



Norwegian Sustainability Report 2017



Norwegian Sustainability Report Index

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1. Highlights 2017

In 2017, Norwegian operated more than 500 routes to over 150 destinations. Norwegian carried more than 30 million passengers in 2017, an increase of 13 % from the previous year.

The Group's total operating revenues grew by 19 % to NOK 30,948 million (NOK 25,951 million), of which ticket revenues accounted for NOK 24,719 million (NOK 21,096 million).

Norwegian was awarded "The World's Best Low-Cost Long-Haul Airline and Europe's Best Low-Cost Airline" by renowned Sky Trax.

Norwegian is committed to actively engage in and support a sustainable environmental policy and to continue reducing emissions from aviation. During the last 10 years, Norwegian has reduced CO2 emissions per passenger kilometer by 30 %. Sustainability highlights from 2017 are outlined below:

- Norwegian introduced 35 brand new aircraft and has one of the youngest and greenest fleets in the world with an average age of just 3.6 years.
- Norwegian was named the world's most fuel-efficient airline on transatlantic routes by the International Council on Clean Transportation.
- Norwegian used 1.5 million tons of Jet A-1 fuel, equivalent to 72.9 grams of CO2 per passenger

per kilometer, a reduction of 1.2 % from the previous year.

- Through Norwegian's Signature Partnership with UNICEF, our customers donated more than NOK 5.7 million to UNICEF's work for children when booking their next flight on our website.

- Norwegian launched a new environmental initiative, "Plant for the Planet". In collaboration with the Global Climate Institute, Norwegian planted 9,500 trees in the UK and Spain - one for every person working at the company. In addition, tens of thousands of trees were planted in other parts of the world, helping to reduce the amounts of CO2 in the atmosphere.



2. Letter from the CEO: Committed to a more sustainable future

As an environmentally responsible global airline we are committed to be a good corporate citizen in all areas that we operate. We continue to work closely with our growing number of customers, colleagues and partners, who are increasingly concerned with sustainability and corporate responsibility, to ensure that this pledge remains our top priority. At Norwegian we highlight three pillars of corporate responsibility: Environment; Local Development and Humanitarian Engagement; and Responsible People Culture.

To elaborate, this means that we are committed to operate in accordance with responsible, ethical, sustainable and sound business principles, with respect for people, the environment and the society. Our international business activities, powered by the vision of "affordable fares for all", bring people, cultures and economies together. Global expansion and new routes boost local tourism, create new jobs, drive economic growth and social progress. A growing population in an increasingly globalized world will lead to more mobility and increased need for air transportation. Norwegian acknowledges its responsibilities as a significant market player and has taken direct action to reduce emissions per passenger and make aviation more environmentally friendly. We are proud to be one of the greenest airlines in the world and since 2008 we have reduced CO2 emissions per passenger kilometer by 30 %. The environment continues to be a priority in 2018. Our extensive fleet renewal program will contribute to reduced emissions per



passenger and realize our long-term ambition to help make aviation carbon neutral by 2050.

In terms of economic and social responsibility, we are in line with the UN's official Sustainability Goal #8: "Promote inclusive and sustainable economic growth, employment and decent work for all". Our continued global partnership with UNICEF will contribute to helping more children, in line with the UN's official Sustainability Goal #1: "End poverty in all its forms everywhere". Also, we strongly support SDG #17: Partnerships for the goals, as clearly demonstrated during our Fill a Plane Mission in 2018, where Norway's Minister of Development participated to underline the importance of collaboration between the private and public sectors.

New initiatives in 2018 and beyond

In 2018, we are increasing our sustainability programme by incorporating the Global Reporting Initiative (GRI) standards into our reporting practices. This is a global best practice framework, that will help Norwegian provide a broader view of our impact on economic, environmental and social issues. Our sustainability priorities for 2018 and beyond will be to;

- Engage stakeholders in our sustainability work to increase transparency and deliver added value to the business.

- Achieve greater sustainability in our supply chain by addressing negative impacts.
- Continue to implement and communicate our sustainability strategy internally and externally as well as improve our reporting practice according to GRI.
- Join the U.N. Global Compact, as a step towards contributing to a more sustainable future. I am confident that Norwegian is well positioned for the future and that we have the necessary capabilities to reach our ambitions and long-term goals.



Bjørn Kjos
Chief Executive Officer
Norwegian Group

3. About the report



Norwegian has previously reported information on the area of sustainability in the Corporate Responsibility section of the Annual Report. This year, we have for the first time published a separate Sustainability Report. The report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards for sustainability reporting, Core option. The report refers to the period from January 1 to December 31, 2017, and Norwegian aims to publish a Sustainability Report on an annual basis.

The GRI framework is the most trusted and widely used standard for sustainability reporting. Incorporating the standards represents an important action to meet the growing interests of our stakeholders. By adhering to the GRI framework we will increase our sustainability measures and further develop our sustainability reporting practices. The content of the report is based on the materiality analysis described on page 12. The standards will help Norwegian to better communicate performance and to provide more standardized and credible data on non-financial metrics. Norwegian's ambition with the report is to share our plans and progress on critical environmental, economic and social aspects by providing a fair and complete overview of our sustainability impacts. This will contribute to greater transparency and deliver added value to our stakeholders.

Information sources and calculation methods

At Norwegian, Corporate Responsibility is a part of the Communications and Public Affairs Department, which coordinates most of the sustainability work and initiatives. The information included in this report is collected based on involvement of relevant departments within the Norwegian Group. Part of the data has been collected specifically for the preparation process of this report, such as the employee data from the HR department. Other data sources are collected on a regular basis and is being used for other purposes beyond this report, such as annual reports and interim reports.

For the data on emissions, 2008 is used as base year as this was the first year the data was collected. The calculation is based on a conversion of the total tons of fuel consumed from aircraft operations to CO₂ consumed in tons. More specifically this calculation method provides a measure of how much energy the emissions of 1 ton of a gas will absorb over a given period of time, relative to the emissions of 1 ton of carbon dioxide. The calculation is according to the ICAO Carbon Emission Calculation Methodology. CO₂ is the only gas included in the calculation and Norwegian uses 3.15 as a conversion factor.

