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# Sustainability and societal engagement

## Eika's impact on the world at large

Economic growth and prosperity are intrinsic benefits which as many people as possible should have the opportunity to share in. However, activities which contribute much of a positive nature may also have negative aspects. By contributing to growth, new companies, new homes, production and financing in conjunction with the local banks, the Eika Group also helps to reduce greenhouse gas (GHG) emissions, consumption of materials and resources, and pressure on the natural environment.

The cumulative effect of centuries of rising emissions, resource consumption and loss of global biodiversity is reaching a level where people's future livelihoods are under threat. We therefore have a responsibility to reduce the negative consequences of our activities on the world around us in the years ahead in order to ensure that our own wellbeing is not achieved at the expense of coming generations. Nor must our wellbeing come at the expense of the global population's human and labour rights.

Eika has significant opportunities to contribute to sustainable development – and therefore also a great responsibility to ensure the sustainability of its business model. In order to achieve that, the group must first understand its impact on the world today.

## Societal engagement

The local banks in Norway were established to contribute to financial and social sustainability in their respective communities. By creating opportunities for companies, jobs, residential mortgages and savings, they have contributed to a vigorous local society and inclusive economic progress. Eika's sustainability work builds on the commitment of the local banks to sustainable development over more than 150 years, both in its own work and by supporting the efforts of the local banks.

Eika's societal engagement is no longer confined to economic and social sustainability. It now involves both safeguarding the local community and overcoming major global problems, such as

## Stakeholder analysis for Eika Gruppen



climate change, loss of biodiversity and lack of respect for human rights. The financial sector plays an important role in the transition to greater sustainability locally, nationally and globally. As one of the largest and most important players in the Norwegian financial sector, Eika is conscious of its duty to make the necessary changes and accept responsibility for the group’s impact on the world through its operations and value chain.

The role of the local banks as drivers of growth and development for private customers, businesses and Norwegian local communities will be more important than ever in the future. Their advisory

services and closeness to customers make them key players in the restructuring of small Norwegian companies, and in securing new economic activity and jobs when unsustainable operations must be replaced. Proximity to their customers also gives the local banks a good starting point for offering relevant products to the growing group of customers for whom sustainability is important.

### Stakeholders

Eika has identified its most important stakeholder groups and significant issues for its interaction with these. The most important stakeholders are the local banks, employees, customers, partners,

government agencies, investors, local communities and society as a whole. Further important sub-categories of these groups are presented in the stakeholder overview on this page. The stakeholder analysis is the result of a cross-disciplinary collaboration involving all Eika companies, and is entrenched in the group’s corporate management and board.

Extensive contacts are maintained through various channels with important stakeholder groups, and the local banks deal with and communicate significant issues of concern to their own customers and communities. Eika conducted questionnaire-based surveys of employees and local-bank customers in 2021 in order to identify important sustainability-related issues. In 2022, the group carried out in-depth interviews with a sample of local-bank customers. As a result, Eika’s annual sustainability week in 2023 was extended to include local-bank customers, who were given advice intended to increase their awareness of simple steps they can take in their daily lives. Furthermore, Eika conducts regular surveys of its employees and alliance partners, and is involved in a number of other relevant fora for dialogue. In 2023, the group participated in a range of discussions and collaborations on sustainable development with business partners and suppliers, industry associations and the alliance banks.

### Vision and purpose

Eika’s core business strengthens the local banks through good and cost-effective provision of products and services for modern and efficient banking. Its primary purpose is to “secure strong and caring local banks which serve as a driving force in local growth and sustainable development, for customers and the local community”.

The Eika vision of “We strengthen the local bank” describes the group’s desired future development. Its core business thereby supports the moral and ethical compass of the local banks and the social mission that the local savings banks in the Eika Alliance fulfil. The motto is: “Present locally – with people you can meet and forge relationships with. Advisers who create a sense of security between people and an assurance that you are making the financial choices which are right for you.”

### International and national initiatives supported by Eika

Eika draws on recognised national and international initiatives in its work on sustainability.

- UN Sustainable Development Goals (SDGs)
- UN Principles for Responsible Banking
- UN Principles for Responsible Investment (PRI)
- UN Global Compact
- Eco-Lighthouse
- Guide against Greenwashing
- Women in Finance Charter
- Roadmap for green competitiveness in the Norwegian financial sector

### UN Sustainable Development Goals (SDGs)

Sustainability in Eika builds on the UN SDGs, which represent the world’s shared plan for eliminating poverty, combating inequality and halting climate change by 2030. Coming into effect on 1 January 2016, these objectives provide many companies with a roadmap for their strategies on environmental responsibility and corporate social responsibility (CSR).

The group influences several of the SDGs, but recognises that its impact may be greater for some selected targets than for others. Eika Boligkreditt supports the following SDGs and considers that the most relevant approach is to give particular emphasis to:

- **SDG 8:** Decent work and economic growth. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.
- **SDG 11:** Sustainable cities and communities. Make cities and local communities inclusive, secure, resilient and sustainable.
- **SDG 13:** Climate action. Act immediately to combat climate change and its consequences.

The SDGs are underpinned by several sub-goals. Eika wishes to:

- contribute to better utilisation of resources.
- work to end the link between economic growth and environmental damage.
- achieve full and productive employment and decent work for all.
- protect labour rights and promote a safe and secure working environment for all employees.
- stimulate and expand access to banking, insurance and financial services for all.
- support positive economic, social and environmental links between urban areas, their hinterlands and thinly populated areas.
- ensure that everyone has access to satisfactory and secure homes and basic services at an affordable price.
- strengthen the ability to withstand and adapt to climate-related hazards and natural disasters.
- strengthen the ability of individuals and institutions to counter, adapt to and reduce the consequences of climate change, as well as their ability to give early warning, and strengthen knowledge and awareness of this.

To operationalise these sustainability goals, Eika Boligkreditt has established a scorecard with 11 key performance indicators.





For details of how the climate footprint of the residential mortgage business has been calculated, see the separate report prepared by Multiconsult ([eikbol.no/Investor-relations/green-bonds](http://eikbol.no/Investor-relations/green-bonds)). Eika Boligkreditt aims to set a target for the climate footprint of its residential mortgage business. This has not yet been possible because Eika Boligkreditt is a financing source for lending activities in the alliance banks. Any goal of net zero emissions in the residential mortgage business that is conducted through the company must be set in conjunction with the establishment of such objectives by the owner banks. In 2023, Finance Norway finalised its guide to the calculation of financed emissions. In 2023, Eika endeavoured to calculate relevant Scope 3 emission categories. This work will continue in 2024. As a result of this effort, the owner banks will also have the opportunity to set targets for net zero emissions in their lending portfolios.

This is a necessary precondition if Eika Boligkreditt is to be able to set a target for its residential mortgage business.

### Principles for responsible banking

Different principles and practices exist for work on sustainability. The UN Environment Programme Finance Initiative (UNEP FI) launched its principles for responsible banking in the autumn of 2019. These provide guidance for banks in their sustainability efforts, and support society's overarching sustainability goals and the Paris agreement – which enshrines the 2°C ceiling for global warming.

In 2020, Eika Gruppen signed the UN's principles for responsible banking derived from the Paris Agreement, and undertook to

observe and comply with these. Pursuant to the principles, Eika Gruppen must:

1. Align its business strategy to accord with the needs of individuals and society's goals, as expressed in the SDGs, the Paris Agreement and relevant national frameworks.
2. Continuously increase its positive impacts, while reducing the negative impacts on people, the climate and the environment resulting from its activities, products and services. The company must set and publish specific targets for the areas that have the largest impact.
3. Work proactively with the local banks to encourage sustainable practices and enable activities which create prosperity for both present and future generations.
4. Collaborate proactively with relevant stakeholders to achieve society's overarching goals.
5. Implement effective management tools and a culture of sustainable activity in order to reach its goals for responsible and sustainable banking.
6. Periodically review its individual and collective implementation of these principles, and be transparent about and accountable for its positive and negative impacts on society's overarching goals.

Among other consequences, signing these principles calls for an analysis of the company's climate footprint, a specification of how it will achieve its goals, and regular reporting on the status for this work.

As part of the post-signing process, Eika Gruppen conducted an impact analysis in 2021 with the aim of learning more about how its business affects the wider world for good or ill (the analysis is published in its entirety (in Norwegian only)

KPI	Sustainability targets	Status 2023	Status 2022	Target
Employee satisfaction, index 0–100 <sup>1</sup>	8	<b>83</b>	89	≥80
Sickness absence	8	<b>5.1%</b>	3.7%	≤2,5%
Ambition for internal promotion to managerial positions	8	<b>1 of 1</b>	3 of 3	Qualitative assessment
Percentage of female employees	8	<b>4/19=21.1%</b>	4/18=22.2%	Short-term: ≥30% / Long-term: ≤40%
Percentage of female directors	8	<b>2/6=33.33%</b>	1/6=16.67%	2/6=33.33%
Serious HSE incidents	8	-	-	-
Alliance satisfaction, index 0–100	11	<b>86</b>	85	≥80
Achieve approx. the same credit spread on covered bond financing as comparable issuers would have done with the same tenor, the same issued volume and the same issue date.	11	<b>0.75 bp</b>	0.7 bp	< +3 bp
Percentage of green collateral added to the cover pool	13	<b>23.4%</b>	22.1%	≥20%
GHG emissions, CO <sub>2</sub> equivalents from the residential mortgage business	13	<b>Market-based emissions: 420 000 tonnes CO<sub>2</sub>e Location-based emissions: 17 300 tonnes CO<sub>2</sub>e</b>	Market-based emissions: 461 219 tonnes CO <sub>2</sub> e Location-based emissions: 17 456 tonnes CO <sub>2</sub> e	Not determined
GHG emissions, CO <sub>2</sub> equivalents from other business activity	13	<b>12.1 tonnes CO<sub>2</sub>e</b>	18.9 tonnes CO <sub>2</sub> e	≤21.6 tonnes CO <sub>2</sub> e in 2025, decrease of 27.3% from a historic average (2012–2019)

<sup>1</sup> The employee survey was carried out by a different provider in 2023 than in 2022. The change in status from 2022 to 2023 is therefore not comparable.

at <https://eika.no/eika-alliansen/eikagrupper/baerekraft>). Some minor adjustments were made to the materiality analysis in 2022, by adapting the main sectors to the updated sustainability strategy. Efforts to update the analysis in line with new requirements for the performance of double materiality assessments commenced in 2023 and will continue in 2024. Eika Gruppen has performed an impact assessment to learn more about how the group's operations affect the world at large – both positively and negatively. A strategic choice has been made to carry out this analysis on behalf of both Eika Gruppen, including subsidiaries, and the alliance banks, since opportunities to exert influence are largely channelled through

the latter. The analysis was carried out using tools and approaches (where possible) which accord with the recommendations from the UNEP FI. Emphasis has been placed on conducting the analysis with a high level of detail and for all relevant products. Its findings identify three areas which will receive particular attention in Eika Gruppen's future work on sustainability – resource effectiveness, waste and climate. These all receive considerable attention already. Combined with findings from other analyses conducted internally, including those concerning stakeholders and materiality, insights from this work will help to shape Eika Gruppen's continued efforts in the area of sustainability.

### UN principles for responsible investment (PRI)

Eika Kapitalforvaltning has adopted the UN PRI in order to prepare and formalise its work on sustainable investment. The UN PRI represents the biggest global reporting project for responsible investment, and can be regarded as the global norm for best practice in the area. The principles challenge and inspire enterprises to take further account of environmental, social and governance (ESG) considerations in investment activities. The annual reporting will also be useful for customers wishing to make sustainable choices.



