

# Excerpt from the Governance Document for Compliance and Business Conduct Risk 2025



<b>Last revised</b>	<i>Approved by the board on 13.12.2024</i>
<b>Document owner</b>	<i>Chief compliance officer</i>
<b>Responsible</b>	<i>Chief compliance officer</i>

## 1. INTRODUCTION

This governance document provides a description of both the strategy and policy for compliance and business conduct risk. The document consists of a strategic part that describes the direction for the area, what and why, as well as a policy part that specifies the scope within the field in terms of what should and should not be done. The governance document has associated procedures that describe processes, methods, and tools for execution within specific areas. These are integrated into the bank's regular processes and routines. In addition, there are separate procedures for second-line compliance controls.

### 1.1 Purpose

The purpose of the governance document for compliance and business conduct risk is to provide guidelines for the group's attitudes towards and overall goals for managing this risk.

This governance document covers the management of compliance and business conduct risk throughout the group. The document provides guidelines on how the group in general, i.e., all companies, departments, and employees in the group, should work with compliance and business conduct risk.

### 1.2 Key Guidelines and Framework

The strategy for compliance and business conduct risk should support the group's overall main strategy, as well as the strategy for risk and capital management and the strategy for corporate social responsibility and sustainability.

The following regulations provide important guidelines and principles that must be the basis for good management of compliance and business conduct risk (the list is not exhaustive):

- Financial Institutions Act with associated regulations
- Financial Agreements Act with associated regulations
- Securities Trading Act with associated regulations
- Insurance Mediation Act with associated regulations
- Insurance Agreements Act with associated regulations
- Marketing Act with regulations
- Competition Act with regulations
- Financial Supervisory Authority Act with associated regulations
- Anti-Money Laundering Act with associated regulations
- Personal Data Act with regulations
- Relevant recommendations, circulars, and guidelines issued by the Financial Supervisory Authority, Data Protection Authority, Consumer Authority, EBA, ESMA, and EIOPA
- Relevant sector legislation for the individual subsidiaries

### 1.3 Definisjoner og begreper

The following concepts are central to the area:

*Operational Risk:* The risk of loss due to inadequate or failing internal processes or systems, human errors, or external events.

*Compliance Risk:* The risk that the bank loses licenses or incurs other public sanctions, fines, other criminal sanctions, reputational damage, or financial loss due to non-compliance with laws, regulations, government guidelines, and public orders. Compliance risk can be considered a subcategory of operational risk.

*Business Conduct Risk:* The risk of losing a license, other public sanctions or criminal penalties, reputational damage, or financial loss due to the bank's business methods or employees' job behavior significantly harming customers' interests or market integrity. Business conduct risk can be considered partially overlapping with operational risk and compliance risk.

Parts of the group's direct exposure to sustainability factors (ESG) are linked to compliance and business conduct risk, including:

- **E (Environmental):** The risk of non-compliance with regulatory requirements in the areas of climate, nature, and environment
- **S (Social):** The risk of non-compliance with regulatory requirements in the areas of human rights, labor rights, consumer protection, privacy, product governance, and good business conduct, as well as sustainability preferences in investment advice and the risk of "greenwashing"
- **G (Governance):** The risk of non-compliance with regulatory requirements in the areas of governance and control, disclosure and government reporting of information, anti-money laundering/terrorist financing, corruption, competition law, tax/fees, consumer protection, and privacy

