

<b>Policy</b>	 <b>Norfund</b>		
<b>Issued by:</b>	<b>Approved by:</b>	<b>Originally issued:</b>	<b>Revision date:</b>
HR Department	Board of Directors	15.06.2022	20.06.2023

# Norfund HR Policy

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## 1. Introduction

*Norfund's mandate is to assist in building sustainable businesses and industries in developing countries. Our mandate is complex, and our most valuable resource to meet this mandate is our employees. We must ensure that the Norfund team continuously develops, is competent and motivated. Our mandate is also what drives our employee engagement. We believe that with a relatively small organisation built on local presence and competence spread across the globe, Norfund is a unique place to work both in terms of our mandate, as well as incorporating the Norfund culture - The Norfund Way.*

*The purpose of this policy is to set out the main governing principles for activities related to human resources (HR) in Norfund and describe how Norfund aims to recruit, develop, and retain employees. The policy is built on the principles in Norfund's Code of Conduct and applies to all employees in Norfund.*

## 2. Standards related to the HR Policy

- [Remuneration Standard – Norfund's guidelines on remuneration to employees](#)
- [Mobility Standard – Norfund's guidelines on mobility for employees](#)
- [Business Travel Guidelines](#)
- [Norfund Travel Risk Guideline](#)

## 3. Norfund's approach to Human Resources Management

Norfund's mission is to create jobs and improve lives by investing in businesses that drive sustainable development. In addition to capital and technology, HR is a main driver for Norfund to succeed with this mission. This policy sets out overall principles for HR from two perspectives:

- **From the company perspective** we need to be able to ensure that we have the right competence and capacity to deliver on Norfund's mission.
- **From an employee perspective** we need to cultivate both culture and systems that promotes employee's motivation, competence, and engagement.

Both perspectives imply that we strive to continuously develop Norfund to be an attractive workplace that can recruit, develop, and retain employees.

The main responsibility for HR lies with the line management. All leaders in Norfund are expected to take responsibility for the development of their employees, be able to both take and give responsibility, set direction for deliveries, follow up and give feedback, show empathy and be good

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role model in both attitude and actions. These are attributes that are emphasized when assessing leaders' performance. The HR department functions as a resource center ensuring the proper HR systems, processes and deliveries throughout the organization as well as giving support and guidance to all employees. All employees are responsible for acting with the best intentions for Norfund to deliver on its mission. This implies adhering to Norfund's Code of Conduct as well as acting in accordance with The Norfund Way.

#### 4. Framework

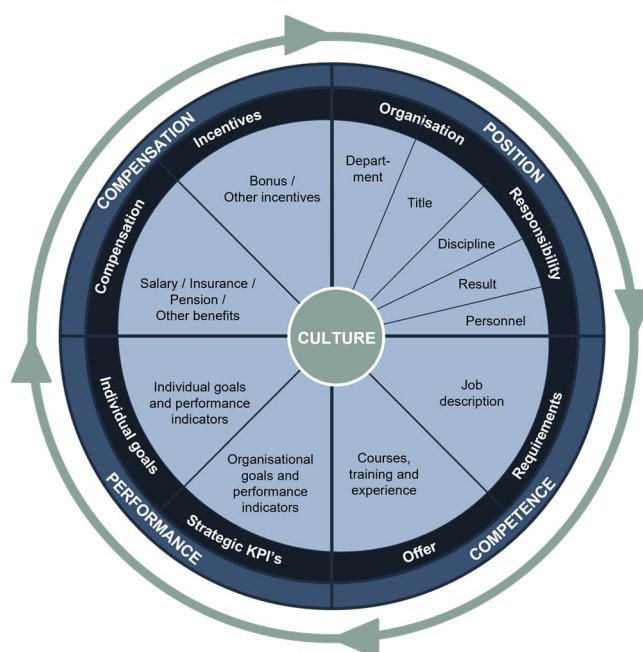
In all HR activities, we shall observe and adhere to the following requirements:

- All local applicable laws and regulations related to working conditions, privacy, and the environment
- Core conventions and recommendations of the International Labour Organization (ILO)
- Norfund's Code of Conduct

#### 5. Main principles

The main principles for the HR Policy, is to be found in our cultural platform – The Norfund Way. It is how we all maintain the integrity to be me; how we conduct our work; how we interact with the team; what responsibility follows with being a Norfund representative and behaving as a role model; and lastly how we relate to our greater community.

