

Corporate Responsibility Report 2022

Making a positive difference

BANK NORDIK

A woman with long blonde hair, wearing a grey textured hoodie and blue jeans, is walking on a grassy hill. She is looking towards the right. The background features a large body of water, possibly a fjord, with mountains in the distance under a cloudy sky. The overall mood is serene and natural.

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Introduction

A low-angle photograph of a modern building facade. The building features large glass windows and a concrete structure. The words "BANKNORDIK", "TRYGD", and "SKYN" are displayed in large, illuminated, white letters on the concrete wall. The sky is clear and blue, and there is a lens flare effect in the lower right quadrant of the image.

BANKNORDIK
TRYGD
SKYN

Letter to our stakeholders

Dear reader,

As a financial institution that has had an impact on people's lives and businesses since 1906, we are fully aware of our role and responsibilities with respect to the communities we serve. We believe it is our duty to support every aspect of those communities in order to sustain our position and grow.

Environmental, social, and governance (ESG) measures are central to our sustainability focus, as they help us track our progress and plans for improvements. We report on a selection of ESG-related business practices that are most important to us and our stakeholders.

Our employees are our most important resource. We strive to safeguard a healthy organisation in terms of personal and professional development opportunities, a diversified work force, and under the best suitable governance structure.

We recognise the imbalance of diversity in the work force and the historical lack of gender equality in management

positions within our industry. We believe that diversity leads to stronger business and better results. Therefore, we are committed to providing equal opportunities for all employees, regardless of gender, to advance in their careers and take on management roles within the Group. This commitment has yielded positive results, as evidenced by the progress made in our organisation in recent years.

As you can read in this report, we have our challenges but also successes when it comes to gender balance, and we are highly committed to bridging the gaps and sustaining our achievements. These aspects are parts of our S and G-related business practises, but let's now have a look at E.

While it is widely accepted that the emission of greenhouse gases (GHG) into the atmosphere will contribute to global warming and unstable weather conditions, the full extent and long-term effects of these challenges are difficult to predict. However, as a strong financial



Our values

At BankNordik, we are committed to taking a proactive approach to sustainability and corporate responsibility, driven by our values and strategic foundation. In all our decision-making, we aim to utilise our expertise and core competencies to make a positive difference for our key stakeholders. We approach these efforts with enthusiasm and a commitment to creating positive change.

institution, it is our responsibility to make responsible decisions that consider the long-term health of our planet. To this end, we have established long-term goals that are broken down into a range of short-term goals to guide our present decision-making and that of our stakeholders.

We consider our role as a player in the financial sector to be an opportunity to enable our customers to make sustainable choices that reduce GHG emissions and contribute to a more sustainable future.

Our sustainability and corporate responsibility approach is based on the idea that the most effective initiatives are those that are inherently connected to our business strategy and core competencies.

Therefore, we have ensured that these activities and initiatives are aligned with our vision, strategy, and values. We offer a range of sustainable financial products, such as electric car loans, green home loans, and energy efficiency loans that allow our customers to make a positive difference in their local communities. We also invest in sustainable assets that have a positive impact and do not have harmful effects.

We are committed to eliminating our direct emissions (scope 1) by 2025 and to

reducing our sourced electricity and heating (scope 2) to zero by 2030, but we are fully aware that the latter goal may depend on the efforts of our providers. In addition, we have begun to measure certain scope 3 emissions in our investments and will continue to do so in the coming years. We have also included initial estimates of emissions related to car loans for private customers and corporate loans in this year's report. While these estimates are based on the best available data, we will work with relevant organizations to improve the quality of this data over time.

In 2022, we took steps to prioritise sustainability in a more strategic approach by hiring a sustainability adviser in a newly-created position. The adviser's initial tasks have been to formalise and centralise our various sustainability initiatives. As part of this process, we have developed a sustainability policy to establish a basic understanding of regulatory requirements and provide a strategic starting point. We have also established a sustainability committee and a working group to ensure that sustainability is integrated and transparent in our organization.

Our stakeholders are at the core of everything we do, and their needs are therefore crucial to our business strategy. In the coming years, it will be more important than ever for us to take

control of the sustainability agenda, prioritise transparency, and meet the increasing regulatory requirements. We are eager to embark on an ambitious plan to fully align with the Corporate Social Responsibility Directive within the next few years. We believe that this is an essential step towards a more sustainable future in which transparency and accountability are paramount.

We are committed to making a positive difference through our core competencies, in collaboration with our central stakeholders: our employees, customers, local communities, and investors. This commitment and our key stakeholders have been integral to our sustainability agenda and will continue to guide us as we move forward.

In this report, you will find information about what we have been doing in the area of corporate responsibility and sustainability, our ESG performance in 2022, and our aspirations for 2023 and beyond.

We hope you will enjoy the read.

Árni Ellefsen

Chief Executive Officer

Turið F. Arge

Executive Vice President

Our business and sustainability

As a financial institution, we serve a variety of personal, commercial and corporate customers in the Faroe Islands and Greenland. Our core competencies and services are within banking, pension, real estate, and insurance. We are represented by approximately 200 highly competent employees.

The BankNordik Group currently has banking operations only in Greenland, but we believe this market has significant growth potential. In the Faroe Islands, our insurance operations are branded under Trygd, our pension operations under the NordikLiv brand, and our real estate operations are branded under Skyn.

However, we are more than just a financial institution. We have built strong, long-standing and sustainable relationships with our customers and our local communities, which we strive to maintain and strengthen as a most trusted financial partner. We work proactively with our customers to help them achieve their financial goals and sustainability objectives through the development and provision of financial

services based on the expertise, commitment, and extensive experience of our employees.

We are fully committed to playing a central role in enabling our stakeholders to have a positive impact in the transition to a more sustainable future. This is not only a social obligation; it also makes strategic sense for our core business as a strong and profitable financial institution.

Our aspirations are rooted in our company values and aligned with the demands for transparency and accountability set forth by our key stakeholders. These stakeholders, our commitment to transparency, and our accountability for our actions are all integral components of our sustainability strategy and closely linked to our business strategy.

Taking responsibility is a fundamental part of the way we do business, as it allows us to use our skills, expertise, knowledge and relationships to make a positive difference in the financial decisions of our key stakeholders. As a strong, trusted financial partner for



more than 100 years, we value having close relationships with our stakeholders, our strong local commitment, and our solid credit controls.

You can read more about this in the following sections.

2bn in asset management in Greenland and Faroe Islands

2022 figures

Group:

Market value:	1,306 bn.
ROE:	8,5%

BankNordik:

Income:	403 m.
Cost/income:	55%
Dividend:	250 m.

Trygd:

Insurance income:	141 m.
Combined ratio:	80

BANKNORDIK

GREENLAND

BANK (mDKK)	
Loans and advances	1,243
Deposits and other debt	544
Mortgage credit	860
Operating cost/income, %	39
Number of FTE, end of period	17

FAROE ISLANDS

BANK, INSURANCE AND REALESTATE (mDKK)

Loans and advances	6,833
Deposits and other debt	7,791
Mortgage credit	1,771
Operating cost/income, %	53
Number of FTE, end of period	183

BANKNORDIK

TRYGD

SKYN

Our key stakeholders

Our commitment to sustainability and corporate responsibility is a fundamental aspect of our goal to generate long-term value for our stakeholders.

