denmark and Greenland, while the key figures in 2021 and onward reflect the Faroese and Greenlandic activities.

Building sustainable societies

Our goal is to promote awareness of the necessity for renewable energy solutions and establish ourselves as a key player in facilitating the transition towards a more sustainable future. We are dedicated to ongoing enhancements of our existing products and the introduction of new ones in the coming years.

To ensure the active engagement of our employees in this initiative, we have instituted a mandatory introductory course on sustainability within the financial sector. This course applies to both our current and future employees. Moreover, certain representatives have undergone advanced training in sustainability and investment. They also participated in a workshop with our partner, BankInvest – a Danish asset management and investment fund. This training equips them to engage in discussions with our customers regarding sustainability preferences, aligning with regulatory guidelines.

In 2023, our corporate customer advisers all completed a course in sustainability dialogue with their clients in the Faroe Islands and Greenland. The objective is

to gain knowledge about our client's sustainability preferences and aid our employees with specific tools to enter and facilitate a dialogue about sustainability topics.

We have scheduled a similar course for our private costumer advisers which is being developed and hosted in-house. This course will be held in early 2024 and we anticipate that about 60 employees will be required to take the course. The objective is the same as that for our corporate customer advisers. After it has been held, we will evaluate the course and plan the next steps in enhancing these and other relevant skills.

Utilising our expertise and experience as a financial institution in the shift towards renewable energy, we aim to actively contribute to the progress and advancement of our local communities, fostering the creation of more sustainable societies.



Reducing our environmental impact

Our commitment to advancing environmental, social, and governance (ESG) targets remains unwavering.

In the past three years, we have heightened our ambitions by revising ESG targets, with a key focus on eliminating all direct emissions resulting from the combustion of oil and petrol by 2025. To reach this objective, we initiated the phasing out of all petrol and diesel cars in the Group, and we are proud to announce that we will receive the last electric vehicles (EVs) in the coming months and finalise this transition after a collective effort.

Despite encountering challenges related to the availability of EVs in 2022, impeding our progress, we have managed to complete the phase-out process within a foreseeable future.

Furthermore, we are actively working on transitioning to sustainable energy sources for all our buildings, expecting to achieve this pivotal milestone within the next couple of years.

We therefore remain optimistic about reaching our initial target, zero scope 1 emissions, by the end of 2025.



Action plan for reducing the CO₂ footprint from loans

Summary:

- The CO₂ emissions from loans to commercial customers and cars to private customers have been calculated at 35,644 tonnes CO₂e.
- Through this calculation, BankNordik has gained a partial indication of the extent of CO₂ emissions associated with the loans.
- In 2024, BankNordik will continue to contribute to a sustainable transition of society by focusing even more on sustainability in dialogue with customers and by continuing to offer sustainable loan products.
- In the future, BankNordik will focus on collecting relevant sustainability data in order to build a better overview of the institution's sustainability risks and reduction potential, so that actual reduction goals for the CO₂ footprint from loans can be defined for the long term.

Introduction

The Danish Forum for Sustainable Finance recommends that all financial institutions present an annual action plan for reducing the CO₂ footprint of their loans no later than when they present their annual report for 2023.

This action plan contributes to meeting this recommendation and reflects the current position of BankNordik. Our focus is on creating transparency in order to be able to identify the loans with the greatest CO₂ reduction potential. Already today, BankNordik offers a range of attractive loan products, particularly in the financing of properties and cars. These loan products, which are aimed at reducing customers' CO₂ footprint, have been developed by BankNordik.

Methodology and data basis

In order to calculate the CO₂ emissions, BankNordik has used the common principles and methods for measuring and calculating financed emissions from loans, as outlined in the CO₂ model for the financial sector.

It is not possible to calculate the CO₂ footprint of the entire loan portfolio, as loans to individuals are often not purpose-specific like revolving credits are. Instead, they are usually loans specifically granted for the purchase of housing or a car, and we do not have sufficient data on emissions from housing loans. In personal banking, only financed emissions from car loans are therefore included in accordance with the CO₂ model for the financial sector.

Housing loans

The CO₂ footprint from housing loans is not included in the action plan, due to insufficient data. BankNordik is in dialogue with the respective authorities in the Faroe Islands and will continue this work in 2024. This challenge is also present in Greenland, and we are assessing whether the Faroese approach would be a suitable solution. We are working to find a common solution to be able to calculate the CO₂ footprint from housing loans based on the energy ratings of individual buildings or an estimated energy rating based on a

building's energy source, age, size, and location. A similar example is the energy rating in a Danish context.

Once this is in place, only emissions from loans on our own balance sheet will be calculated. Mortgage loans arranged by BankNordik as an intermediate will therefore not be included in the calculation, such as all mortgage loans that BankNordik has arranged through Nykredit and DLR Kredit. Emissions from these loans are calculated by Nykredit and DLR Kredit, respectively, to avoid double registration of emissions.

Car loans

The CO₂ footprint from car loans has been calculated using emissions data distributed by fuel type and engine size, as calculated by the Danish Centre for Environment and Energy (DCE) at Aarhus University.

Data is based on the Faroe Islands' public car registration system, Akstovan, where we have transferred the distribution key for fuel types of private cars in the Faroe Islands to BankNordik's car fleet. In Greenland, we have conducted an estimate, which is based on generic observations, and transferred the distribution key for fuel types of private cars to BankNordik's car fleet.

The distribution combined with the number of cars in BankNordik's fleet

was then entered into a tool provided by Association of Local Banks in Denmark (LOPI) for calculating car loan emissions, i.e. CO₂ emissions based on fuel type and engine size of a car financed by a loan from BankNordik.

It has not been possible to obtain data for fuel types of privately-owned cars in our internal systems, as we have not previously recorded this information, but we will work on this and plan to develop a procedure. Our goal is to have the best data quality by linking it to public authorities in Greenland and the Faroe Islands, and automatically retrieving the data via their systems, such as by providing the license plate number.

Business loans

The CO₂ footprint from business lending, which is calculated on the basis of LOPI's model, is primarily based on Statistics Denmark's sector averages by industry, as individual customers' emissions are included individually. We do not have data for the industry distribution and its CO₂ footprint in the Faroe Islands and Greenland but have chosen to apply the average CO₂ emissions by industries in the Danish context to give us an indication of the CO₂ footprint of our business loans.

Going forward, BankNordik will have a strong focus on maintaining a dialogue

with relevant Faroese authorities and utilities with a view to replacing Statistics Denmark's data. This challenge also applies in Greenland, and we will examine whether the Faroese approach can be applied. In addition, we will investigate the possibilities of automatic collection of individual data from business customers individually, as individual data is inherently of a higher quality.

We therefore expect the inventory to become more accurate.

As shown in table 1, we have calculated CO₂e emissions from our loans at DKK

TABLE 1: CO₂E-EMISSIONS FROM LOANS AT END 2022

	Loans (DKKm)	Share	Emissions (CO ₂ e tonnes)*	Share of emissions	Emissions intensity (Emissions in CO ₂ e tonnes pr. DKKm in loans)
Housing	N/A	N/A	N/A	N/A	N/A
Car	344.7	6.1 %	1,806	5.1 %	5.24
Business	5,327	93.9 %	33,838	94.9 %	6.35
Total	5,671.7	100 %	35,644	100 %	6.28

* Total CO₂-emissions in tonnes CO₂-equivalent (CO₂e)

5,617.7m, with housing loans excluded due to a lack of data. Emissions from these loans are calculated at 35,644 CO₂e tonnes, for an emissions intensity of 6.28.

The highest emissions intensity derives from business loans, while car loans are lower. This can be explained by the fact that the largest industries in the Faroe Islands and Greenland are in fisheries (A) and transport (H), both of which have very high emissions intensity. However, we are very cautious about drawing any conclusions due to the low data quality.