### **UN Global Compact**

The Global Compact is the UN's organisation for sustainable business, and has formulated 10 principles which provide guidance for companies on ensuring responsible operation, including human rights, labour relations, anti-corruption and the climate/environment – including the precautionary approach. Eika bases its work with sustainability on these principles.

### **Eco-Lighthouse**

The Eco-Lighthouse is a Norwegian national standard for environmental management, with EU recognition. While work on the UN principles deals with the way the world at large is affected by Eika's products, services and value chain, Eco-Lighthouse certification ensures a properly-anchored concentration on environmental management, reducing and handling waste, and energy use and transport, in addition to sustainability processes within the group's own operations and products. Eika and its four locations in Gjøvik, Hamar, Oslo and Trondheim were Eco-Lighthouse certified in 2021, in accordance with the common criteria set as well as the criteria sets for tenants, banking and finance, and insurance. Annual climate and environmental reports are also prepared for the business.

### **Guide against Greenwashing**

Eika has signed the Guide against Greenwashing, as one of several measures to firmly entrench how the group will work on sustainability and communicate about its efforts. The guide provides advice on decision-making, and can be a source of new, sustainable ideas and working methods. Eika will give priority to measures which have real effect.



### Women in Finance Charter

The Women in Finance Charter aims to help increase the proportion of women in senior positions in Norway's financial sector. Eika recognises the importance of this, and signed the charter in the autumn of 2021. Its goal is for women to hold 40 per cent of its managerial and specialist posts.

### Roadmap for green competitiveness in the Norwegian financial sector

Eika takes a fundamentally positive view of sectoral collaboration on sustainability efforts. It uses the roadmap as drawn up to support its work on CSR and sustainability.

### Strengthening the banks as a driving force for sustainable growth and development

Eika has the greatest impact on the world at large through the local banks. By raising awareness, enhancing insight and facilitating the banks' sustainability efforts, the group can help to reduce actual negative effects of the value chain on the climate/environment and social conditions.

The group will contribute to sustainability work at the local banks in such areas as bank systems and services, customer interfaces, procurement, expertise and insight. This requires that deliveries to the banks accord with ever-growing demands for and expectations of sustainability. Eika will offer relevant courses and competence enhancement for advisers, and communicate well and effectively with the banks about sustainability in the group's products. It will equip the banks to provide good advice and understanding to customers on sustainability, and communicate relevant

requirements in this area to the customer. The banks will receive regular information on where demands and expectations are expected to increase in the future, and Eika will promote experience-sharing within the alliance in the sustainability area.

The local banks account for the bulk of the alliance's direct contact with customers and society. Offers to customers, risk management in the customer relationship and other contributions to the bank's local community are important components in the alliance's sustainability work. Eika's contribution is largely indirect, through the provision of systems, tools and expertise to the banks and their staff. With its deliveries, Eika will support sustainability endeavours at the local banks directed at both their customers and their own operations.

An important precondition for Eika's ability to strengthen the local banks is the way it discharges its role as a reliable financial player with good management and control.

Important milestones in this respect include the following:

- Launch of green residential mortgage products (2020 and 2021).
- Incorporating sustainability assessments in credit evaluations for the banks' business customers, with associated courses and webinars (2021). A total of 7 600 ESG evaluations were conducted in the alliance in 2023 (2022: 8 200).
- Impact assessment for Eika Gruppen and the alliance banks (2021).
- Updated ESG courses for employees throughout the alliance, launched in the autumn of 2022, and made mandatory by a number of the banks. Around half of the alliance banks' workforce has completed the course's introductory module.

- Eika's sustainability week was staged for the third time in January 2023. All employees in Eika Gruppen, Eika Boligkreditt and the local banks were offered daily professional updates, articles and activities during this period. The objective of this week is to increase employees' knowledge of and engagement with sustainability. The 2023 week was also extended to customers of the local banks through a separate tailored programme.
- Launch of support tools to help the banks calculate their financed emissions.
- Project management in support of double materiality analyses for banks, based on the requirements set out in the EU's Corporate Sustainability Reporting Directive (CSRD).

In 2023, Eika gave priority to assisting the banks learn more about the growing requirements and expectations they face. This included a dedicated project for the performance of double materiality analyses, based on CSRD requirements. Eika Gruppen has also supported the banks in connection with the Norwegian Transparency Act, provided advice on sustainability reporting and furnished conversation templates relating to sustainability for corporate advisers, held webinars and otherwise shared relevant insights and knowledge. Priorities are set on the basis of extensive dialogue with the local banks and knowledge about the expectations of customers, investors and the public authorities.

### Driver for climate and environment-friendly value creation

The world faces an acute climate and environmental crisis. As a financial institution, Eika has great opportunities – and responsibilities – to promote climate- and environment-friendly value creation. Through the design of its services and products as well as conscious

choices for the value chain, the group can reduce emissions and other negative impacts on the natural environment. The ambition is to comply with the Paris Agreement on net zero emissions in Eika's operations and products by 2050 at the latest, while also respecting the planet's other tolerance thresholds. This is in line with the group's obligations under the UN principles for responsible banking.

Eika prepares annual climate accounting. In 2022 and 2023, Eika Gruppen participated in a working group established by Finance Norway to develop guidance for calculating financed emissions. A prioritised project in 2023 was to calculate Scope 3 emissions from Eika's products, in part through a working group under the UN

principles for responsible banking. In 2024, the group will continue working on the calculation of relevant Scope 3 emission categories. This will provide an important basis for setting relevant sub-goals aimed at achieving net zero emissions.

**Management and control**

Requirements for risk assessments, routines and reporting in the sustainability area are expected to become stricter in the years ahead, in part through the adoption of the EU's taxonomy, the introduction and revision of the non-financial reporting directive (NFRD), introduction of the CSRD and increased emphasis on sustainability in the capital requirement regulations and regulatory practice.

Effective risk management and good internal control are crucial for ensuring that goals are met, and form part of the ongoing management and follow-up of the business. Through good risk management and control, Eika Boligkreditt will be able at all times to identify, assess, deal with, monitor and report risks which could prevent its attainment of approved goals. The company's parameters for risk management and control define its willingness to accept risk and its principles for managing risk and capital. Risk management and control cover all types of risks which Eika Boligkreditt might be exposed to. The way risk is dealt with and controlled depends on its materiality. Risk management covers control, avoidance, acceptance, sharing or transfer of the risk to a third



**First line of defence**

**Second line of defence**

**Third line of defence**

▷ Instructions, parameters and authorities

◀ Formal reporting

party. Controls embrace the organisation and division of labour, monitoring, reporting, and system-based and manual controls. They also cover values, attitudes, organisational culture, training and expertise, ethical guidelines, routines and procedures.

Eika Boligkreditt has established an independent risk management and compliance function, which continuously monitors and reports on whether risk management is complied with, functions as intended and is kept within approved limits. This function is organised in accordance with the principle of three lines of defence. Eika Boligkreditt's business is subject to extensive legislation, which regulates its various governance bodies and their composition.

### Focus areas in 2023

The transition to a new core banking system was the focus of considerable attention in 2023. In this connection, work has been done from the third quarter of 2021 to assess risk and identify any appropriate measures required in relation to the transition. Overarching attention has been paid to ensuring that the new solution meets necessary requirements for functionality, reporting, operation, processes and legal compliance for Eika Boligkreditt.

Eika Boligkreditt focuses unceasing attention on money laundering and the financing of terrorism. Where the new core banking system is concerned, the company has concentrated on a satisfactory anti-money laundering (AML) module to meet the company's requirements for independent and enterprise-focused risk assessment. It has further focused on revising its guidelines, performing business-appropriate risk assessments and updating its in-house compliance procedures. An objective was to trace risk



drivers right through to control mechanisms. Eika Boligkreditt has also drawn up an AML handbook and a supplementary agreement with the owner banks.

The company has outsourced such activities as management of the lending and borrowing systems as well as the operating system and various support systems. Outsourcing is therefore of critical significance for the operational business. Its scope has increased with the transition to the new core banking system because the banks manage the residential mortgages while Eika Boligkreditt receives activity reports. An outsourcing project has therefore been undertaken in connection with the negotiation and framing of a new IT SLA with Eika Gruppen and the establishment of a robust control regime for the follow-up of Eika Gruppen and subcontractors.

The company's governing documents have also been updated on the basis of the measures implemented. The new IT SLA with Eika Gruppen is intended to boost the company's ability to perform checks on the new lending system.

With respect to sustainability and CSR, an ESG project in the Eika Alliance was launched in August 2023. The project's objective is to implement the EU's new Corporate Sustainability Reporting Directive (CSRD). The main purpose of the CSRD is to push the economic "flow" in the direction of more sustainable business models across the EU. The CSRD amends the Accounting Directive and specifies in more detail what kind of sustainability-related information a company must report on via the various European Sustainability Reporting Standards (ESRS). The objective of the



project is to ensure that the Eika Alliance is equipped to implement CSRD reporting no later than the date on which it becomes compulsory, in connection with the 2025 annual report.

The framework related to data protection was established in 2018 and updated in 2023. In keeping with previous years, considerable attention was paid to complying with the EU's General Data Protection Directive (GDPR).

#### **Day-to-day management and follow-up**

Eika Boligkreditt's vision is to strengthen the local bank. Its main purpose is to ensure the local banks in the Eika Alliance have access to long-term and competitive funding by issuing covered bonds. An important part of the company's business concept is to increase the competitiveness of the owner banks by improving their access to external funding in the Norwegian and international financial markets, with regard to the tenor of loans, their terms and the depth of access. Financing through Eika Boligkreditt involves generally longer tenors at a significantly more favourable rate than any of the owner banks could have achieved individually. That is precisely why Eika Boligkreditt has become a strategically important company for the owner banks – a company which contributes to enhanced competitiveness and lower risk exposure.

The strategic direction being taken by Eika Boligkreditt applies the balanced scorecard approach and provides a basis for implementing that approach alongside projects and action plans. In addition, the company prepares budgets and forecasts, financial and non-financial measurement criteria, authorisations, policies and routines which are reported on and followed up as part of the

company's management. Action plans and the status of risk and measures are carefully monitored and incorporated in ongoing reporting to management and the board through the year. Eika Boligkreditt is managed in accordance with approved risk strategies, and guidelines have been developed for risk reviews intended to ensure that the company and outsourced activities deal with risk in a satisfactory manner. Eika Boligkreditt's values – reliable, engaged and brave – reflect the fundamental characteristics of the company. Risk management and control in the company are rooted in these values, together with approved strategies. The strategies are further broken down into operational action plans, which provide specifications, priorities, allocation of responsibilities and deadlines. Given the guidance and parameters in the strategy and action plans, risk management and control are built up around and within the business processes established to deliver the strategy. Management and control are thereby tailored to the business processes and specific requirements. This focuses risk management and control on the contribution to value, the commercial benefit and the most significant conditions for meeting the targets.

#### **Role of the board**

The board has adopted a set of instructions which set out the rules governing its work and decision-making. Its annual plan covers duties specified in legislation, statutory regulations, official requirements, the company's articles of association and so forth. The board is responsible for determining the company's overall goals and strategies, including risk strategies and risk profile, as well as other key principles and guidelines, in addition to the company's management and proper organisation. The board has established a separate set of instructions for the CEO. Board meetings are held

in accordance with the annual plan, and as and when required. The board has appointed risk and compensation committees to prepare matters for consideration in these areas.

### Role of the CEO

The CEO conducts day-to-day management of Eika Boligkreditt and is in overall charge of all the company's operations. Responsibility for implementing strategies and policies approved by the board rests with the CEO. The CEO ensures that risk management and control are implemented, documented, monitored and followed up in an acceptable manner, and ensures that the necessary resources, expertise and independence are provided for the risk management and compliance function. In addition, the CEO ensures that Eika Boligkreditt's risks are managed within the board's approved parameters. The CEO must continuously follow up management and control in all parts of the company's business.

