

The background of the entire page is a high-quality landscape photograph. It depicts a wide, calm river or lake that reflects the sky and the surrounding greenery. The banks are lined with dense, lush forests of various trees. The lighting is soft and even, suggesting a clear day. The overall color palette is dominated by natural greens, blues, and greys, creating a serene and environmentally conscious atmosphere.

Norion Bank
Group

Sustainability report

2023

Norion Bank's sustainability work



Photograph: Anna Roström

Norion Bank wants to be a long-term partner to both companies and private individuals. We enable tomorrow's business activities by operating with clear responsibility in every aspect of what we do.

Norion Bank specializes in financing solutions for corporates and private individuals, with particular focus on the needs of medium-sized companies. We are a complement to larger traditional banks. We want our activities and operations to contribute to creating long-term value for our stakeholders: customers, investors, employees and society. We strive to create long-term value from a financial, social and environmental perspective.

Together with our customers, Norion Bank wants to contribute to a better tomorrow and to sustainable development. By being business-minded, committed and caring we enable our customers to continue to grow and develop. These are the bank's values and also our focus areas in the sustainability strategy. They are fundamental to how we conduct our daily business and are integrated into our governance documents. They describe how we want to be and be perceived, and how we should act in our relationships with customers, partners and colleagues. Business-minded illustrates what we do, committed who we are, and caring how we behave.

The double materiality assessment includes an analysis of both internal and external factors that may affect the bank's operation and stakeholders. The results of the assessment will inform the bank's continued efforts to run a sustainable and responsible business.

Objectives and implementation

In 2023, Norion Bank conducted a greenhouse gas inventory to assess the emissions and other environmental impacts that occur along our entire value chain (Scope 3). We recognize that the biggest emissions come from the customers' activities that we finance. Therefore, we intensified our portfolio analysis work during the year to estimate the carbon footprint of the bank's credit portfolio.

In order to clarify our ambitions and create a foundation for continuous improvements, Norion Bank has set targets for the business. The bank's overall ambition is to in a measurable way contribute to the UN Sustainable Development Goals by 2030 and to the Paris Agreement. We want to increase our positive impacts and reduce the negative ones from our financing activities.

We have identified ambitions and activities within our strategic focus areas to make this happen. Each year, our activities and ambitions will be updated and developed to gradually bring us closer to the 2030 target. We also contribute as an actor in society by focusing our efforts on initiatives that promote sustainable entrepreneurship.

Our three strategic focus areas

Norion Bank wants to make a difference where the greatest impact can be made. This is why we have grouped our key sustainability aspects together into three strategic focus areas.



Business-minded

We are a business-minded, professional partner providing responsible financing, thereby enabling sustainable development for the bank and our customers.

Sustainability goals

- ▶ Contribute annually to improving the financial health and preventing over-indebtedness of our private individual customers.
- ▶ Set targets for the green development of the credit portfolio in the Real Estate and Corporate segments in 2024.
- ▶ In 2025, set Science Based Targets (SBT).



Committed

We create conditions for our employees to feel ownership and responsibility in their roles, as well as give them the necessary sustainability skills to build long-term success for both the bank and our customers.

Sustainability goals

- ▶ Achieve an annual eNPS¹ of over 50 and continue to develop the skills of our employees in sustainability.
- ▶ Investigate the feasibility of integrating ESG² aspects into evaluation processes for relevant employee groups by 2024.
- ▶ By 2025, appoint sustainability ambassadors to raise awareness of sustainability in the bank's different departments.



Caring

With a structured and transparent approach, we are a reliable partner that does business with care for our environment, our customers and our employees.

Sustainability goals

- ▶ Deliver annually on Norion Bank's vision of zero complaints about customer privacy, anti-corruption and marketing.
- ▶ In 2024, complete a full calculation of Norion Bank's scope 3 emissions, including the credit portfolio.
- ▶ Be climate neutral by 2025 in terms of Norion Bank's own operations (Scope 1 & 2), which may include carbon offsetting³ if required.

Norion Bank's contribution to the UN Sustainable Development Goals (SDGs)

Norion Bank is both impacted by and impacts our environment and our stakeholders. Together with our stakeholders, we have a direct impact on both the planet and society, and the planet and society affect the bank's operations, our stakeholders, customers' business models and thus their ability to repay.

Norion Bank has prepared its second report for the UN Global Compact and has been a signatory to the UN Principles for Responsible Banking (PRB)⁴ since 2021. The six principles of the initiative set the framework for a sustainable banking system that drives the global economy in a sustainable direction. This commits us to align our business activities with the Paris Agreement and to continuously contribute to our positive impact on society in line with the UN Sustainable Development Goals. The initiative is an important compass for Norion Bank's work, and during the year we intensified

the mapping of our credit portfolio with regard to ESG aspects in order to understand our primary sustainability risks. These are commitments that make clear our ambition to contribute to responsible growth and long-term value creation for all our stakeholders.

As part of our commitment to supporting a responsible financial market, an impact assessment was conducted in 2022 to determine the bank's contribution to the 2030 Agenda. We contribute partly through our own activities, that is, how we do business, primarily by being an attractive employer, by working to reduce the bank's direct emissions, and by combating corruption. However, the analysis shows that our main impact is through the credit portfolio, i.e. which businesses we finance. We have identified the four goals on which our activities have the greatest impact, in both positive and negative terms.



Through its lending activities, Norion Bank directly and indirectly drives

economic development by supporting companies, jobs and growth in society, and providing access to capital for private individuals. We work for financial inclusion. We want to be a long-term partner to our customers and help them to understand their sustainability risks.



Through its growing Real Estate segment, Norion Bank contributes to

inclusive, entrepreneurial and resilient cities. In 2023, work continued to developed tools to analyze, document and control sustainability risks in the real estate sector and to map the portfolio's green buildings.



Norion Bank does business with care for our surroundings. This means reducing our own direct

and indirect emissions, as well as reducing the emissions of the corporate and real estate credit portfolio. This is done by Norion Bank being a professional partner that assists clients in transforming business plans to be resilient during the global climate transition.



