



Sustainability and Samfunnsløftet 2021

(Corporate Social Responsibility)

Sustainability in SpareBank 1 Nord-Norge

As the region's bank, SpareBank 1 Nord-Norge's vision is: For Northern Norway. As the world's northernmost financial services group, we must take factors that impact the Arctic areas into consideration. The Group's strategy and business model is therefore based on contributing to the sustainable development of the region.

In 2021, SpareBank 1 Nord-Norge achieved a number of milestones in our work on sustainability. Some of our most important results were:

10,2%

of portfolio classified as ESG compliant

MNOK 175

was granted via our corporate social responsibility strategy "Samfunnsløftet" to measures that will have a positive impact on one or more of the UN Sustainable Development Goals

15

of the Group's financial centres are Eco-Lighthouse certified

41%

Women make up 41 per cent of managers (target 40 per cent)

24%

reduction in our greenhouse gas emissions

MNOK 1,3

Issuance of first green bond, for MCHF

Northern Norwegian society is also increasingly noticing the consequences of climate change. Therefore, climate risk is becoming ever more relevant, and the Group has been working to adapt to the changes that the EU taxonomy, Disclosure Directive and other regulations will bring with them. SpareBank 1 Nord-Norge will be subject to the taxonomy regulations. The work on this will require considerable effort on the part of the institution in the coming year.

RESPONSIBLE FINANCIAL INSTITUTION

The world is facing major climate-related changes that will impact financial stability. On the one hand, the climate is changing, and this will have consequences for the Group's assets and liabilities. On the other, the international community has made commitments in the Paris Agreement that will affect policy and regulatory requirements for the financial services industry and other sectors in Northern Norway. This will also affect all other parts of SpareBank 1 Nord-Norge's operations. The Group is thus both directly and indirectly exposed to climate risk. Sustainability and climate risk have, therefore, been integrated into the Group's business and risk strategy, which is regularly reviewed by the Board and Group Management and is also included in the Group's overarching general documents and core processes.

In 2021, the Group continued to work on the six Principles for Responsible Banking (PRB) developed by the United Nations Environment Programme Finance Initiative (UNEP FI) and will continue to work on incorporating these principles into operations in the coming years. The Group also reports on the Global Compact's ten principles for responsible business. Climate risk is reported on in line with the reporting framework developed by the Task Force for Climate-related Financial Disclosures (TCFD). This sustainability report is based on the principles of the Global Reporting Initiative (GRI).



PRINCIPLES FOR RESPONSIBLE BANKING

PRINCIPLES FOR RESPONSIBLE BANKING:

SpareBank 1 Nord-Norge has signed the UN Principles for Responsible Banking (PRB) and is working on integrating the principles.



GLOBAL COMPACT:

SpareBank 1 Nord-Norge has signed up to the UN Global Compact initiative, the world's largest initiative for corporate social responsibility in business.



MILJØFYRTÅRN:

SpareBank 1 Nord-Norge is Eco-Lighthouse certified. This applies to the head office and all financial centres.



KVINNE I FINANS CHARTER:

SpareBank 1 Nord-Norge has signed up to the initiative as a funding partner



KLIMAPARTNERE

KLIMAPARTNER:

SpareBank 1 Nord-Norge is a member of Klimapartnere Nordland, Troms og Finnmark County together with 47 other enterprises in the region.

SUSTAINABILITY OBJECTIVES

SpareBank 1 Nord-Norge's ambition is to contribute to all 17 of the UN Sustainable Development Goals (SDGs) through our business activities, conduct and work on our corporate social responsibility strategy, "Samfunnsløftet". In addition to this, the Group has chosen three SDGs that we will focus on in particular:



"Take urgent action to combat climate change and its impacts"

TARGET 13.2



"Conserve and sustainably use the oceans and marine resources for sustainable development"

TARGETS 14.1 AND 14.3



"Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all"

TARGET 8.6

SNN'S GOALS:

- Contribute to a greener securities market (liquidity management)
- Make it easier for customers to make sustainable choices (products)
- Work to achieve a more sustainable loan portfolio (credit)
- Cut our greenhouse gas emissions by 40 per cent from 2016-2026