The calculation of fuel consumption is done according to our approved emissions plan in line with EU Emissions Trading System, method B. Fuel consump-

tion used for power generation related to heating and air condition on board the aircraft is included in the calculation method. Data is registered in the cockpit and recorded in associated systems. The following formula is used for the calculation:

*Actual fuel consumption for each flight (tons) = Amount of fuel remaining in aircraft tanks at block-on at the end of the previous flight (tons) + Fuel uplift for the flight (tons)*density (0.8) – Amount of fuel contained in tanks at block-on at the end of the flight (tons)*

In the case of missing or inadequate data, average measures for the current flight and aircraft type are used. In the case where average measures cannot be obtained, a Eurocontrol-approved calculator is used for estimation. This is based on aircraft type and route distance in Nautical miles.

Limitations

This is Norwegian's first Sustainability Report based on new reporting standards. As our current reporting system has some limitations, Norwegian is not able to obtain complete information on all topics included in the report. In the coming years, we aim to improve our data collecting process to provide all relevant information in accordance with the GRI-standards. The following information is not included in this year's report:

Employees:

For the GRI Standards 102-8, reported information is based on data from 2018 as data from 2017 was inadequate to meet the reporting requirements. Norwegian is currently working on the implementation of a new HR system that will provide more relevant data in the coming years. Specifications of the omitted data:

- 102-8-b: Employees by region are not split by employment contract.
- 102-8-e: Information on significant variations could not be obtained.

Emissions:

- 305-1-c: Biogenic CO2 emissions are not reported.

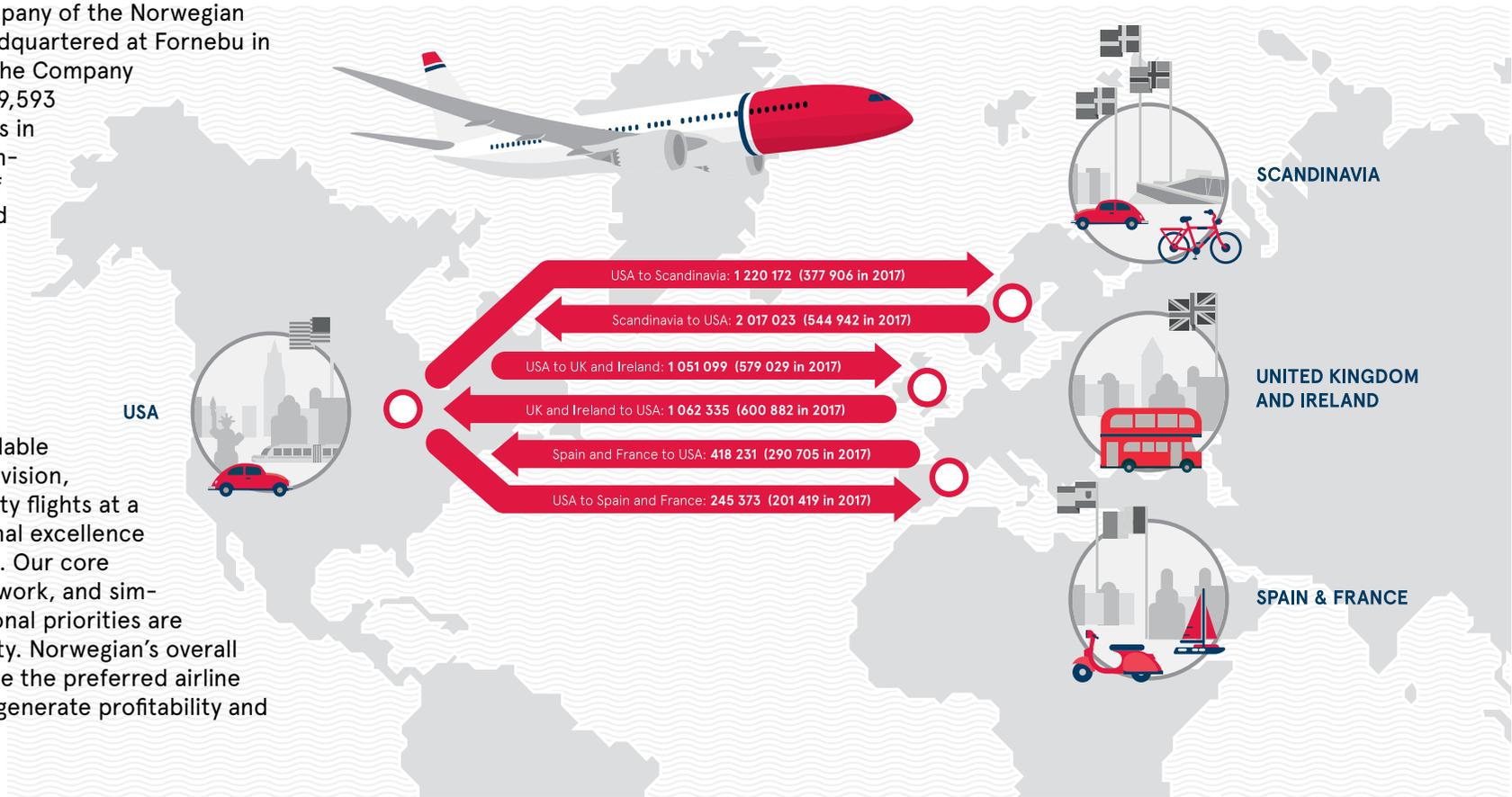
4. Organizational profile

Group Overview

Norwegian Air Shuttle ASA (“Norwegian” or “the Company”), the parent company of the Norwegian Group (“the Group”), is headquartered at Fornebu in Norway, just outside Oslo. The Company and its subsidiaries employ 9,593 staff at 23 operational bases in 13 countries across four continents. Norwegian is one of Europe’s fastest growing and most innovative airlines. In 2017, Norwegian operated more than 500 routes to over 150 destinations.

Business Strategy

Norwegian’s vision is “affordable fares for all”. To realize this vision, Norwegian offers high-quality flights at a low fare based on operational excellence and helpful, friendly service. Our core values are innovation, teamwork, and simplicity. The Group’s operational priorities are safety, service, and simplicity. Norwegian’s overall business objectives are to be the preferred airline in selected markets and to generate profitability and return to its shareholders.



