

Principles for Responsible Banking

Reporting and Self-Assessment Template

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| <p>1.1 <i>Describe</i> how your bank has aligned and/or is planning to align its strategy to be consistent with and contribute to society's goals, as expressed in the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.</p> | <p>SpareBank 1 Nord-Norge is the largest financial services institution in Northern Norway and is therefore an important contributor to sustainable development and economic growth in the region. One of our most effective contributions to this is supporting the northern Norwegian business community with transitioning through our financing processes. Climate risk is one of the areas in the Group's risk strategy and sustainability is included in other strategies and core processes and thus high on the agenda throughout the Group.</p> <p>SNN's ambition for sustainability is: "Sustainability is integral to SpareBank1 Nord-Norge's business practices and this will contribute to achieving the UN Sustainable Development Goals."</p> <p>Some of our result in 2021:</p> <ul style="list-style-type: none"> - MNOK 175 was granted via our corporate social responsibility strategy "Samfunnsloftet" to measures that will have a positive impact on one or more of the SDGs. (contribution to the SDGs are based on the recipient self-reporting) - 10.2 per cent of portfolio classified as ESG compliant. Contributing positive to the SDGs 13.1 and 14.1. - Issuance of first green bond BNOK 1.3. - Establishing a new green finance framework and publishing green bond impact report - 24 per cent reduction in our greenhouse gas emissions - Modest reporting on greenhouse gas emission in our portfolio <p>SNN have started a new project in 2022 called "Sustainability as business" The project will work on new target setting and focus on how to increase positive impact, and reduce negative impact on the SDGs.</p> | <p>Report on Sustainability 2022</p> <p>Global Reporting Initiative – index page 34-39</p> <p>Report on Samfunnsloftet page 24</p> <p>About our green finance framework</p> <p>Green bond impact report</p> |
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Principle 2: Impact and Target Setting

We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.

2.1 Impact Analysis:

Show that your bank has identified the areas in which it has its most significant (potential) positive and negative impact through an impact analysis that fulfills the following elements:

- a) Scope: The bank’s core business areas, products/services across the main geographies that the bank operates in have been as described under 1.1. have been considered in the scope of the analysis.
- b) Scale of Exposure: In identifying its areas of most significant impact the bank has considered where its core business/its major activities lie in terms of industries, technologies and geographies.
- c) Context & Relevance: Your bank has taken into account the most relevant challenges and priorities related to sustainable development in the countries/regions in which it operates.
- d) Scale and intensity/salience of impact: In identifying its areas of most significant impact, the bank has considered the scale and intensity/salience of the (potential) social, economic and environmental impacts resulting from the bank’s activities and provision of products and services.

(your bank should have engaged with relevant stakeholders to help inform your analysis under elements c) and d))

Show that building on this analysis, the bank has

- Identified and disclosed its areas of most significant (potential) positive and negative

SNN is currently working on a new impact analysis. This as a part of refreshing SNNs materiality analyses. Both analysis will be publish during 2022.

[Report on Sustainability-Materiality analysis page 6](#)

Please note that our Impact Analysis is not completed and published yet

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| <p>impact</p> <ul style="list-style-type: none"> • Identified strategic business opportunities in relation to the increase of positive impacts / reduction of negative impacts | | |
| <p>Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Impact Analysis.</p> | | |
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| <p>2.2 Target Setting</p> <p><i>Show</i> that the bank has set and published a minimum of two Specific, Measurable (can be qualitative or quantitative), Achievable, Relevant and Time-bound (SMART) targets, which address at least two of the identified “areas of most significant impact”, resulting from the bank’s activities and provision of products and services.</p> <p><i>Show</i> that these targets are linked to and drive alignment with and greater contribution to appropriate Sustainable Development Goals, the goals of the Paris Agreement, and other relevant international, national or regional frameworks. The bank should have identified a baseline (assessed against a particular year) and have set targets against this baseline.</p> <p><i>Show</i> that the bank has analysed and acknowledged significant (potential) negative impacts of the set targets on other dimensions of the SDG/climate change/society’s goals and that it has set out relevant actions to mitigate those as far as feasible to maximize the net positive impact of the set targets.</p> | <p>Based on the analyses in point 2.1, SpareBank 1 Nord-Norge will set new climate goals and publish dem during 2022.</p> | |
| <p>Please provide your bank’s conclusion/statement if it has fulfilled the requirements regarding Target Setting.</p> | | |
| <p>2.3 Plans for Target Implementation and Monitoring</p> <p><i>Show</i> that your bank has defined actions and milestones to meet the set targets.</p> <p><i>Show</i> that your bank has put in place the means to measure and monitor progress against the set targets. Definitions of key performance indicators, any changes in</p> | <p>Based on the analyses in point 2.1, SpareBank 1 Nord-Norge will set new climate goals and publish dem during 2022.</p> | |

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| <p>these definitions, and any rebasing of baselines should be transparent.</p> | | |
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Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Plans for Target Implementation and Monitoring.

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| <p>2.4 Progress on Implementing Targets</p> <p><u>For each target separately:</u></p> <p>Show that your bank has implemented the actions it had previously defined to meet the set target.</p> <p><i>Or explain why actions could not be implemented / needed to be changed and how your bank is adapting its plan to meet its set target.</i></p> <p>Report on your bank's progress over the last 12 months (up to 18 months in your first reporting after becoming a signatory) towards achieving each of the set targets and the impact your progress resulted in. (where feasible and appropriate, banks should include quantitative disclosures)</p> | <p>Based on the analyses in point 2.1, SpareBank 1 Nord-Norge will set new climate goals and publish dem during 2022.</p> | |



Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Progress on Implementing Targets



Principle 3: Clients and Customers

We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.