RESULTS:

- MNOK 12.8 in ESG compliant lending in the credit portfolio
- 100 per cent of funds assessed in relation to sustainability and labelled in the savings platform
- All financial centres are Eco-Lighthouse certified
- The Group cut greenhouse gas emissions by 24 per cent

SNN'S GOALS:

- Contribute to a greener securities market (liquidity management)
- Make it easier for customers to make sustainable choices (products)
- Train the Group's advisers on climate risk and sustainability standards within aquaculture and fisheries industries (training)

RESULTS:

- Aquaculture and fisheries are included in the ESG compliant portfolio
- The Knowledge Bank Kbnn.no has published the following articles:
- Discontinuation of MSC labels, what does this mean for Northern Norway?

SNN'S GOALS:

- Make real and objective knowledge available that contributes to a common understanding in the region
- Maximise the impact of knowledge-based and sustainable value creation for the region
- Strengthen the business sector, the public sector, the education sector and decision-makers through relevant knowledge bases and facts

RESULTS:

- 72 reports and articles have been published on Kbnn.no. Including on the topics: Climate Panel's report, Green buildings in Northern Norway, Climate risk, EU's taxonomy and the North and climate transition
- Kbnn.no has had 40,000 unique users
- 38 Northern Norway in the World podcasts have been produced

175 MNOK FROM SAMFUNNSLØFTET IN 2021

Overview of projects grants via "Samfunnsløftet" and the SDGs on which the projects are having a positive impact. In 2021, funds were granted via "Samfunnsløftet" to 14 of the 17 SDGs



Amount: 1%



Amount: 22%



Amount: 5%



Amount: 7%



Amount: 6%



Amount: 8%



Amount: 7%



Amount: 23%



Amount: 2%



Amount: 4%



Amount: 2%



Amount: 1%



Amount: 1%



Amount: 10%

Applicants have themselves chosen which of the UN's sustainable development goals their project contributes to, and they can select more than one goal. The method will be developed further in 2022.

HOW SUSTAINABILITY AND ESG RISKS ARE INCLUDED IN SPAREBANK 1 NORD-NORGE'S GOVERNANCE SYSTEMS



MATERIALITY ANALYSIS

The Group's materiality analysis maps which sustainability topics are most important for SpareBank 1 Nord-Norge and should, therefore, be prioritised in the reporting on sustainability and corporate social responsibility. Particular focus has been paid to climate risk, green products and responsible financing. The Group's materiality analysis will be revised in 2022.

<ul style="list-style-type: none"> Negative screening and exclusion Requirements for financial services providers Responsible lending 	<ul style="list-style-type: none"> Ethics and anti-corruption Data protection and information security Local business development Climate risk Green products and innovation
<ul style="list-style-type: none"> Supply chain monitoring Marketing products and services 	<ul style="list-style-type: none"> Banking practice Development of employees Support for local communities

Material topics are shown in bold on the right and are described in more detail in this annual report and the GRI content index. The materiality analysis was prepared based on discussions with important stakeholders.

THE GROUP'S KEY STAKEHOLDERS

SpareBank 1 Nord-Norge has a number of stakeholders who are involved in and influence the Group's work on sustainability. The key stakeholders are summarised in this model. The stakeholder analysis can be read in the appendix to the sustainability report.



ESG risks

ESG risks are defined as risks that arise due to environmental, social and governance conditions. ESG risks are an emerging risk, and increased expectations and requirements on the part of the authorities and consumers will require goal-oriented work in the future. SpareBank 1 Nord-Norge reports on climate risk using the template issued by the Task Force on Climate-related Financial Disclosures (TCFD).

The world is facing major climate-related changes that will impact financial stability. On the one hand, the climate is changing, and this will have consequences for the Group's assets and liabilities. On the other, the international community has made commitments in the Paris Agreement. Norway wants to play its part in a transition to a low emission society. This will also affect SpareBank 1 Nord-Norge and all of our operations. The Group is thus both directly and indirectly exposed to climate risk. This is also one of the areas that scored highest in the materiality analysis and, therefore, occupies a key place in the Group's annual reporting. SNN will conduct a new materiality analysis in 2022, which will also provide the basis for a greater focus on the area.