Reduction objectives

Calculations of CO₂ emissions are still in progress, and as described above, there are significant challenges with a lack of data in all three categories – housing, car, and business loans. Therefore, a reliable baseline for the calculation has not yet been established. Based on this, BankNordik does not believe that the time is yet ripe to set actual targets for reducing the CO₂ emissions associated with our loans. This is also in line with the CO₂ model of Finance Denmark, which recommends that reduction targets be set when a baseline has been established.

Even though actual reduction targets cannot yet be set, it is expected that the emissions intensity will be reduced in the future. This is due, among other things, to customers' increasing demand for electric cars, which is expected to reduce the emissions intensity on car loans, and the general shift in the heat supply will reduce the emissions intensity on housing loans. In addition, many measures are being introduced to reduce companies' emissions.

Specific measures

The above calculation of CO₂ emissions is BankNordik's second actual calculation of this new and very complex area. The calculation will in the future mainly be used as a starting point for our further work in identifying opportunities to reduce the negative impact and increase the positive impact.

In 2024, BankNordik will continue to contribute to a sustainable transition of society by having even more focus on sustainability in the dialogue with customers and by continuing to offer sustainable loan products to customers. To strengthen the dialogue with customers, all our customer advisers have participated in targeted training activities that enable them to have a dialogue with customers about sustainable

solutions and financing. Our goal is to train all future customer advisers, thus giving them the tools to conduct such a dialogue with customers. In addition, all employees have been through the introductory course on sustainability in the financial sector and, going forward, the goal is for all new employees to complete the course.

Furthermore, we will in future focus on collecting relevant sustainability data in order to get a better overview of our sustainability risks and reduction potentials, so that we can eventually set actual reduction goals for the CO₂ footprint from loans. This data collection will be done both at BankNordik and in cooperation with our partners.

Data Quality

The data quality underlying the CO₂ footprints calculated in this action plan is not yet satisfactory, as only a few customers have yet provided individual data. Accordingly, a CO₂ footprint has been estimated based on average figures from various public registers.

According to an established data hierarchy containing a data quality score in the range of 1-5, with 1 indicating the highest data quality score and 5 the lowest. Most of the current data scores 4 or 5. The data is set to improve as more individual data emerges or we can receive relevant data from public authorities and utility companies. We expect this to happen in the coming years.

Action Plan for reducing CO₂ footprint from investments

Summary:

- › CO₂ emissions from investments are calculated at 49,286 tonnes.
- › The calculation gives an indication of the main sources of CO₂ emissions from BankNordik's investments.
- › The change in CO₂ footprint from 2022 is subject to uncertainty because of unfulfilling data coverage, and to incomparability due to data coverage improvement in 2023.
- › BankNordik will continue to improve services in 2024 to support customers in making sustainable investment choices.

Introduction

The Danish Forum for Sustainable Finance recommends that all financial institutions present an annual action plan for reducing the CO₂ footprint of their investment products along with their annual report - initially together with their annual reports for 2021.

This action plan contributes to fulfilling this recommendation, and this is now the third time BankNordik publicly presents an action plan for reducing the CO₂ footprint from investment products. The action plan reflects current position of BankNordik. The way we work with the action plan and accounting will evolve going forward. Our focus remains on creating transparency in order to be able to identify those of our investment activities for which we can reduce CO₂ emissions.

BankNordik offers attractive investment solutions tailored to the customer's personal time horizon and risk appetite. This third set of numbers on CO₂

emissions from our investments adds new knowledge and enables us to target our efforts, e.g. in relation to the investment products we use when investing on behalf of our customers.

As more companies calculate their CO₂ footprint, the data will improve, but the fact that no data is yet available for some asset classes is reflected in the coverage of emissions data in this year's reporting. In the investment area, we work primarily with BankInvest, which has long had reducing CO₂ emissions as a goal. This also means that many of the investment products we distribute today focus on the volume of CO₂ emitted by the companies invested in.

When we invest on behalf of our customers, we do it through our wealth and pension care products.

With a total market value of 2,139 million for the Faroe Islands and Greenland at December 31, 2023, the CO₂ emissions for the reporting year 2023

are estimated to be 23 CO₂ per million DKK invested.

The reason for the large difference in CO₂ emissions in the two countries is that mortgage bonds make up a much greater proportion in portfolio care in Greenland. The highest CO₂ emissions are from our customers' investments in stocks and corporate bonds.

Within equity investments, the sectors of utility companies, material manufacturing and energy are the main contributors to emissions.

Development of CO₂ footprint

We cannot compare the years 2022 and 2023 due to a much lower coverage of emissions data calculated in our investments in 2022.

Assets covered by the calculation

The investments included in the calculation are based on a selection criterion that the bank has direct access to or is able to directly influence the composition of the investments. Therefore, the calculation includes the entire portfolio managed by BankNordik.

Investments in bonds and mutual funds under portfolio management and in pool solutions in Greenland are included.

Investments that customers make on their own or that the financial institu-

tion makes on a customer's instructions are not included in the calculation.

All securities forming a part of portfolio management agreements with customers are included in the scope of business. Investment funds in mortgage bonds are also included in the scope of business, but the CO₂ calculation methods are not yet fully developed for this asset class. Therefore, CO₂ emissions from these asset classes are not included in the calculation of CO₂ emissions. In general, assets that are not included in the calculation are assumed to have relatively low CO₂ emissions.

Methodology and data basis

For the calculation of CO₂ emissions, we applied the common principles for

measuring and calculating emissions from financial investments as developed by Finance Denmark.

For the calculation of CO₂ emissions relating to stocks and corporate bonds, data from BankInvest and SDC were applied. The data basis consists of both company-specific data and estimated emissions.

Data from government bonds was not included in the calculation of CO₂ emissions as such data is not available. Data from mortgage bonds was partially included as some mortgage issuers have not yet calculated their emissions. Asset classes without calculated emissions are included in the calculation of market value.

It has not been possible to estimate the CO₂ emissions from the bank's own holdings.

BankNordik's own holdings, excluding trading holdings, are primarily composed of mortgage bonds and Danish government bonds, as well as ownership interests in sector companies.

The majority of the bank's own holdings are invested in Danish government and mortgage bonds. This asset class has a significantly lower CO₂ emissions than stocks and corporate bonds.

TABLE 2 (FAROE ISLANDS AND GREENLAND):

Estimated carbon footprint of investment products at 31 December 2023 for the 2023 financial year

	Market value (DKK m)	Share of market value	Carbon footprint*	Carbon intensity**	Share of footprint
Managed portfolios, Faroe Islands	1,768	17.3%	46,071	26.1	93.5%
Managed portfolio and pool solutions, Greenland	371	17.3%	3,215	8.7	6.5%
Managed portfolios, total	2,139	100%	49,286	23.0	100%

* Total carbon emissions in tonnes of CO₂-equivalents

** Tonnes of CO₂-equivalents per million DKK invested

Short-term and long-term targets

At BankNordik, we are focused on establishing short-term targets that involve evaluating and disclosing our environmental, social, and governance (ESG)-related business practices. This will serve as a foundation for developing our long-term strategy. One potential long-term target is achieving net-zero emissions by 2050 through science-based targets. However, we will explore and assess these targets further in the course of 2024 before making a decision on whether and how to pursue this goal in the future.

BankNordik's involvement in and work to reduce CO₂ emissions from our investments is done in partnership with our partners and investment product providers. Our investment partners and providers, such as investment funds, are selected on the basis of several different criteria, including their ability to reduce CO₂ emissions from their investment products. Bankinvest, our primary investment product provider, has set targets for reducing its CO₂ footprint, which we support.