Corporate structure

The Norwegian Group consists of the parent company, Norwegian Air Shuttle ASA, and its directly or indirectly owned subsidiaries in Norway, Sweden, Denmark, Finland, Ireland, Spain, United Kingdom, and Argentina. The Group has structured its operations and different functions into several entities to ensure international growth and secure necessary market access by obtaining traffic rights in line with the strategy. The purpose is to have an organizational structure that maintains Norwegian's flexibility and adaptability when growing and entering into new markets. The respective companies offer permanent employment, and competitive terms and conditions according to local markets, laws, and regulations. The Group's entities are further organized into four main business areas; Assets, Aircraft Operations, People and Services, and Other Business Areas. Each business area is focused on specializing within its core operation while maximizing benefits on behalf of the Group. This organizational structure seeks to highlight the value-driving activities within the Group and is a result of Norwegian's innovative and entrepreneurial approach in the travel industry and beyond.

Code of Ethics

Norwegian's corporate vision, values, and operational priorities form the basis for the Group's ethi-

cal guidelines. Norwegian's Code of Ethics provides guidelines and directions for a good working environment and highlights the Group's guidelines for corporate and individual behavior, sound business principles, rights, and duties, as well as safety for all - including staff, customers, and partners.

Norwegian supports international human rights as outlined by the UN declaration and conventions and adheres to the principle that no one shall in any way cause or contribute to the violation or circumvention of human rights. Norwegian will strive to offer a professional and positive workplace with a respectful, open and inclusive working environment. Everyone working for Norwegian has a joint responsibility to develop and maintain a good working environment and be compliant with the ethical guidelines. Any violations of the Code of Ethics shall be reported to Norwegian's Whistleblowing channel.

Corporate Governance

Norwegian's objective for corporate governance is based on accountability, transparency, fairness, and simplicity with the ultimate goal of maximizing shareholder value while creating added value for all stakeholders. The principles are designed in compliance with laws, regulations and ethical standards. The description of the main features is generally structured as a Code of Practice. The topic of corporate governance is subject to annual evaluation and discussion by the Board. Good corporate governance is distin-

guished by responsible interaction between the owners, the Board and the Management in a long-term, productive and sustainable perspective. Norwegian Air Shuttle ASA's governance structure is described in detail on pages 97-108 in the Annual Report 2017.

Risk Management

Risk management throughout the Norwegian Group is based on the principle that risk evaluation is an integral part of all business activities. The Group's Board of Directors reviews and evaluates the overall risk management systems and environment in the group on a regular basis. Sustainability-related risks and opportunities are assessed as part of the overall risk management systems. Norwegian aims to follow a precautionary approach to minimize risks and reduce negative sustainability impacts. However, we do not formally apply the Precautionary Principle in decision making.

Supply Chain

Norwegian's suppliers are primarily based in locations where the Company operates. The expansion of our international network implies that the number of supply chain partners in the different countries where Norwegian operate is increasing. It also implies that the laws and practices of the Company's suppliers may vary. Norwegian's supply chain ranges from aircraft manufacturers, aircraft maintenance



suppliers, fuel suppliers, IT suppliers, providers of airport services, and other services related to aircraft operations.

An important pillar of Norwegian's environmental policy is to continue reducing emissions from aviation by flying the most modern and fuel-efficient aircraft in the skies. Fuel efficiency is considered an important criterion when selecting aircraft manufacturers, both for economic and environmental reasons. Boeing and Airbus, and the associated aircraft engine manufacturers, are therefore considered important supply chain partners.

Achieving greater sustainability in the supply chain by addressing negative impacts will be one of Norwegian's priorities in the coming years.

3. Defining sustainability at Norwegian

Sustainability Strategy

As the sixth largest low-cost airline in the world, Norwegian has the potential to make a significant impact on sustainable development. To address risks and capitalise on potential opportunities we look at sustainability from a wide perspective from both the environmental, economic and social aspect. Norwegian's sustainability strategy has been orchestrated to ensure alignment with the overall business strategy. We strive to be a good corporate citizen in every area of operation. The Company is committed to operate in accordance with responsible, ethical, sustainable and sound business principles, with respect for people, the environment and the society.

Stakeholder Engagement

An important aspect of Norwegian's sustainability strategy involves engaging with key stakeholders to address concerns raised and to contribute to added value for the different stakeholder groups. Key stakeholders are defined based on their relationship and connection to our business. Examples of key stakeholders are customers, employees, investors, and authorities.

Stakeholder dialogue, such as with investors, media and customers, is carried out on a daily basis in addition to standard reporting. The dialogue with employees was the only one that was undertaken specifically as part of the report preparation process. Stakehold-



er dialogue provides insights into what sustainability topics they are most concerned with. This feedback is invaluable to Norwegian and in the coming years we will be focusing on improving the dialogue with our stakeholders around sustainability topics. The area of sustainability is becoming of greater importance to many of our stakeholders. Examples of this are investors putting sustainability on the agenda as part of regular investor meetings, customers showing an increasing interest in environmental issues through social media and corporate customers requesting more information about Norwegian's sustainability work through tenders. The authorities in the majority of the countries that we operate have emissions high on their agenda and the media continuously report on aviation's impact on the environment. We are also in continuous dialogue with our corporate Signature Partner UNICEF about various sustainability topics and together we emphasize the importance of the UN's sustainable development goals #1: End poverty in all its forms everywhere and #17: Partnerships for the goals.

The results of the stakeholder's material aspects and the type of dialogue with Norwegian:

Key stakeholders	Type of dialogue/channel	Material aspects
Private customers	<ul style="list-style-type: none"> • Social media • Customer service inquiries • Questions to crew members 	<ul style="list-style-type: none"> • Environment • Corporate responsibility • Customer privacy
Corporate customers	<ul style="list-style-type: none"> • Requests for information through tenders 	<ul style="list-style-type: none"> • Sustainable supply chain • Emissions • Energy consumption • Occupational health and safety • Diversity and equal opportunity • Non-discrimination
Owners	<ul style="list-style-type: none"> • Board meetings • General meetings 	<ul style="list-style-type: none"> • Economic performance • Governance
Employees	<ul style="list-style-type: none"> • Question to employees concerning important topics in Norwegian's sustainability efforts 	<ul style="list-style-type: none"> • Employment • Training and education • Emissions • Corporate responsibility
Regulators	<ul style="list-style-type: none"> • Confederation of Norwegian Enterprise (NHO) • Contact with national and international authorities 	<ul style="list-style-type: none"> • Emissions • Safety • Corporate responsibility
NGOs	<ul style="list-style-type: none"> • Dialogue with UNICEF 	<ul style="list-style-type: none"> • No poverty • Environment • Emissions
Media	<ul style="list-style-type: none"> • Individual dialogue 	<ul style="list-style-type: none"> • Environment • Corporate responsibility • Customer privacy • Economic performance • Energy consumption • Occupational health and safety • Diversity and equal opportunity • Non-discrimination