WORK ON ESG RISKS IN SPAREBANK 1 NORD-NORGE

In 2021, SpareBank 1 Nord-Norge continued our work on the same key focus areas as in 2020, in addition to emerging areas like the EU taxonomy and action plan for sustainable finance. There has been a major focus on putting ESG risks on the agenda, both internally and externally.

This involves:

- Further integration of ESG risks in the Group's management and control framework.
- Strengthening the institution's expertise within ESG risks.
- Increasing northern Norwegian society's awareness and understanding of ESG risks.
- Mapping how both SpareBank 1 Nord-Norge and the northern Norwegian business community are exposed to ESG risks.

One important priority in 2021 was to put in place a green financial framework (GFF), which drew on experience from the work on the Group's product framework (GPF) that was established in 2020. This will strengthen transparency and accountability when it comes to raising capital for green projects. SpareBank 1 Nord-Norge issued our first green bond in August 2021. The MCHF 130 bond was issued as a senior non-preferred (SNP) bond with a term to maturity of 7 years. Behind this bond was MNOK 12,800 in green northern Norwegian loan exposures comprising green mortgages and loans for commercial property, renewable energy, electric cars, fisheries and aquaculture.

ESG risks are part of the Group's risk strategy with quarterly reporting to the Board and Group Management. By assessing ESG risks in our own activities and in industries that the Group finances, SpareBank 1 Nord-Norge hopes to contribute to

achieving the SDGs. This is especially true of target 13.3, “*Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.*” ESG risk assessments are conducted in connection with, for example, financing, liquidity and corporate governance, procurement and the distribution of mutual funds.

CORPORATE GOVERNANCE

The Board’s understanding of climate-related risks and opportunities

The Board is very familiar with climate-related risks and opportunities thanks to its strategic discussions and its approval of governing documents in which ESG risks are discussed. The Board also receives various quarterly and annual reports that include assessments of the Group’s exposure to ESG risks. The Group’s risk strategy is defined and determined by the Group’s risk appetite in different risk areas, including ESG risks. The Group’s appetite for ESG risks is low to moderate, in line with the overall risk appetite for the Group’s overall operations. The risk strategy is updated annually.

Group Management’s role in assessing and managing climate-related risks and opportunities

In 2021, Group Management further broadened its understanding of ESG risks and opportunities through strategic and operational discussions, and by producing governing documents that cover ESG risks. Group Management also receives various quarterly and annual reports that include assessments of the Group’s exposure to ESG risks. Clear roles and responsibilities have been established in management for risk exposure in this area, and the relevant people report to Group Management within their defined area. The Chief Risk Officer is responsible for ensuring that the Group establishes adequate management and control for ESG risks.

STRATEGY

Climate-related risks and opportunities identified by the Group in the short, medium and long term

ESG risks are both a specific risk type and an underlying risk driver for other risk types. These include credit risk, market

risk, liquidity and financing risk, insurance risk/owner risk, as well as operational risk (including reputational risk).

Both risks and opportunities, in the short, medium and long term, are thus associated with lending, borrowing and investment in the capital markets etc.

This involves considering:

- What industries the Group should or should not finance?
- What objects the Group should or should not finance?
- What products the Group should or should not offer?
- What markets and types of securities the Group should or should not be exposed to?

ESG risks also provide some business opportunities. Therefore, sustainability has been established as one of three governing principles in the updated business strategy, along with “Insight” and “Quality”, that must be reflected in everything the Group does.

Description of the impact of climate-related risks and opportunities on business operations, strategy and financial planning

The Group’s operations, strategy and financial planning are affected by both external and internal factors. ESG risks are key external factors that the Group takes into consideration in both defining our strategy and our operational activities.

One priority in 2021 was to continue learning more, both within the Group and from customers, about ESG risks, as well as related opportunities and challenges. One of the ways in which this was done was to establish a system for assessing ESG risks in the credit process in the corporate segment. This work will continue in 2022.