These stakeholders include our employees, customers, local communities, and investors. While we consider these as our key stakeholders, we consistently assess all stakeholders in relation to relevant materiality issues and their mutual impact.

In accordance with this approach and in line with forthcoming regulatory frameworks, we will be conducting a double materiality assessment to gain a better understanding of our stakeholders' concerns regarding potential risks and opportunities within the ESG spheres.

This will provide us with a deeper understanding of our surroundings and our position within it, allowing us to prioritise our sustainability efforts and strategically focus on financial stability and growth opportunities in the markets we operate in.

Our goal is to complete the initial materiality analysis in 2023, and this will be one of the first tasks undertaken by our newly formed sustainability working group.

For more information on our key stakeholder groups, see section; Our stakeholders.



New position of sustainability adviser



To prioritise sustainability and to align our efforts with a strategic approach, we established the position of sustainability adviser in 2022. We appointed Árni Jóhan Petersen, PhD, who has extensive experience in business administration, communication and specialises in sustainability and strategic integration.

Árni's main task during his first couple of months with BankNordik was to consolidate various sustainability efforts within the organisation by collecting and aligning the various assignments related to sustainability. This has enabled us to approach sustainability with a more unified and strategic mindset. Next, Árni led the development of a sustainability policy that adheres to international requirements and recommendations. The policy was then reviewed and approved by the board of BankNordik in December 2022.

In relation to the development of the sustainability policy, we established a sustainability working group and a sustainability committee to facilitate the implementation of the policy and to ensure that sustainability efforts are given proper attention and resources.

Read more about the policy, committee, and working group elsewhere in the following sections.

In 2023, our focus will be on conducting a materiality analysis to formally develop a sustainability strategy and prioritise ESG-related activities.

In relation to this, we will also explore the possibilities of aligning our ESG approach with the Corporate Sustainability Reporting Directive (CSRD) which will enable us to disclose non-financial information as per the European Sustainability Reporting Standards (ESRS) in due course.

These efforts will gradually become more focused and aligned with our work on the sustainability strategy. While acknowledging the potential challenges and risks associated with such an endeavour, we are committed to working towards a more sustainable future. The leadership and board are fully committed to the agenda and one of his main reasons for accepting the position as sustainability adviser, says Árni.

In 2023, we will continue to closely follow the development of the sustainability field, the emerging requirements, and work proactively to become a sustainability champion, Árni concludes.

Sustainability



Our sustainability policy

As part of our strategic approach, we have developed a sustainability policy which was assessed and approved by our board in December 2022. The objective of the sustainability policy is to describe the framework for managing and the processes of sustainability at BankNordik, including responsibilities and division of tasks, and guidelines for the execution of these tasks. With a distinct sustainability policy, BankNordik actively wants to work on sustainability as part of its core business and to make the guidelines visible in the company's work on sustainability and corporate responsibility.

The policy is of central importance for the organisation of the work performed in the sustainability committee and group (see 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.

For more information, please follow this [link](#).



Sustainability Committee

The committee has been established to strategically address and decide on relevant topics both specifically and more broadly. Practice has shown that members must have the necessary decision-making responsibility if a sustainability focus is to evolve, and have the necessary anchoring and influence on the company as a whole. Therefore, the committee is composed of the sustainability adviser and members of the BankNordik Group's management team, who have the overall responsibility for their respective business areas or staff groups.

As part of the implementation process, the CEO has ownership of the committee, which is intended to ensure that resources are carefully focused on and allocated to the strategic plan for how sustainability becomes a natural part of the company and permeates all activity at BankNordik. The operation of the committee is coordinated by the sustainability adviser.

For more information, please see the sustainability policy.

Sustainability Group

To support the quality and ensure the relevant expertise is available for BankNordik's sustainability focus, a working group has been established consisting of a broad selection of key individuals. The purpose of the Sustainability Group, and the role of the sustainability adviser, is to address relevant, specific topics/goals and to determine BankNordik's approach to the sustainability focus going forward. The group presents its recommendations to the committee, which addresses and makes the final decision on the topics/goals presented.

Responsibility for the group lies with the sustainability adviser.

The Sustainability Group is staffed by representatives covering all business areas and geographical areas.

For more information, please see the sustainability policy.

Our goals

For several years, we have found it beneficial to apply the United Nations' Sustainable Development Goals (SDGs) as a framework for contributing to a more sustainable future. While we recognise the interdependence of the 17 SDGs, we have identified five that align particularly well with our business and have focused our efforts on 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 will continue assessing and evaluation our SDG focus and adjust our prioritisation if concluded to be required. This should ideally emerge in the process of our materiality assessment in 2023 outlined in our stakeholder section above.

SUSTAINABLE DEVELOPMENT GOALS



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 2022.

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 competent 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 2022, DKKm

	2022	2021
Total income	446.8 DKKm	407.1 DKKm
Salaries and benefits	-152.3 DKKm	145.2 DKKm
Supplier spend	-84.9 DKKm	-84.5 DKKm
Corporate tax	-43.0 DKKm	97.2 DKKm
Payment to providers of equity	-250.0 DKKm	-836.0 DKKm
Community investment	-2.5 DKKm	-2.8 DKKm
Economic value retained	-85.3 DKKm	-728.6 DKKm

ESG



Our ESG and Nasdaq

BankNordik was certified as “Nasdaq ESG Transparency Partner” in 2022 based on our contribution to the Nasdaq ESG data listing centre. The relevant ESG indicators were delivered to the Nasdaq online listing centre platform and their assessment has led to the certification of our indicators.

The certificate proves our commitment to improve transparency in the market and to raise the bar on ESG standards. The Nasdaq-badge is recognition of companies that present transparent and objective ESG related data to their current and potential investors.



ESG KEY FIGURES

Environmental data ¹

Key figures	Unit	Target (2025)	2022	2021	2020	2019
Co2e, scope 1	Tonnes	0	93.7	118.7	143.4	143.1
Co2e, scope 2	Tonnes	75	246.0	290.4	287.5	287.1
Energy Consumption	GJ	4,200	4,949	5,067	5,328	5,204
Renewable Energy Share	%	50	37.9	30.5	31.6	34.5



¹ The Environmental ESG key figures in this report and 2021 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 data ²

Key figures	Unit	Target (2025)	2022	2021	2020	2019
Full-Time Workforce	FTE		200.3	202.2	377.7	392.7
Gender Diversity	%	40-60	63	64	60	59
Gender Diversity, Management	%	40-60	49	50	41	42
Gender Pay Ratio	Times		1.2	1.2	1.3	
Employee Turnover Ratio ³	%	7	7.59	16.3	10.7	12.2
Sickness Absence	Days/FTE	5	10.9	8.6	7.8	8.7
Other	Unit	Target (2025)	2022	2021	2020	2019
Net Promoter Score	Score	>90	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 and 2022 reflect the Faroese and Greenlandic activities.