Materiality Analysis

In accordance with the GRI 2016 reporting guidelines, the stakeholder’s material aspects have been used as input to the materiality analysis, together with an analysis of positive and negative business impacts on economic, environmental and social aspects. The

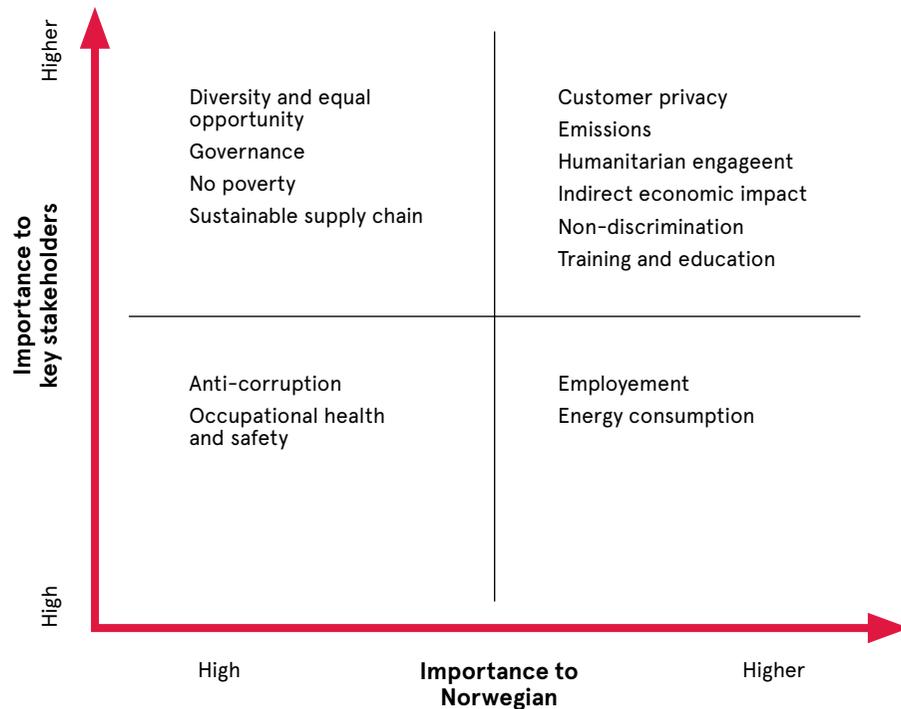
materiality analysis is used as a basis for defining Norwegian’s material aspects that are included in this report. The analysis is also used as input in the process of further developing Norwegian’s sustainability strategy. The topics are categorized into the degree of importance to Norwegian and to key stakeholders. All top-

ics with high importance are included in the analysis. The topics with the highest importance to Norwegian and the highest importance to our key stakeholders are the ones that are considered material.

The environmental impact of aviation is considered material to Norwegian and the majority of our key stakeholders. Norwegian is continuously focusing on reducing emissions from flight operations. Undoubtedly, the single most important measure an airline can implement to reduce emissions is to invest in new, more environmentally friendly technology.

Creating economic and social value at our bases and destinations is part of our sustainability strategy, as well as an important issue for our owners. This forms the basis for choosing indirect economic impacts as one of Norwegian’s material topics within economic responsibility. Norwegian also puts humanitarian engagement high on the sustainability agenda. UNICEF is a key stakeholder that we work together with to fight poverty.

Creating a positive working environment is important to Norwegian and to our employees. Norwegian’s goal is to develop a sound corporate culture characterized by openness, tolerance, and high ethical standards. Furthermore, we want to promote an environment free from any discrimination and aim to maintain a talented workforce of highly skilled staff and leaders. That is why we consider the topics



non-discrimination and training and education as material. In 2017, Norwegian focused on the implementation of the EU's new General Data Protection Regulation (GDPR) to ensure compliance with the new data protection regulation that went into effect in May 2018 and to address privacy concerns from our customers.

Supporting the UN's Sustainable Development Goals

The Sustainable Development Goals (SDGs) consist of 17 universal goals set by the UN. The Goals are interconnected and aim to address global challenges related to sustainable development, including poverty, inequality, climate, environmental degradation,

prosperity, and peace and justice. Norwegian supports the 2030 agenda for sustainable development. From the material topics identified, Norwegian has selected the following SDGs, where we believe we will make the greatest contributions:



Goal #1

End poverty in all its forms everywhere



Goal #8

Promote inclusive and sustainable economic growth, employment and decent work for all



Goal #17

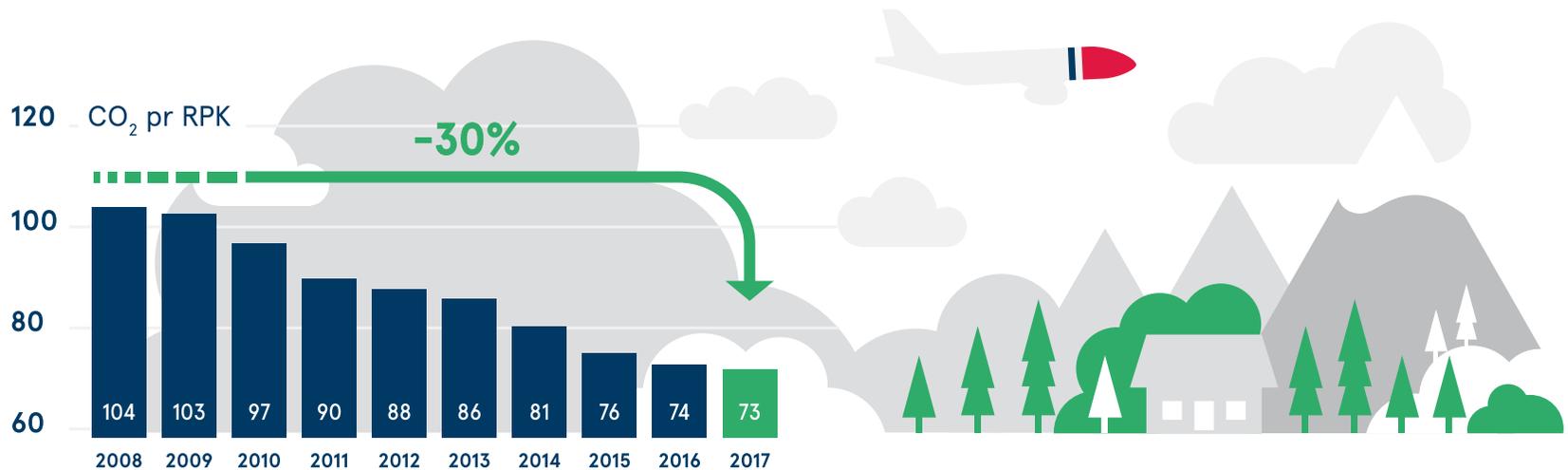
Enhance global partnerships for sustainable development