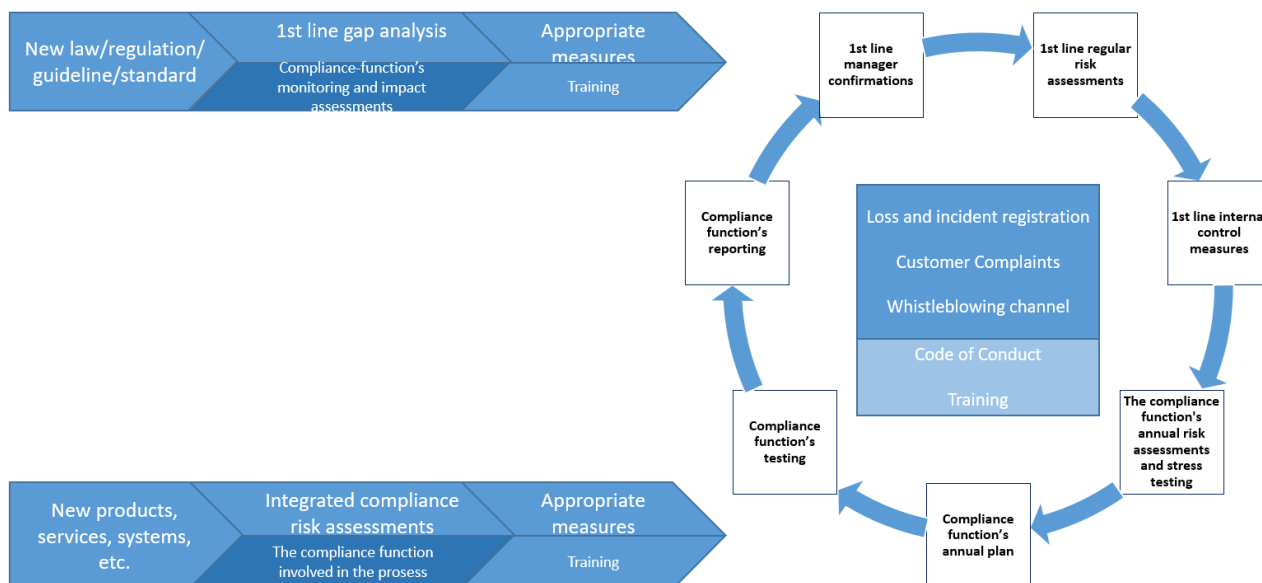
## 2. STRATEGIC TARGET AND FRAMEWORK

### 2.1 Target

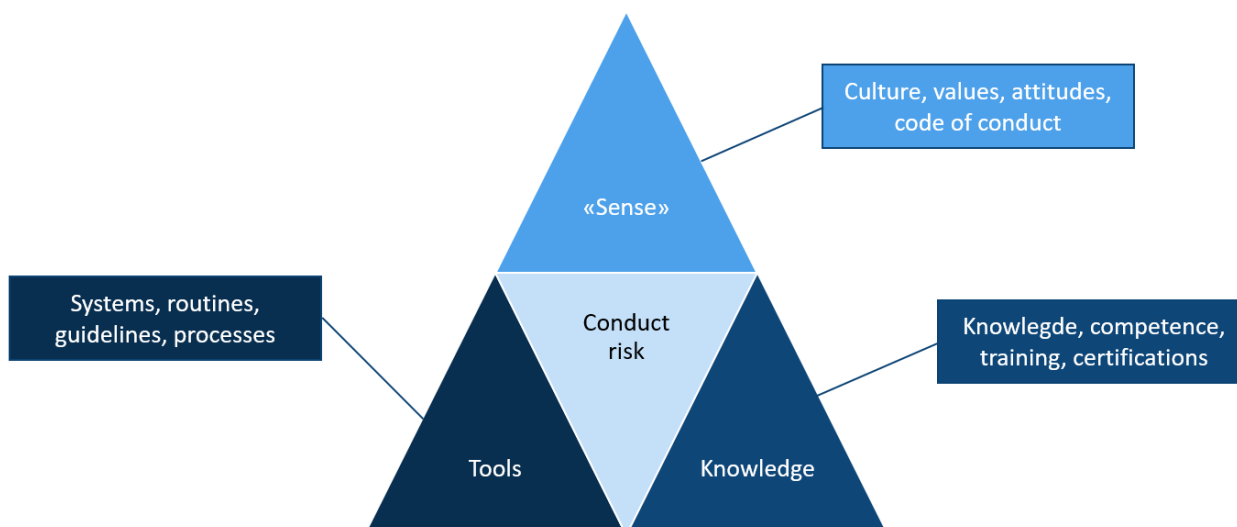
The group should have such effective risk management and monitoring that no events caused by compliance and business conduct risk alone or together with other risks should be able to significantly affect the group's solidity, results, or reputation. The group should have a culture where all employees have good knowledge of compliance and business conduct risk within their area of responsibility.

### 2.2 Critical success factors

The group's central processes for managing and controlling compliance risk should be as follows:



The practical management of business conduct risk in the group is based on the following main activities:



## 3. GOVERNANCE AND CONTROL STRUCTURE

### 3.1 Decision Structures

The governance document for compliance and business conduct risk is decided by the board.

The governance document applies to the group, but must be processed and adopted by the board of each company. When implementing in the bank's subsidiaries, the framework should be implemented to the greatest extent possible, taking into account the size and risk profile of each subsidiary.

### 3.2 Processes and Tools

There should be processes that ensure good business conduct and compliance with applicable laws, regulations, as well as public orders and government guidelines, so that the group is not exposed to the risk of losing licenses, sanctions, reputational damage, or financial loss. The practical management of compliance risk in the group is based on the following main activities:

- Ethical Guidelines
- Management Confirmation and Key Controls
- Registration and Follow-up of Losses and Undesirable Events, as well as Customer Complaints
- Whistleblowing Channel
- Continuous Improvement
- Monitoring of Regulatory Developments and Impact Assessments
- Procedures for Establishing or Changing Significant Products, etc.
- Risk Assessments
- Integrated Internal Control to Ensure Regulatory Compliance
- Compliance Annual Plan and Compliance Controls
- Information and Training

### 3.3 Central Roles and Responsibilities

The following roles with the associated description of responsibilities are central:

- **The board** has the overall responsibility to ensure that the group has an appropriate framework for compliance and business conduct risk and to ensure that both legislation and the internal framework in the area are complied with in the organization.
- **The CEO** should ensure that the established framework is implemented and complied with throughout the organization, and, if necessary, ensure that any serious incidents are reported to the board immediately.
- **Managers** are responsible for implementing and complying with the group's framework within their respective areas and for conducting risk assessments and establishing adequate internal control measures.
- **All employees** have an independent responsibility to comply with applicable laws and regulations, including the intent/purpose of the regulations, in their work for the group, as well as inform their manager of any regulatory breaches.
- **The Legal Department** has the overall legal professional responsibility in the group.
- **The Compliance Function** should have an active role and be a driving force in the group's work with both prevention, control, and evaluation of compliance and business conduct risk.