### Risk management function

The risk management function ensures that management and the board are at all times adequately informed about the company's risk profile through quarterly risk reporting and annual assessments of risk and capital requirements. It is responsible for continued development and implementation of an integrated framework for risk management, and for ensuring that this accords with external and internal requirements. That means policies and strategies must be in place which ensure the company is managed with the aid of goals and parameters for the desired level of risk, and that such policies and strategies are operationalised in an efficient manner. Ensuring clear responsibilities and roles plays a key role in management and control, along with follow-up of

compliance through risk parameters and operational guidelines. The risk management function reports on a quarterly basis to Eika Boligkreditt's executive management and board.

### Compliance function

The compliance function is charged with identifying and preventing risk posed by failure to comply with the regulations. Compliance risk is part of Eika Boligkreditt's operational risk, defined as the risk that the company incurs government sanctions or suffers financial or reputational loss because it fails to comply with legislation, statutory regulations and/or standards. The compliance function will have a preventive, advisory and monitoring role in the company, with responsibility for plans and testing in accordance with annual risk-based controls. It reports on a quarterly basis to Eika Boligkreditt's executive management and board of directors.

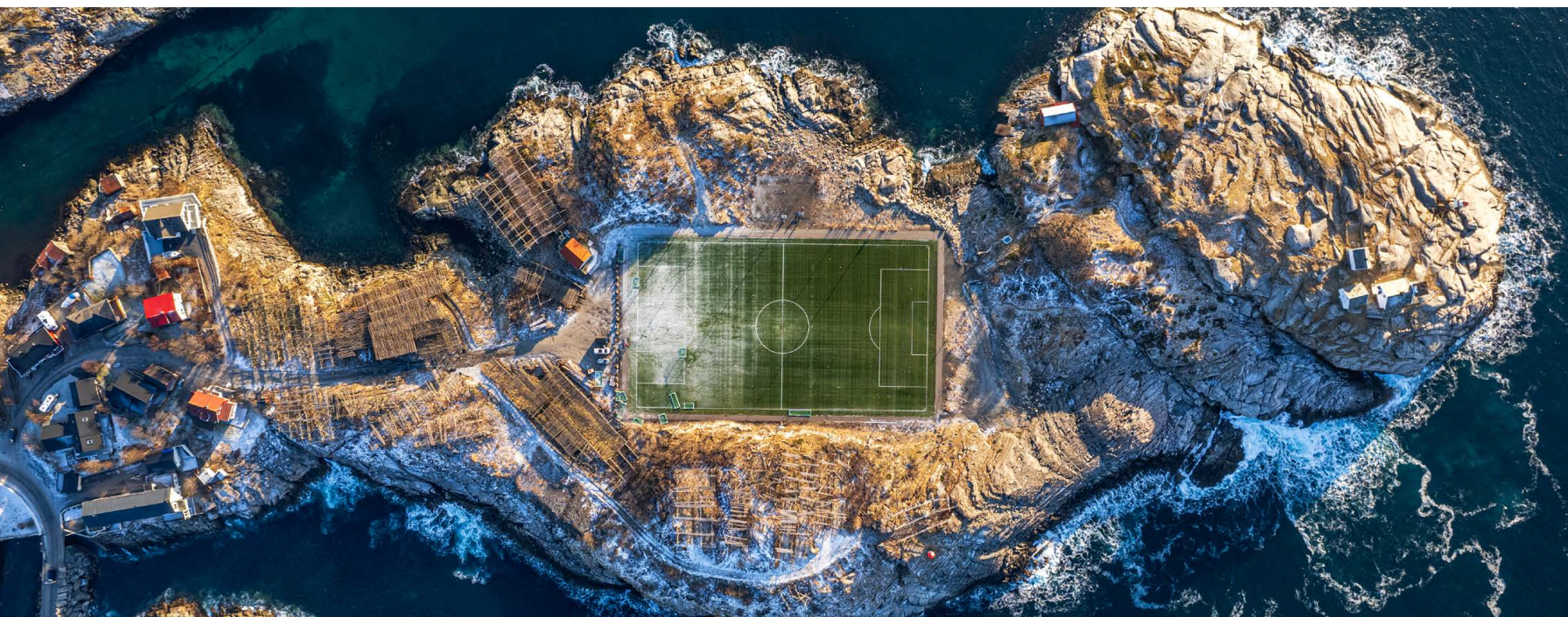
### Internal audit

The internal audit function provides independent confirmation that risk is dealt with in a satisfactory manner and that communication and interaction between the lines of defence work as intended. It represents the company's third line of defence. Eika Boligkreditt's independent internal audit function has been outsourced to PwC. The board approves annual plans for the internal audit function, which reports directly to the board. These reports are considered on a continuous basis by the directors.

### IT security

Eika Security is a department which works on incident management related to cybersecurity and cybercrime. Based in Gjøvik, it shares premises with the Eika Service Centre.





All network traffic in Eika is monitored by systems which can pick up and detect malicious activity. Threat actors are constantly coming up with new tactics and techniques for getting past these protections. This calls for personnel with the expertise to handle incidents and keep systems updated, and who are familiar with the threat picture. Eika Security is staffed by highly competent security personnel who deal with security incidents on a daily basis and who are familiar with the threats directed at the banking sector. The department also works in the area of cybercrime, with all payments made via online and mobile banking monitored to prevent fraud.

Eika Security is also part of an industry collaboration within the relevant disciplines, which means it stays informed at all times on current trends in both security and fraud.

In addition to monitoring and incident management, the centre contributes:

- expertise to projects
- support and advice
- information and training
- threat and risk assessments

## Data protection

Eika Boligkreditt processes large volumes of personal data and is subject to the relevant regulations. Requirements for such processing are defined in Norway's Personal Data Act, which implements the EU's General Data Protection Regulation (GDPR). The company has developed guidelines for processing personal data which ensure compliance with the overall parameters in this area. Furthermore, a number of operative routines have been drawn up to ensure compliance with the overall guidelines during the day-to-day work.

The processing of personal data is defined in the GDPR as "any information that relates to an identified or identifiable natural person." This includes, for example, the gathering, recording, collation, storage and transfer of such data, or any combination thereof. The company is required to document how it processes data and the assessments made in relation to this. Company managers are responsible for ensuring that their employees have sufficient knowledge of the regulations and that the guidelines are complied with.

In 2023, a total of one data privacy non-conformance was recorded, the same as in 2022. The incident related to end-of-year reports. No cases were reported to the Norwegian Data Protection Authority in 2023. The Authority imposed no data protection-related orders or sanctions on Eika Boligkreditt.

Eika Boligkreditt's customers have the right to access their personal data held by the company. A specific routine has been developed for access to personal information stored about an individual. The

routine for enquiries from the data subject is intended to ensure that the company complies with its duty to provide information under the individual's right of access pursuant to the Personal Data Act, and in particular that their personal data is protected against unauthorised access. Eika Boligkreditt's website contains information about data protection, including its data privacy policy, and contact details concerning enquiries by the data subject.

### Green bond framework

Eika Boligkreditt introduced a green bond framework on 4 February 2021. ING Bank was used as an adviser for the framework, ISS ESG conducted a third-party assessment, and Multiconsult has been the adviser for the climate-footprint analyses of the mortgage collateral in the cover pool subject to the framework's reporting requirements.

The purpose of the framework is to finance the most energy-efficient mortgage collateral in the cover pool through the issue of green bonds. Identification of the most energy-efficient mortgage collateral is based on the following criteria:

1. Newer residential units
  - a. Flats built in accordance with the technical building regulations applicable from 2010 (TEC 10) and 2017 (TEC 17).
  - b. Houses built in accordance with the TEC applicable from 2007 (TEC 07), 2010 (TEC 10) and 2017 (TEC 17). For mortgages entered in the cover pool in 2022, the requirements were tightened to a demand for TEC 10 and TEC 17 for houses as well.
2. Older residential units, built before TEC 10 for flats and TEC 07 for houses, with energy classes A, B or C for mortgages entered in the cover pool before 31 December 2020. The requirements

have been tightened to energy class A or B for mortgages entered in the cover pool in 2021 or later.

3. Older residential units, built before TEC 10 for flats and for houses, with energy class C or D, which show:
  - a. a minimum improvement of two points on their energy class compared the TEC specification for their year of construction
  - b. a minimum improvement of 30 per cent in their calculated energy requirement compared with the specified TEC class for their year of construction.

The tightening of the criteria implemented in 2021 and 2022 reflected the need to ensure that the mortgage collateral for new loans approved/transferred to Eika Boligkreditt which qualify pursuant to the first two criteria are among the 15 per cent most energy-efficient residential units in Norway. There was no need for any further tightening of the criteria in 2023. Eika Boligkreditt has identified just over 8 750 residential mortgages totalling NOK 21.6 billion which meet these criteria. 23.4 per cent of the residential mortgages added to the cover pool in 2023 met the criteria set for energy-efficient residential units. The company has established a strategic target that more than 20 per cent of new residential mortgages will finance energy-efficient residential units.

Clarification of the national definition for a near-zero emission building was provided by the Norwegian government on 31 January 2023. The EU taxonomy distinguishes between requirements for existing (year of construction 2020 or earlier) and new (year of construction 2021 and later) buildings under the environmental goal of limiting GHG emissions. Where new buildings are concerned, the requirement in the EU taxonomy is an energy efficiency



corresponding to near-zero-emission buildings minus 10 per cent. Eika Boligkreditt will begin the process of updating its green-bond framework in the second quarter of 2024 in order to distinguish between requirements for new and existing buildings in the framework, and expects to have completed this work by 30 June.

Eika Boligkreditt has issued its first two bonds within the green bond framework. 52 per cent of the green assets in the company's cover pool have been financed via these two bonds. The green bond framework builds on a portfolio principle, which states that the company must have more green assets in its balance sheet than bonds issued under the framework. The last time Eika Boligkreditt issued a bond under the green bond framework was on 14 September 2022.

## Responsible investment

At any given time, Eika Boligkreditt has a substantial portfolio of liquid investments held as part of the requirements it is subject to as a credit institution.

These holdings largely comprise bonds issued by states, banks, financial institutions, local authorities and county councils, in addition to repurchase agreements and deposits in banks with a minimum A-/A3 rating.

Eika Boligkreditt has chosen not to invest in enterprises which the Council on Ethics for the Norwegian Government Pension Fund Global (GPF) has placed on its list of excluded companies. The latter fall into the following categories:

- serious violations of human rights
- severe environmental damage
- serious violations of the rights of individuals in war or conflict
- gross corruption
- other serious breaches of fundamental ethical norms
- unacceptable GHG emissions
- cluster weapons
- nuclear weapons
- anti-personnel mines
- tobacco production
- sale of military materials to certain states

More information on companies excluded can be found here: [www.nbim.no/en/the-fund/responsible-investment](http://www.nbim.no/en/the-fund/responsible-investment).

Eika Boligkreditt has also chosen to extend its exclusion list to include all companies in the following industries and sub-industries specified by the global industry classification standard (GICS).