One key climate-related risk is the risk of stranded assets. This occurs in circumstances where the Group’s investments and collateral for loans, etc. suffer a sharp fall in value or become worthless. This risk is particularly relevant in industries exposed to transition risk. The Group has established measures for managing this risk and will continue working on this in 2022.

The Group reports on carbon exposure in our loan portfolio. The analysis indicates the Group’s exposure to the most emission-intensive industries in Northern Norway (based on Statistics Norway’s data). See more about the analysis and methodology in the appendices to the sustainability report.

Potential impact of different scenarios on business operations, strategy and financial planning, including a 2°C scenario

The annual ICAAP report is used to assess the Group’s overall risk exposure and capital needs. Specifically, the ICAAP includes conducting stress tests related to negative trends both external and internal, looking at how these impact the Group’s financial position. The financial implications identified through the stress tests provide a picture of the possible impact of external factors such as climate risk. This area will be developed further on an ongoing basis.

In 2021, SpareBank 1 Nord-Norge’s Knowledge Bank published several reports about climate risk and key northern Norwegian industries such as seafood, tourism, building, construction and the property industry, as well as the public sector. The reports describe the physical risk and transition risk to which these industries and sectors are exposed, as well as which measures should be implemented to mitigate the risk. Based on this, SpareBank 1 Nord-Norge has mapped the Group’s exposure to climate risk in the loan portfolio, including in relation to:

- Sectors
- Physical risk
- Transition risk
- Emission intensity

The insight gained is used in the management and control of ESG risks.

RISK MANAGEMENT

The company’s processes for identifying, assessing and managing climate-related risks

ESG risks are identified, assessed and managed at different levels and by different methods, including:

- On a general level, through the ICAAP, risk strategy, other governing documents, etc.
- At the detailed level, through assessments made when granting credit, investment decisions, product development etc.
- Ongoing monitoring and quarterly reporting from the management to the Board and Group Management.
- Through our green framework (GFF and GPF) helping to highlight how large a proportion of the loan portfolio is green in line with international requirements for green investments.

SpareBank 1 Nord-Norge is planning to carry out the following work in this area in 2022:

- Update and further develop goals and governing documents in the area
- Improve the methodology for measuring carbon-related exposure in the loan portfolio.
- Collect and structure data for input to credit models and stress tests.
- Improve scenario analyses.
- Conduct an impact analysis in line with the PRB.
- Introduce reporting routines in line with the EU’s taxonomy for sustainable investments.
- Improve the “Green Learning Plan” for employees in the Group.

How processes for identifying, assessing and managing climate-related risks are integrated into the company’s overall risk management:

ESG risks are an integral part of the Group’s risk and capital management. For a more detailed description of the Group’s risk and capital management, please see the annual report.

TARGETS

Targets and indicators used by the business to assess climate-related risks and opportunities in line with the strategy and risk management processes.

The Group’s appetite for ESG risks is low to moderate, in line with overall risk appetite for the Group’s overall operations. This defines the level of risk the Group is willing to take in the area. This is implemented through underlying governing documents and day-to-day operations.

This involves considering:

- Targets in the risk strategy linked to the proportion of climate risk exposed collateral in depot (stranded assets).
- Targets in the risk strategy linked to loans eligible for the green product framework (GPF).
- Targets in the risk strategy linked to compliance with the Group’s policy for

sustainability and corporate social responsibility.

- Targets for how large a proportion of the LCR portfolio should be allocated to securities that actively address ESG.
- Targets for the number of employees who have completed mandatory training in the area.

In our climate report, the Group reports on Scope 1, Scope 2 and Scope 3 greenhouse gas emissions from our operations. See the section on the environment in this chapter on sustainability in this report. The Group’s target is to cut greenhouse gas emissions by 40 per cent from 2016-2026, with a reduction of at least 5 per cent annually. The Group reduced emissions by 24.5 per cent in 2021. This was primarily thanks to less travel activity due to Covid-19. Travel activity is expected to be lower for parts of 2022 as well.