Sustainable development is based on a society at peace. Norion Bank's activities are intended

to contribute to financial stability. We shall be a reliable partner at all the different stages of our activities, countering all forms of corruption, money laundering and cybercrime. Norion Bank shall contribute to financial stability and shall not finance products that by their nature violate fundamental humanitarian principles through their normal use.

¹ The bank has decided to replace the previous KPI Employee Index (MI) with eNPS, as we believe it is a better established metric. The employee net promoter score (eNPS) is a measure of employee experience. Its calculated score ranges from -100 to +100 to determine the number of ambassadors in an organization and the loyalty of its employees.

² Environmental, Social, Governance.

³ Reduce Scope 1 and 2 as much as we can and compensate for the remaining emissions through emission allowances.

⁴ A framework for players in the financial sector that want to run their business in line with the Global Goals and the Paris Agreement



Business-minded

By focusing on being business-minded, we stand for responsible financing that enables sustainable development for the bank and the world around us. It is through sound lending and good customer relations that we can minimize risks, create positive value for our stakeholders and leave a sustainable mark on society.

Access to capital is important for both private individuals and businesses. Credit is a significant financial instrument for society, and, for Norion Bank, sound and sustainable lending is fundamental to our work. As a bank, we want to be a natural part of our customers' finances and contribute to financial inclusion. We are committed to being business-minded and to being a professional partner in contributing to sustainable development. As part of this work, Norion Bank wants to foster the entrepreneurs of tomorrow by encouraging innovation and entrepreneurship. During the year, the bank further contributed to the cooperation with Ung Företagsamhet as a member of the jury for the Swedish award for socially sustainable company of the year.

Another important task for Norion Bank, in addition to lending, is to spread knowledge in society and inspire sustainable business models. For example, sustainability is integrated as part of the bank's Corporate Accelerator training program. The program is aimed at SMEs with a clear growth

focus. The goal is to use new knowledge and new networks to help companies grow and develop their business.

Sustainability in the lending process

Corporate lending is part of Norion Bank's core business, and it is essential that the lending business is based on the customers' ability to repay loans. Since we know that the bank's biggest impact on the world lies in our loan portfolio, we attach great importance to responsible lending. We do this by identifying operations and business models that are robust and generate good returns while the risk they carry is deemed to be manageable. By integrating and assessing companies' sustainability work in the credit process that governs our corporate lending, as a bank, we can contribute to emission reductions and sustainable social development from other aspects as well.

In 2023, we continued to further develop our lending process in the Corporate and Real Estate segments

with regard to sustainability aspects. Work to implement internal processes and sustainability requirements is ongoing, and since 2022 the Red list¹ has been an integral part of the work to identify sustainability risks.

Norion Bank's Ethics Committee (EC) acts as a consultation group for customer and sustainability-related risks² based on the bank's Red List. Before the bank decides on credit approval or rejection, the EC is consulted, and the credit decision is subject to the EC's approval or rejection. Furthermore, the bank conducts systematic reviews of existing credits, including ESG assessments, to evaluate whether any new risks have emerged and how any risks are managed by the lender. If a significant change in the risk assessment is observed, the bank may – given the conditions, contractual terms and customer dialogue – choose to terminate the credit agreement.

A sustainable society depends on a robust financial system that cannot be abused. This is why anti-money laundering and counter-terrorist financing is



Photograph: Anna Roström

part of the 2030 Agenda and the Global Goals. Norion Bank sees the prevention of financial crime as a fundamental principle for safe and sound banking operations. Governance documents, policies and procedures provide guidance on how we can contribute to the protection of human rights, better working conditions and reduced emissions. The documents are revised annually.

The Corporate portfolio's³ risks and opportunities

To be the enabling force for tomorrow's business, we want to identify risks in order to reduce the negative impact on the environment and society, and find companies with competitive business models. Like all participants in the financial sector, we have a fiduciary responsibility to allocate capital in a way that helps companies to transform their operations and make the necessary climate adaptations.

With the bank's updated lending process with respect to the bank's ESG analysis, we get a clearer view of

sustainability risks and opportunities in the credit portfolio. Work continued over the year on the monitoring of existing corporate portfolios regarding sustainability, with 41% of the corporate portfolio being reviewed. The monitoring is based on the TCFD's⁴ recommendations, which are also taken into account in the updated lending processes. The bank initiated the work on scenario testing of climate-intensive corporate customers in the credit portfolio through mapping in 2022, and work that has progressed in 2023 and will continue in 2024 to expand the coverage of the corporate portfolio.

Responsible consumer lending

Sound and sustainable lending is of greatest importance to the bank. Our sustainability strategy focuses on corporate lending, where we have our primary impact, but responsible lending to individuals is also key to being a long-term partner. Customers who experience payment difficulties are a loss for Norion Bank, for the customer

in question and for society as a whole. Through a thorough lending process we secure the individual customer's future repayment capacity and that our calculations are based on their actual financial circumstances. During the year, there has been a gradual shift of lending from loan intermediaries to the bank's own channels, which gives us greater insight and the ability to work closely with our customers.

¹ The Red List describes the types of activities that the bank chooses not to finance, exclusions that are both product and norm-based. The Red List is available at [Norionbank.se/hallbarhet/omtanke](https://www.norionbank.se/hallbarhet/omtanke).

² The Ethics Committee deals with areas including human rights, tax issues, environmental challenges and ethical dilemmas.

³ "Corporate portfolio" refers to the credit portfolio in the Corporate and Real Estate segments.

⁴ Task Force on Climate-Related Financial Disclosures.



Committed

Our focus on committed employees allows us to generate good results for both ourselves and our customers. We work to offer a stimulating workplace, a good working environment, and the right conditions to contribute to our collective success.

At Norion Bank, different professional groups work closely together in a dynamic environment with a strong spirit of progress. In order to deliver sustainable growth and continue to develop our business, it is essential for us to attract the best people. This is why we aim to be an attractive employer in the industry, offering a stimulating workplace.

We want our employees to feel ownership and responsibility in their roles, and therefore we create the conditions for this through explicit self-leadership. Employee involvement enables the long-term success of both the bank and our customers. Our ambition to contribute to a sustainable transformation of society means that sustainability aspects are taken into account in all the bank's processes. This is why we invest in our employees and offer them internal and external training to ensure they have the sustainability skills they need. During the year, the bank participated in the UN Global Compact's Accelerator Program for Business Human Rights.