- **Coal** – fossil fuels are significant contributors to adverse climate impacts. Coal-based electricity generation makes a negative contribution to the climate as well as being associated with uncertainties over working conditions and safety in many parts of the world. The company also distances itself from the establishment of new coal mines.
- **Tobacco** – globally, tobacco kills more than 7 million people a year (NHI.no). In addition, it imposes huge health costs and lost production revenues.
- **Gambling** – some people suffer serious problems from an addiction to gambling, which often affects families and children. A large, unregulated and highly opaque gambling market exists internationally. In addition, casino and gambling activities pose a high risk of criminal behaviour, such as money laundering and bribery.
- **Arms production** – armed conflicts are a constant threat in large parts of the world. The arms trade also gives rise to corruption and serious human rights abuses. Eika Boligkreditt will actively disassociate itself from all companies involved in producing, trading and/or maintaining nuclear, biological or chemical weapons, cluster munitions or anti-personnel mines. The same applies to producing, trading and/or maintaining important components for such weapons. Exporting arms to areas where human rights are violated is unacceptable. Nor must profits be made from arms sales at the expense of the primary needs of the inhabitants.

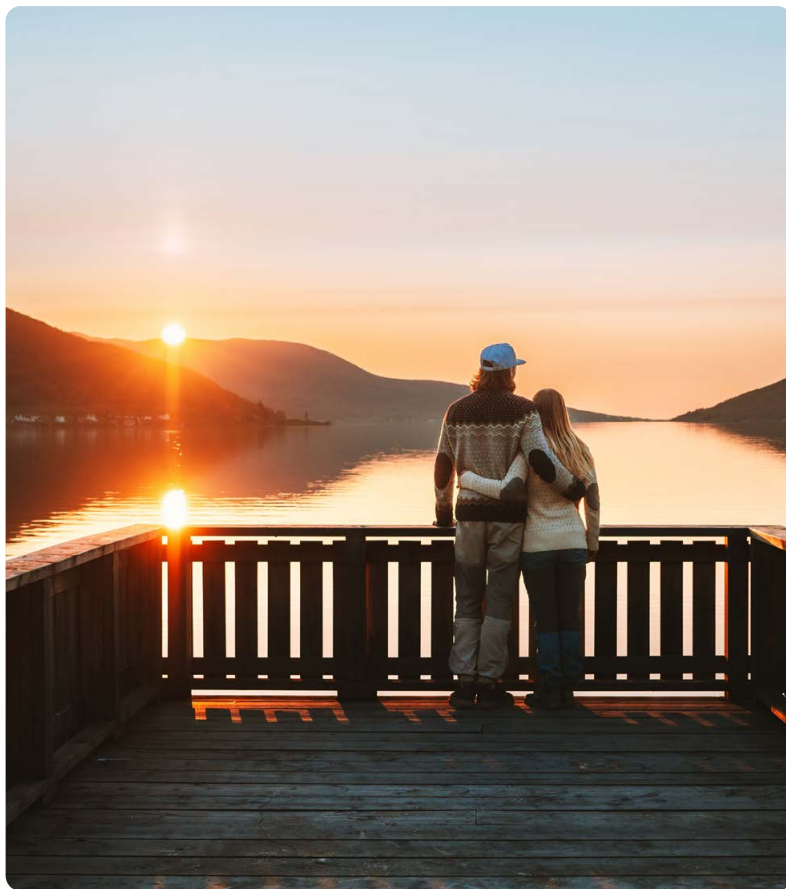
Fund management in Eika is pursued under the vision “So we don’t invest in just anything”. Daily efforts are made to promote sustainability in funds and saving products. This work reflects a long-term strategy and investment philosophy anchored in the UN PRI.

The main purpose of the strategy is to reduce sustainability-related risk in the savings products. It will also ensure that the funds invest in companies which operate responsibly, and which Eika believes to offer the best basis for providing a good long-term return for its customers. This also means that Eika does not contribute to financing companies which breach important and basic sustainability principles.

Eika Kapitalforvaltning signed the UN PRI in 2021. Together with existing ESG guidelines, this provides a solid foundation and a clear ambition and direction for its sustainability work. Signing the UN PRI commits the company to integrate ESG at all levels in managing and reporting Eika Kapitalforvaltning’s activities, and to implement ESG in the savings and investment products Eika manages. The companies in which the companies invest must also provide satisfactory ESG reports. Eika must also be an active owner and collaborate with other investors to promote responsible investments.

Eika Kapitalforvaltning’s ESG guidelines contain more detailed requirements with respect to the companies and business sectors in which it is permitted to invest. This ensures consistency in the requirements set for the various companies in different markets, and documents that Eika is actually doing what it claims to do. The ESG strategy ensures clearer communication concerning ESG





in Eika's funds and buttresses the goal that the company's funds will, over time, be competitive with respect to ESG, compared with equivalent funds and purely environmental funds. In 2023, 98.5 per cent of Eika Kapitalforvaltning's investments in shares had in-depth ESG data. In 2022, this figure was 97 per cent. The carbon footprint

for share investments, measured in tonnes of CO<sub>2</sub> per million USD invested, came to 92.1 in 2023, down from 132.3 in 2022. This corresponds to a decrease of just over 30 per cent.

An ESG policy has been drawn up for the liquidity portfolio owned by the alliance banks. This policy is endorsed by 86 per cent of the banks.

Eika Kapitalforvaltning shares information with Eika Boligkreditt about companies and issuers which it has excluded and which do not figure in the list of companies excluded by the GPF. Eika Boligkreditt also excludes these companies from the management of its liquidity portfolio.

Also excluded via Eika Kapitalforvaltning's investment process are companies that:

- do not commit to complying with the following international norms and standards:
  - UN Global Compact (UNGC)
  - UN Guiding Principles on Business and Human Rights (UNGPs)
  - OECD Guidelines for Multinational Enterprises
- have a substantial ESG risk, as classified by Sustainalytics
- have a high or very high carbon footprint, as classified by Sustainalytics
- have been excluded by three other major Norwegian fund managers. This may be a requirement for the distribution of Eika funds through the associated group's pension savings platform.

More on the guidelines for ethical investment may be found at <https://www.eika.no/spare/ansvarlige-investeringer>.

## Responsible credit

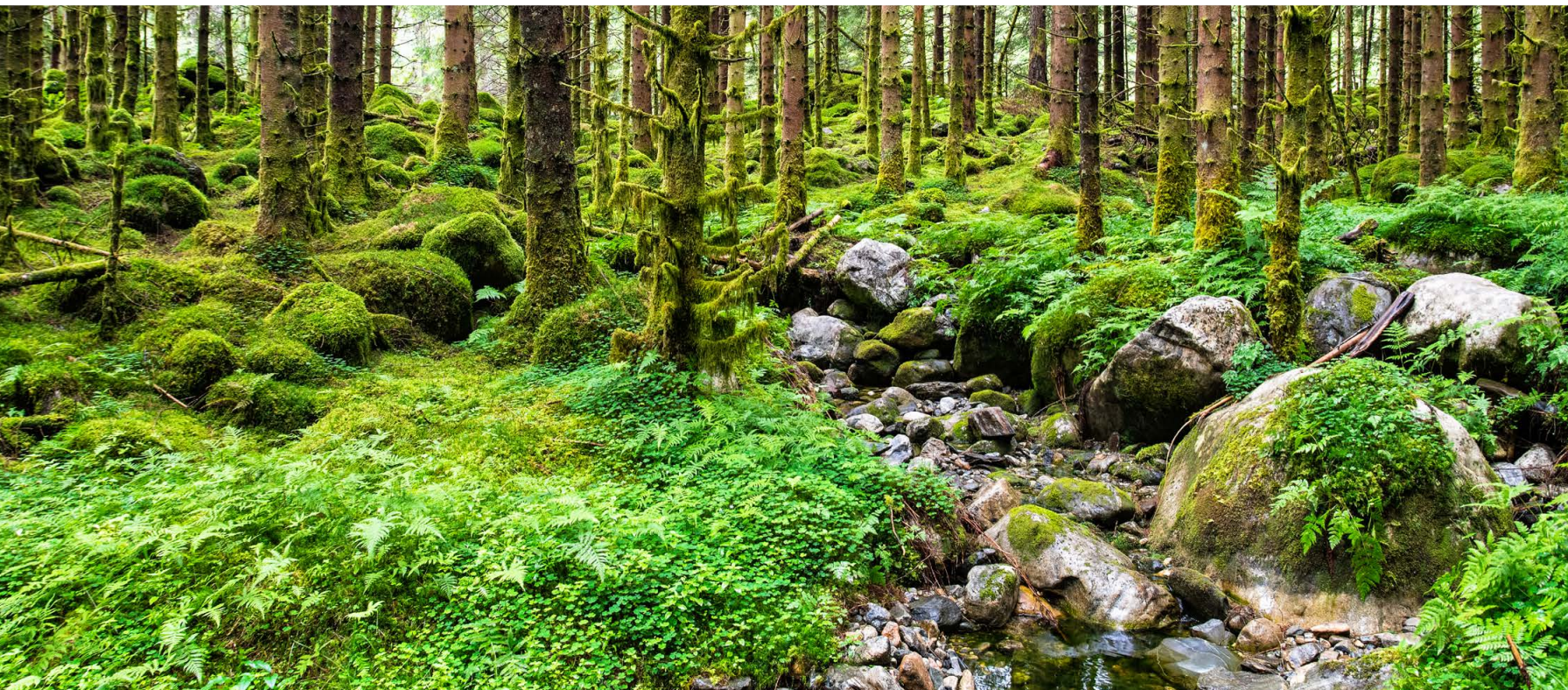
Eika Boligkreditt aims to be a responsible creditor and help the local banks adequately fulfil their role as caring advisers for their customers. Responsible credit granting is important to prevent borrowers assuming greater liabilities than they can service, and to help the local banks support the energy transition by providing their clients with information about sustainability and competitive solutions. Eika Boligkreditt provides residential mortgages to private individuals and mortgages to housing cooperatives. However, its approach to the two customer groups is slightly different.

The fundamental principle of sustainable mortgage lending in the private market is further established in the local banks' sustainable lending strategies and their credit policies with respect to private customers. These requirements are operationalised through Eika Boligkreditt's credit strategy, which describes specific requirements relating to AML, the black economy, loan-to-value (LTV) ratio and the customer's risk classification. In this way, the local banks – in partnership with Eika Boligkreditt – help ensure that customers do not take on more debt than they are able to bear.

The local banks also advise customers not to take out loans for certain purposes. This applies, for example, if the customer wishes to borrow money to send to a person or persons unknown, to trigger payment of lottery prizes and inheritances, or other typical scamming methods.

## Non-performing engagements

Pursuant to IFRS 9, provision for losses must be recognised on the basis of the expected credit loss indicated by relevant information



available at the reporting date. The retail market is less exposed to losses on lending than other sectors. The company's lending is confined to residential mortgages with a generally low LTV ratio, and is therefore less exposed to loss.

The company had no engagements overdue by more than 90 days at 31 December 2023. In September 2016, the European Banking Authority (EBA) published new recommendations for the

definition of default. These have been applicable since 1 January 2021. Previously, the general rule had been that engagements are regarded as non-performing if payment of a claim is overdue by more than 90 days and the amount is not insignificant. Pursuant to the new EBA recommendation, the company is required to carry out various supplementary evaluations related to the probability of default. This evaluation must take account of the client's overall indebtedness, possible infection between agreements with the

same debtor, the level of materiality thresholds and the duration of quarantine after being declared healthy.

Loss in the accounts is calculated on the basis of the loss model pursuant to IFRS 9. Non-performing engagements are presented in step 3, where an individual impairment is to be carried out per customer without the use of models. Credit guarantees provided by the owner banks, in combination with the low LTV ratio in the cover pool, reduce the provision for loss. The company has calculated an expected loss on residential mortgages of NOK 4.4 million at 31 December 2023, compared with NOK 2.1 million at 31 December 2022. The calculation rests on new expectations relating to developments in residential property prices going forward. As a result of credit guarantees from the owner banks, amounting to NOK 1.8 billion at 31 December 2023, the company recognised no accounting loss in the fourth quarter 2023.