Specific measures

BankNordik considers this third calculation of CO₂ emissions from investment activities to be one of several steps in a process to reduce CO₂ emissions. We will use the calculation as a baseline for further work on identifying opportunities to reduce negative impact and increase positive impact.

In relation to our investment product providers, they are transparent about the amount of CO₂ emitted through the companies their products are invested in. This enables us to help customers find the sustainable investment products that BankInvest offers.

In 2024, we will continue to work on identifying opportunities and activities that can contribute to reducing CO₂ emissions from investments. This will be done in collaboration with relevant,

external stakeholders and partners. We expect that an increasing volume of business involving funds with a specific focus on reducing CO₂ emissions will contribute to reducing our overall CO₂ footprint from investments.

Specifically, in 2024, we will mainly focus on the activities where the bank invests on behalf of customers, as this activity accounts for the largest part of CO₂ emissions within investments. It will be relevant to look at both stock-based securities and mortgage bonds.

Data quality

The data underlying the CO₂ emissions calculated in this action plan is generally of improved quality. Generally, the data quality and coverage has improved significantly from 2022 to 2023.

We expect the data input used for calculating emissions data to improve even further in the coming year. This would have a positive effect on our ongoing process of reducing CO₂ emissions from investments.

It has not been possible to show an actual data quality score of scope 1, 2, and 3.

Investments and Sustainable

We offer investment services tailored to the individual customer's timeframe and risk appetite. Furthermore, we place great emphasis on sustainability in our investment services. This year marks the third occasion where we receive and display data on the CO2 emissions from our investments. This data provides valuable insight, enabling us to address our impact concerning the investment services BankNordik Group uses. As more companies measure their CO2 footprint, the data foundation improves.

Our collaborator in sustainability

We collaborate, among others, with BankInvest that has been working to measure and reduce CO2 emissions in their investment services for many years. For our customers, collaboration with BankInvest means improved transparency of environmental, social and governance (ESG) factors. This is evident, among other measures, by categorising investment funds into 1) sustainable, 2) partially sustainable, or 3) without particular social or environmental objective. These are referred to as Article 9, Article 8, and Article 6 funds,

which are requirements under the EU Sustainable Finance Disclosure Regulation (SFDR) to categorise investments. Specifically, this also means that the investment services that we offer are required to have a reduction plan for its CO2 emissions.

BankInvest works for sustainability

For the seventh consecutive year, BankInvest retains the top position in the "Prospera Fund Distributors and Selectors" satisfaction survey conducted by the independent research institute Kantar.

Winning 9 out of 11 categories

Taking a closer look at the results of the survey, BankInvest secures the first place in 9 out of 11 categories, compared to 6 out of 11 last year. BankInvest advances in the disciplines of Personal relationships with salespeople, Satisfactory track record, and particularly Competencies in sustainable investments, which is a specific focus area for BankInvest. The other rankings remain unchanged. Read more about this [here](#).



KANTAR | PROSPERA

Leadership in gender balance

As a financial institution, we acknowledge the historical imbalance in gender representation within management roles in our industry. We firmly believe that diversity strengthens businesses and leads to better outcomes. Therefore, we are dedicated to offering equal opportunities to all employees, regardless of gender, to progress in their careers and assume managerial positions within the organisation. Our commitment to this endeavour has resulted in positive outcomes, as evidenced by the progress achieved in recent years.

Continuous effort

Our aim is to ensure that neither gender is overrepresented in managerial roles or across our branches and departments. We aspire for a balanced representation, with a maximum of 60% for either gender.

The proportion of female managers within our institution increased from 41% in 2020 to 50% by the end of 2021, and this level was maintained at 49% in 2022. In 2023, we levelled out and ended at 50%. While we have observed a favourable trend since 2018, when only

31% of managers were women, we recognize that achieving gender balance is an ongoing endeavour. We are committed to sustaining this progress, especially considering that women constitute 61% of our overall workforce.

Looking ahead

We are preparing to meet future demands by aligning with the gender balance recommendations set forth by Finance Denmark. Although these requirements are not formally enforced in the Faroe Islands and Greenland, we have chosen to proactively address this matter. In accordance with section 135b of the Executive Order on Financial Reports, we are mandated to establish targets for gender equality among our managers and board members. In our ESG key figures, we have set a target of 40/60 percent representation for each gender on our board, aligning with regulatory standards.

Initiatives to ensure equal opportunities

In our continuous commitment to fostering diversity and inclusion, we have introduced numerous initiatives in



Leadership in gender balance

the past year aimed at equipping all employees with the resources needed to progress in their careers and assume additional responsibilities. Managers are mandated to engage in ongoing training programs designed to further this objective. These courses include tools to enhance communication with their teams and strategies to bolster their professional growth.

In the previous years, we identified a potential obstacle in measuring and disclosing our gender pay gap ratio. In 2023, we observe that the data remains unchanged. Despite having a policy of equal pay for equal work in effect, the data reveals a disparity that demands substantial efforts to rectify. Upon analysing the findings, we discovered that the gap is primarily due to the

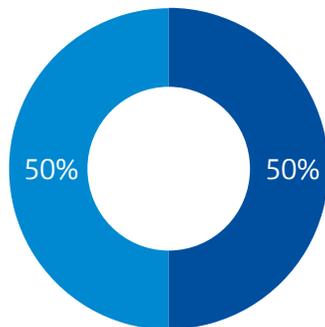
disproportionate representation of female employees in roles requiring lower education levels and offering lower compensation.

Furthermore, our analysis department took a more detailed examination of equal pay for equal work and the result was a balanced pay between female and male employees. We do, however, need to sustain this balance and rectify the gender pay gap ratio.

Moreover, we have established clear objectives concerning our recruitment process to foster gender diversity. This includes encouraging both genders to apply for job vacancies, ensuring gender balance among the final pool of applicants, and considering gender distribution within departments when hiring new staff.

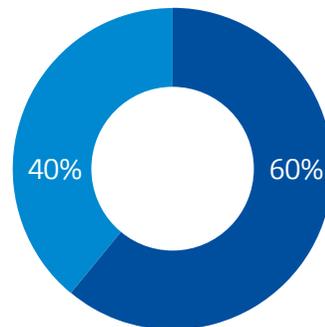
In 2024, we will maintain this focus, confident that our proactive measures will contribute positively to gender equality.

Gender Diversity, Management



Target for 2025
40-60%

Gender Diversity, Board



Target for 2025
40-60%

Commitment to gender equality

In response to this, we have pinpointed specific areas for improvement to maximise the utilisation of our workforce's skills and qualifications while advancing gender equality. For instance, two years ago we initiated efforts to promote shared parental leave and provide more flexible scheduling options for employees with young children, yielding positive outcomes.

Our stakeholders



Our investors

Investors increasingly seek transparency in their investments, particularly concerning sustainability and corporate responsibility. Therefore, it is crucial for us to closely monitor international regulations and conditions, aligning them with our investors' expectations as an integral part of our operations.

We acknowledge that we can generate the most value for our investors by actively participating in global society. This commitment is reflected in our support for the United Nations' Sustainability Development Goals (SDGs), contributing to the pursuit of a more sustainable future. Our dedication to enhancing sustainability products and services, as well as introducing new offerings, plays a constructive role in the green transition of energy consumption and overall SDGs.

This strategic focus not only aligns with our mission but also serves our interests as a financial institution, as it inherently addresses the current and future requirements of our investees. In 2024, we will intensify our efforts by conducting in-house deep-dive sustainability training courses and engaging with external stakeholders on our sustainability agenda and pertinent materiality topics.