All HR activities are linked to the following areas: Position, Competence, Performance and Compensation, as well as Culture that is the hub in the center.



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### 5.1 Position

Position is the actual job the employee is recruited to. The overall characteristics of the positions the employee holds will be related to organization and areas of responsibilities more closely defined by discipline, personnel, and results.

**Recruitment** - We shall aim to conduct professional, honest, and non-discriminating recruitment processes aiming to recruit the right competence for Norfund to deliver on its mission.

**Pre-boarding and onboarding** - We shall provide onboarding and training to capture key elements in our investment process, our policies, and make sure it is aligned with The Norfund Way.

**Diversity** - We appreciate and recognize that all people are unique and valuable to the organization's development and must be respected for their individual abilities and views. A diverse and inclusive work culture contributes to better results by enabling higher levels of innovation, learning and understanding. Therefore, we bring together employees with a rich variety of backgrounds, skills, genders and cultures.

**Job structure** - We will continue to develop a unified, transparent, and consistent job structure that motivates achievement and development.

### 5.2 Competence

Competence refers to the requirements related to the position an employee holds. The main competence requirements should be set out in the job description for each position.

**Competence development** - We believe an instrumental component in building competence is "on the job" training, learning from colleagues and gaining experience over time. In addition to this, Norfund offers a set of competence development initiatives through Norfund Academy and other external initiatives. The main competence requirements should be set out in the job description for each position in the job structure. We aim to have a structured competence development program which reflects predictable qualification requirements for each of these positions.

**Job rotation & mobility** - We seek to offer employees flexibility in terms of rotation and mobility options between departments and offices. Mobility is further explained in Norfund's [Mobility Standard](#).

### 5.3 Performance

Performance refers to both individual and organizational indicators that measure how employees perform in the position they hold. Assessment of performance is based on a combination of the actual deliveries and on attitude and behavior.

**Development Conversation** - All employees shall participate in structured and documented development conversations twice a year. The conversations aim to provide mutual feedback, set goals for the next period, and discuss general well-being and work life balance.

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**Promotion** - We have a performance management system that supports achievement and motivation, where employees are seen and recognized. There is a yearly review to promote candidates based on own reviews and reviews from colleagues and managers.

#### 5.4 Compensation

Compensation includes the collective and the individual compensation related to the positions the employee holds as well as variable compensation. Our remuneration standard aims to provide competitive, motivating, and accountable remuneration that reflects employees' position, performance, and qualifications. Compensation is regulated by the [Remuneration Standard](#). The remuneration standard is based on a non-discriminating and neutral approach, and we aim to pay wages and other benefits at a level that reflects a reasonable remuneration level in the relevant market.

#### 5.5 Culture – The Norfund Way

Culture is the core of HR as well as for the organization. The Norfund Way is an expression for how we work – our attitude and behavior – and forms the basis for everything we do. We aim to have a corporate culture which is specific and concrete for all employees describing what type of attitudes and actions we believe best promote Norfund's mandate.

The Norfund Way incorporates the common values and behavior that describes our corporate culture, founded on our individual integrity, our work, our team, our leaders and our mandate to make a difference.

The Norfund Way is an integrated part of the company's Governance Framework, Code of Conduct ([link](#)), as well as the business processes.

The five values of The Norfund Way are presented below and are further described in the Norfund Code of Conduct.



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## 6. Privacy

### 6.1 Data protection

Norfund respects the privacy of its employees and is committed to protecting personal employee data. We are committed to process personal data in a fair and lawful way and pursuant to the principles set out in the regulation on data protection (“GDPR”).

### 6.2 Whistleblowing

Norfund’s [Whistleblowing channel](#) service makes it possible for all employees in Norfund, our business partners and other stakeholders to report cases related to illegal, unethical, or other unacceptable circumstances within Norfund and Norfund’s investments.