Focus on a stimulating workplace

The ability to support our customers depends on the continuous development of capacity and knowledge across all functions of the bank. According to the employees themselves, Norion Bank is characterized by a culture where people can express their opinions freely without regard to formal structures, a workplace with good leadership and an inclusive work environment.

For us, it goes without saying that each individual's development is important, which translates to a strong

focus on self-leadership and skills development. Therefore, Norion Bank conducts several training courses each year to give employees the right tools and capabilities.

The bank has been affiliated with Swedsec⁵ since 2022 and has licenses for client executives and the management team. As in previous years, all employees complete mandatory internal training in areas such as GDPR, anti-corruption and complaints handling. Furthermore, the mandatory training on Sustainability Certification in the Financial Sector was made available on the bank's intranet for all employees and is part of the bank's induction for all new employees. We know that good leadership is a crucial condition for creating successful teams. Therefore, for all new managers in the bank, specific managerial training was offered on health and safety, recruitment, rehabilitation and employment law. We also conduct employee appraisals with subsequent follow-up interviews. These include discussions about job satisfaction, conditions, development, goals and performance, and how the employee lives up to our value statements.



Photograph: Anna Roström

Focus on employee well-being

Norion Bank applies a systematic work environment management system in order to control, investigate, rectify and monitor the workplace. It is an investment to achieve high levels of satisfaction, motivation and well-being. In 2023, work continued on Norion Bank’s core values, which are an important part of our corporate culture. With the change of company name and brand during the year, much emphasis has been placed on ensuring that everyone feels involved in the bank’s work going forward. This has taken the form of strategy sessions and other staff-related gatherings.

Employees with the same objectives are more motivated, and the impact of culture can be seen in the results of this year’s Health Survey. As in previous years, the bank performs well in all categories. 86% of employees estimate that they have a low risk of developing stress-related illness. As part of the work on stress management, an external lecture on mental health and energy was held for all staff during the year. Furthermore, the survey shows that 59% estimate that they are regularly physically active, compared to the Swedish population average of 27%⁷.

The bank’s annual employee survey also shows a satisfied and dedicated workforce, with a response rate of over 90%. The survey indicates that Norion Bank is one of the best workplaces in Sweden, with eNPS increasing to 57⁸. As in previous years’ surveys, the survey shows that the bank’s strength is its committed, helpful and skilled employees. The survey also shows that employees have high confidence in the leadership of their managers.

Norion Bank works actively to be a workplace where all employees make a full contribution based on their different experiences, background and skills. The bank has zero tolerance for direct or indirect discrimination or harassment in the workplace. All employees must be treated in accordance with our Inclusion and Human Rights Policy.

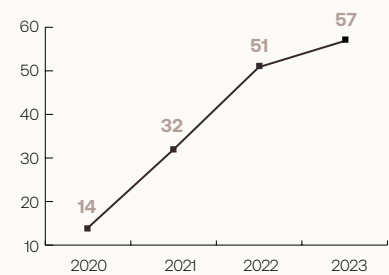
We work in a structured way to promote equal pay for men and women; recruit, develop and promote people with a foreign background; and increase the diversity of our teams and management team. The results of the employee survey show that employees perceive the bank as a workplace free from discrimination.

As an employer, we have a duty to ensure that proactive measures are a natural part of day-to-day operations. Each manager is responsible for ensuring that such work is undertaken and documented.

eNPS

57

Employee survey



⁵ Swedsec is a licensing system for financial market employees, with the intention of strengthening competence and customer protection in the financial industry.

⁶ The health tracking survey was conducted by Institutet för människor i rörelse AB. (IMR).

⁷ IMR has given as the source: Rödger et al. BMC Public Health 2012. 12:693.

⁸ eNPS measures the propensity to recommend Norion Bank as an employer.



Caring

Norion Bank's focus on being caring means that we have a structured and transparent way of working, which is a prerequisite for good business ethics and lasting success that contributes to long-term sustainable social development.

Norion Bank has a responsibility to run its business in a way that enables it to have a positive impact on the environment and society. Our customers are in different positions to carry out their sustainability work, which is why we attach great importance in supporting them in their transition. Our focus on being caring means that we take responsibility for how our business is run. This in turn leads to lasting success that allows us to continue contributing to the sustainable development of society. Norion Bank therefore has a clear allocation regarding who is responsible for which issues. We provide governance documents, such as policies and instructions, to help our employees understand how the organization should work to remain an ethical business partner. We continuously engage in dialogue with our stakeholders to understand their challenges and create clear guidelines, processes and policies to meet their needs.

Governance and organizational structure

All our stakeholders – from investors, employees and customers to suppliers and partners – should feel confident that we conduct business with care for our environment and society as a whole. Our governance work is based on the UN Global Compact's ten principles on respect for human rights, labor, environment and anti-corruption. It aims to make a long-term contribution to an integrated ethical, social and environmental perspective throughout our business. The Board is ultimately responsible for sustainability issues within Norion Bank, and it establishes policy

frameworks and control processes. The CEO and Chief Sustainability Officer are responsible for integrating sustainability work into the business, and the CEO has set up the Ethics Committee to provide a decision-making forum for, amongst other things, sustainability issues that require special attention.

Norion Bank's whistleblowing process encourages all employees and external stakeholders to report suspicions of potential or actual misconduct in the business.

Structured and efficient decision-making processes

Creating a sustainable transition requires the financial sector as a whole to work together. This is why the bank has signed up to the UN Principles for

Responsible Banking⁹, which provide a framework for a sustainable banking system and help us to conduct business as a caring partner. This means continuing Norion Bank's work on reporting negative and positive impacts in key sustainability areas and formulating future targets based on scientific guidelines. Norion Bank is subject to a number of regulations and is licensed by the Swedish Financial Supervisory Authority. In order to comply with these external rules, we have developed an internal regulatory framework for Norion Bank.

The governance documents consist of policies, CEO instructions and guidelines that are developed as needed within the bank, and enable good standards and practices throughout the bank. Our policy documents are drafted by the relevant functions and reviewed by the relevant committee before being adopted by the Board of Directors, the CEO or the relevant Head of Department. We are transparent with our stakeholders, and the policy documents most closely related to sustainability are published on our website.