Similar to this sustainability report, we maintain various channels through which we ensure transparency in our business, catering to the needs of our current and prospective investors. These channels include:

- > regular announcements
- > annual financial reports
- > financial data
- > share price
- > shareholder portal
- > and IR contact



Our customers

In today's dynamic and evolving society, our focus is on placing customers at the centre and fostering enduring customer connections built on responsibility and trust, mutually benefiting both parties. We strive to maintain our current customer base and attract new clients through proactive actions, enthusiasm, and by applying our skills and expertise. Our business approach, centred around the customer, seamlessly aligns with our sustainability and corporate responsibility initiatives in the communities we serve, recognising that each customer relationship forms an integral part of the foundation of our operations.

Valuable customer feedback

Customer input is invaluable to us as we seek to enhance this pivotal relationship. To ensure customer satisfaction, we consistently monitor our customers' needs through ongoing dialogue, market research, and customer satisfaction surveys. In 2023, we conducted a comprehensive survey across all markets to gather insights into the customer experience at BankNordik.

The results revealed an overall high level of satisfaction with our advice, indicating that BankNordik delivered an improved and more consistent customer experience in 2023 compared to the results of 2022. We successfully enhanced our communication, both in terms of relevance and understanding of our services, achieving one of our objectives set in 2022 for the following year. This improvement has been bolstered by increased customer trust and refined internal processes.

However, the results also pinpointed specific areas for improvement, such as customer responsiveness. We deeply appreciate the time our customers took to share their feedback and suggestions, which we will carefully consider as we strive to provide the best service and advice to all our customers.

An example of how we engaged with our customers is described in the following paragraph.



Leadership Team Engaging with Customers

To address the concerns of our customers, we coordinated efforts to have members of our leadership group connect directly with some of the most critical voices who had willingly agreed to be contacted if the need arose.

The initiative proved highly successful, and we anticipate that it will contribute to strengthening customer relationships at BankNordik. Specifically, we aim to break down any perceived barriers between the two parties.

This aligns seamlessly with our objectives for 2021 and 2022, which centred on enhancing our communications. Our focus includes making the relevance of BankNordik’s services clear and understandable for our customers, with the goal of sustaining the progress made going into 2024.

To achieve this, we will implement initiatives aimed at improving our responsiveness towards our customers.

As part of our ongoing commitment to improvement, we will track our progress through metrics such as the Net Promoter Score (NPS) and set a target of >60 for

2025. Here, our dedicated employees will play key roles in reaching the targets set. Overall, these measures underscore our dedication to proactive communication and continuous enhancement of our services to meet the evolving needs of our valued customers.

As depicted on page 17, our figures are showing:

2023 Net Promoter Score - transactional 58
2025 target: >60

Financing the green transition

Our goal is to support our customers in financing their sustainable transition by providing financial incentives and advisory services. We offer appealing green financing alternatives, including affordable loans for electric vehicles (EVs) and home energy efficiency enhancements. This makes it more convenient and cost-effective for customers to opt for sustainable solutions, such as upgrading windows, improving insulation, and transitioning to sustainable energy sources.

The commitment to this sustainability agenda is at the heart of our business strategy, reinforcing our dedication to assisting customers in making a positive impact.



Silja á Borg Færø
Private Customer Director



Brian Smedemark
Chief Commercial Officer

GREEN LOANS INCREASING

	2021 to 2022	2022 to 2023
EV	114.9%	38, %
Green Housing	97.6%	95.6%
Green Energy	44.0%	47.8%

Addressing Customer Needs

For our individual customers, we offer three pivotal products aligning with sustainability and the green transition. The utilisation of these products has shown a noticeable increase and continues to grow, as indicated by the figures above. Introduced in 2021, our green home loan features reduced interest rates for customers who heat their homes using sustainable energy sources.

The escalating interest in sustainability, evident in our customer interactions and green loans increasing, underscores the demand for such offerings. To meet this demand, our staff has been proactive in providing essential information about solutions related to the product.

In 2023, our corporate customer advisers all completed a course in sustainability dialogue with their clients in the Faroe Islands and Greenland. The objective is to gain knowledge about our client's sustainability preferences and aid our employees with specific tools to enter and facilitate a dialogue about sustainability topics. We have scheduled a similar course for our private customer advisers in 2024.

In 2024, our focus will be on enhancing our ability to assist customers in accessing pertinent information regarding sustainable renovations or environmental improvements for housing and electric vehicles.

Sustainability reporting and House of Industry Collaboration

In the autumn of 2023, we actively participated in a six-day workshop on sustainability reporting designed for companies and organisations in the Faroe Islands. Approximately 30 companies engaged in the workshop, featuring presentations covering various sustainability topics. The sessions also involved collaborative efforts to develop internal processes for key ESG metrics, followed by discussions on impact, challenges, and opportunities.

Our involvement extended beyond mere participation; we delivered presentations sharing our experience with ESG and detailed how we have established internal processes for data development, data quality, and collection. We also demonstrated how this is presented in our sustainability report and other communication channels.

Furthermore, we played a supportive role for the sustainability adviser at the House of Industry in crafting the workshops and guidelines for creating a sustainability report.

Quoting Súsanna Berg, sustainability adviser at the House of Industry: "We are grateful to BankNordik for their support during the development process, for their contribution to the workshop in general – and for their presentations in particular."



Our employees

Attracting and retaining competent, proactive employees with the skills to effectively manage a value-adding financial institution is a top priority for us. Our employees represent our most crucial and fundamental asset. Hence, we are dedicated to establishing a work environment that prioritises competency development and fosters overall job satisfaction, ensuring a dynamic and challenging daily work experience.

Recognising the significance of aligning the work environment with individual needs and promoting a healthy work-life balance for our employees, we meticulously design employee development programs, social events, and various initiatives. These endeavours are crafted to ideally cultivate a robust and healthy organisational culture, crucial for enhancing present and future business performance.

A healthy workplace

Recognising the importance of tailoring the workplace to meet the unique needs of each employee and promoting a healthy work-life balance, we prioritise the cultivation of a vibrant and supportive work environment. Our commitment is to create a space where employees can thrive both professionally and personally. We actively support employee development through frequent in-house training sessions and encourage participation in external courses and academic programs.

In 2023, our employees collectively invested 4,500 hours in various developmental activities during their working hours at BankNordik. We are aware that these efforts have a positive impact on individuals, professionally and personally, as well as contributing to the well-being of local communities.



We will continue to drive these initiatives in 2024, establishing the optimal foundation for a robust and sustainable work environment strategically aligned with our core business as a financial institution.

Engagement survey

At regular intervals, we administer satisfaction surveys to assess the overall sentiment within the organisation. The purpose of these surveys is to collect feedback on various topics and gain deeper insights into the employees' experiences. Furthermore, the surveys play a vital role in accurately evaluating employee engagement. They serve as a critical component of our operations, with the survey results guiding continuous improvements to our company culture.

A new engagement survey we conducted in 2023 provided valuable insights that will contribute to achieving our objectives for enhancement in the future.

JobMatch

In December, we participated in the annual event JobMatch where we were able to promote BankNordik as a great potential workplace for future employees. Our employees had several interesting talks with guests who primarily were about to finish their degree or just had finished.

BANKNORDIK EMPLOYEE ENGAGEMENT SURVEY

November 2023 by Ennova

Engagement	BankNordik		Industry benchmark (GELx DK – Financial services)
	2022	2023	
Job satisfaction	80	78	77
Loyalty	88	85	84



Celebrating our valuable and experienced employees

Anniversaries and great achievements in 2023

Experienced employees possess a blend of knowledge and skills, rendering them immensely valuable to both our organisation and its operations. Fortunately, we are blessed to have loyal employees who have been with us for many years. In 2023, we celebrated the tenure of several dedicated employees. Retaining our highly skilled workforce is a top priority, and we are committed to consistently focusing on their well-being and offering attractive development opportunities. Here are some of the celebrating moments in 2023.