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

ESG KEY FIGURES

Governance data ⁴

Key figures	Unit	Target (2025)	2022	2021	2020	2019
Gender Diversity, Board	%	40-60	40	20.0	16.67	33.3
Board Meeting Attendance Rate	%	-	95.6	100	98.9	95.7
CEO Pay Ratio	Times	-	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 2022 reflect the Faroese and Greenlandic activities.

Building sustainable societies

Our current sustainability marketing campaign aims to raise awareness of the need for renewable energy solutions and to position ourselves as a facilitator in the transition to a more sustainable future. We are committed to continuing to develop and improve our current products and to improve them in the coming years.

In order to ensure that our employees are fully engaged in this process, we have implemented an introductory course on sustainability in the financial sector that is mandatory for all of our current employees as well as for new employees going forward.

Additionally, some employees have received advanced training on sustainability and investment, as well as participating in a workshop with our partner BankInvest, a Danish asset management and investment fund, in order to facilitate discussions with our customers on sustainability preferences as will be required by regulatory guidelines.

In the initial phase of 2023, our corporate customer advisers will also receive similar training to support our sustainability and ESG dialogue with their customers. This will provide our employees with the necessary knowledge to support customers in further developing their own sustainability agendas.

By leveraging our expertise and experience as enablers in the transition to renewable energy, we hope to contribute to the growth and development of our local communities and to build more sustainable societies.



Minimise our environmental footprint

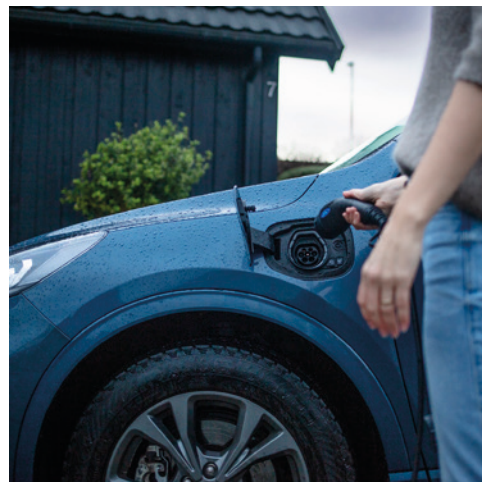
We are committed to advancing our ESG targets.

Over the past two years, we have revised and set more ambitious ESG targets, including the elimination of all direct emissions from the combustion of oil and petrol by 2025.

To achieve this goal, we initiated the process of phasing out all petrol and diesel cars, with the aim of completing this process by the end of 2022.

However, challenges with the availability of electric vehicles in 2022 have hindered our progress. We expect the phase-out process to accelerate in the coming year and anticipate meeting our original target by the end of 2023.

In addition, we are working to transition to sustainable sources of energy in all of our buildings and expect to achieve this as well.



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 49,399 tonnes CO₂e.
- › Through this calculation, BankNordik has gained a partial indication of the extent of CO₂ emissions associated with the loans.
- › In 2023, 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 2022. 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 2023. 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	374.8	7.9 %	2,136	4.3 %	5.70
Business	4,364	92.1 %	47,263	95.7 %	10.83
Total	4,738.8	100 %	49,399	100 %	10.42

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

4,738.8m, with housing loans excluded due to a lack of data. Emissions from these loans are calculated at 49,399 CO₂e tonnes, for an emissions intensity of 10.42.

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 first 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 2023, 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 38.257,55 million tonnes.
- › The calculation gives an indication of the main sources of CO₂ emissions from BankNordik's investments.
- › The change in CO₂ footprint from 2021 is subject to uncertainty because of unfulfilling data quality, and to incomparability due to data expansion to include scope 3 in 2022.
- › BankNordik will continue to improve services in 2023 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 second 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 second 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 quality 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 1,941 million for the Faroe Islands and Greenland at December 31, 2022, the CO₂ emissions for the reporting year 2022

are estimated to be 19.7 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 2021 and 2022 due to the inclusion of scope 3 this year. Only scopes 1 and 2 were included in last year's calculated footprint.

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 2022 for the 2022 financial year

	Market value (DKK m)	Share of market value	Carbon footprint*	Carbon intensity**	Share of footprint
Managed portfolios, Faroe Islands	1,582	74.4%	36,559	23.1	95.6%
Managed portfolio and pool solutions, Greenland	359	25.6%	1,699	4.7	4.4%
Managed portfolios, total	1,941	100%	38,258	19.7	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 2023 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 second 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 2023, 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 2023, 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 poor quality. Generally, the data quality has not improved significantly from 2021 to 2022.

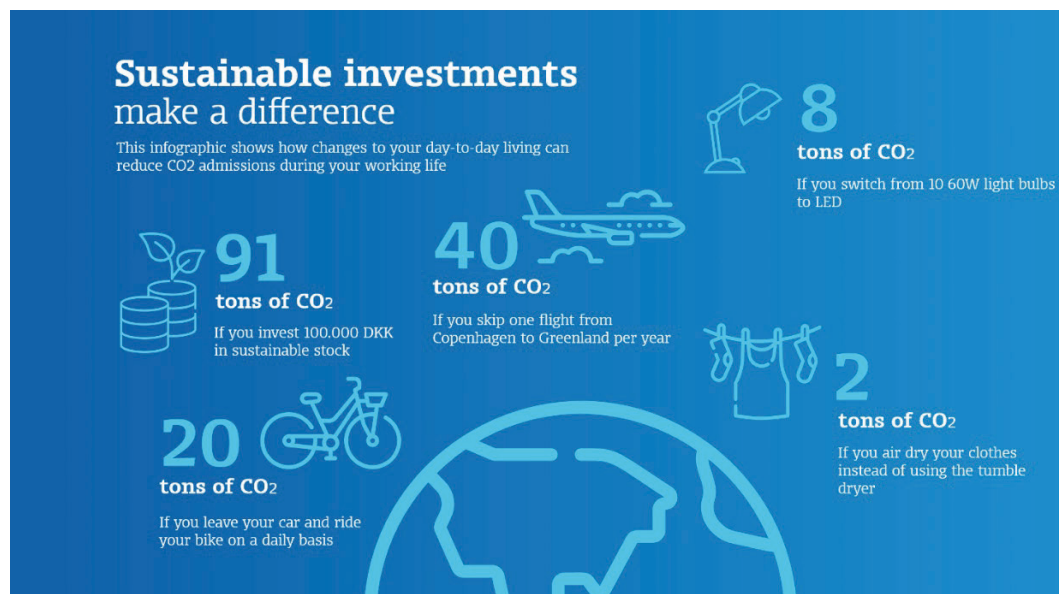
We expect the data input used for calculating emissions data to improve in the coming year. This would have a positive effect on the financial institution's ongoing process of reducing CO₂ emissions from investments.

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

Sustainable investments make a difference

As explained in our last Corporate Responsibility report in 2021, we will continue our efforts to measure and reduce our scope 3 emissions, meaning from our products and financing activities. It is our aim and responsibility to minimise the environmental footprint of our entire value chain – both upstream and downstream.