GOLD STANDARD SIAYA COOKSTOVES

Norion Bank carbon offsets through a project selected to reflect our business and how we as a bank can impact society through lending. The project uses microloans to enable families in rural Kenya to invest in an efficient stove. Credit is provided through savings and loan groups run mainly

by women, which strengthens their position in society. The living environment in the home is improved by reducing the need to burn wood, for example by reducing respiratory problems for families. A further effect of reduced demand for wood is reduced pressure on local forests, which in turn contributes to reduced carbon emissions.



Foto: ZeroMission



Consideration for our environment

Norion Bank's Environmental Policy guides our work on how we can reduce our impact through informed decisions that take climate and environmental issues into account. To align our operations with the Paris Agreement, we have set the subgoal of being a climate-neutral business by 2025. This means that by then we will have net zero greenhouse gas emissions from Scope 1 and 2, which includes our energy consumption and company cars. We can make a direct impact through our own operations, where the energy consumed by servers and the heating of our buildings constitute the largest share.

We continuously review how we can develop our products and services to help both the bank and our customers reduce their carbon footprint. One example is that we are mainly reached via digital channels and by telephone. In this way, we simplify the service to our customers and, at the same time, reduce transportation and office operations. On the other hand, to develop as a digital player, we need server halls for storage. Here we have an active dialog with our suppliers who are working hard to reduce their emissions.

Using our resources more efficiently and recycling what we no longer use is an important step in Norion Bank's efforts to reduce our own environmental impact. During the year, the bank started work on a take-back service for IT products. This means that equipment we no longer use can be given a second

life through resale for reuse. In addition to extending the lifetime of products, we contribute to a more circular economy. The idea is that the products will be reused as much as possible in the local area by schools, businesses and individuals. Products that cannot be reused are recycled.

We also work to limit carbon emissions in our value chain by setting environmental requirements and identifying climate risks associated with it. Emissions from our own operations are mainly caused by our office buildings, purchases and travel. We choose our offices carefully as we want them to be as environmentally friendly as possible. Our head office in Gothenburg is gold rated according to the international environmental standard LEED, and in Finland our office is BREEAM Excellent grade. As a tenant, we engage in dialog with all landlords with the ambition that our other offices will develop in the same direction.

During the year, Norion Bank carried out an assessment of our indirect emissions and other environmental impacts that occur along our value chain. The assessment showed that for Scope 3, six upstream and two downstream categories are relevant for the bank. Furthermore, it was found that the bank has good opportunities to develop its mapping by further structuring the data collection process. In 2024, we will continue to strengthen the quality of the data and further develop the calculations for our emission factors.

Norion Bank's largest climate impact is via our customers in the Corporate and Real Estate segments through financed emissions. Work on the analysis of the carbon footprint of our credit portfolio started in 2023, where we identified a lack of certain data for reliable calculation results. An important prerequisite to account for indirect emissions is the use of reliable methods and the availability of accurate data. This has been addressed, and the goal is for Norion Bank's total Scope 3 emissions, including the lending portfolio, to be mapped in 2024.

The bank's reported climate emissions for 2023 have increased significantly compared to 2022. This is because the bank has reported for more Scope 3 categories than before. The new categories relate to commuting, purchasing and capital assets account for a majority of the bank's reported CO₂ emissions. The bank is working in a goal-oriented manner to reduce the emissions generated by our own operations, including to prioritize digital meetings in accordance with our environmental policy and recommending trains for business travel. For those direct emissions that cannot be avoided, the bank chooses to carbon offset⁹.

⁹ Principles for Responsible Banking, PRB.

¹⁰ Norion Bank offsets Scope 1 and 2 emissions via ZeroMission through the Gold Standard Siaya Cookstoves project (7137).

SUSTAINABILITY REPORT

Sustainability report

in accordance with the Swedish Annual Accounts Act

Governance

The Board is ultimately responsible for sustainability issues within Norion Bank, and it establishes policy frameworks and control processes. The Board is updated about sustainability on a quarterly basis, and a more detailed review takes place every six months. The CEO and Chief Sustainability Officer are responsible for integrating sustainability into the business.

The Ethics Committee deals with sustainability issues of a complex nature that need to be considered outside of normal procedures by the relevant department. The Ethics Committee shall be consulted in cases in which a new customer or a loan is considered to be complex to assess from a sustainability risk perspective. Each business unit has a delegated responsibility for ensuring that policies and processes are continuously updated, followed and complied with. The governance work is based on the Bank's Sustainability policy and the UN Global Compact's ten principles on respect for human rights, labor, environment and anti-corruption. It aims to make a long-term contribution to an integrated ethical, social and environmental perspective throughout our business. Norion Bank is a member of the Swedish Bankers' Association, a signatory to the UN Global Compact and the UN Principles for Responsible Banking (PRB)¹.

Processes, governance and principles

Having well-functioning processes and procedures in place within the Bank is central to Norion Bank's strategy and governance. This is an ongoing project, and the Bank strives to further enhance and improve its procedures and processes. The Bank has a number of policies and policy documents that operationalize our key sustainability areas and aspects, which among other things comprise our: Sustainability policy, Environmental policy, Diversity policy for the Board of Directors, Anti-corruption policy, Policy on inclusion and human rights, Code of Conduct, and Risk and credit policy. Norion Bank's policy documents are revised annually and are published on our website to increase transparency to our stakeholders.

To ensure the implementation of, and compliance with the Bank's policy documents, responsibility is given to the member of the management team of the relevant business unit that the policy covers, for the implementation of strategies, the training of employees and the following-up of results.

Goals

In 2023, Norion Bank further developed its sustainability work and has, among other things, intensified work on collecting relevant data to measure the identified goals in each focus area, as well as updating and developing new goals according to plan. This work is part of the Bank's overall sustainability ambition to in a measurable way contribute to the UN Sustainable Development Goals and the Paris Agreement by 2030.

Business-minded

- Contribute annually to improving the financial health and preventing over-indebtedness of our private individual customers.