Last day at the office for Bent Albinus

Bent Albinus chose to retire on 2 January, 2024, and his last work day at the bank was on 29 December 2023. January 2 marked Bent's 50th anniversary with the bank. We thanked Bent for his contributions to the bank and wished him the best of luck in his future endeavours and, not least, a happy retirement.

My last day at work

Bent sent this message to his colleagues on 29 December 2023:

Today marks my last day at work, closing out a career with the bank spanning half a century. I would like to take this opportunity to express my sincerest gratitude for having had the pleasure of working with the bank through all these years. It has truly been a good and exciting workplace, and one that I have always been very proud of.

I would also like to thank all my fantastic colleagues across the country, from the leadership to the newcomers, for making BankNordik such a good and rewarding place to work. I wish all of you and the bank a bright future.

Happy New Year.

Bent Albinus"



25 years with the Group

Oddbjørg Midjord passed her 25th anniversary with the bank on 13 July 2023. We celebrated Oddbjørg's wholehearted engagement, commitment, and loyalty with a reception at head office on 29 August 2023.



Trygd 25 years (1998-2023)

Trygd, our insurance brand, was originally established in 1932 and is therefore the oldest insurance company in the Faroe Islands. For 54 years, however, trygd was not allowed to sell insurances because exclusive right was in the insurance market from 1943 to 1997. When this monopoly was abolished, Føroya Banki (BankNordik former name)

reestablished the company and February 2nd in 1998, Trygd went back into selling insurance – initially family and home insurance.

Today, Trygd offers most types of insurance to private people and businesses in the Faroe Islands.



**Ella Mortensen
– Trygd’s twin**

The day before the birth of Trygd, Ella Mortensen had her first working day at Trygd. Ella has been the very spine of our insurance brand and has truly put her knowledge, skills, personality and experience into the development of Trygd and she truly represents what the company is all about.

We managed to celebrate her anniversary on the jubilee day itself, February 1st, where all employees were invited to take part and to wish her congratulation. We take the opportunity here to wish Ella congratulation again and a immense gratitude for your valuable contribution over the last 25 years



**Anna Mohr Holm is the
new CEO at Trygd**

In 2023, Anna Mohr Holm was appointed as the new CEO at Trygd. She replaced Brian Smedemark, who has been the CEO for the past five years.

In June, it was announced that Trygd’s CEO, Brian Smedemark, would be moving to a new position as an operations manager at BankNordik. In connection with this, the vacant position at Trygd was to be filled, and Anna Mohr Holm was appointed as the new CEO. She assumed the position on September 1st.



Graduated trainees

In 2023, Halla Askersdóttir Hansen and Tórir Nattestad Guðjónsson, trainees at Trygd, graduated and got their diplomas in July.



New trainees

Greetings to our newest trainees Marianna, Jákup and Rógvi in banking, and Súsanna and Sunniva in insurance! It was with great pleasure that we welcomed this new team to the Group in 2023. We anticipate observing their growth and gaining insights from their experiences.



Johan Olsen from Tvøroyri has been controller at Trygd for 25 years in 2023.



Skill development and education

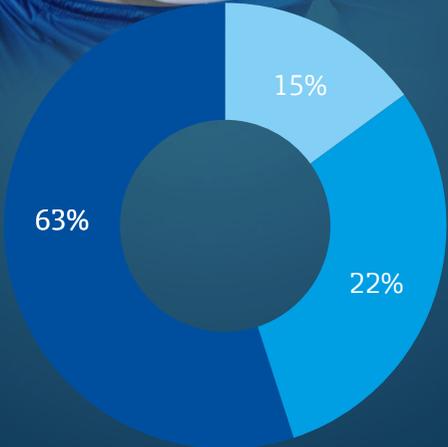
In September, we celebrated these diligent colleagues who completed higher educations in leadership, conflict resolution, and insurance. "Skill development and education are crucial for a workplace to prosper and advance - both for individual employees and for the workplace as a whole. That's why we continuously strive to strengthen the professional development of our staff," says Turið F. Arge, CEO. We wholeheartedly congratulate them on their achievement.

In the picture we see seven of the eight who had completed their higher educations. From right to left: Snorri Danielsen, Magnus Herdalur, Ingibjörn Royðutoft, Arnhold Olsen, Hjalti Mohr Jacobsen, Naina Jespersen and Heidi í Homrum. Missing from the photo: Jón Brekku.

Overview of sponsorships and contributions in 2023

For more than a century, we have maintained a steadfast relationship with our local communities, actively contributing to their social, cultural, and economic development. Our commitment to supporting local initiatives is an integral part of our business strategy, aiming to generate value that enriches the well-being of everyone involved. This includes a specific focus on endorsing sports and cultural organisations, along with providing scholarships to young students to advance their education.

In 2023, we dedicated DKK 2.3 million to various local initiatives. We anticipate a similar contribution in 2024, reinforcing our ongoing commitment to fostering growth and prosperity in the communities we serve.



- Sports, 63%
- Associations and charities, 22%
- Culture, music and art, 15%

Our local community

We have been strongly anchored in our local communities throughout our more than 100-year history, contributing to their social, cultural, and economic development. Today, our operations are in the Faroe Islands and Greenland, which are generally two very different communities. Our approach, albeit adapted to local needs and traditions, is the same in both countries.

We recognise that a thriving local community is of paramount importance to our ability to prosper as a financial institution – enabling us to further support our local communities in making a positive difference. We are, therefore, fully committed today and for the future to maintain our strong local presence in the communities we operate in. Here are some highlights of our engagement in the local communities in 2023.



Sponsoring local clubs in Greenland and the Faroe Islands

A thriving community is built on the foundation of its well-being and development potential. In line with this philosophy, BankNordik has entered into a number of sponsorship commitments, supporting local initiatives that contribute to the growth and prosperity of our communities. These sponsorships ideally foster the development of talent and promoting the overall well-being of individuals, particularly young people. Our enthusiasm lies in supporting initiatives that have a meaningful impact on community development, and we eagerly anticipate witnessing the continued success of these endeavors in the future.



BankNordik the main sponsor of Happy League

BankNordik is proud to be the main sponsor of Happy League (Eydruadeild) because it is a partnership that supports efforts in providing meaningful and positive experiences for children with special needs and their families. Happy League, a member organisation of the Danish group Lykkeliga, has been actively operating in the Faroe Islands for five years.

In a joint effort with other sponsors, our employees who were in Berlin during the European handball championships (January 2024) sold t-shirts, and half of the proceeds were contributed to Happy League. We hope that our contribution supports them in creating meaningful and positive experiences for the children.



Pathway to knowledge

For many years, we have gifted a book to every child embarking on their educational journey in the Faroe Islands. We firmly believe that reading serves as a vital pathway to knowledge, and 2023 was no different. On their inaugural day in school, the aspiring leaders of our future community, scattered throughout the Faroe Islands, are presented with a book to foster their love for reading.

The collaboration with Bókafelag Føroya Lærarafelag (Teachers' Association) aims to enhance access to books and provide the opportunity for individuals to revel in the joys of reading.

We firmly believe that this pathway to knowledge has a positive effect.



BankNordik and the Faroese Handball Association moving forward together

For the past seven years, we have been the main sponsor of the Faroese Handball Association (HSF), and in May 2023, the sponsorship collaboration was extended for another two years.

"BankNordik has been a significant contributor to the significant progress seen in Faroese handball in recent years, not only with financial support but also with an always enthusiastic and practical approach that has truly benefitted both parties, collaborating on matches, events, and various activities," says Gunn Ellefsen, chairperson of HSF.

The agreement was signed late Wednesday when HSF and BankNordik held a joint media event at the BankNordik head office in Oknarvegur in Tórshavn. The media event was also held in connection with the thrilling Euro championship qualification match of the men's national team.