On the basis of this new standard for assessing non-performance, non-performing engagements at 31 December 2023 have been set at NOK 16.5 million, equivalent to 0.02 per cent of gross lending.

### **Green residential mortgages**

The Norwegian banking market is highly competitive. If the banks are to win the competition for customers, Eika Boligkreditt must offer competitive products that encourage their customers to behave in a climate- and environment-friendly way. Eika Boligkreditt offers green residential mortgages. This product will be continuously developed to ensure it is always relevant in the market. To qualify for our green residential mortgages, the property in question must meet the following requirements: energy class A or B. We

offer green residential mortgages in connection with the purchase or construction of environment-friendly homes. At 31 December 2023, Eika Boligkreditt's cover pool contained 665 green residential mortgages for a total of NOK 2.13 billion. Green residential mortgages for the upgrading of existing homes to a higher environmental standard, as well as for environment-friendly initiatives resulting in a reduction in energy consumption of at least 30 per cent were launched in the first quarter of 2021, are also included in the above-mentioned figure.

### Standardisation 2.0

In December 2020, Eika Gruppen AS signed an agreement with Tietoevry for the delivery of a new core banking system. The agreement was entered into on behalf of the Eika Alliance, with the exception of the banks in the Local Bank Alliance and Surnedal Sparebank, which were already in the process of leaving the alliance. The agreement with Tietoevry is expected to save the banks in the Eika Alliance considerable sums compared with the previous agreement. The agreement has a term of five years, with an option to extend. The agreement strengthens the alliance banks' long-term competitiveness through substantial cost savings, enhanced development capacity and increased strategic flexibility. Following their migration to the new system, the banks now have a future-oriented IT platform that meets the customers' constantly rising expectations with respect to digital solutions and services. The first banks were converted to the new core banking system in September 2022. The last group was converted on 21 October 2023. The residential mortgages in Eika Boligkreditt's cover pool were converted in parallel with the individual bank's conversion from SDC to Tietoevry.

### Shared credit handbook

The banks in the Eika Alliance have established a shared credit handbook, whose purpose is to reduce the volume of work and the risk of the individual bank not being sufficiently up to date with respect to compliance with laws and regulations. Work on the shared credit handbook was underway during large parts of 2022. It was published and adopted by the banks and Eika Boligkreditt in mid-February 2023. The credit handbook is updated regularly and as needed, most recently in the fourth quarter of 2023.

### Norwegian Lending Regulation

Both the banks and Eika Boligkreditt are subject to the Norwegian Lending Regulation and follow up their compliance with it. The Lending Regulation's main requirements are:

- **Debt servicing capacity** – the lender must calculate the borrower's ability to service the debt, based on their income and all relevant expenses, including interest and loan principal repayments, and normal living expenses. In assessing the mortgagor's ability to service the mortgage, the mortgagee must allow for an increase of a minimum of three percentage points from the relevant interest rate. The mortgagor's payable interest rate and the increase in the interest rate included in the calculation cannot be less than 7 per cent.
- **Debt-to-asset ratio** – total debt must not exceed five times the mortgagor's annual income.
- **Loan-to-value ratio** – on the date granted, mortgages may not exceed 85 per cent of a reasonable valuation of the residence concerned.
- **Instalments** – where a mortgage exceeds 60 per cent of the value of the mortgaged residence, the mortgagee must require an annual repayment of at least 2.5 per cent of the mortgage principal.

The flexibility quota allows a mortgagee to grant mortgages which fall short of the requirements in the Norwegian Lending Regulation for up to 10 per cent of the total mortgages it grants per quarter outside Oslo, and 8 per cent in Oslo. This is followed up and reported at an aggregated level, which means the reporting must cover both mortgages carried on the bank's balance sheet and those which are placed with Eika Boligkreditt.

### The Eika School

The alliance has its own Eika School, which is a service for all employees at member banks. Over many years, the Eika School has built up a course programme for bank employees and managers, with a strong focus on active customer care. At the same time, through relevant and targeted tuition, in partnership with the banks and the product companies, students are provided with training that supports Eika's vision as well as broader, sector-wide requirements. The Eika School both produces itself and purchases from third parties training courses relevant for alliance employees. The Eika School offers courses in leadership, anti-money laundering, data privacy and IT security.

### Customer complaints

As a general rule, Eika Boligkreditt is not in direct contact with the end customer. By agreement, the bank is the intermediary between Eika Boligkreditt and the customer and thereby the point of contact for the latter. If a customer of the bank wants to make a complaint about aspects of a mortgage held by Eika Boligkreditt, they must do so in writing to the bank. If requested, the bank is required to give the customer information in writing about its complaint handling procedures, including details about how to complain.



A complaint received by the distributor bank which concerns Eika Boligkreditt must be forwarded in writing to the latter. If the customer has completed the complaint form made available by the individual bank, this is passed on in its entirety to Eika Boligkreditt. The complaint must include the grounds for making it and other possible details relevant to the case.

Eika Boligkreditt has well-established complaints procedures, which are readily accessible to customers. All cases are dealt with by dedicated complaints staff. The banks also conduct quarterly reviews of lessons learnt from complaints in their own internal complaints committees. These assess the need to change policies, routines, marketing and products.

The management system for the product areas is evaluated annually, on the basis of complaints and incidents over the preceding year. One customer complaint was received in 2023. The last customer complaint prior to 2023 was received in 2016.

#### **Loan-to-value (LTV) ratio**

As a general rule, loans must be secured with a first preferred mortgage on the main mortgaged property. To the extent that a second preferred mortgage is involved, the sum of the first and second preferred mortgages must not exceed 75 per cent of the mortgaged property's value for residential properties and 50 per cent for holiday homes. At 31 December 2023, the average LTV ratio in the cover pool was 54.6 per cent.

#### **Residence in Norway**

The company's credit manual specifies that, as a general rule, all mortgagors in Eika Boligkreditt must be private customers, but mortgage finance can also be extended in exceptional circumstances to housing cooperatives. A further condition is that lending must be for residential mortgages, and must therefore be defined separately from commercial finance. Where private mortgagors are concerned, a fundamental requirement is that the mortgage sought can be serviced from income which does not derive from the mortgaged property.

Pursuant to Norwegian law, the mortgagor(s) must be an adult and legally competent at the origination of the mortgage. This means that a mortgagor cannot be under 18 years of age (a minor) or placed under legal guardianship (see section 1 of the Norwegian Guardianship Act). No absolute upper age limit has been set for mortgagors. Mortgagors must also be permanently resident in Norway.

#### **Mortgages for housing cooperatives**

Eika Boligkreditt also finances mortgages for housing cooperatives, but these differ in certain respects from ordinary residential mortgages for private individuals. That includes the possibility of a somewhat higher risk concentration. As one of the few issuers of covered bonds offering this type of financing, Eika Boligkreditt has therefore chosen to maintain strict standards related to a good financial position, many residential units and a very low LTV ratio. At 31 December 2023, the average LTV ratio for this type of mortgage in Eika Boligkreditt was 32.6 per cent.

#### **Green homes**

Eika Boligkreditt has carried out an analysis of its cover pool which specifies three criteria for classifying the mortgaged property as one of the 15 per cent of residential units in Norway defined as energy-efficient – popularly known as “green homes”. These criteria are based on building standards, energy certificates and refurbishments which provide a minimum 30 per cent improvement in the unit's energy efficiency. This accords with the principles enshrined in the Climate Bond Initiative, an international scheme with the sole purpose of promoting a rapid transition to a low-carbon and climate-robust economy through the role which the bond market can play. Based on this analysis, there were 8 759 green residential

units at 31 December 2023 (8 442 at 31 December 2022), as well as 47 green housing cooperatives, out of a total of 52 721 residential units and 231 housing cooperatives in the cover pool. When analysing the climate footprint of the residential mortgage business, account has been taken of the company's LTV ratio in each residence. This provides a more accurate picture of the company's climate footprint and the improvement in energy efficiency. Eika Boligkreditt's overall portfolio had an estimated annual energy requirement of 930 gigawatt-hours (GWh) in 2023 (2022: 973 GWh). The average requirement for the mortgage-financed share of the green residential units was 114 kilowatt-hours per square metre (2022: 116 kWh/sq.m), 54 per cent lower than the average for Norwegian residential units. The mortgage-financed share of the green residential units in the cover pool reduced the carbon footprint of the residential units financed through mortgages from Eika Boligkreditt by 9 600 tonnes of CO<sub>2</sub> per annum (2022: 8 900 t/CO<sub>2</sub>) compared with the figure if these homes had an energy efficiency corresponding to the Norwegian average. [Click here](#) to access the full analysis.

Eika Boligkreditt has performed this analysis primarily because measuring the status of the climate footprint for the assets financed by its mortgages represents a first step towards fulfilling an ambition to reduce this footprint for residential units financed by the company over time. The analysis results will provide input to processes under way in the Eika Alliance with the aim of incorporating climate risk and climate footprint in its credit processes. A secondary motive for such an analysis is to provide a key element in a green framework which the company can use for issuing green bonds.



### **Measuring climate footprint and risk associated with the residences in the cover pool**

In 2020, Eika Boligkreditt started working to establish an internal measurement and reporting regime for continuous monitoring of developments both in the climate footprint mentioned above and in the physical climate risk facing residences in the cover pool. The climate footprint of homes in the cover pool is calculated using the method set out in Finance Norway: Guidelines for Calculating

Financed Emissions . The guide has been prepared by Finance Norway's central administration in partnership with a number of the organisation's members. The purpose of the guide is to help standardise the way in which Norwegian financial institutions calculate their financed greenhouse gas emissions.

Eika Boligkreditt utilises energy and climate risk data supplied by Eiendomsverdi in its analyses. Every quarter, the residential

mortgage portfolio is run against Eiendomsverdi's registers to obtain updated market values for the residences as well as data on such variables as energy class, area, TEC standard and selected environmental factors per residence. Climate risk data provided by Eiendomsverdi are, in turn, sourced from the Norwegian Mapping Authority, the Norwegian Water Resources and Energy Directorate (NVE) and the Norwegian Geotechnical Institute (NGI).

As mentioned in the previous section, both the total climate footprint and the energy saving made by green homes in the portfolio are estimated on the basis of Eika Boligkreditt's LTV share in the residence. If the company finances 50 per cent of the LTV in a residence, for example, its climate footprint is estimated as half of that residence's total footprint. This method is also used to estimate the energy saving from green homes. This method reflects a desire to highlight the marginal climate footprint and energy saving contributed by each mortgage krone covered through Eika Boligkreditt.

The company also works actively to map the physical climate risk posed by the mortgage collateral in its cover pool. This work aims initially to identify which residences are vulnerable to damage today and in the future as a result of natural disasters such as floods, landslides and extreme weather events.

Hazard maps are prepared by the Norwegian Water Resources and Energy Directorate (NVE) for quick clay, flooding and landslides in steep terrain, and by the Norwegian Mapping Authority for storm surges (sea levels). The table below breaks down the overall loan value of the mortgage collateral in Eika Boligkreditt's residential mortgage portfolio by the various hazard zone categories.

**Physical climate risk**

(Figures in NOK million)		2023	Accumulated
Flood zone		2 009	2 009
Flood zone	20 years	195	195
Flood zone	50 years	196	391
Flood zone	100 years	172	563
Flood zone	200 years	584	1 147
Flood zone	500 years	182	1 330
Flood zone	1000 years	679	2 009
Sea level		779	779
Storm surge	20 years	434	434
Storm surge	200 years	239	673
Storm surge	1000 years	106	779
Landslide		456	456
Mountain hazard zone	100 years	10	10
Mountain hazard zone	1000 years	163	173
Mountain hazard zone	5000 years	283	456
Quick clay		2 469	2 469
Hazard level high		163	163
Hazard level medium		1 075	1 238
Hazard level low		1 231	2 469

Where a year is stated in the hazard zone maps, it denotes how often the risk concerned is expected to materialise and affect buildings in this zone. As demonstrated in the overview above, the collateral in the company's portfolio has a relatively low exposure to climate-related risks with the highest probability factor.