- Set targets for the green development of the credit portfolio in the Real Estate and Corporate segments in 2024.
- In 2025, set Science Based Targets (SBT).

Committed

- Achieve an annual eNPS of over 50 and continue to develop the skills of our employees in sustainability.
- Investigate the feasibility of integrating ESG³ aspects into evaluation processes for relevant employee groups in 2024.
- By 2025, appoint sustainability ambassadors to raise awareness of sustainability in the Bank's different departments.

Caring

- Deliver annually on Norion Bank's vision of zero complaints about customer privacy, anti-corruption and marketing.
- In 2024, complete a full scope 3 calculation of Norion Bank's scope 3 emissions, including the credit portfolio.
- By 2025 be climate neutral in terms of Norion Bank's own operations (Scope 1 & 2), which may include carbon offsetting⁴ if required.

Follow-up of the goals set in 2022

With this sustainability report, Norion Bank states that the company is developing and following up its set goals. Norion Bank's sustainability strategy leads to three focus areas with timed targets that are updated from year to year to bring us closer to our ambition of contributing in a measurable way to the UN Sustainable Development Goals and the Paris Agreement.

In 2023, work intensified on mapping and increasing the availability of data to better identify, measure and monitor green credits in our portfolio and to measure the bank's total Scope 3 emissions. The work to reduce ESG risks and the Bank's negative environmental and climate impact has continued through the broadened ESG assessment in the credit granting process in the Corporate and Real Estate segments. Through our newly opened office in Helsingborg, we have partly brought in-house customer contact for private customers from loan intermediaries and can thus better ensure that credit is granted in a sustainable way to prevent over-indebtedness. Through Corporate Accelerator, a training program to support companies in the long term through skills transfer, we aim to contribute to better financial health.

Material sustainability aspects for Norion

In 2020, Norion Bank carried out a materiality analysis in accordance with the Annual Accounts Act, to identify focus areas to work on in an integrated way throughout the business and thus become more directly value-creating, and to ensure that the Bank can contribute to sustainable development with a long-term perspective.

Double materiality assessment

In 2023, Norion Bank conducted a double materiality assessment in line with the EU Corporate Sustainability Reporting

¹ A framework for actors within in the financial sector wishing to run their business in line with the Sustainable Development Goals and the Paris Agreement.

³ Environmental, Social, Governance.

⁴ Reduce Scope 1 and 2 as much as we can and compensate for the remaining emissions through emission allowances.

SUSTAINABILITY REPORT

Directive (CSRD) and the associated European Sustainability Reporting Standards (ESRS). The double materiality assessment replaces the Bank’s previous materiality analysis from 2020, and the results form the basis for our continued efforts to be a sustainable and responsible business. Work started during the year to prepare the Bank for the upcoming regulation, and will continue through 2024. Norion Bank is subject to the rules from 2025 on and therefore does not intend to report in accordance with ESRS for the 2023 sustainability report.

The analysis included an assessment of both internal and external factors (actual or potential consequences, positive or negative) that may affect Norion Bank’s operations and stakeholders. In the initial work, we have mapped our own operations and taken into account the bank’s specific product and service offering, but also placed great emphasis on the bank’s value chain, which includes our customers and how they can influence or be influenced by the bank’s operations.

As part of the work, stakeholders who are well versed in the business have been identified and interviews, and workshops have been conducted to gain a deeper understanding of where Norion Bank has the greatest impact. The bank’s financing to corporate customers represents a large part of our business, and the composition of the loan portfolio has been taken into account in the assessment.

In evaluating impacts, risks and opportunities for the various sustainability issues and the financial effects, Norion Bank has

identified a number of categories in environmental, social and governance aspects. These include climate change, biodiversity and working conditions, but we have also taken into account company-specific areas such as cybersecurity⁵. Impact materiality has been assessed on the basis of three criteria: type of impact, severity and assessed likelihood. Financial materiality has been assessed on the basis of risk or opportunity, the potential impact on financial position and assessed likelihood.

The results have been validated by the bank’s management team to ensure internal ownership. As a next step, Norion Bank has initiated a gap analysis to determine the differences between current reporting and the ESRS requirements at data point level for reporting. The aim is to obtain an overview and a common understanding of the scope and to be able to allocate the necessary efforts and resources to fulfil the requirements. As part of the work on future reporting, the Bank is using a digital platform to report and monitor our data.

⁵ Environmental issues: Climate change, pollution, impacts on water and oceans, biodiversity, resource use and circular economy. Social issues: Employee working conditions in the company and with suppliers, impact on society, consumer and user considerations. Corporate governance: Report on how the company addresses sustainability issues in terms of impacts, risks and opportunities, metrics and targets for sustainability reporting. Each category should be reported based on governance, strategy, impact, risks and opportunities, metrics and targets. These are general disclosures and subject-specific ESG disclosures. Added to this are further reporting layers linked to the general, sectoral and company-specific standards.

Significant sustainability area ⁶	Significant subcategories	Impacts, risks and opportunities ⁷	Current target KPI
Climate change • Impact materiality • Financial materiality	<ul style="list-style-type: none"> Climate change adaptation Climate change mitigation Energy 	<ul style="list-style-type: none"> - As a financial player, the Bank negatively impacts and is impacted by climate change in our own strategy and operations as well as in our lending, including physical and transition-related risks. + By financing energy-efficient solutions, the Bank has financial opportunities to position itself in the market. 	<ul style="list-style-type: none"> • Develop processes to include ESG in risk appetite. • Developing products with sustainability aspects or a sustainability focus. • Reducing our Scope 1 and 2 CO2 emissions and use of electricity and heating.
Water and marine resources • Impact materiality • Financial materiality	<ul style="list-style-type: none"> Water Marina resources 	<ul style="list-style-type: none"> - The credit portfolio is linked on an overall basis to customers who are dependent on high amounts of water consumption, and to some extent linked to activities that have a direct negative impact on marine resources. + By improving lending for water efficiency in buildings and similar projects, the Bank can help avoid future increases in water supply costs. 	<ul style="list-style-type: none"> • Development is taking place in 2024.
Biodiversity and ecosystems • Impact materiality	<ul style="list-style-type: none"> Direct impact drivers of biodiversity loss Impacts on the state of species Impacts on the ecosystem extent and condition Impacts and dependencies on ecosystem services 	<ul style="list-style-type: none"> - Financing of real estate companies developing new properties or expanding existing sites and land can lead to biodiversity loss and negative impacts on species and a range of ecosystem services. + the Bank has financial opportunities to contribute in the future by developing services and offering loans to businesses that restore and renovate existing stock instead of new construction and development. 	<ul style="list-style-type: none"> • Development is taking place in 2024.
Resource use and circular economy • Impact materiality	<ul style="list-style-type: none"> Waste 	<ul style="list-style-type: none"> - The Bank’s financing results in waste from production, renovation, construction and demolition, as well as surplus materials that go to waste instead of being used in projects. The real estate sector is material intensive and needs certain materials such as cement that can be complex to recycle. + the Bank has future financial opportunities by developing green loans to real estate companies that focus on recycling materials from renovation and construction projects. 	<ul style="list-style-type: none"> • Working in a more circular manner.