"Since becoming the main supporter for the first time in 2016, it has been a joy to follow the significant developments in Faroese handball. During these seven years, we have celebrated with the entire nation every time the Faroese national teams, through passion and determination, have achieved excellent results. We are not only proud of the players and the many volunteers who contribute to creating a positive atmosphere for Faroese handball, but also thrilled that the Faroe Islands will be participating in the Euro Championship in 2024. This is nothing short of an achievement, and we naturally want to support it wholeheartedly and continue as the main sponsor," says Turið F. Arge, CEO of BankNordik.

The extended agreement between the Handball Association and BankNordik runs for 2024 and 2025.



Enhancing Teenagers' Financial Literacy

At the heart of BankNordik's core expertise and business focus lies financial advice, grounded in the shared belief that cultivating good money habits is crucial. Over the years, we have dedicated ourselves to fostering this understanding and promoting basic financial literacy among children and teenagers.

In 2021, we initiated a programme named "Money Day" to elevate financial literacy among teenagers. This programme targets students in their final year of compulsory education in the Faroe Islands. Our customer advisers visit participating schools, delivering valuable lessons on financial concepts and instilling good money habits.

Our dedicated employees visited several schools and students in 2023, and we are excited to announce our commitment to continuing this tradition in 2024. BankNordik remains dedicated to empowering the next generation with the knowledge and skills essential for sound financial decision-making.

On Money Day, students gain insights into topics such as:

- > Income and expenses
- > Wages and taxes
- > Loans and interest
- > Budgeting
- > digital safety

The objective is to assist young individuals in commencing their adult lives with sound financial habits, thereby averting potential financial challenges that could be avoided through a deeper understanding of finances. The initiative has garnered endorsement from educators and has evolved into a valuable annual tradition.

Extended to Greenland

In 2022, we extended the initiative to include the local community in Greenland. Money Day in Greenland has proved particularly successful, gaining popularity among both students and teachers. So, therefore, we continued this success in 2023.



“Money Day has provided valuable insights into a central and crucial aspect of private life, and we truly appreciate BankNordik’s staff taking the initiative to educate our students about personal finances,” said one teacher at xx school in Nuuk.

“The initiative perfectly complements our agenda on economic and financial comprehension, which aims to enhance students’ understanding and prepare them for the challenges of ‘the real world,’” added another teacher at xx school in Nuuk.

The initiative continues at schools along the coastal areas of Greenland and not just in the capital, Nuuk, with the aim of helping teenagers improve their financial literacy.

Building Blocks for Tomorrow

“Money Day is designed to impart crucial financial literacy to young individuals, guiding them in cultivating sound money habits that can prevent future financial challenges. The objective is to provide young people with the essential knowledge of financial matters, ensuring they embark on their adult lives with a solid basic financial understanding, so they can steer clear of potential adverse consequences in the future,” remarks Turið F. Arge, CEO.

Strendur – flourishing village in the Faroe Islands

Strendur is one of the exciting villages in the Faroe Islands where we can observe positive development. The growth is significant and like in the rest of the southern part of Eysturoy, the distance to the capital has become almost negligible because of a brand-new sub-sea tunnel. Therefore, we were delighted when the school in Strendur asked us to come and talk to around 40 young people about good financial habits.

Our skilled colleagues Sølva, Guðrun, and Karin gave a presentation, and the students were engaged. These young people now have an even better starting point, and, of course, we hope to see them again later in life when they need more personalised advice from their bank.



Financial crime prevention

In 2023, BankNordik established a new department for financial crime prevention based on the idea to consolidate the staff responsible for the bank's Anti-Money Laundering (AML) and Combating the Finance of Terrorism (CTF) activities. This was done to pool resources and ensure relevant operations within the department, all of which should ideally have related to AML/CTF.

In addition, 2023 was affected by various digitalisation projects that have taken up a significant amount of resources in different departments at BankNordik. When such projects are implemented, it requires close cooperation – in the bank and with the other banks in the sector.

One example of this, is the digital onboarding project, and where the goal is to ensure that a new customer quickly and easily can register in our system, while we receive all necessary KYC information promptly. The same applies

when customers needing to update their customer information with us. We strive to collect and update the necessary information in a secure and easy way that does not feel burdensome for our customers.

According to Jenny Persson, head of the department, she expects that 2024 will undoubtedly be characterised by the implementation of these digital processes. With any new or changed processes there are always adjustments to be made. But overall she anticipates that it will be easier, and more convenient to become a new customer and to continuously update the required information at BankNordik in the future.

Our constant attention

At BankNordik, we are committed to enhancing our systems and capabilities to protect our operations, customers, and society from financial crime. We endeavour to reduce the risk of our

operations being used for illegal activities such as money laundering or terrorist financing.

We consistently prioritise compliance with all legal requirements and procedures aimed at mitigating the risk of financial crime, ensuring that our systems and personnel always adhere to these standards.

As we are supervised by the Danish Financial Supervisory Authority (FSA), our internal systems, policies, processes, and procedures undergo continuous assessment and testing. In 2022, we underwent a comprehensive examination regarding money laundering, following which we received feedback and recommendations from the FSA. Since then, we have been actively working on closing these objectives and have done so successfully. We expect the examination will be seen as closed shortly.

Tangible actions

As part of our continuous endeavour to combat financial crime, we ensure the protection of our customers, society, and our operations through a variety of measures:

- › Compliance with relevant laws and regulations
- › Annual assessment of the risk of money laundering and financing of terrorism
- › An anti-money laundering (AML) policy
- › Preventive procedures
- › Employee training and education
- › Efficient systems
- › Monitoring of transactions and customer relationships
- › Internal controls and reporting processes
- › A culture of ethical behaviour among our employees
- › Close cooperation with the authorities and the financial sector

Modern art from the Faroe Islands

BankNordik-savnið

The annual donation agreement with BankNordik-savnið, an independent foundation for Faroese art established by the bank in 2017, has demonstrated its effectiveness in supporting Faroese contemporary art and has further enriched the foundation's collection. BankNordik's yearly donation of DKK 300,000 to the foundation is allocated to support administrative tasks, with DKK 150,000 specifically designated for acquiring contemporary art in the Faroe Islands.

In 2017, BankNordik donated 623 works of art to the foundation, and today we proudly announce that the collection now includes a total of 660 works of art, including 26 currently on display at BankNordik and five donated to the foundation. Various artworks are exhibited in diverse settings, providing the local community with the opportunity to appreciate the marvel of art and supporting local artists in creating pieces that enhance and strengthen the cultural fabric of society.

Our backing of the foundation ensures that works of art find their rightful place in the public domain, are managed appropriately, and are preserved with respect and adherence to established protocols. BankNordik-savnið organises special exhibitions and lends artworks to museums as well as public, and private institutions, guaranteeing that Faroese art is showcased and allowing the general public to experience and enjoy it.

Silja Strøm

In 2023, BankNordik-savnið purchased six works by 36-year-old Silja Strøm. Silja Strøm grew up in Vestmanna but resides in London. She studied at The Glasgow School of Art in Scotland from 2007 to 2011 and at The Academy of Fine Art in Austria from 2009 to 2010. She regularly visits the Faroe Islands and has exhibitions here and abroad.

In addition, the foundation invested in works by the following artists:

- ✓ Frits Johannesen
- ✓ Astri Luihn

Read more about BankNordik-savnið [here](#).



According to BankNordik-savnið the artworks are described as follows:

"They are bright and have multiple pastel colours. The colours are layered, creating depth in the images. The result is a bright and adventurous mood, reflecting joy and hope."