“Although still at an early stage of development, we know that sustainable investments make a positive difference and reduce CO₂ emissions when compared with other investments in the stock market,” says Hjalti Mohr Jacobsen, Head of Markets.



¹ Small changes in your daily life make a difference but sustainable investments make even greater difference. Calculations are inspired by BankInvest and use in our investment conversation with private customers. The calculation is based on CO₂ emissions data from two different sets of assets as defined in the MSCI index. The first set is based on global index for CO₂ emissions for investments, while the second is based on a split between GOBU/GABU assets found at BankInvest. In a comparison of the two, the first set emits four times as much CO₂ annually, which accumulates to a reducing CO₂ emissions by 91 tonnes over a period of 42 years, i.e. the average lifetime employment of a person investing DKK 100,000.



Hjalti Mohr Jacobsen, Head of Markets

Leadership almost in gender balance

As a financial institution, we recognise the historical lack of gender equality in management positions within our industry. We believe that diversity leads to stronger business and better results. Therefore, we are committed to providing equal opportunities for all employees, regardless of gender, to advance in their careers and take on management roles within the Group. This commitment has yielded positive results, as evidenced by the progress made in recent years.

Ongoing effort

Our objective is to ensure that neither gender is disproportionately represented in management positions or within our branches and departments. Our goal is for a maximum of 60% representation for either gender.

The percentage of female managers within the group increased from 41% in 2020 to 50% by the end of 2021 and was sustained at 49% in 2022. Although we have seen a positive trend since 2018, when 31% of managers were women, we acknowledge that this is an ongoing effort and we will continue to work towards gender balance, particularly considering the fact that women make up 63% of our overall workforce.

Balancing for future demands

We are currently in compliance with the recommendations for gender balance established by Finance Denmark. Although these requirements will not take effect until before the end of 2023, we choose to proactively provide disclosure on this matter.

In accordance with section 135 b of the Executive Order on Financial Reports, we are required to establish targets for equal gender representation among our managers and board members. In our ESG key figures, we have established a target of 40/60 percent representation for each gender on our board, which is in compliance with regulations.



Pia Holm Jensen, Director of Personal Customers, Greenland



Torvald J. Petersen, Head of Customer Service, Faroe Islands

At the management level, we have made excellent progress in balancing gender representation. While we are in compliance with the requirements set by legislation, we are committed to maintaining our positive results and will continue to work proactively towards our established targets.

Continue our initiatives to ensure equal opportunities

As part of our ongoing efforts to promote diversity and inclusion, we implemented several initiatives over the past years to provide all employees with the necessary resources to advance their careers and take on new responsibilities. Managers are required to participate in ongoing courses that support this goal, for example, tools to facilitate the dialogue with their employees and strategies to support their professional development.

Last year, we identified a potential challenge when measuring and disclosing our gender pay gap ratio, and this year we can see that we are at level. While we have a policy of equal pay for equal work in place, the data shows that there is a gap that requires significant effort to close. Upon examination of the results, we found that the gap is attributed to the overrepresentation of female employees in positions that require less education and have lower compensation.

Active commitment to gender equality

In light of this, we have identified specific focus areas in order to better utilise the skills and qualifications of our workforce while also promoting gender equality.

For instance, last year we began advocating for shared parental leave and to offer employees with young children more flexibility in scheduling their working hours. We anticipate that this initiative will make a difference.

Furthermore, we have defined concrete objectives in relation to our recruitment process which support balancing the gender diversity. In our job advertisements we are inviting both genders to apply; both genders should be represented in the final pool of applicants for open positions; and we consider the gender distribution in departments when hiring new employees.

In 2023, we will continue this focus and we believe this active commitment will make a positive difference to gender equality.



Our stakeholders



Our investors

Investors demand transparency in their investments and not the least in relation to sustainability and corporate responsibility.

It is therefore imperative that we follow the development of international regulation/conditions and that we keep our investors' requirements in mind, as an integrated part of our operations.

We recognise that we create most potential value for our investors if we play an active role in global society, and we do that by supporting the United Nation's Sustainability Development Goals (SDG) in pursuit of a more sustainable future.

In our efforts to further develop our sustainability products and services and to introduce new products within this category, we make a positive contribution to a green transition of energy consumption and SDGs in general. However, it is no secret that this focus also supports our business as a financial institution since it automatically incorporates our investees' requirements for today and in the future.

Therefore, we will continue to focus on this endeavour in 2023 and have planned to run deep-dive sustainability training courses in-house. Moreover, we will engage with our external stakeholders in relation to our sustainability agenda and relevant materiality topics.

Similar to this sustainability report, we have several other channels to ensure the transparency of our business, relevant to our current and coming investors. These are:

- > regular announcements
- > annual and quarterly financial reports
- > our Investor Relations website comprising all financial data relevant to investors
- > shareholder portal
- > regular participation in various Investor events



Our customers

In contemporary, ever-changing society we aim to put our customers at the centre and develop sustainable customer relationships on the basis of responsibility and trust, benefitting both parties. We aspire to retain our existing customers and wish to attract new customers by acting proactively, with enthusiasm, and by applying our skills and expertise.

Our customer-centred business approach converges naturally with our sustainability and corporate responsibility efforts in the communities we serve, because every single customer-relationship forms part of the foundation of our business.

Input from customers

Input from our customers is a valuable means for us to improve this relationship of fundamental importance. To support customer satisfaction, we constantly monitor customer needs through our dialogue, market research and customer satisfaction surveys. In 2022, we conducted a survey across all markets to gather feedback on the customer experience at BankNordik. The results are shown in our ESG key figures elsewhere in this report (p. 18).

The results in detail showed an overall high degree of satisfaction with our advice, and that BankNordik delivered significantly better and more consistently in terms of customer experience in 2022 compared to 2021. We also managed to improve in our communication (relevance and understanding) of our services, which was one objective in 2022. This has been supported by customer trust and improved internal processes.

However, the results also identified areas where we have room for improvement, such as the continuation of improving the digitalisation of our services. We appreciate the time our customers took to provide their feedback and suggestions, which we will consider as we strive to deliver the best service and advice to all our customers.

This will be achieved by several initiatives, such as supporting the objective to further improve digital self-service options and digital experience for our customers.



Sustainable digital solution

In June, our insurance subsidiary, Trygd, introduced the digital insurance travel card, which our customers can easily download on their mobile phone, so they always have it carry with them when travelling.

“We have developed a virtual insurance travel card, so now our customers only need to remember their mobile phone. This also prevents the unfortunate situation where a physical card can go missing. This solution is ideal and environmentally friendly,” says Brian Smedemark, Managing Director at Trygd.



Brian Smedemark, Managing Director at Trygd

This example is therefore sustainable both in terms of the environment and economically. In 2023, Trygd will collaborate with public authorities developing other digital solutions, which will provide better customer experience, reduce postal fees, and reduce physical material use. This clearly illustrates the overall strategic focus on creating digital and sustainable solutions at BankNordik.