SUSTAINABILITY REPORT

Significant sustainability area ⁶	Significant subcategories	Impacts, risks and opportunities ⁷	Current target KPI
Own workforce • Impact materiality • Financial materiality	<ul style="list-style-type: none"> Working conditions Equal treatment and equal opportunities for all employees 	<ul style="list-style-type: none"> + the Bank has a positive impact by providing good working conditions and contributing to good physical and mental health, including through a flexible workplace, various benefits and skills development for employees, creating psychological safety and updating health and safety measures. This can also lead to financial opportunities. - In contrast, the Bank has a negative impact if this is not ensured. 	<ul style="list-style-type: none"> Number of new employees and staff turnover rate - Skills development/training hours. Sick leave (short term/long term), employees benefiting from evaluations/monitoring, diversity at every level, cases of discrimination and measures taken, number of development courses/participants, use of health insurance, proportion of employees working from home/working from the office, efforts to promote mental health.
Workers in the value chain • Impact materiality • Financial materiality	<ul style="list-style-type: none"> Working conditions Equal treatment and opportunities for all Other work-related rights 	<ul style="list-style-type: none"> - the Bank has a positive impact on entrepreneurship, and through financing for small and medium-sized enterprises (SMEs) we contribute to job creation and economic growth. - If the companies we finance do not respect human rights in their operations and supply chain, this can cause negative impacts and financial risks for the Bank. 	<ul style="list-style-type: none"> Number of high-risk suppliers (based on country, size, link to the company's reputation) and risk management processes.
Consumers and end-users • Impact materiality • Financial materiality	<ul style="list-style-type: none"> Information-related impacts for consumers and/or end-users 	<ul style="list-style-type: none"> - the Bank has a negative impact if we provide inaccurate or misleading information about our products or services that leads customers and users to make decisions based on incorrect assumptions. + Small and medium-sized enterprises (SMEs) can face challenges when seeking finance for their operations and expansion, and by providing access to finance for this segment, the Bank can have a positive impact. This is a financial opportunity for the Bank. 	<ul style="list-style-type: none"> Number of cases of non-compliant product and service information, labeling or marketing communications. Developing products with sustainability aspects or a sustainability focus.
Business conduct • Impact materiality • Financial materiality	<ul style="list-style-type: none"> Corporate culture Protection of whistle-blowers Corruption and bribery Company-specific: cybersecurity and data privacy 	<ul style="list-style-type: none"> - As a bank, there is a risk of bribery, corruption and improper competition practices. The Bank does not have to be directly involved in the incident, but may be connected to the negative impact through subcontractors or via our credit portfolio. - If the Bank does not have whistleblower protection or robust protection against cyber-attacks, this can contribute to negative impacts. The above points can lead to financial risk for the bank. + the Bank has a positive impact through our integrated work, which is characterized by a culture where people can freely express their views without regard to formal structures, a workplace with good leadership and inclusive work. 	<ul style="list-style-type: none"> Number of data intrusions and security breaches. Number of cases of money laundering and/ or terrorist financing and resulting measures taken. Number of cases of discrimination, complaints concerning discrimination and subsequent handling. Number of corruption incidents (for example bribery, extortion or anti-competitive behavior) and measures taken. Striving for remuneration models that are consistent with the integration of sustainability risks. Complying with KYC legislation and implementing climate and environmental risk in the lending process. Number of cases of fraud, hijacked identities and complaints regarding customer ID and loss of customer data.

⁶ Are categories from ESRS thematic standards

⁷ This is a summarization of a number of identified impact risks and opportunities. A complete list is compiled as a result of the Bank's analysis.

Sustainability issue	Policies and policy documents
Climate change	<ul style="list-style-type: none"> Environmental policy Sustainability policy
Water and marine resources	<ul style="list-style-type: none"> Policy documents are missing
Biodiversity and ecosystems	<ul style="list-style-type: none"> Sustainability policy
Resource use and circular economy	<ul style="list-style-type: none"> Environmental policy
Own workforce	<ul style="list-style-type: none"> Inclusion and human rights policy Code of Conduct Work environment policy Diversity policy for the Board
Workers in the value chain	<ul style="list-style-type: none"> Inclusion and human rights policy Conflict of interest management policy
Consumers and end-users	<ul style="list-style-type: none"> Information security policy Personal data policy
Business conduct	<ul style="list-style-type: none"> Corporate culture Protection of whistle-blowers Corruption and bribery Company-specific: cybersecurity and data privacy

Sustainability risks

Identifying, measuring, managing and preventing sustainability risks is important from an economic and legal perspective, and also for Norion Bank's actions as a community stakeholder. These are also crucial for ensuring public confidence and our relationship with customers, investors and employees. Failing to manage our sustainability risks could ultimately have serious financial consequences for the bank, and could also damage our reputation. Acting responsibly is therefore a prerequisite for long-term value creation at Norion Bank.

Sustainability risks are risks that can be triggered by factors in the area of sustainability and that can negatively affect the bank. The material sustainability risks the Bank has identified in the double materiality assessment are related to corruption, working conditions in our own operations and in our value chain, and environmental risks such as climate, which in turn can be divided into physical and transition risks. See more detailed description of the bank's double materiality assessment on page 119.