6. Environmental responsibility

As one of the largest low-cost airlines in the world with more than 500 routes in operation, servicing more than 150 routes in Europe, North America, South America, Asia, and the Middle East, Norwegian has the potential to make significant impacts on the environment. Norwegian is committed to actively engage in and support a sustainable environmental policy and believes that, until there is a greener alternative that is commercially available, the single most important action an airline can take to reduce its environmental footprint is to invest in new aircraft, which reduces fuel burn and hence emissions considerably. Norwegian encourages the development of biofuel and is fully committed to replacing traditional jet fuel with a greener alternative when it becomes

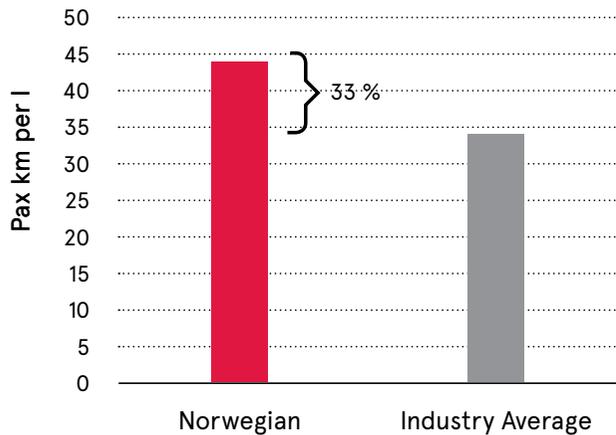
commercially available and sustainable. However, as the availability is currently limited, the use of biofuel has insignificant environmental impact.

The continuous fleet renewal has not only benefited the environment but has also contributed to increasing passenger comfort and lower fares as well as a lower operating cost for Norwegian. Norwegian's new aircraft reduce CO2 emissions by up to 30 % and generate up to 60 % smaller noise footprint than comparable older aircraft types. Our ambition is to continue reducing emissions per passenger and help make aviation carbon neutral by 2050.

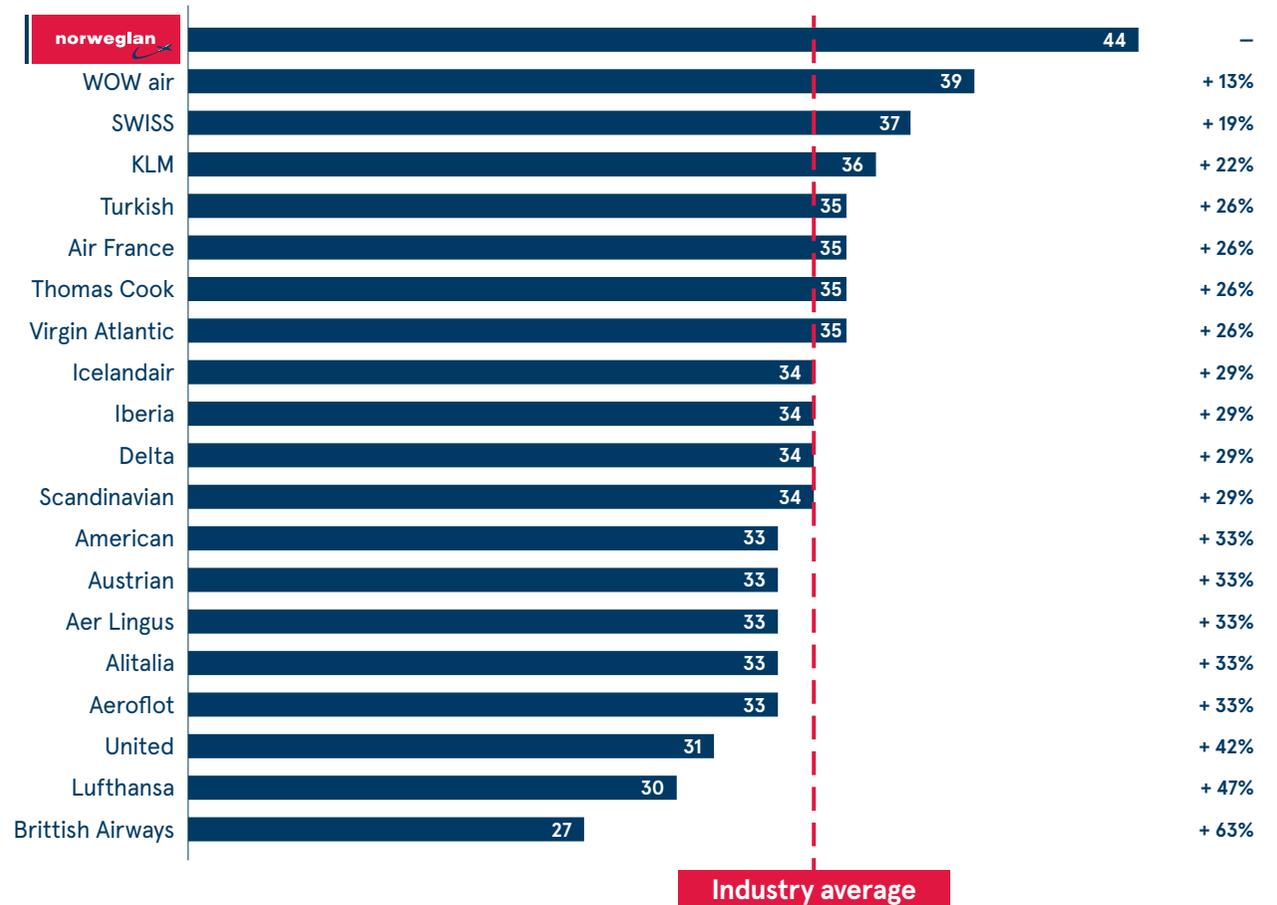


The fleet renewal strategy has led Norwegian to become an industry leader in terms of fuel-efficiency. Our performance in 2017 led Norwegian to being named the world's most fuel-efficient airline on transatlantic routes by the International Council on Clean Transportation (ICCT). An analysis of the fuel efficiency of the 20 largest airlines operating between Europe and the United States proved Norwegian to be 33 % more fuel-efficient than the industry average, with a fuel consumption of 44 passenger kilometers per liter.