In areas where climate change is expected to lead to water levels rising by more than 20 per cent, flood zones corresponding to a 200-year flood in 2100 are drawn up. The company's exposure

rises by NOK 125 million (from NOK 584 million to NOK 709 million), an increase of some 20 per cent. Similar calculations are made for storm surge hazard zones in 2050 and 2090. Exposure to a 200-year storm surge in 2090 is calculated at NOK 170 million, which corresponds to an almost 70 per cent increase compared with the same storm surge risk today.

Damage from natural perils covered by the Norwegian Natural Perils Pool is distributed pro rata between the member insurance companies in accordance with their market share. In this way, individual insurance companies are heavily impacted by natural disasters. However, this arrangement also prevents premiums being differentiated by the risk posed to real property. The Norwegian Natural Perils Pool was established by the government in 1979. It covers damage to real property as a result of storms, floods, landslides, storm surges, earthquakes and volcanic eruptions. The insurance companies settle claims between themselves through the scheme, while insurance customers deal exclusively with their own insurance provider. Rapid rain bursts have become more common in recent years and are not covered by the Norwegian Natural Perils Pool. According to a report on the climate published by Finance Norway in March 2022, rapid rain bursts have cost almost as much as the damage covered by the Norwegian Natural Perils Pool over the past decade. In the period 2013–2022, compensation for damage caused by natural and weather events totalled NOK 30.3 billion, CPI-adjusted for buildings and contents. Damage resulting directly from rapid rain bursts is differentiated by price. For example, insurance premiums are higher for houses with flat roofs than for those with pitched roofs. This is because flat-roofed houses suffer more water damage. If

torrential rain causes rivers to break their banks, claims arising from such flooding will be settled through the Norwegian Natural Perils Pool.

The Norwegian Mortgagee Guarantee Pool is a collaboration in the insurance sector which aims to safeguard mortgagees (financial or residential mortgage institutions) if a mortgagor has failed to secure the insurance they are required to hold. The guarantee replaces insurance certificates for real property with a normal sales value of NOK 12 million or below, and provides the mortgagee with compensation even if the mortgagor has neglected to secure or maintain insurance. This scheme evens out that risk between the insurance companies. Most companies offering fire insurance are pool members. Eika Forsikring has been a member since 1 January 2000.

A precondition in Eika Boligkreditt's mortgage terms is that the mortgaged object is insured. As a consequence of the insurance pools described above, the general rule is that the financial risk associated with natural perils falls on the insurance sector and that proactive risk management related to physical climate risk for real property should be pursued by the insurance companies rather than by the mortgagee. The exception will be claims made on mortgage collateral where no insurance is in place and which is not covered by the mortgagee guarantee pool. No cases in Eika Boligkreditt have led to identified loss. The company wants the residual physical risk in its residential mortgage portfolio to be low, and feels this has been achieved through a requirement in the mortgage terms on insuring the mortgage object.



### EU taxonomy

Eika Boligkreditt is not yet subject to reporting requirements related to the EU taxonomy. The company will, however, be obliged to comply with the CSRD for the 2025 reporting year. Residential mortgages account for 81.2 per cent of the company's total assets. These loans will be covered by the taxonomy regulations (taxonomy eligible). Other assets subject to the taxonomy regulations are the company's derivatives and substitute assets (excluding exposures to central governments and supranational issuers), which account for 3 and 12.5 per cent of total assets. In order for the company's

residential mortgages to be classified as "green" (taxonomy aligned), the property concerned must meet one of two criteria:

- Homes built in or before 2021 must meet the requirement for near-zero-emission buildings, less 10 per cent.
- Homes built after 2021 must be among the 15 per cent most energy efficient homes in Norway. These may be homes built in accordance with TEK10 and TEK17 (built in or before 2012), and homes with an energy rating that falls within the top 15 per cent most energy efficient homes in Norway.

At 31 December 2023, 17.8 per cent of the company's loan portfolio could be categorised as sustainable residential mortgages (taxonomy aligned).

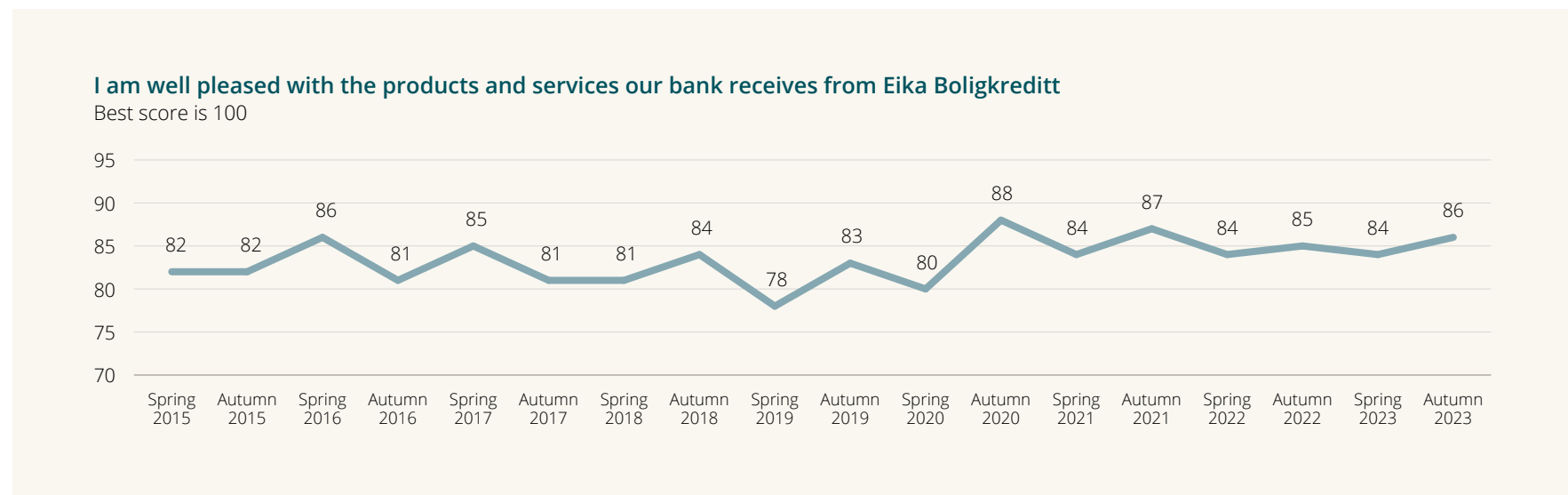
### Eika Boligkreditt as a supplier

The company has a clear goal of being predictable and providing a high level of transparency with regard to the processes and changes which occur within the applicable parameters. This is achieved in part through good and clear communication and through placing the needs and risk exposure of the banks at centre stage. A high level of availability and good correspondence between promise and performance are also crucial factors. Eika Boligkreditt works actively to maintain a high score in the annual alliance survey, which measures the satisfaction of the owner banks with the company's deliveries in terms of product and service quality.

Measures are given priority where areas for improvement have been identified. Eika Boligkreditt's ambitious goal for overall satisfaction by the owner banks is a score of 80 points or more out of 100. The most recent assessment, carried out in the autumn of 2023, gave the company a score of 86 points.

### Financial crime

Eika Boligkreditt regards combating financial crime as an important part of its CSR. The purpose of this work in financial institutions is to protect the integrity and stability of the international financial system, undermine the funding of terrorism, and make it harder for criminals to benefit from their crimes. As a credit institution, Eika Boligkreditt has a statutory reporting obligation pursuant to the AML regulations and is also subject to the statutory regulations



relating to economic and other sanctions. In its collaboration agreement with the owner banks, the company has outsourced the implementation of customer measures and associated services related to the AML and sanctions regulations in order to ensure that its obligations pursuant to these regulations are discharged by the owner banks as distributors. Eika Boligkreditt has established policies to combat money laundering and the funding of terrorism as well as internal routines for continuous follow-up of customer relationships and transactions in order to identify possible suspicious transactions pursuant to the AML regulations. The company has established electronic monitoring which regularly provides notification of suspicious transactions. These are then followed up, initially with the relevant bank, and if necessary reported to the National Authority for Investigation and Prosecution

of Economic and Environmental Crime in Norway (Økokrim). No cases were reported to Økokrim in 2023. Eika Boligkreditt has appointed its own money laundering officer, who has special responsibility for following up the AML and sanctions regulations.

### Employees, equal opportunities and diversity

Eika Boligkreditt had 19 permanent, full-time employees at 31 December 2023. In addition, the company has an agreement with Eika Gruppen to purchase services in a number of areas. Eika Boligkreditt's mortgage customers are primarily serviced by the owner banks. The working environment is regarded as good, and no personal injuries or occupational accidents were recorded in the workplace during 2023.



The Eika Alliance has a common digital learning platform (learning management system – LMS), which makes courses and training programmes available to employees. Its own curricula and the finance industry's certification schemes form the basis for the alliance's goals on and responsibility for developing employee competence. Together with good adviser practice, the industry's procedures and rules as well as the bank's personnel manual form the basis for policies, guidelines and commitments.

The Eika Alliance belongs to the certification scheme for financial advisers, which requires the use of specific programmes for employee development.

Performance and development reviews, as well as competence surveys are important instruments for ensuring employee follow-up and professional development. The company's personnel manual specifies that all employees will discuss their development and performance with their immediate superior twice a year.

Eika Boligkreditt makes active efforts to maintain a good internal working environment and to ensure that employee rights are safeguarded. This is achieved through extensive cross-departmental work and information flow where appropriate. An employee satisfaction survey (MTU) is also conducted annually. This year, the company engaged a new service provider to conduct the survey, which measures performance in 12 different areas. The average score in 2023 was 83, with sub-sector scores ranging from 78 to 91. Survey scores have been very high, and the findings are reviewed and evaluated with a view to further improvements.



In order to be an attractive employer, Eika Boligkreditt offers or covers the cost of a number of benefits over and above those required by law:

- The company covers the difference between full pay and benefits paid by the Norwegian Labour and Welfare Administration (NAV) while on parental leave.
- The company practises flexible working hours.
- Employees are covered by employer's liability, health and travel insurance paid by the company.
- The company belongs to the AFP early retirement scheme.

Overall sickness absence including long-term sick leave in 2023 amounted to 5.1 per cent of total hours worked. Eika Boligkreditt aims to be a workplace which:

- is forward-looking and development-oriented.
- contributes to resolving important social challenges.
- contributes to higher participation in work.
- increases value creation and provides a competitive working environment.
- reflects the expectations of the market and society, and is open to new business opportunities.



This means the company wants to work actively, purposefully and in a planned manner to promote equal opportunities and prevent discrimination, regardless of gender, pregnancy, paternity or adoption leave, carer responsibilities, ethnicity, religion, beliefs, disabilities or medical conditions, union membership, social background, age, political affiliation or sexual orientation. The company's policy includes regulations on equal opportunities which aim to prevent discriminatory treatment in such areas as pay, promotion and recruitment.

Average female pay as a percentage of the male average is as follows:

<b>All employees</b>	
Women	56%
<b>Specialists and support functions</b>	
Women	86%

Women earn on average 56 per cent of the average salary paid to men in the company. The sub-category "specialists and support functions" comprises 14 full-time equivalents, of whom four are women. Here, women earn on average 86 per cent of the average salary paid to their male counterparts. The remaining five employees are members of the company's executive management team (five men). Lower average pay for women in the company reflects differences in length of service and level of responsibility. The company also has relatively few employees, which may produce substantial variations in average pay for each group.