It is mainly in the Sustainability policy and in the Risk policy that the Bank has chosen to formulate its approach to existing sustainability risk. In the Risk policy, sustainability risk is categorized within

SUSTAINABILITY REPORT

the risk group business risk. This involves how we as a bank act and manage issues in the identified areas where we are able to make the biggest contribution to more sustainable development, for instance through responsible financing and lending, by acting as a responsible employer, by combating financial crime, and by taking into account and acting on climate risks. As a result of the ongoing gap analysis, in 2024 the Bank will update the relevant policies to ensure that they correspond to the disclosures in the ESRS.

In all financial activities, there is a risk of corruption, which is therefore strongly regulated by law and practice for banking activities. We have a solid system for the combating of bribery, fraud, terrorist financing, money laundering and other forms of corruption within the Bank. In addition, continuous efforts are maintained to ensure cyber and data security and strong privacy protection for all customers. All our customers are treated equally, and respect for human rights guides our treatment of the people we deal with.

Our openness and unprejudiced culture create opportunities to make the financial community more inclusive. At the same time, it is important to minimize the risk of over-indebtedness, not having enough financial information about loans and over-spending. We manage this daily in our contacts with customers through responsible lending and a strict customer due diligence process.

For Norion Bank, and for the world in general, climate risk is an obvious risk for long-term business, particularly for our corporate customers and their ability to continue to grow and operate successfully. We want to minimize our own climate footprint from direct operations wherever possible and have set a target of carbon neutrality in our own business operations by latest 2025.

The double materiality assessment resulted in the categories of biodiversity and water and marine resources also becoming material for the Bank to report on. Preserving biodiversity and restoring ecosystems is an important area for Norion Bank as the businesses it finances depend on nature for their production needs and value chains. Furthermore, the Bank has an indirect impact on marine resources through our financing, for example in the fishing industry. Here, as a financier, we have the opportunity to influence and work together with our customers to increase access to relevant data, but also by considering nature-related financial risks in business decisions.

Norion Bank has internal procedures and guidelines for how we evaluate ESG in the corporate credit portfolio. The guidelines include sector-specific risks, address physical and transition-related climate risks, and provide guidance to client managers on how to assess social and governance risks.

To safeguard our main asset, which is our employees, Norion Bank has taken proactive steps to prevent work environment-related problems and promote good health. This is also something we encourage our business customers to work on in their operations. In 2023, a number of activities were carried out to involve employees and create an inclusive work environment with strong

leadership. We recognize that all workplaces can be exposed to the risk of discrimination and harassment, and Norion Bank continuously monitors these issues, acting immediately upon suspicion of irregularities in the workplace.

Business-minded

By being business-minded, Norion Bank stands for responsible financing for private individuals and corporate customers. Sound lending is based on a solid risk analysis in which ESG has a natural role to play. As a bank, we understand that our greatest negative and positive impact lies in the credit portfolio, and by systematically integrating sustainability into the credit process we can contribute to the reduction of climate emissions and increased respect for human rights.

Committed

As an employer, Norion Bank is responsible for ensuring that all its employees are treated equally and with respect. The banking and finance industry has traditionally been male-dominated, and we therefore work proactively to achieve equal pay levels, and on the proportion of women/men in the management, on the Board, and in the company's workforce. Everyone should feel included and be given the same opportunities to achieve professional and personal development. Norion Bank conducts an annual employee survey, and the results in 2023 were very good, with high ratings.

Caring

Norion Bank's climate and environmental work is based on the precautionary principle and fulfilling commitments to sustainable finances while taking account of climate risks. The bank's main climate impact comes from the activities of our corporate clients and the real estate the bank finances.

Work on the analysis of our credit portfolio started in 2023 and will continue in 2024, to estimate the carbon footprint of the portfolio (Scope 3 downstream). Initially, we have focused on the segments in our portfolio where we have assessed the financed emissions to be greatest (Corporate and Real Estate). An important prerequisite to account for indirect emissions is the use of reliable methods and the availability of accurate data, and the results from the year show that additional data is needed. The goal is for Norion Bank's total Scope 3 emissions, including the lending portfolio, to be mapped in 2024.

We are aware that a significant part of the climate impact we cause is in our value chain. We have established internal processes to identify climate risks and are actively engaged in contributing to the climate transition, and during the year we continued to maintain a continuous dialog with our corporate customers. The national objectives, regional legislation and regulations with which Norion Bank complies in this area include Agenda 2030, the Sustainable Development Goals and EU regulations.

Business-minded

By being business-minded, Norion Bank stands for responsible financing for private individuals and corporate customers. Sound lending is based on a solid risk analysis in which ESG has a natural role to play. In 2023, the Bank continued its efforts to classify the corporate portfolio in order to analyze our corporate customers' current sustainability footprint and future transition plans. The ambition for this year's figures is that they should establish a baseline for Norion Bank's green credits.

Sustainability monitoring in the corporate portfolio*	2023	2022
The percentage of total credit score reviewed for sustainability	41%	21%

* "Corporate portfolio" refers to the credit portfolio in the Corporate and Real Estate segments.

Financing in green categories*	2023
Number of billions financed in green categories	4.8
Of which green buildings	4.8

* "Green categories" means in accordance with the bank's green framework: Green buildings, energy efficiency, renewable energy, clean transport, climate adaptation and circular economy.

SUSTAINABILITY REPORT

Committed

As an employer, Norion Bank is responsible for ensuring that all its employees are treated equally and with respect. The banking and finance industry has traditionally been male-dominated, and we therefore work proactively to achieve equal pay levels, and on the proportion of women/men in the management, on the Board, and in the company's workforce.

Training & skills development	2023	2022	2021	2020
Average number of hours of training per employee	7.35	10.14	4.5	1.5
Percentage of employees benefiting from regular performance and career development evaluations and follow-ups	89%	83%	89%	88%

Non-discrimination	2023	2022	2021	2020
Number of cases of discrimination, and resulting measures taken*	1	1	0	0

* One case of perceived discrimination was reported in the anonymous employee survey; the Bank has a responsibility to ensure that proactive measures are a natural part of day-to-day business operations. Each manager is responsible for ensuring that such work is undertaken and documented.