**Average fuel economy on transatlantic routes:
Passenger km per liter**



Average Fuel Economy [pax-km/L]



Source: The International Council of Clean Transportation, 2018.

Sustainable developments in flight operations in 2017

To improve fuel efficiency and reduce greenhouse gas emissions, Norwegian is working on several initiatives. In 2017, Norwegian's key emission-reducing activities were:

- Fleet renewal

In 2017, Norwegian took delivery of 17 Boeing 737-800s, nine Boeing 787-9s and six Boeing 737 MAX 8s. In line with our ambition to reduce our environmental impact, the continued fleet renewal in 2017 contributed to a further reduction in emissions per passenger. The average fleet age for the 144 aircraft was 3.6 years at the end of 2017, making it one of the greenest and most fuel-efficient fleets in the world. Norwegian uses the technologically advanced Boeing 787 Dreamliner and the Boeing 737 MAX 8 on its intercontinental routes. The Dreamliner consumes 20 % less fuel compared to its counterparts and the MAX consumes 20 % less than the 737-800. With a pending order of 21 Dreamliners and 104 MAXs to be delivered in the coming years, including 2018, Norwegian will continue to be one of the most environmentally friendly airlines in the world.

- Fewer take-offs and landings

As opposed to traditional network carriers, Norwegian bypasses the big "hubs" and offers more direct flights. The result is a significant reduction of fuel-intensive take-offs and landings. Continuous Descent Approaches, also known as "green approaches", are





designed to reduce overall emissions during the final stages of the flight.

- Advanced weather data to calculate more efficient flights

Norwegian has partnered with AVTECH Sweden AB allowing Norwegian’s pilots to receive the highest quality weather data available including accurate wind and temperature information to reduce fuel consumption and thereby reducing Norwegian’s environmental footprint. When this data is fed into the aircraft’s Flight Management Computer, the aircraft’s flight path can be adjusted and optimized. The goal is to deliver better fuel and time estimates as well as fuel efficient descents with less speed deviations. As much as 22 kilos of fuel has been saved on each flight using these methods.

- Noise reduction

Aviation is associated with noise challenges. Norwegian’s new fleet of aircraft plays an important part in the efforts to reduce the negative impact on the local environment, as new aircraft are considerably quieter than older generations. All of Norwegian’s aircraft meet The International Civil Aviation Organization’s (ICAO) Chapter 4 and Chapter 14 requirements.

- Lighter materials

Norwegian’s aircraft feature modern interiors that include specially designed slim and lightweight seats that reduce weight and emissions by reducing fuel burn.

- Winglets reduce drag

All of Norwegian’s 737s have winglets, a tailfin-like extension on each wingtip. Winglets reduce drag, which results in approximately 2 % less fuel consumption per aircraft.

- A special wash that reduces fuel consumption
- Norwegian has a special engine and aircraft wash that reduces fuel consumption and carbon emissions by approximately 16,000 tons per year.

Direct Emissions

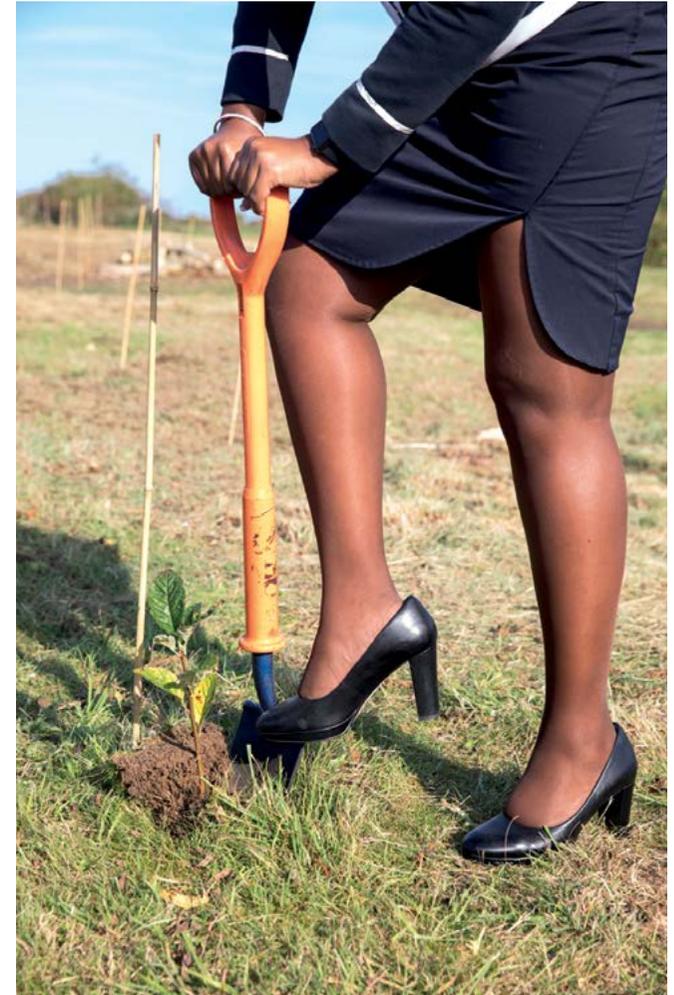
Norwegian reports data on direct emissions from flight operations based on fuel consumption, according to the ICAO industry standard. In 2017, Norwegian’s global expansion resulted in an expected increase in the consumption of jet fuel and total CO2 emissions. The Group as a whole consumed 1.5 million tons of Jet A-1 fuel, equivalent to 72.9 grams of CO2 per passenger per kilometer. This was a reduction of 1.2 % from the previous year.