Eika Boligkreditt has concluded a company-specific agreement in addition to the main agreement and the central agreement

negotiated between Finance Norway and the Finance Sector Union of Norway. The company agreement covers all employees except the CEO and other senior executives. 10.5 per cent of the company's employees are members of the Finance Sector Union of Norway. Most of the company's senior executives are men (five men and no women). Among specialists and support functions, there are 10 men and four women. As described above, Eika Boligkreditt wants to work for equality and diversity. Its specialised mandate on behalf of the owner banks requires leading-edge expertise. Most of the company's employees therefore have higher education, and qualifications corresponding to a master's degree are sought when recruiting staff.

Because it also has relatively few directly-employed personnel, Eika Boligkreditt has chosen the following KPIs in relation to equality and diversity – a female share of the company workforce of  $\geq 30$  per cent in the short term and  $\geq 40$  per cent in the long term, a female share of directors of 33.33 per cent and an ambition of internal promotion to senior positions where qualitative assessments are made.

One internal promotion was made in 2023. At the end of the year, women accounted for 21.1 per cent of the workforce and 33.33 per cent of the board. All other things being equal, it would be desirable to increase these proportions when making new appointments and when electing new directors. This could help to increase the share of women in the company's management, control bodies and board sub-committees. By the end of 2024, Eika Boligkreditt will be subject to new legal provisions relating to the gender balance in its board of directors, which will also impact the company's KPIs for the share of women board members.

One new employee was appointed in 2023 and one employee handed in their notice. The age and gender composition was as follows:

<b>Appointments</b>	< 30 years	30-40	41-50	< 50 years
Women	-	-	-	-
Men	1	-	-	-

<b>Resignations</b>	< 30 years	30-40	41-50	< 50 years
Women	-	-	-	-
Men	-	1	-	-

Since one employee handed in their notice in 2023, the staff turnover at Eika Boligkreditt came to 5.3 per cent. Eika Boligkreditt employs 19 full-time equivalents.

The age distribution between women and men by job category breaks down as follows:

<b>Senior executives</b>	< 30 years	30-40	41-50	< 50 years
Women	-	-	-	-
Men	-	-	1	4

<b>Specialists and support functions</b>	< 30 years	30-40	41-50	< 50 years
Women	-	2	-	2
Men	4	5	1	-

<b>Board members</b>	< 30 years	30-40	41-50	< 50 years
Women	-	-	-	2
Men	-	-	-	4

### Ethics and anti-corruption

Along with the rest of the Eika Alliance, Eika Boligkreditt depends on maintaining public trust and a good reputation. A great responsibility accordingly rests both on the company and on the individual employee to act ethically towards customers, owner banks, investors, partners, colleagues and the world at large. The purpose of the ethical guidelines (code of conduct) is to describe the company's ethical standards.

All Eika Boligkreditt's employees must behave and work in compliance with applicable legislation, statutory regulations and internal guidelines. They are all expected to perform their work in an ethical and socially acceptable manner, and in line with the company's core values of being reliable, engaged and brave.

In any given situation, the ethical response is often not entirely clear cut. As a possible guide, the following questions should be answered with an unqualified "yes":

- Would I dislike it if management and my co-workers found out about this?
- Could this in any way undermine trust in Eika Boligkreditt or the alliance were it to be reported in the media?
- Could the action conflict with the interests I am charged with protecting as an employee of Eika Boligkreditt, or be perceived as a benefit I am receiving by virtue of my position?

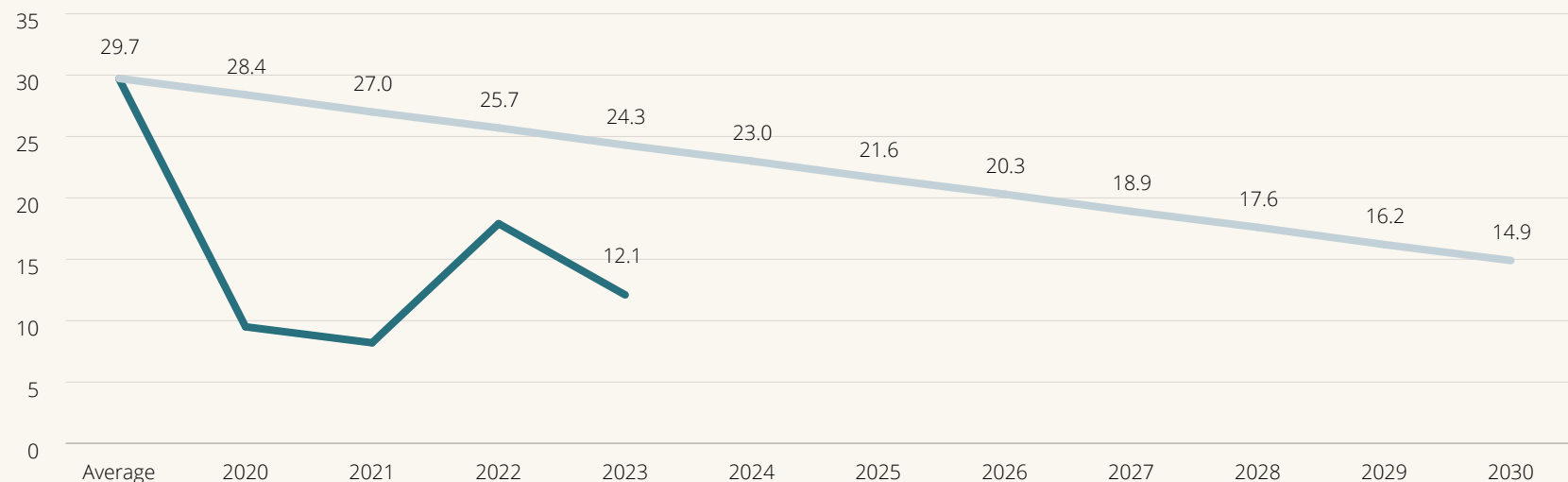
The guidelines regulate such matters as the individual employee's relationship with customers, suppliers, competitors and the world at large. All employees must avoid forming any kind of dependent relationship with customers or business connections, and must be

fully conscious of attempts at corruption or forms of influence-peddling. The ethical guidelines make the company's zero tolerance of corruption clear, and employees must in no circumstances give or receive any form of inappropriate benefit – direct or indirect – through or in connection with Eika Boligkreditt's business operations. All new employees must read the ethical guidelines as part of their induction programme, and ethics are on the agenda at scheduled meetings for these recruits. [Click here](#) to access the guidelines.

In addition to the ethical guidelines, the company has established a separate whistleblowing policy. Eika Boligkreditt believes that openness and good communication in the organisation promote the workplace culture. It therefore wishes to facilitate a corporate culture where censurable conditions and irregularities are reported, discussed and resolved. The whistleblowing procedure, which complies with the requirements of Norway's Working Environment and Transparency Acts, helps to support an open culture where trust and dialogue prevail between employees and managers. This procedure is updated as required to comply with new provisions for notifying irregularities in the business. Its purpose is to reduce the risk of internal wrongdoing and to take care of the employee's right and duty to voice their concerns and blow the whistle on censurable conditions in the workplace. The procedure can therefore help to promote respect for fundamental human rights and decent working conditions in the company. Examples of irregularities which could form the basis for whistleblowing are provided in the procedure. These include improper behaviour, corruption, illegal acts, financial crime, unethical or damaging activity, or breaches of other ethical norms, fundamental human

### Goal annual GHG emissions towards 2030

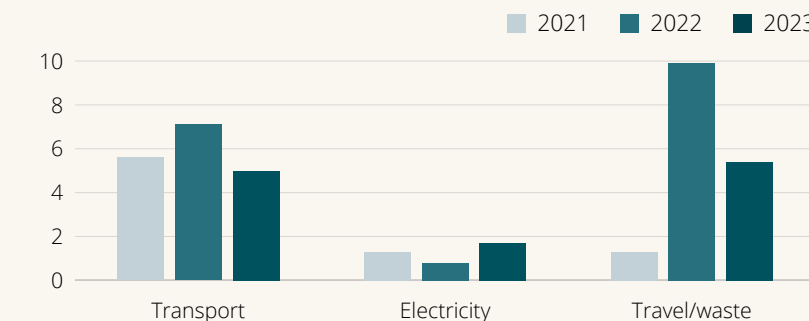
Tonnes of carbon equivalent



### Annual GHG emissions

Tonnes of carbon equivalent

	2021	2022	2023
Transport	5.6	7.1	5.0
Electricity	1.3	0.8	1.7
Travel/waste	1.3	9.9	5.4
<b>Total</b>	<b>8.2</b>	<b>17.9</b>	<b>12.1</b>



rights and decent working conditions. The procedure also makes provision for employees to notify anonymously if they so wish. Eika Boligkreditt received no whistleblowing notifications in 2023. A breakdown of the whistleblowing notifications received in the past three years is presented below.

Notifications received	2021	2022	2023
No.	-	1	-

### Environment- and climate-friendly operation

Eika Boligkreditt wishes to have the smallest possible adverse impact on the natural environment, and entered into an agreement in 2013 with Cemasy.

The latter has developed a dedicated energy and climate accounting (environmental report) for the business. Eika Gruppen, which leases offices to the company, has energy- and heat-saving installations to help limit consumption. Hydropower has also been chosen as the sole energy source, earning the premises a Clean Hydropower certification. The latter contributes to an increased commitment to

environment-friendly energy. All areas also have round-the-clock energy saving through regulation of temperature and lighting.

The owner banks are widely spread geographically, which has been a contributory factor in Eika Boligkreditt's extensive and growing use of video and web conferencing in connection with training and information flow. This not only safeguards the environment but also reduces unnecessary travel time and strain in a busy day.

Eika Boligkreditt has a conscious attitude to the use of paper and electronic templates and documents, as well as to postage costs.

Reducing paper consumption to a necessary minimum is a clear objective.

Overviews of the company's GHG emissions and energy consumption have been prepared for 2021, 2022 and 2023. These analyses are based on direct and indirect usage related to Eika Boligkreditt's activities. The company's total GHG emissions in 2023 are estimated to equal 12.1 tonnes of CO<sub>2</sub> equivalents. This represents a decrease of 32.4 per cent compared with 2022. The change relates primarily to a reduction in business travel. In 2023, the company reported the number of overnight hotel stays for the first time. GHG emissions from previous years (2021 and 2022) have been reduced slightly due to changes in some emission factors in Scope 1 and Scope 2. The board has established a management indicator for the company's overall GHG emissions (Scope 1, Scope 2 and Scope 3 business travel and waste), in which the desired development trajectory represents a 50 per cent reduction in emissions up to 2030 compared with the 2012–2019 average. [Click here](#) to access the full analysis. The company's mortgage-financed emissions were included in the climate accounts for the first time in 2023.

To ensure that the goal for 2030 is reached, the company has specified an annual sub-goal. This was set at 24.3 tonnes of CO<sub>2</sub> equivalents for 2023. The climate footprint provides a general overview of the organisation's GHG emissions, converted into tonnes of CO<sub>2</sub> equivalents, and rests on information sourced from both internal and external systems. This analysis has been conducted in accordance with the GHG Protocol Initiative (GHG Protocol), an international standard developed by the World Resources Institute (WRI) and the World Business Council for



Sustainable Development (WBCSD). It ranks today as the most important standard for measuring GHG emissions from an enterprise. The protocol divides the amounts released into three

main segments or scopes, which include both direct and indirect emissions. Reporting takes account of the following GHGs: CO<sub>2</sub>, CH<sub>4</sub> (methane), N<sub>2</sub>O (nitrous oxide), SF<sub>6</sub>, NF<sub>3</sub>, HFCs and PFCs.