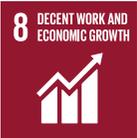
DATA



PROGRESS ON SUSTAINABLE DEVELOPMENT GOALS

SDG	Our focus	Status	Target
 <p>4 QUALITY EDUCATION</p>	<ul style="list-style-type: none"> › Contributing to and promoting higher education in local communities. › Fostering financial confidence and sound financial practices. › Helping to give children and young people good money habits and basic financial literacy. › Supporting lifelong learning within our own company. 	<ul style="list-style-type: none"> › New initiative to improve teenagers' financial literacy launched as "Money Day". › Offer grants for higher education. › We support children of expats in acquiring Faroese language skills. › We enroll and educate trainees on a regular basis. › Donation of books to all Faroese children starting first grade and all children under school age. › Inviting customers to participate in educational webinars on different financial topics. 	<ul style="list-style-type: none"> › Continue promoting increased educational attainment. › Continue to support schools in teaching children the basics of personal finance. › Continue to make our new initiative to improve teenagers' financial literacy "Money Day" a recurring event. › Continue encouraging our employees to enrol in courses and educational programmes. › Continue to participate in teaching sessions various financial topics for students in primary school, upper secondary school and higher education.
 <p>5 GENDER EQUALITY</p>	<ul style="list-style-type: none"> › Recognizing the importance of gender balance across the organisation. › Supporting an inclusive organisational culture. › Our ambition is to not underrepresent either gender by a wider margin than 40% vs. 60% in the Group's leadership positions and all departments. › Promoting gender equality by focusing on relevant economic topics. 	<ul style="list-style-type: none"> › 50% of management positions held by women in. › Continued focus on ensuring gender balance by specifically aiming to ensure that both men and women always are represented in the pool of applicants for vacant positions. › Have begun to measure and disclose the gender pay gap ratio and while we have an equal pay for equal work policy, the numbers reveal a gap that it will take considerable efforts to eliminate. › Supporting women in attaining knowledge about pension and other financial topics through webinars and podcasts. › Have identified focus areas with a view to improving our utilisation of the qualifications and skills available while also supporting gender equality. › Have started to encourage parents to share equally the transferable weeks of parental leave › Increased focus on offering employees with small children more flexibility when planning their working hours. 	<ul style="list-style-type: none"> › We will continue to encourage parents to share equally the transferable weeks of parental leave. › Continue focusing on offering employees with small children more flexibility when planning their working hours. › Continue focusing on the importance of equal gender representation in all parts of the organisation – in management as well as within departments. › Planning to maintain focus on economic topics regarding gender inequality on different channels.

PROGRESS ON SUSTAINABLE DEVELOPMENT GOALS

SDG	Our focus	Status	Target
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	<ul style="list-style-type: none"> › Making sure capital is efficiently and sustainably allocated to drive economic growth. › Acting with integrity and competence to allow customers to realise their fullest financial potential. › Building up a skilled, motivated and happy workforce. 	<ul style="list-style-type: none"> › We continued to support sustainable growth and innovation by entering a dialogue regarding innovative and sustainable businesses. › Employees enrolled on academic business programmes and trainees enrolled on a two-year programme. › Participation in job fair building relationships between jobseekers. 	<ul style="list-style-type: none"> › Preserve pertinent and ethical credit policy guidelines and act accordingly. › Continue to improve BankNordik's standing as an exemplary intermediary of capital. › Retaining our highly skilled and committed employees. › Strive to maintain a healthy working environment and to offer our employees a variety of professional development opportunities. › Offer health check to employees. › Improve employee turnover. › Improve sickness absence.
 <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p>	<ul style="list-style-type: none"> › More than 100 years of commitment to the local community. › Creating shared value by being an active and engaging member of the communities we serve. › Financing local initiative and smaller businesses. › Putting the customer's interests first for long-term prosperity and well-being. › Encouraging healthy finances and promoting responsible financial behaviour. 	<ul style="list-style-type: none"> › Financially supporting hundreds of individuals and organisations within the fields of art, music, sports, charities, associations, etc. › We use social media, webinars and podcasts to produce quality content that adds real value for customers. › We have asked our employees for their ideas on how to reduce our environmental impact and how to motivate sustainable behaviour within our organisation. In 2024, sustainability topics will take center stage. 	<ul style="list-style-type: none"> › Continue contributing to strengthened social cohesion in the communities we operate in. › Planning to work with initiatives on the basis of ideas from our employees about how we can become a more sustainable organisation. › Directing our attention even more at creating good digital customer experiences. › Aiming at making banking straightforward by offering a cohesive, easily accessible digital customer experience.

PROGRESS ON SUSTAINABLE DEVELOPMENT GOALS

SDG	Our focus	Status	Target
	<ul style="list-style-type: none"> › We are committed to helping the transition towards a greener and more sustainable society. › We have a unique opportunity to make a difference by helping our customers choose sustainable solutions that will contribute to reducing emissions. › Encouraging our customers making sustainable choices by developing green financial products. 	<ul style="list-style-type: none"> › Have begun calculating the emissions of our investment activities and have drawn up an action plan to reduce emissions originating from investment products. › We offer financial products that make it easier for our customers to make greener choices. › In 2021, we launched a green home loan with a lower interest rate for customers who would heat their homes with sustainable energy. This was the first sustainable loan of its kind on the Faroese market. › In 2021, we reviewed our ESG targets, making them more ambitious, and our goal is now for the Group to eliminate all direct emissions from the combustion of oil and petrol by end of 2025. › EV as company vehicles only. › Using seaheat to warm up one of our branches in the Faroe Islands. › We have installed charging points for electric cars at all our Faroese branches. › During the year, we made an extra effort to inform our customers through various channels on the environmental and financial benefits of choosing sustainable solutions. 	<ul style="list-style-type: none"> › Planning for the Group to eliminate all direct emissions from the combustion of oil and petrol by 2025. › Planning to take measures to reduce the carbon footprint and reach our environmental goals. › Have phased out all petrol and diesel cars › Have begun to convert from fossil fuels to sustainable sources of energy in all our buildings. › Continue to support the transition towards a greener society by making it easier for our customers to make sustainable choices. › Next year, we expect to draw up an action plan for CO2 emissions and a useful baseline relating to our investments. › Until now, our primary focus has been on supporting our retail customers in financing their own sustainable transitions. In the years to come, we will be increasing our efforts on helping our corporate customers in their sustainable transitions.

Policies and standards

The Group has not formally incorporated environmental or human rights policies as part of its sustainability agenda. These issues, nonetheless, remain an integral part of the Group's general business practices. We do, however, support the UN Sustainable Development goals and choose to focus our efforts on goals no. 4, 5, 8, 11 and 13. Furthermore, the Group has formally integrated a sustainability policy in 2022.

ESG data ¹, definitions²

¹ Please note that the environmental ESG key figures in the 2020 report only reflected the Group's Faroese activities while the Social and Governance key figures reflected the entire Group' activities in Denmark, Greenland and the Faroe Islands. In this report for 2023, the environmental, social and governance data include the entire Group's activities in Faroe Islands and Greenland. The data is calculated for the entire accounting period, unless otherwise stated.

² The publication "ESG key figures in the annual report" is published by The Danish Finance Society / CFA Society Denmark, FSR - Danish Auditors, and Nasdaq Copenhagen. Content and definitions in the ESG key figure overview and in The Danish Finance Society / CFA Society Denmark's Recommendations Et Financial Ratios are identical.