Emissions from flight operations - Scope 1	Unit	2017	2018	Base year 2018
Fuel consumption (Jet A1)	1000 tons	1465	1190	299
CO ₂ total emissions	1000 tons	4615	3749	943
CO ₂ /RPK	gram	879	890	1273
CO ₂ total emissions	gram	72.9	73.8	104

Other initiatives

• **Waste management**
Norwegian is also focused on reducing the amount of waste generated from our operations and to improve the recycling processes. Our current initiatives involve the sorting of paper and recycling of other types of waste. This also applies to our partners at the airports. Waste on board the aircraft is sorted and recycled. The surplus from recycled cans and bottles is donated to charity organizations such as UNICEF and Red Cross. IT equipment is retrieved by the organization Fare, which deletes and formats old computers for reuse.

• **“Plant for the Future”**
Norwegian has launched another initiative to its sustainability portfolio – Plant for the Future. Norwegian is one of the first airlines in the world to plant trees to benefit the environment. The importance of trees cannot be underestimated in regards to their impact on the global climate, we have now planted 9,500 trees in the UK and Spain - one to represent all our colleagues and we are proud to continue this partnership as we plant tens of thousands of trees in other parts of the world.



7. Economic responsibility

Creating economic and social value at our bases and destinations are important objectives that underline Norwegian's ambition to be a good corporate citizen. Our contributions on the economic aspect support the UN's SDG #8: "Promote inclusive and sustainable economic growth, employment and decent work for all". Norwegian's sustainability work on the economic aspects also involves engaging in voluntary initiatives in order to fight poverty.

Indirect Economic Impacts

In 2017, Norwegian continued to create economic and social value at new and existing bases and at all destinations. By the year-end, Norwegian had launched more than 40 new routes and operated more than 500 routes to over 150 destinations. Global expansion and new routes boost local tourism, create jobs, drive economic growth and social progress.

Norwegian's contribution to the Scandinavian tourism industry is substantial, according to a report from the economic analysis company Menon. Tourists visiting Norway, Sweden, and Denmark using Norwegian contribute to sustaining 41,500 jobs in the tourism industry (Norway: 16,000; Sweden: 13,000; Denmark: 12,500).

Norwegian's contribution to the US economy is also considerable. Since 2013, Norwegian has carried over 3.7 million visitors to the US on more than 50 transatlantic routes, which has significantly boosted the creation of American jobs in the travel and tourism

industry, including at Fort Lauderdale and Oakland/San Francisco, where international flights have been scarce. Norwegian is one of the largest customers of American aircraft manufacturer, Boeing. According to calculations from the US Department of Commerce in 2016, Norwegian's firm aircraft order from Boeing was valued at more than USD 18.5 billion, which in turn, helps to create and support up to 100,000 Amer-

ican jobs. In addition, Norwegian's own workforce increased by 46 % in 2017, with the highest growth recorded in Spain and the UK.

Partnership with UNICEF

Norwegian aims to help children in need through our Signature Partnership with the humanitarian organi-





zation UNICEF. Locally, the goal is to involve staff in their local communities, as Norwegian believes that employee involvement creates greater engagement and quality of work life balance for staff. As such, the initiative is in line with the UN's official Sustainability Goal #1: "End poverty in all its forms everywhere".

"The children are the future and we should do everything we can to make the world a better place for the ones who need it the most," says Norwegian's CEO Bjørn Kjos. That is why Norwegian has a collaboration with UNICEF, the United Nation's Children Fund. Norwegian also believes that it is important to enable staff and customers to make a difference. Through fundraisers, internal activities, relief flights and other activities the airline is committed to supporting

UNICEF and the important work the organization does for children in need all over the world. Norwegian and UNICEF have had a Signature Partnership since 2007 and in 2017 a global partnership was introduced to reflect Norwegian's increasingly international footprint.

The partnership is enabling Norwegian and its passengers to contribute to UNICEF's work through several initiatives. We also support UNICEF employees in Norway by offering free flights on the Norwegian network.

In 2017, Norwegian performed two relief flights with UNICEF to help the children of Mali and Yemen. These missions contributed to supporting thousands of children and created huge internal engagement at

Norwegian, which enhanced the company culture and sense of pride.

Throughout 2017, Norwegian's customers donated more than NOK 5.7 million to UNICEF's work for children when booking flights on the website.

The amount donated will contribute to the following:

- Provide 300,000 children with cholera medicine.
- Installing more than 1,600 wells equipped with water pumps that can supply an entire village or refugee camp with clean water. Traditionally in some countries it is seen as a 'girls' job to fetch water at a well, which in turn may mean that they cannot go to school due to the time it can take to carry out such a task. By locating a water pump near to a school, it increases their chance of receiving a regular education.
- 1.65 million emergency food kits, providing nearly 40,000 malnourished children food for two weeks.
- Provide approximately 1.2 million children with polio vaccinations.
- Buy 1.5 million notebooks and pencils for school children.
- Provide 3,400 School-in-a-box sets for emergencies. This can provide education to 136,000 children.

8. Social responsibility

Norwegian’s social responsibility work is focused on the Company’s employees. The goal is to create a positive working environment and to develop a sound corporate culture marked by openness, tolerance, and high ethical standards. The airline business is a service industry where good relations and respect between people are key success factors. Norwegian has a long-term focus on creating an attractive workplace for staff which offers exciting opportunities in a global environment.

Staff and Organization

At the end of 2017, the Norwegian Group facilitated employment for a total 9,593 people, compared to 6,564 at the end of 2016, apprentices and staff employed in partner companies included. This was a planned increase, which has taken place in line with the 2017 expansion of the route network.

More detailed data on Norwegian’s workforce has been extracted from the HR system and is based on numbers from July 2018. The data is not considered representative for 2017 as Norwegian has experienced an increase in the number of employees from 2017. There is nothing that indicates that the gender mix has changed significantly since 2017. Norwegian employees are based in more than 14 countries worldwide.

Norwegian Air Shuttle ASA is a member of NHO Aviation, which is a member of NHO, The Confederation of Norwegian Enterprise. Salary reviews are conducted

Employees 2018	Norwegian Group	Permanent*	Temporarily*	Full-time	Part-time
Female	4509	2668	107	4042	458
Male	5700	3723	48	5161	514
Total	10209	6391	155	9203	972

*The total number of employees by contract type is only applicable for local employees, which implies employees hired by a company over 50 % owned by Norwegian and having signed an employment contract on local terms.
 The number of employees in our internal workforce includes local employees and Apprentices/Interns, Inpatriates/Expatriates, Agency Crew, and Contingency workers. We have around 1 600 external employees that are not considered part of the internal workforce. This group includes third-party consultants, contractors, vendors, and students, hired in for a specific and/or time-limited task, typically providing a service that does not exist in-house.



ed through local union negotiations or according to local laws, regulations, and CBA (collective bargaining agreements). We estimate that around 87 % of our employees are covered by CBA.