FACTS:

Which governing documents and processes address ESG risks? <ul style="list-style-type: none">• Risk strategy• Business strategy• Policy for sustainability and corporate social responsibility• Green framework (GPF and GFF)• Lending policy• Guidelines for sustainable financing• Guidelines for sustainability in liquidity management and corporate governance• ICAAP	Responsible area in the Group: <ul style="list-style-type: none">• Risk management
	Measurement parameter: GRI 201 – 2
	What is addressed? <ul style="list-style-type: none">• Link to SDGs: 13.3• Link to the Principles for Responsible Banking (PRB)• Principle no. 2: Negative and positive impact

RESPONSIBLE FINANCING OF COMPANIES

SpareBank 1 Nord-Norge mainly finances companies working in and for Northern Norway. The responsible financing of companies is a cornerstone of the Group and the area where we have the greatest impact on the region’s sustainable development and the transition towards a low emission society. This is the

area in the Group with the highest exposure to climate risk and other ESG risks such as breaches of human and labour rights, economic crime and poor corporate governance. Assessing climate risk and ESG factors is, therefore, an integral part of customer engagement and the financing process.

In 2021, the priority was to put in place a green portfolio that meets expectations in the green bond market. Complying with the requirements of the EU taxonomy will be key in 2022.

The first version of a system for more systematic assessments of climate risk in each individual financing case was established in 2021. Work on the system will continue in 2022 in line with developments in the area.

In 2021, in line with the recommendations in Finance Norway’s roadmap for green competitiveness, SpareBank 1 Nord-Norge produced an analysis of carbon exposure in the credit portfolio (see the appendix to the sustainability report). The analysis is based on the industries’ direct greenhouse gas emissions and measures these in relation to SpareBank 1 Nord-Norge’s proportion of the lending within the relevant industries. The analysis indicates the greenhouse gas emissions in the main industries to which SpareBank 1 Nord-Norge is exposed and shows that the Group’s exposure to the most emission-intense industries is low. Both the analysis methods and the emission trends in the industries will be followed up in the further work in 2022.

COVID-19 IMPACTED THE FINANCING NEEDS OF NORTHERN NORWEGIAN INDUSTRY

Many northern Norwegian enterprises continued to be impacted by Covid-19 in 2021. Going that extra mile to advise and help corporate customers was an important priority for SpareBank 1 Nord-Norge during the year.

FACTS:

Responsible area in the Group: <ul style="list-style-type: none">• Credit• Corporate market	Governing documents: <ul style="list-style-type: none">• Credit policy, corporate market• Guidelines for sustainable financing	Measurement parameter: GRI FS8 and FS7
		Kobling mot FNs bærekraftsmål: 8.3, 13.3, 14.1, 16.4

A number of measures were implemented to help both the retail and corporate markets, including:

- Interest-only periods for a proportion of loans due to the Covid-19 pandemic; the proportion measured 4.8 per cent at its highest point
- Newsletters and information about government compensation and support schemes, as well as tips on how we can help in tough times
- Launching the “one more day” concept. A measure designed to support a squeezed tourism industry. The projects that received support were new and sustainable products/ concepts that encourage visitors and locals to stay in a destination longer. MNOK 10 was allocated for distribution to 85 projects.

Government schemes facilitated by the financial services industry:

- MNOK 442 was granted in liquidity loans with a government guarantee for SMEs that could show that they had been financially impacted by the Covid-19 crisis.

Status:

- MNOK 12,800 in green northern Norwegian loan exposures comprising green mortgages and loans for commercial property, renewable energy, electric cars, fisheries and aquaculture
- Training in the use of systems for assessing ESG in loan cases in the corporate market. All advisers and managers involved in granting credit took part.