Greenland

Our head office in Greenland is located in Nuuk, from where our advisers frequently travel to, Sisimiut, Ilulissat, Qaqortoq, and Aasiaat to meet with customers and be updated on local business developments. The recent developments in Greenland’s digital infrastructure has also brought BankNordik closer to customers along the coast.

Our strongest business team

BankNordik supports business growth in Greenland through local community involvement, knowledge of business and visionary entrepreneurs. BankNordik has more than 100 years of experience in helping individuals and businesses. We advise on simple and complex financial issues, with a strong focus on local business developments.

The bank advises a range of customers including private individuals, businesses in fisheries, tourism, trade, logistics, transportation and horticulture. BankNordik plays an active part in the local communities it serves and is known for being accessible and easy to talk to, enabling us to quickly assess business plans together with our customers.

According to country manager Jesper Hansen, BankNordik’s advisers are known for their expertise and many years of business consulting experience.



Green Greenland

Greenland has always had many independent business owners, while it is relatively new to combine different business forms and sustainability with the aim of developing entirely new business areas. BankNordik expects a lot of projects from this development.

One example is the recent expansion of the Greenlandic Greenhouse in Nuuk, a hydroponic operation growing and selling fresh vegetation in Greenland.

'BankNordik's support for 'green' economic growth in Greenland creates value for companies and the community,' says serial entrepreneur Charlie Brandt. 'I believe and hope that others will be inspired when they see ambitious ideas take flight. And at BankNordik, we are ready to start a dialogue with visionary entrepreneurs about their business plans when sustainability is key,' says Jesper Hansen.

The green transition

Our objective is to aid our customers in funding their sustainable transition through offering financial incentives and advisory services.

We provide attractive green financing options, such as affordable loans for EVs and home energy efficiency improvements, making it easier and more cost-effective for customers to choose sustainable solutions such as installing better windows, insulation, and converting to a sustainable energy solution.

This sustainability agenda is core to our business strategy and to supporting our customers in making a positive difference.

GREEN LOANS INCREASING

2021 - 2022	
EV	+115%
Green Housing	+98%
Green Energy	+44%

Meeting customers' demand

For our personal customers, we offer three products that are key to sustainability and the green transition, and we can see that the use of these products has increased and is still growing (see figures below). First launched in April 2021, our green home loan offers a lower interest rate for customers who heat their homes with sustainable energy. Our investment products also have a focus on sustainability and the green transition.

We have witnessed growing interest in sustainability in our dialogue with customers and from our survey in the Faroe Islands in 2022. In order to meet this demand, our employees have gone all out to provide the necessary information on solutions relevant to the product. In 2023, we will work on becoming even better at helping our customers find the relevant information about sustainable renovation or environmental improvements for housing, and electric cars.

Podcast on sustainability and finance

As an ongoing commitment to contribute to the sustainability agenda, BankNordik has organised various events to raise awareness of the importance of thinking 'green'.

For example, we arranged five events about sustainable renovation at different BankNordik locations in the Faroe Islands. These events got great, positive feedback from the participants and we were very pleased by the number of participants who showed up.

Another example is our podcast series with different themes on financial aspects, which in 2022 were focused on sustainability. Two of the most relevant podcasts were our interviews with Kári Mortensen, Head of Energy Department, Environment Agency, and with our own Hjalti Mohr Jacobsen, who is head of markets at BankNordik. Kári Mortensen explained about sustainable energy solutions for society in general and about the different options available when households convert from fossil fuel to sustainable energy solutions.

Likewise, Hjalti talked about investment in general with the main message being that customers should start investing their pensions and savings as early as possible. More specifically, Hjalti also explained how sustainable and responsi-



ble investment has increased and is expected to become the new norm in future investments.

Podcast channel continued

In relation to launching the successful podcast channel about personal finance in 2021, we continued the production of money-related issues in 2022. This is part of our objective to improve financial literacy and financial decision-making among our customers and the population in general. Last year, for example, the topics were on investing, women and money, pensions, divorce etc., and in 2022 we added topics on:

- › Rising interest rates
- › Making a sustainable, positive difference
- › Branch in Tvøroyri 100 years
- › Highlights of 2022 and prospects for 2023

In 2023, the plan is to produce even more podcasts related to financial aspects and add them to our growing catalogue of interesting episodes located online.

Listen to our podcast channel here.

Corporate customer event and Ósvart

In August, we hosted an event for corporate customers on the topic of sustainable investment. We had the privilege of hearing BankInvest CEO Lars Bo Bertram explain about their highly ambitious sustainability agenda. Above all, he had one key message: Sustainable investment is the future. In addition, Turið F. Arge, EVP at BankNordik, gave a presentation entitled “Our sustainability journey”. The event was a great success and provided our customers with inspiration how to embark, or continue, on their own sustainability journeys.

In November, we took part in the conference, Ósvart, at the Nordic House in the Faroe Islands. Its topic was the transition from fossil fuels to renewable energy. Our fantastic personal customer advisers were ready to explain about our financial green solutions. People attending were very interested in green car loans, green housing loans and energy loans.



Our employees

It is very important for us to attract and retain competent and proactive employees who have the skills and competence to run a financial institution that adds value. Our employees are our most important and fundamental resource. Therefore, we strive to create a working environment where competence development and promotion of overall job satisfaction ensures a great and challenging day-to-day working environment. We recognise the importance of building a working environment that aligns to the needs of the individual and for our employees to maintain a healthy work-life balance. We are therefore carefully arranging employee development programs, social events, and other initiatives that ideally will foster a healthy and strong culture, essential for improving the business performance today and in the future.

Healthy, sustainable working environment

To achieve this, we prioritise fostering a healthy and dynamic work atmosphere where all employees can grow both professionally and personally. We promote employee development by offering regular in-house training sessions and encourage attendance at external courses and academic programs.

In 2022, our employees put in approximately 5.000 hours in different development activities during their working hours at BankNordik, which we know make a positive difference personally, professionally and to the local communities.

For example, all employees have participating in courses in sustainability in the financial sector, digital transition, and IT security/GDPR.



By year-end 2022, we had

- › 14 employees enrolled on academic business programmes
- › 7 bank and insurance trainees enrolled on a two-year programme covering all areas of regular banking and insurance products and services

In 2023, we will continue these activities creating the best possible foundation for a healthy, sustainable working environment strategically tailored to our core business as a financial institution.

Employee engagement survey

At regular intervals, we conduct satisfaction surveys to gauge the overall sentiment within the organisation. The aim of these surveys is to gather feedback on a range of topics and to

build a deeper understanding of our employees' experience. Additionally, the surveys help us accurately assess employee engagement. Surveys are a crucial aspect of our operations, as we use the results to make continual improvements to our company culture. In 2022, we conducted a new engagement survey, which will support our objectives of enhancement going forward.

These results demonstrate that we are on the right track, and we know that our employee initiatives are supportive of this success. In 2023, we will continue these initiatives to maintain the employees' engagement and further explore our options to improving them.