Average number of employees (FTEs)*	2023	2022	2021	2020
Sweden	306	271	262	266
Norway	13	12	27	19
Finland	25	26	12	36
Total number of employees	343	308	301	321

* FTE means Full-Time Employed. In 2023, the proportion of permanent and probationary employees was 81% (75%). The average is calculated per country.

Composition of the company	2023	2022	2021	2020	2023	2022	2021	2020	2023	2022	2021	2020
Number of employees at different levels of the company	The Board of Directors				Management				Other employees			
Below the age of 30	0%	0%	0%	0%	0%	0%	0%	8%	29%	29%	35%	35%
Aged 30-50	33%	50%	33%	33%	55%	58%	83%	77%	61%	60%	56%	56%
Aged over 50	67%	50%	67%	67%	45%	42%	17%	15%	10%	11%	9%	9%
Total percentage of women	33%	33%	33%	33%	36%	33%	33%	38%	45%	47%	45%	43%

Breakdown of women and men (headcount)	2023	2022	2021	2020
Women	45%	46%	44%	43%
Men	55%	54%	56%	57%

Personnel movement	2023	2022	2021	2020
Number of new hires during the year*	117	133	103	80
Number of people who left during the year*	101	105	114	111
Staff turnover**	14%	18%	19%	17%

* Includes general fixed-term and hourly employees.

** Includes only probationary and permanent staff.

Health and well-being	2023	2022	2021	2020
Sick leave	3.7%	4.3%	4.3%	3.8%
of which short-term sick leave	2.1%	2.3%	2.5%	2.5%

SUSTAINABILITY REPORT

Caring

Norion Bank's focus on being caring means that we have a structured and transparent way of working, which is essential for good business ethics and lasting success that contributes to long-term sustainable social development. The Bank's climate and environmental work is based on the precautionary principle and fulfilling commitments to sustainable finances while taking account of climate risks.

During 2023, Norion Bank revised and measured its climate footprint and will continue to work towards achieving climate neutrality by 2025. In 2023, comprehensive mapping of the Bank's Scope 3 emissions was carried out, which includes categories not previously measured. This explains the increase in Scope 3 emissions. We are aware that large parts of the climate impact we have is in our value chain, and during the year continued to identify climate risks and contribute to the climate transition through continuous dialog with corporate customers.

Anti-corruption	2023	2022	2021	2020
Number of incidents of corruption	0	0	0	0

Marketing and labeling	2023	2022	2021	2020
Number of cases of non-compliant product and service information and labeling	0	0	0	0
Number of cases of non-compliance in marketing communications*	1	0	1	0

* In one case, the Swedish Consumer Agency has criticized Norion Bank's design of invoices for the business segment Walley and credit cards for private customers. The Bank has rectified the deficiencies highlighted by the Consumer Agency and the case has therefore been closed without any action being taken against the bank.

Customer privacy	2023	2022	2021	2020
Number of cases of breaches relating to personal privacy violations	0	0	7	2
Number of complaints reported (materially important incidents)	2	0	3	2

Whistleblowing	2023	2022	2021	2020
Whistleblowing – number of reports	1	0	0	0

Socio-economic compliance	2023	2022	2021	2020
Number of cases of significant fines or penalties for breaches of the laws and regulations applicable to the organization	0	0	0	0

Energy consumption, kWh	2023	2022	2021	2020
Electricity	271,540	266,033	288,102	N/A
District heating	337,493	316,533	257,127	N/A
Air conditioning	29,609	14,908	8,417	N/A
Total energy use	638,642	582,581	553,646	N/A

Greenhouse gas emissions, tonnes CO ₂ e	2023	2022	2021	2020
Scope 1	0.3	1.1	0.2	N/A
Scope 2 (market-based)	25	52.0	32.2	N/A
Scope 2 (location-based)	21.8	17.7	13	N/A
Scope 3	901.2	186.2	97.9	N/A
Total greenhouse gas emissions*	926.5	239.3	130.3	-

* The reported Scope 3 emissions increased significantly for 2023. This is a result of the Bank measuring more categories than in previous years. The largest item behind the change is capital expenditure, where the Bank used an expenditure-based calculation for the environmental impact of tangible and intangible assets. Additional new data points contributing to the increase are linked to employee commuting, purchase of electronic devices, waste management and customer use of company websites.

The greenhouse gas emission calculations for 2023 are based on the Greenhouse Gas Protocol (GHG Protocol) framework. Greenhouse gas emissions are divided into Scope 1 (company cars), Scope 2 (electricity, district heating and cooling for all offices) and parts of Scope 3 (data centers, purchase of electronic devices, capital goods, upstream transport and distribution, use of sold products, business travel and hotel stays). The method used to calculate greenhouse gas emissions from data centers is based on life-cycle analyses. Information about usage and conversion factors is mainly directly obtained from Norion Bank's suppliers.

The other sources of conversion factors are: AIB, DEFRA, Exiobase Energiföretagen, NTM and Statistics Sweden.

Emission intensity	2023	2022	2021
CO ₂ emissions per FTE	2.70	0.78	0.43

This report is Norion Bank's annual sustainability report, covering the calendar year 2023. The previous report can be downloaded at www.norionbank.se and was published on March 30, 2023. More information about this report and sustainability at Norion Bank is available from the Chief Sustainability Officer Sarah Olofsson, whose email address is sarah.olofsson@norionbank.se

AUDITOR'S OPINION

Auditor's opinion on the statutory sustainability report

To the AGM of Norion Bank AB (publ), corporate identity number 556597-0513.

Engagement and distribution of responsibilities

The Board of Directors is responsible for the Sustainability Report for 2023 on pages 118-123 and for its preparation in accordance with the Annual Accounts Act.

The focus and scope of the review

Our review was conducted in accordance with FAR's recommendation RevR 12 The auditor's opinion on the statutory sustainability report. This means that our review of the sustainability report has a different focus and a significantly smaller scope compared to the focus and scope of an audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that this review provides us with a sufficient basis for our opinion.

We believe that this review provides us with a sufficient basis.

Opinion

A sustainability report has been prepared.

Stockholm, 4 April 2024
Ernst & Young AB

Daniel Eriksson
Authorized public accountant
Auditor in charge