The salary development reflects the social situation and market requirements and in 2017 it was moderate according to the consumer price index. People working at Norwegian are employed in the country they are based and follow the laws and regulations of their respective country. However, Norwegian's policies and guidelines are based on a Scandinavian approach according to its legacy and organizational culture. Sickness leave for the Norwegian Group across all units (not including agency staff) was 5.8 % for 2017.

Non-discrimination

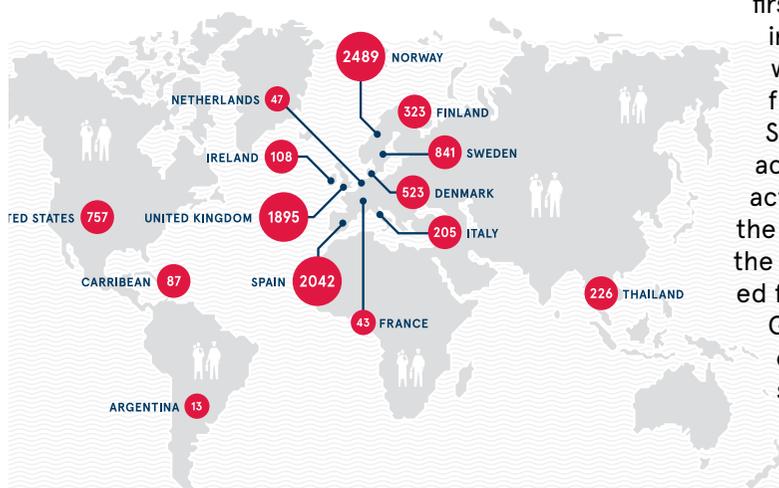
Norwegian's human resources policy strives to be equitable and neutral. We aim to create an environment free from any discrimination - based on religion, race, gender, sexual orientation, age, nationality, or disability - and free from bullying and harassment. Behavior that can be perceived as degrading or threatening is not tolerated. Any incidents shall be reported to Norwegian's Whistleblowing channel. Reported incidents are reviewed by the Whistleblowing Group, headed by the Chief HR Officer.

A total of seven incidents of potential discrimination were reported through the organization's Whistleblowing channel in 2017. Ernst & Young were first-hand processors of all reported incidents, except from one incident that was reviewed by the Chief HR Officer and further processed in the HR department. Some cases resulted in internal corrective actions. Others were no longer subject to action after further investigation, or due to the reports being anonymous meaning that the affected parties could not be contacted for further investigation. In 2017, a new Group Policy for prevention and handling of bullying and harassment, including sexual harassment, was implemented as a corrective action to raise awareness of discrimination and to improve the working environment.

In terms of gender discrimination, the airline industry has historically been male-dominated, but Norwegian has a strong tradition of practicing equality since its inception in 2002. Norwegian prides itself maintaining a talented and highly competent workforce and is committed to recruiting both women and men to key positions. In 2017, 45 % of staff were female and 55 % male. Most pilots are male, and women represent around a 4 % share of pilots. The majority of cabin personnel are female, while males account for approximately 32 %. Among administrative staff, there is roughly an equal ratio of male to female staff. Technicians and engineers have historically been male, but in the past few years, the number of female staff is rising. The Group's Board of Directors has more than 40 % female representation.

Training and Education

Norwegian's success rests on the ability to maintain a talented workforce of highly skilled staff and leaders, who are motivated to contribute to Norwegian's growth and to deliver on the vision of affordable fares for all. The goal is to offer unique opportunities to the people working for Norwegian as well as a corporate culture that helps the Company attract and retain the most talented people in the industry, regardless of location. Creating effective arenas for organizational learning and professional development at all levels of the organization is a goal. During 2017, Open Meetings and Regional Events engaged about 1,600 colleagues around



the revision of core values, with the purpose of uniting the global organization through common guidelines.

- Employee training

Mandatory and required operational training, i.e. for flight crew and technical crew, is continuously controlled and accomplished according to legal and internal requirements and processes. A leadership training program was implemented during 2017 and will be further developed in the coming period. Onboarding for new as well as existing employees starting new positions elsewhere in our group of companies was carried out according to local needs and opportunities. Digital onboarding and skill specific training based on volatile organizational needs is under development. Transition assistance is a seldom matter of necessity due to global growth. However, a few cases during 2017 was managed on individual needs through Group HR.

Moving forward, Talent Management including management appraisal and succession planning will be in focus with the introduction of a variety of tools and approaches, based on the dialogue between the employee and their reporting manager. We always emphasize strength-based learning and on-the-job training and will continue to ensure our employees' competitiveness and motivation by providing relevant skill opportunities.

- Travel & Tourism apprentice program

Norwegian's successful apprentice program in Travel & Tourism continued in 2017 with apprentices from

both Norway and Sweden. The program is approved by the Norwegian Educational Authorities and comprised of approximately 100 apprentices at the end of 2017. The program runs over a two to three-year period dependent on the apprentice's educational background and has year-round rolling admission. A further intake is due in 2018, and the program is continuously developed. At graduation, the apprentices had successfully completed modules in Sales & Marketing, Customer Support & Booking, and Ground Handling. They also had two international assignments over a longer period and had spent several months flying as cabin crew members across Scandinavia and Europe. The standard of Norwegian apprentices is at the highest level with a perfect pass rate in 2017.



Customer Privacy

As an airline company, Norwegian process personal information on behalf of its customers. During 2017, Norwegian conducted a risk assessment for the processing of personal information and the requirements in GDPR; actions were identified and initiated. Norwegian established a GDPR project to ensure a sound implementation of all GDPR activities, such as develop protocols for all processing of personal information, ensuring data protection agreements towards sub-contractors, update privacy policy to clearly inform of our processing activities and secure adequate channels for handling customer rights related to GDPR.

In 2017, the Customer Care unit had not identified any substantiated complaints regarding Customer Privacy. With over 5 million different dialogues with customers during a year, we take great pride in treating our customer privacy data with the greatest care and security. Employees receive on-going training regarding access to and use of customers private data, and access is restricted based on their job requirements. Any personal information we collect from our customers is purely to enable us to deliver our service to them.

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Norwegian Sustainability Report 2017

Norwegian Air Shuttle ASA

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