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

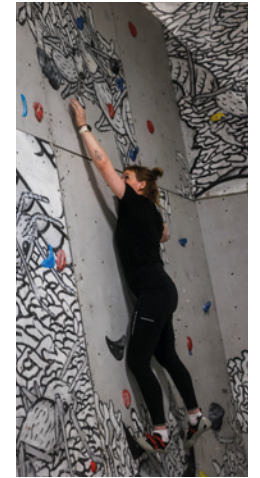
November 2022 by Ennova

Engagement	BankNordik		Industry benchmark (GELx DK – Financial services)
	2021	2022	
Job satisfaction	77	80	77
Loyalty	87	88	84



Employee weekend in the Faroe Islands

We hold the belief that investing in cultivating a friendly work environment holds substantial advantages for our organisation, including enhanced employee engagement. Operating both in the Faroe Islands and Greenland, our yearly Employee Appreciation Day in 2022 focused on unifying employees from both countries to boost morale and overall job satisfaction. In 2022, we all came together for an employee weekend in the Faroe Islands and this truly encapsulated these objectives.



Trainees graduated

In August 2022, we once again celebrated our talented and committed trainees who had completed their two-year course with us. The education provides them with both practical experience and theoretical knowledge, which makes a positive difference.

“In 2022, three other trainees, Birni Sigvardsen, Ásbjörg Hjelm, and Benjamin Tvørfoss, also graduated, and we are pleased that they have used their time at BankNordik as a stepping-stone in their professional careers,” says Heidi Davidsen, Head of HR.



Heidi Davidsen, Head of HR



Birni Sigvardsen

Ásbjörg Hjelm

Benjamin Tvørfoss

Welcome to our new trainees Bára, Hørður, Karin, Regin and Noomi. In September 2022, we were delighted to welcome our new team of trainees to the Group. We look forward to following their development and learn from them.



Our talented trainees **Fríðunn V. Jacobsen** og **Jonnna L. Olsen** graduated as personal customer advisers in August 2022. Both have continued their journey with the Group.

Celebrating our valuable and experienced employees

Experienced employees entail both knowledge and skills making them very valuable to us and our business. Fortunately, we have so many loyal employees who have been here for years. In 2022, we celebrated the anniversary of several committed employees. Retaining our highly skilled employees is a priority, and we aim to continuously focusing on their well-being and attractive opportunities for development.



40 year anniversary
In 2021, we celebrated **Óluva Jacobsen's** 40th work anniversary with the Group and we are happy to revisit the memories from the event. Here is Silja á Borg, Head of Back Office, congratulating Óluva.

25 years with the Group, a delayed celebration
In September 2021, **Randi M Hansen**, from our Back Office, had her 25th anniversary, but we were only able to mark the occasion a year later, on 27 September 2022.



25 years with the Group
In October, we celebrated **Esther M. Hansen** who has worked in the staff cantina for 25 years, safeguarding an important ingredient of the day for many of us.



Retirement after 47 years with the Group
Peter Stampe, customer adviser, retired in 2022 after 47 years with the bank. Here, Peter is seen together with Turið F. Arge, EVP at BankNordik. Peter's retirement and loyalty was celebrated at BankNordik, Tórshavn, together with colleagues and family.

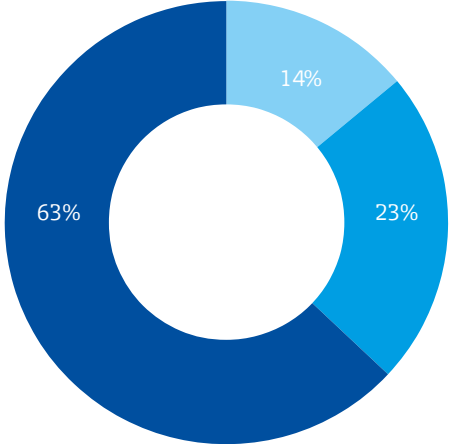


40 years with the Group
On April 1st 2022, **Edmund Jacobsen**, corporate customer adviser, celebrated 40 years with the Group. The day was celebrated with colleagues and family, and Edmund is truly an inspiration to us all. Here, Edmund is shown together with Jón Brekku, Director of Corporate Customers.

Overview of sponsorships and contributions in 2022

For over a century, we have maintained a strong connection with our local communities, playing a role in their social, cultural, and economic growth. Supporting local initiatives is a key aspect of our business strategy, as it allows us to create value that benefits everyone. This involves a focus on supporting sports and cultural organizations, as well as awarding scholarships to young students to further their education.

In 2022, we contributed DKK 2.5m to local initiatives.



- Sports, 63%
- Associations and charities, 23%
- Culture, music and art, 14%



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 into the future to continue our strong local presence in the communities we operate in. Here are some highlights of our engagement in the local communities in 2022.



Sponsoring local club in Greenland

A healthy population is an important element in a community's potential to develop and prosper. That is why BankNordik signed a three-year sponsorship with B-67, a local successful football club in Nuuk.

This club has been able to foster talented young players and doing a great and important job for children's well-being, which is an important contribution to secure development in our local communities.

This is something we want to support because it makes sense, and we are very excited about following B-67's future development.

According to the club's chairman Jimmy Holm Jensen, it is of great importance to have a solid partner like BankNordik on their team. They are pleased about being recognised for their efforts and the club's contribution to the local community.



Tvøroyri – branch 100-year celebration

In 2022, we celebrated the 100th anniversary of one of our branches. All sorts of entertainment were organised for the event and the staff had worked hard to make sure that everything was in place to welcome the many guests visiting during the big day.

In relation to the anniversary, we teamed up with a local historian to produce a podcast describing how the local community has developed during the 100 years and the role played by the branch during the period. Pictures depicting the history of Tvøroyri during the 100 years were on display together with roll-ups including a QR-code to the podcast.