## Responsible procurement

Eika Boligkreditt has established a procurement policy which requires all purchasing agreements entered into to include documented CSR. The policy also covers the purchase of good and services for Eika Boligkreditt. Eika Gruppen has established procurement procedures that also cover purchases made on behalf of Eika Boligkreditt.

The company's procurement must accord with the following general principles:

- Purchases must be environment-friendly and sustainable, and must focus on the product's lifespan and lifecycle, for example with respect to recycling.
- The company must ensure that contracts for the purchase of goods and services are entered into on the best possible terms, and its purchases must be as cost-efficient as possible.
- Eika Boligkreditt must maintain the integrity of its procurement processes in relation to applicable regulations, and primarily make purchases on the basis of competitive tendering.
- Procurement processes must meet requirements for equal treatment, predictability, transparency and verifiability.
- In its procurement processes, Eika Boligkreditt must ensure that no questions can be raised concerning conflicts of interest arising from the relationship between its employees and the supplier company or their personal interests. The company has established a policy for dealing with conflicts of interest.

Eika Boligkreditt's suppliers must comply with national and international legislation and regulations, as well as internationally recognised principles and guidelines. These include provisions

related to human and labour rights, the environment, corruption, AML and the funding of terrorism. They must also see to it that any subcontractors comply with the same principles and rules.

Suppliers must self-certify that they comply with the obligations specified in the guidelines, and have a duty to notify Eika Boligkreditt in the event of actual or suspected breaches of these. Breach of these provisions may be grounds for cancelling the contract concerned. [Click here](#) to access the guidelines.

In 2021, Eika initiated a project to establish a risk assessment methodology for negative social or environmental effects in the value chain. This work formalised ESG requirements for suppliers and their subcontractors, and their follow-up by the contract owner. The project resulted in a new policy document on procurement in the first half of 2022.

Eika Gruppen is both a major supplier to Eika Boligkreditt and the local banks, and responsible for substantial procurements on their behalf. Eika Gruppen secured Eco-Lighthouse certification in 2021, and part of its certification deals with procurement processes and suppliers. As a result of the Eco-Lighthouse certification of Eika Gruppen AS, a substantial proportion of purchases made in the Eika Alliance will be quality-assured to this standard.

Pursuant to the Norwegian Transparency Act, the company is required to conduct due diligence assessments in line with the OECD's Guidelines for Multinational Enterprises in order to safeguard fundamental human rights and decent working conditions in its operations. Due diligence may be described

as a process where a company identifies, prevents, restricts and accounts for its handling of existing and potential negative consequences of its business. Such assessments must be carried out regularly and be proportionate to the undertaking's size and nature, the context in which it operates, and the level of seriousness and probability of negative consequences for fundamental human rights and decent working conditions. As part of the process, Eika Boligkreditt identifies and assesses actual and potential negative consequences for fundamental human rights and decent working conditions which its business has either caused or contributed to, or which are directly related to its business, products or services through the value chain or business partners.

Eika Boligkreditt has a low risk profile, and its business is conducted exclusively in Norway, with strict requirements applied for environmental protection and social rights. The company wishes to contribute to sustainable development of the environment, people and society, which includes taking responsibility for fundamental human rights and decent working conditions being respected in connection with its business. Eika Boligkreditt's suppliers and business associates provide written confirmation that they will comply with its procurement policy. Furthermore, business associates receive a questionnaire when a commercial relationship is established, which is reassessed regularly and ensures that Eika Boligkreditt is able to conduct a detailed survey of the associate's impact. Due diligence assessments by the company have not identified actual negative consequences or significant risk of such outcomes for fundamental human rights and decent working conditions in the business.



The due diligence processes are broadly entrenched in the company, and all managers provide annual confirmation that the requirements of the Transparency Act are met in their area of activity. Overleaf, you can read the company's statement on due diligence, pursuant to the Norwegian Transparency Act.

**Eika Boligkreditt AS'**

# Statement on due diligence pursuant to the Norwegian Transparency Act

**for 1 January–31 December 2023**

## 1. General information about Eika Boligkreditt AS (Eika Boligkreditt)

### a. Organisation

Eika Boligkreditt is a credit institution which was owned by 58 local banks and the OBOS housing association at 31 December 2023. Its main purpose is to ensure the local banks in the Eika Alliance have access to long-term and competitive funding by issuing covered bonds in the Norwegian and international financial markets.

Eika Boligkreditt is part of the Eika Alliance. The Eika Alliance comprises just under 50 local banks, the Eika Gruppen AS financial group and Eika Boligkreditt. The banks are spread over much of Norway, and contribute to economic growth, security and development in their market areas. Collaboration through the alliance provides them with substantial economies of scale. The Eika Alliance has total assets under management of approx. NOK 480 billion and employs around 3 500 people at 170 bank branches in 114 different municipalities. The Eika Alliance is therefore one of the biggest players in the Norwegian financial market and an important corporate citizen in many local Norwegian communities.

An important aspect of Eika Boligkreditt's business idea is to increase the owner banks' competitiveness and reduce their risk. At the close of 2023, the banks had transferred a total of NOK 98.3 billion in residential mortgages to Eika Boligkreditt, thereby easing the banks' own financing requirements by an equivalent amount.

Eika Boligkreditt had 19 permanent employees at 31 December 2023. In addition, the company has entered into an agreement with Eika Gruppen concerning the purchase of services in a number of areas.

### b. Products and services

The company's main purpose is to ensure the owner banks have access to long-term and competitive funding by issuing covered bonds in the Norwegian and international financial markets. The company is licensed as a credit institution and authorised to raise debt in the market through the issuance of covered bonds.

The company exclusively offers residential mortgages with a loan-to-value (LTV) ratio of no more than 75 per cent for houses/apartments and 60 per cent for joint debt in housing cooperatives. The company offers two different lending products: mortgages at a variable rate of interest, or alternatively at a fixed rate with a lock-in period of three, five or ten years.

### c. The company's markets

The company finances the local banks by issuing internationally rated covered bonds. By virtue of its size, Eika Boligkreditt is able to raise loans in both Norwegian and international financial markets, and to seek financing wherever the best market terms can be obtained at any given time. Eika Boligkreditt ensures that the local banks have access to financing on roughly the same terms as the major banks in the Norwegian market. Eika Boligkreditt consequently plays an important role in reducing financing risk for the local banks and to ensuring that customers of the local banks achieve competitive terms for their residential mortgages.



#### **d. Foundation for the work relating to human rights and decent working conditions**

Eika Boligkreditt is subject to the Norwegian Transparency Act, which came into force on 1 July 2022. The company's board of directors, as the company's highest management authority, is responsible for ensuring compliance with the Transparency Act's provisions.

Eika Boligkreditt is working actively to ensure it has a responsible value chain. Since 2020, the company has had a Procurement Policy, with associated self-declaration forms that suppliers and business partners must complete. As a consequence of the Transparency Act, and to ensure compliance with its provisions, Eika Boligkreditt revised its Procurement Policy and Whistleblowing Policy in advance of the Act coming into force on 1 July 2022. The policies are adopted by the board of directors. The company's Procurement Policy and Whistleblowing Policy may be found at [www.eikbol.no/About-us/ESG](http://www.eikbol.no/About-us/ESG). The company also has a Privacy Policy covering the processing of personal data.

Pursuant to the Norwegian Transparency Act, the company is required to conduct due diligence assessments in line with the OECD's Guidelines for Multinational Enterprises in order to safeguard fundamental human rights and decent working conditions in its operations. As part of the process, Eika Boligkreditt identifies and assesses actual and potential negative consequences for fundamental human rights and decent working conditions which its business has either caused or contributed to, or which are directly related to its business, products or services through the supply chain or business partners. The company therefore takes

a risk-based approach to its due diligence processes, which cover Eika Boligkreditt's in-house operations and those of its external supply chain and business partners. These due diligence processes are broadly entrenched in the company, and all managers provide annual confirmation that the requirements of the Transparency Act are met in their area of activity.

Eika Boligkreditt requires that suppliers and business partners (in the following collectively referred to as "suppliers") comply with national and international laws and regulations, as well as internationally recognised principles and guidelines. All suppliers are also required to help Eika Boligkreditt obtain the information it needs to follow up and perform due diligence on suppliers. This may, for example, include responding to questionnaires on ESG-related matters. Suppliers must self-certify their compliance with internationally recognised principles and guidelines, laws or regulations relating to human and labour rights, environmental protection, corruption prevention and anti-money laundering (AML). Suppliers also have a duty to notify Eika Boligkreditt of any violation or suspected violation these provisions. In the event of any serious violation, Eika Boligkreditt is entitled to cancel its contract with the supplier concerned. If necessary, Eika Boligkreditt may ask suppliers to document their compliance.

The company has opened a page on its website called "Transparency", which contains relevant information concerning the Norwegian Transparency Act. For further details, see [www.eikbol.no/About-us/ESG/apenhet](http://www.eikbol.no/About-us/ESG/apenhet). This page includes a list of Eika Boligkreditt's key suppliers.

#### **e. Whistleblowing channels and grievance mechanisms**

Eika Boligkreditt adopted an updated code of conduct in March 2019. In addition to the code, the company has established a separate whistleblowing policy. The company believes that openness and good communication in the organisation promote its work culture. As a result, Eika Boligkreditt wishes to make provision for a corporate culture where censurable conditions are reported, discussed and resolved. The whistleblowing routines, which comply with the requirements of Norway's Working Environment and Transparency Acts, help to support an open culture, where trust and dialogue prevail between employees and managers. The whistleblowing routines are updated as required to take account of new provisions for reporting irregular conditions in the enterprise.

The company also has internal routines to ensure protection of employees' personal data.

Third parties who wish to blow the whistle or file a complaint will find Eika Boligkreditt's contact details at the bottom of the company's home page [www.eikbol.no](http://www.eikbol.no), as well as at [www.eikbol.no/Contact-us/Address](http://www.eikbol.no/Contact-us/Address).

## **2. Negative consequences and risk**

The company wishes to contribute to the sustainable development of the environment, people and society, which includes taking responsibility for ensuring that fundamental human rights and decent working conditions are respected in connection with its business.

In 2023, the company's due diligence processes did not identify actual negative consequences or material risk of such outcomes for

fundamental human rights and decent working conditions in the business. This is based on an assessment of both the company's in-house operations and those of its suppliers.

The company conducts regular due diligence processes, and all managers provide annual confirmation that the requirements of the Transparency Act are met in their area of activity.

### 3. Initiatives

The company has not identified actual negative consequences or material risk of such outcomes for fundamental human rights and decent working conditions during the reporting period. The

company has therefore not been obliged to take steps to deal with cases involving negative consequences or material risk.

The company finds that the Transparency Act and its associated legal obligations have been incorporated into its governing documents and management tools. Nevertheless, the company considers further practical experience and training in the implementation of due diligence processes and the follow up of relevant initiatives to be important. This is an area for continuous endeavour in the company's business operations and procurement processes.

For further information, please contact the company at the following email address: [boligkreditt@eika.no](mailto:boligkreditt@eika.no).

This statement on due diligence was considered and adopted by the Board of directors on 12 March 2024.

  
Dag Olav Løseth  
Chair

  
Rune Iversen

  
Terje Svendsen

  
Gro Furunes Skårsmoen

  
Lena Jørundland

  
Pål Ringholm

  
Odd-Arne Pedersen  
CEO

**eika.** Boligkreditt

Tel: +47 22 87 81 00

Parkveien 61

PO Box 2349 Solli

NO-0201 Oslo

[www.eikbol.no](http://www.eikbol.no)