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| <p>3.1 <i>Provide an overview</i> of the policies and practices your bank has in place and/or is planning to put in place to promote responsible relationships with its customers. This should include high-level information on any programmes and actions implemented (and/or planned), their scale and, where possible, the results thereof.</p> | <p>SNN has specific policies for sustainability and corporate social responsibility, along with associated guidelines, for its most important business areas</p> | |
| <p>3.2 <i>Describe</i> how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities. This should include information on actions planned/implemented, products and services developed, and, where possible, the impacts achieved.</p> | <p>In order to help customers in the business market with the transition to a low-emission society, SNN has developed a green product framework that contains a set of criteria for property, transport, aquaculture, fisheries, agriculture, and forestry.</p> <p>In the consumer market, we also help customers who want to choose green options, both through loans on favorable terms and conditions for green housing and renovation measures, and through savings product labelling that shows which of our fund managers take a systematic approach to sustainability.</p> | |

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|  <p>Principle 4: Stakeholders We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society’s goals.</p> | | |
| <p>4.1 <i>Describe</i> which stakeholders (or groups/types of stakeholders) your bank has consulted, engaged, collaborated or partnered with for the purpose of implementing these Principles and improving your bank’s impacts. This should include a high-level overview of how your bank has identified relevant stakeholders and what issues were addressed/results achieved.</p> | <p>SNN conducts a stakeholder analysis every year covering the Group’s most important contacts outside the Group during the year. The stakeholder analysis shows which stakeholders we have been in dialogue with, on what topics, and which measures have been implemented. This can be read in its entirety in our report on Sustainability</p> | <p>Report on Sustainability page 34</p> |
|  <p>Principle 5: Governance & Culture We will implement our commitment to these Principles through effective governance and a culture of responsible banking</p> | | |
| <p>5.1 <i>Describe</i> the relevant governance structures, policies and procedures your bank has in place/is planning to put in place to manage significant positive and negative (potential) impacts and support effective implementation of the Principles.</p> | <p>This will be developed further in 2022 in connection with the finalisation of the impact analysis and setting of SMART climate goals.</p> | |
| <p>5.2 <i>Describe</i> the initiatives and measures your bank has implemented or is planning to implement to foster a culture of responsible banking among its employees. This should include a high-level overview of capacity building, inclusion in remuneration structures and performance management and leadership communication, amongst others.</p> | <p>SNN has developed its own green curriculum that has been designed to help ensure that every employee has a good basic understanding of what sustainability is in the financial services industry and how they can use this insight in their dialogue with customers and others. The green curriculum will be updated as a part of the project Sustainability as business.</p> | |
| <p>5.3 Governance Structure for Implementation of the Principles <i>Show</i> that your bank has a governance structure in place for the implementation of the PRB, including:</p> <ul style="list-style-type: none"> a) target-setting and actions to achieve targets set b) remedial action in the event of targets or milestones not being | <p>The principles will be included in our reporting routines from 2023 onwards, with quarterly reporting to the Board of Directors and executive management team</p> | |

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| <p>achieved or unexpected negative impacts being detected.</p> | | |
| <p>Please provide your bank's conclusion/ statement if it has fulfilled the requirements regarding Governance Structure for Implementation of the Principles.</p> | | |
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Principle 6: Transparency & Accountability

We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society’s goals.

1.1 Progress on Implementing the Principles

Show that your bank has progressed on implementing the six Principles over the last 12 months (up to 18 months in your first reporting after becoming a signatory) in addition to the setting and implementation of targets in minimum two areas (see 2.1-2.4).

Show that your bank has considered existing and emerging international/regional good practices relevant for the implementation of the six Principles for Responsible Banking. Based on this, it has defined priorities and ambitions to align with good practice.

Show that your bank has implemented/is working on implementing changes in existing practices to reflect and be in line with existing and emerging international/regional good practices and has made progress on its implementation of these Principles.

Since SNN signed up to UNEP FI, the priority has been to raise the awareness of climate issues throughout the organization and our community. We have also worked on establishing tools that make it possible to include sustainability and climate risk in our processes and dialogue with customers.

SNN is planning for a more comprehensive report on PRB’s six principles from 2023 onwards.

Please provide your bank’s conclusion/statement if it has fulfilled the requirements regarding Progress on Implementing the Principles for Responsible Banking

Annex: Definitions

- a. **Impact:** An impact is commonly understood as being a change in outcome for a stakeholder. In the context of these Principles this means (aligned with GRI definition) the effect a bank has on people/the society, the economy and the environment and with that on sustainable development. Impacts may be positive or negative, direct or indirect, actual or potential, intended or unintended, short-term or long-term.
- b. **Significant Impact:** Impact that in terms of scale and/or intensity/salience results in a particularly strong/relevant change in outcome for a stakeholder. In the context of these Principles, the concept of *significant* impact is used to ensure banks focus where their actions/business (can) matter most for people, economy and environment and to provide a reasonable and practical threshold for what issues need to be considered/included, similar to the concept of “materiality”.