BankNordik the main sponsor of Happy League

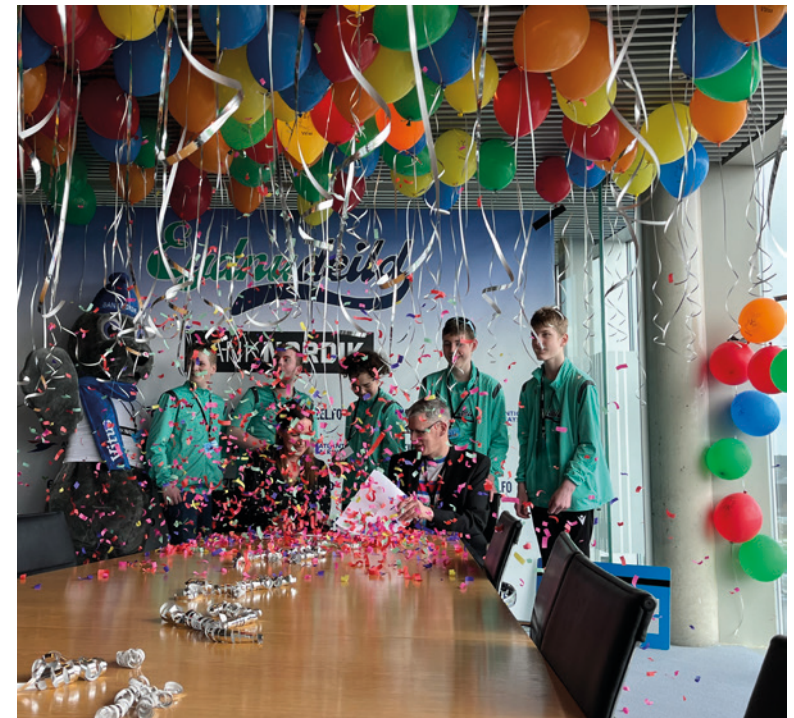
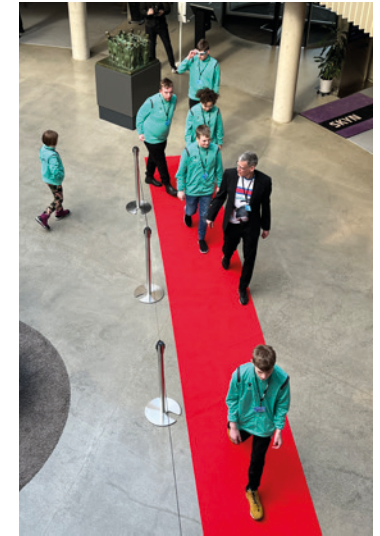
BankNordik and HappyLeague (Eydnu-deild) have entered into a partnership to continue their efforts in providing meaningful and positive experiences for children with special needs and their families. HappyLeague, a member organisation of the Danish group Lykkeliga, has been active in the Faroe Islands for four years. Recently, they organised the EydnuCup handball festival, the first of its kind in the Faroe Islands, which drew approximately 400 participants from the Faroe Islands and Denmark.

Morten Hust Petersen, coordinator at HappyLeague, said that the support from BankNordik is a crucial contribution to their mission of creating smiles, laughter, and good experiences for children through handball and community, as well as providing a break for parents.

At BankNordik, we are thrilled to support the valuable work of HappyLeague, which focuses on providing children and young people with meaningful experiences and a sense of community.

Our contribution will hopefully support HappyLeague in achieving this goal, says Rúna N. Rasmussen, Head of Marketing.

To celebrate the signing of this agreement, BankNordik hosted a star-event for members of HappyLeague, who arrived in a limousine and given a red-carpet welcome. After the signing ceremony, the celebration continued with cold drinks and cakes, much to the delight of the children and parents.



Gateway to knowledge

For many years we have donated a book to all children starting in school in the Faroe Islands as we believe reading is an important gateway to knowledge – and 2022 was no exception. On their first day at school, children across the Faroe Islands, the future shoulders of the community, receive a reading book.

The initiative is in collaboration with public schools and the objective is to increase children's access to books and give them the opportunity to experience the joy of reading.

This gateway to knowledge makes a positive difference, we believe.



Improving teenagers' financial literacy

BankNordik's core expertise and business focus lies in providing financial advice, and our approach is based on a joint understanding that good money habits is pivotal. We have been helping children and teenagers gain this understanding along with basic financial literacy.

In 2021, we launched an initiative called "Money Day" to improve financial literacy among teenagers. This initiative is aimed at students in their final year of compulsory education in the Faroe Islands. BankNordik's customer advisers visit participating schools and teach them about financial concepts and good money habits.

On Money Day, students learn about subjects as:

- > income and expenses
- > wages and taxes
- > loans and interest
- > budgeting,
- > digital safety

The goal is to help young people start off their adult life with good money habits and to avoid financial difficulties that could be prevented by having a better understanding of finances. The initiative has received support from teachers and has become a successful annual tradition.

Now a tradition and in Greenland In 2022, we continued this initiative and now has become a tradition in the Faroe Islands, which we have expanded to the local community in Greenland. Similarly, Money Day in Greenland has been a success and has proved to be very popular among students and teachers.

The initiative is currently on tour and visiting schools in Greenland's coastal communities, where we aim to make a difference by improving teenagers' financial literacy beyond Nuuk.

Foundations for the future

"Money Day is aimed at educating young people about the importance of financial literacy and helping them establish good money habits to avoid financial difficulties in the future. The goal is to equip young people with the necessary understanding of money to ensure they make the best start to their adult life and avoid potential future negative consequences," says Turið F. Arge, EVP.

Joint venture HSF

Our collaboration with the Faroese Handball Association (HSF) continued in 2022, as we arranged a number of competitions for children, such as the opportunity to win a training session with the head coach of the Faroese men's handball team. Our joint venture will continue and the development of the quality of Faroese handball players clearly stands out. We are proud to be part of this journey.



Pursuing higher education benefits society

Pursuing higher education benefits society

The BankNordik Scholarship is a bi-annual award given to two Greenlandic students, each of whom receive DKK 25,000 to aid their studies and improve their student life.

The objective of the grant is to support and inspire young individuals to pursue education, as this leads not only to better career prospects but also contributes to the overall progression of society and making a positive difference.

In 2022, the BankNordik Scholarship was awarded to Aviaaja Petersen and Ilannguaq Kristensen, both of whom are pursuing post-secondary education. Aviaaja is studying to become a veterinarian at the University of Copenhagen, and alongside her studies, she works at a veterinary dental clinic, where she assists veterinarians and gains valuable experience.

Ilannguaq is taking an introductory course in machinist engineering. He is part of the first Greenlandic group on the machinist engineering programme in Greenland. He started the theoretical part of the program in August 2022 in Sisimiut.

"The purpose of the BankNordik Scholarship is to encourage young people to pursue higher education and thereby support their personal and professional development. A good education is a valuable investment that provides better job opportunities in the future, and a well-educated population also benefits society as a whole. We hope that our financial contribution can help make the students' daily lives a bit easier and that we can also help improve the conditions for the development of Greenlandic society," says Pia Holm Jensen, Personal Customers Director at BankNordik, Greenland.



Aviaaja Petersen



Ilannguaq Kristensen

Financial crime prevention

At BankNordik, we are dedicated to fortifying our systems and capabilities to safeguard our operations, customers, and society against financial crime. We strive to mitigate the risk of our operations being utilised for illegal activities such as money laundering and financing of terrorism.

Our ongoing attention

We continuously prioritise compliance with all legal requirements and procedures that aid in mitigating the risk of financial crime, with the aim of ensuring that our systems and staff are always in line with these guidelines.

Being under the supervision of the Danish Financial Supervisory Authority (FSA), our internal systems, policies, processes, and procedures are assessed and tested on an ongoing basis.

In 2022, we were thoroughly examined in the area of money laundering and subsequently received comments and recommendations from FSA, which have been outlined as objectives we are working to achieve.

Realistic learning courses

In 2022, we updated our course material from Finanssektorens Uddannelsescenter (FU) and our own material in internal procedures. This has enabled us to move from test-based to case-based courses making the learning activities as realistic and relevant as possible for every position in BankNordik.

Anti-money laundering (AML)

In addition, we took part in the dialogue with Danish authorities in relation to National Risk Assessment 2022 which now includes two distinct chapters about risk assessments of money laundering in the Faroe Islands and Greenland. "This is something we are very pleased about and we will of course contribute to the further development this local knowledge," says Jenny Person, who is responsible for the Group's anti-money laundering effort.