ENVIRONMENTAL DATA

Key figure / unit	Explanation	Why included
Co2e, scope 1 Unit: Metric tonnes	<p>Scope 1 emissions: Direct emissions resulting from the company's own combustion of fuels and materials.</p> <p>Calculation: See further explanation in the publication "ESG key figures in the annual report" .</p>	<p>The Co2e emitted compared with the produced quantities or revenue are useful to identify the companies that have been able to transfer to less Co2-polluting processes/assets – either over time or compared with the peers.</p>
Co2e, scope 2 Unit: Metric tonnes	<p>Scope 2 emissions: indirect emissions resulting from the energy used to produce electricity, district heating, or district cooling, which the company has purchased for its use. The scope 2 emissions are in principle calculated as scope 1 emissions, though typically not covering all Kyoto-gases/GHG.</p> <p>Calculation: Calculation: See further explanation in the publication "ESG key figures in the annual report".</p>	<p>The Co2e emitted compared with the produced quantities or revenue are useful to identify the companies that have been able to transfer to less Co2-polluting processes/assets – either over time or compared with the peers.</p>
Energy Consumption Unit: GJ	<p>Energy is, as emissions, typically calculated based on consumptions multiplied with converters. The consumed energy must be added from both scope 1 and scope 2 (cf. previous definitions) sources but must additionally also contain energy from renewable energies.</p>	<p>The energy consumed compared with the produced quantities or revenue are useful to identify the companies that have been able to transfer to less energy consuming processes/assets – either over time or compared with the peers.</p>
Renewable Energy Share Unit: %	<p>How much of the total energy consumed is from renewable energy sources.</p> <p>Formula Renewable Energy Share = (Renewable Energy/Total Energy) * 100</p>	<p>The ratio can be used to identify companies that have transformed their energy consumption to renewable sources.</p>
Water Consumption Unit: m³	<p>The sum of all water drawn into the boundaries of the company from all sources incl. surface water, ground water, rainwater and municipal water supply.</p> <p><i>The key figure is not included, as there are no statistics on water consumption in the Faroes. The reason is that the Faroese – in addition to small quantities of spring water – predominantly use surface water, that is rainwater collected in wells.</i></p>	<p>Water consumption illustrates the risk profile of disruption of water supply and/or water cost changes.</p>

¹ Please note that the environmental ESG key figures in the 2020 report only reflected the Group's Faroese activities while the Social and Governance key figures reflected the entire Group' activities in Denmark, Greenland and the Faroe Islands. In this report for 2021, the environmental, social and governance data include the entire Group's activities in Faroe Islands and Greenland. The data is calculated for the entire accounting period, unless otherwise stated.

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SOCIAL DATA

Key figure / unit	Explanation	Why included
Full-Time Workforce Unit: FTE	<p>To be able to measure the full-time workforce the work performed is requiring, both directly hired FTEs and temporary workers need to be considered. This demands both the legislative calculation of average full-time employees (FTEs) (meaning full-time employees + compensated overtime + FTE-calculated hourly salaried employees) plus FTE-calculated temporary workers.</p> <p><i>The number is calculated per end of December each year.</i></p> <p>Formula Full-Time Workforce = FTEs + Temporary Workers</p>	<p>Indirectly important, as full-time workforce is the base for a range of other social indicators (cf. the following definitions).</p>
Gender Diversity Unit: %	<p>Gender diversity is calculated both for the FTEs and for the Temporary Workers – and then summarised to show whether there are any gender diversity issues per contract type and /or in total for the workforce.</p> <p><i>BankNordik's number is calculated on the basis of FTEs only, as the Group has a very low number of temporary employees.</i> <i>The number is calculated per end of December each year.</i></p> <p>Formula Gender Diversity = ((Women FTEs + Women Temporary Workers) / (Full-Time Workforce)) * 100.</p>	<p>Gender diversity has scientifically been shown to be correlated with better financial performance.</p>
Gender Diversity, Management Unit: %	<p>Includes the Group's senior management as well as employees in other leading positions with personnel responsibilities. Calculated in FTE's ultimo December each year.</p> <p>Formula Gender Diversity, Management = ((Women in Management) / (All FTEs in Management)) * 100.</p>	<p>Gender diversity has scientifically been shown to be correlated with better financial performance. An uneven pattern of promotion and seniority by gender can indicate risks related to workplace inequality and thus inability to attract female talent</p>

SOCIAL DATA

Key figure / unit	Explanation	Why included
Gender Pay Ratio Unit: Times	<p>Our employees are paid fairly based on their skills, qualifications, experience and performance – regardless of gender.</p> <p>How the Gender Pay Ratio is calculated: How many times can the female median salary be covered by the male median salary (remuneration incl. bonuses, pensions, etc.). It is the median salaries and not the average salaries that are compared to ensure the comparison is not skewed by extremely expensive/inexpensive employees.</p>	<p>Gender diversity has scientifically been shown to be correlated with better financial performance. An uneven pattern of pay by gender can indicate risks related to workplace inequality and thus inability to attract female talent.</p>
Employee Turnover Ratio Unit: %	<p>Employee Turnover Ratio is calculated both for voluntary and involuntary leavers. Retirees are included as involuntary leavers.</p> <p>Formula Employee Turnover Ratio = ((Voluntary + Involuntary Leavers)/ FTEs) * 100</p>	<p>In particular, the Voluntary Turnover Ratio is interesting, as it shows how successful the company is in retaining its employees. This ratio can be seen as a proxy for employee satisfaction measurements, which often are incomparable across companies.</p>
Sickness Absence Unit: Days per FTE	<p>Number of full days all own employees are sick and not on job, compared to number of FTEs. Maternity/paternity leave is not included.</p> <p>Note that BankNordik also includes long-term illness.</p>	<p>If the company has a disproportionate amount of sick days per FTE, it can be seen as a proxy for less employee satisfaction and/or safety issues. This is costly and could also lead to inability to attract talent.</p>
Customer Retention Ratio Unit: %	<p>The key figure is not disclosed in this report. Instead BankNordik uses Net Promoter Score to measure the customers' loyalty on a regular basis.</p>	<p>This ratio can be seen as a proxy for customer satisfaction measurements, which often are incomparable across companies. A declining or relative low Customer Retention Ratio may indicate the revenue in the future may be more problematic or costly to maintain.</p>

GOVERNANCE DATA

Key figure / unit	Explanation	Why included
Gender Diversity, Board Unit: %	<p>Gender diversity for the board elected at the Annual General Meeting.</p> <p>Formula Gender Diversity, Board = ((Women board members elected at the AGM)/ (All AGM elected board members)) * 100.</p>	Gender diversity has scientifically been shown to be correlated with better financial performance.
Board Meeting Attendance Rate Unit: %	<p>Measures the activity level of the board members.</p> <p>Formula Board Meeting Attendance Rate = ((\sumNumber of board meetings attended) per board member / (Number of board meetings * Number of board members)) * 100.</p>	A relatively low or declining attendance rate may indicate less attention on the board work, which may indicate a governance culture at risk.
CEO Pay Ratio Unit: Times	<p>How many times the median staff salary can be covered by the CEO compensation as a proxy for social equality.</p> <p>Formula CEO Pay Ratio = CEO Compensation/ Median Staff Salary</p>	A relatively high or increasing CEO Pay Ratio may illuminate the company's valuation of the CEO compared to the regular employee. The investor can compare this ratio with the financial performance of the company – and if this is relatively low or declining, the investor would probably consider whether the remuneration package is socially appropriate, and it may indicate a governance culture at risk.

ABOUT THIS REPORT

This report is BankNordik Group's independent annual Corporate Sustainability Report and includes the company's Communication on Progress (COP) report. It showcases BankNordik's commitment to the UN Global Compact's principles and the Faroese Annual Accounts Act's requirements on human rights, labor rights, the environment, and anti-corruption.

The report covers BankNordik Group's activities for the financial year 2023 and includes data from our banking, insurance, real estate, and pension activities under these brands: BankNordik, Trygd, Skyn, and NordikLiv. It details the group's progress towards its sustainability goals and provides information on the impact of its business on people and the environment.

The report includes an ESG data overview, development, objectives, and related initiatives.

Reports and data from previous years can be found on BankNordik's website [here](#).

The report is in compliance with Faroese and Danish regulations.

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