Concrete measures

In our ongoing efforts to combat financial crime, we safeguard our customers, society, and our operations through a range of measures:

- › Compliance with relevant laws and regulations
- › Annual assessment of the risk of money laundering and terrorism financing
- › 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 behavior among our employees
- › Close cooperation with the authorities and the financial sector



Jenny has the responsibility for BankNordik's policies, controls, business processes, and reporting on the Anti-Money Laundering (AML) area, as well as for reviewing the bank's risk exposure and compliance with legal requirements in this area.

Faroese contemporary art

BankNordik-savnið

The annual donation agreement with BankNordik-savnið, an art collection, has proven its value in supporting Faroese contemporary art and has further expanded the foundation's collection. BankNordik-savnið is an independent foundation for Faroese art which we established in 2017. Our annual donation to the foundation of DKK 225,000 is intended to support the administrative tasks but with DKK 150,000 earmarked for acquiring contemporary art in the Faroe Islands.

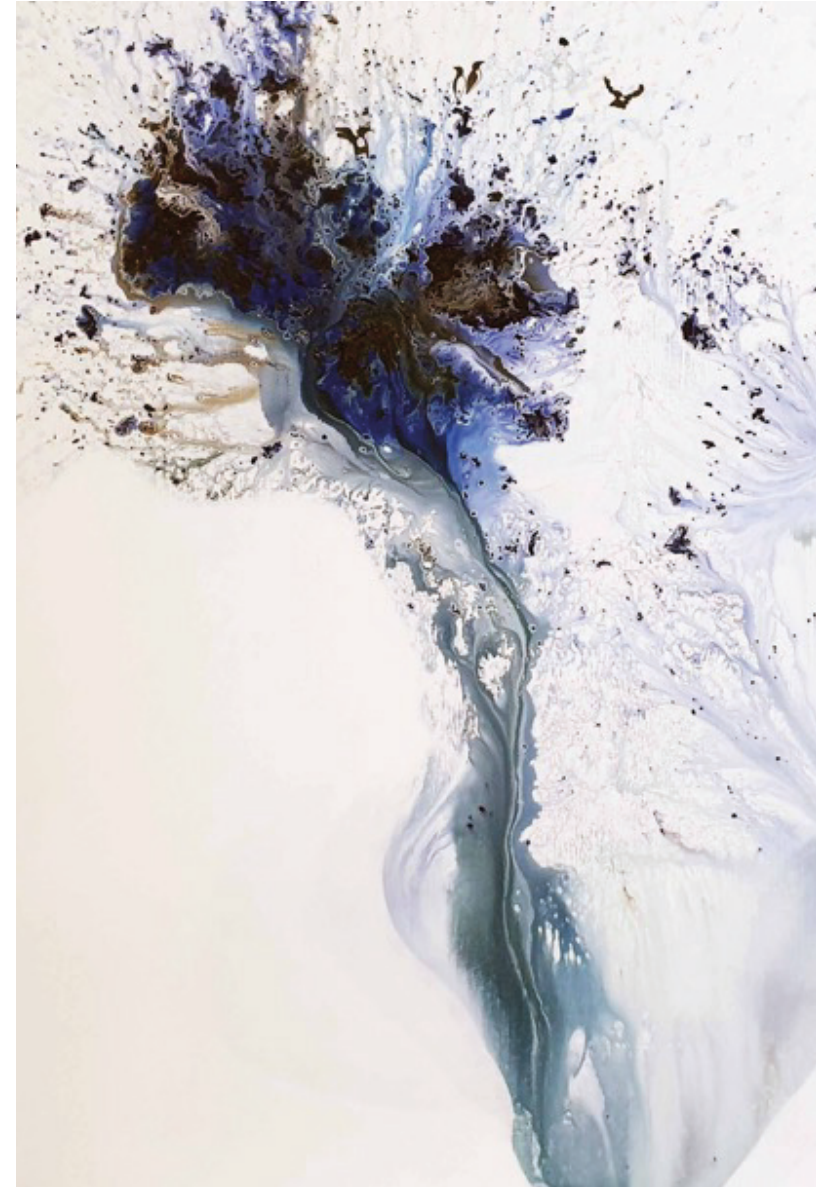
BankNordik donated 623 works of art to the foundation in 2017 and today we are proud to say that the foundation represents 629 works of art, plus an additional 26 currently on display at BankNordik, while five been donated as gifts. Some of the works are displayed in various settings, allowing the local community to observe the marvel of works of art and supporting local artists in creating art works that complement and solidify the cultural aspects of society.

Our support to the foundation ensures that the different works of art get their rightful place in the public sphere, are administrated correctly, and preserved in a respectful manner and in accordance with appropriate processes.

BankNordik-savnið arranges special exhibitions and lends some of the works to museums as well as public and private institutions. This ensures that the works of art are exhibited and giving the general public the opportunity to enjoy Faroese art.

According to the foundation, 13 works of art were purchased in 2022 which gives a total of 26 works of art acquired since 2017. In 2022, BankNordik-savnið added three works from the renowned Faroese artist Torbjørn Olsen, nine works created by the renowned Faroese artist Arnold Vegghamar, and four works of art created by the renowned Norwegian/Faroese artist Astri Luihn.



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



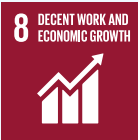

DATA




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"> › Continued initiative to improve teenagers' financial literacy launched as "Money Day". Now also in Greenland. › 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. › Inviting customers to events on different financial topics. › Podcasts on financial and sustainability 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 in the Faroe Islands and Greenland. › 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. 	<ul style="list-style-type: none"> › 49% of management positions held by women in 2022. › 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. › 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. › Target set for gender equality for management and board to maintain our achievements.

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 issuing loans to innovative and sustainable businesses under favourable conditions through the InnovFin guarantee agreement. › 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 established a sustainability group and a committee to align our business initiatives with relevant societal and environmental topics. 	<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. › Conduct an initial double materiality assessment.

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. › This year we have also begun calculating the emissions of our lending activities and drawn up an action plan for CO2 emissions relating to our lending operations. › We offer financial products that make it easier for our customers to make greener choices. › We offer 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 2025. › Choosing electrical company vehicles. › 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. › In 2022, we continued our 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 begun to phase out all petrol and diesel cars, and we expect to have completed this process by the end of 2023. › 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. › 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 are integrated in regulation and remain an integral part of the Group's general business practices, and we have a sustainability policy. We do also support the UN Sustainable Development goals and choose to focus our efforts on goals no. 4, 5, 8, 11 and 13.

ESG data ¹ definitions

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 and 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.

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>	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.
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>	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.
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>	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.
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>	The ratio can be used to identify companies that have transformed their energy consumption to renewable sources.
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>	Water consumption illustrates the risk profile of disruption of water supply and/or water cost changes.

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 and 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.

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 El Financial Ratios are identical.

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 2022 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.

This report is developed in accordance to BankNordik Group's sustainability policy.

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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