ETHICS AND ANTI-CORRUPTION

SpareBank 1 Nord-Norge must be known for our high ethical standards with respect to ethics, sustainability and efforts to prevent economic crime. The status of the work is reported to the Board annually. Neither services nor advice will be provided to customers seeking to evade tax, launder money, finance terrorism, or commit other types of economic crime. Both givers and receivers of such benefits can be punished. Combating economic crime is followed up in all business situations and active efforts are made to prevent, detect and report transactions related to criminal acts. This contributes to target 16.4: *By 2030, significantly reduce illicit financial and arms flows, strengthen the recovery and return of stolen assets and combat all forms of organised crime.*

SpareBank 1 Nord-Norge respects internationally recognised human rights including the International Labour Organisation’s ILO Conventions and must ensure that the Group does not contribute to breaches.

Ethics and anti-corruption are described in more detail in the Group’s ethics handbook, the “SNN Code”. All employees have received training in the Group’s procedures through introductory

courses for new employees and mandatory e-learning. This also applies to the Board of Directors of the Group.

Status:

- 338 cases linked to fraud were detected in 2021 and dealt with in accordance with procedures
- No breaches of the SNN code were registered in 2021
- The following courses and training were conducted during the year:
 - The e-learning course: “Anti-money laundering” (all new employees, completion rate 78 per cent)
 - Privacy for managers (completion rate 80 per cent)
 - The e-learning course: “Privacy in SpareBank 1” (all new employees, completion rate 76 per cent)
 - The e-learning course: “Sustainable Finance” (all new employees, completion rate 71 per cent)
 - The e-learning course: “Sustainability in SpareBank 1 Nord-Norge” (all new employees, completion rate 71 per cent)

FACTS:

Responsible area in the Group: <ul style="list-style-type: none">• Compliance• HR• Data Protection Officer• Anti-money laundering	Governing documents: <ul style="list-style-type: none">• Policy for anti-money laundering and terrorist financing• The SNN Code• Whistleblowing and nonconformance policy• Sustainability Policy	Measurement parameter: GRI 205-2, 205-3
		Link to SDGs: 16.4

PRIVACY AND INFORMATION SECURITY

SpareBank 1 Nord-Norge processes a range of personal data that must not go astray or be misused. Customer confidence is vital for the Group and all applicable requirements and laws must be complied with. The Group, therefore, carries out a number of measures aimed at ensuring that employees have the necessary knowledge and skills within data protection. The status of the Group’s compliance with the regulations, including any non-conformities, is reported to the Board of Directors and Group Management every quarter. All managers took a course on privacy in 2021.

Status:

- In 2021, one complaint about SpareBank 1 Nord-Norge was considered by the Norwegian Data Protection Authority based on external reporting of breaches of personal data.
- 67 breaches of personal data security were registered internally and dealt with in accordance with procedures during the year. 15 of these were reported to the Norwegian Data Protection Authority.

FACTS:

Responsible area in the Group: <ul style="list-style-type: none">• Data protection officer	Governing documents: <ul style="list-style-type: none">• Privacy policy• Employee privacy policy	Measurement parameter: GRI 418-1
		Link to SDGs: 16.4

LOCAL BUSINESS DEVELOPMENT

Growth and development in the northern Norwegian business sector is an important factor for value creation and employment, and sustainable development is crucial for the region’s future. Therefore, local business development also forms an important part of SpareBank 1 Nord-Norge’s activities. With 15 local branches and a unique and intimate understanding of the region, SpareBank 1 Nord-Norge is an important partner within business development in the north.

During 2021, the Group saw lending growth of 6.3 per cent in the corporate market, which strengthened our position, especially in the SME market. Some 38 per cent of all new companies established in Northern Norway during the year chose to open an account with SpareBank 1 Nord-Norge.

In 2021, SpareBank 1 Nord-Norge reorganised the Group’s business activities into two strong entities: a division for the retail market and a

division for the corporate market. A comprehensive insight and analysis project was conducted for the corporate market in 2021. This indicated that the Group needs to increase our focus on sectors and SME customers. Based on this, the corporate market division was divided into units with responsibility for “Marine industries”, “Real estate and commerce” and “Power and industry”. The Group also established a special SME unit.

Bank+Accounting is a priority area for SpareBank 1 that will help make companies’ working day easier. The focus on this was strengthened with the focus on the SME market in 2021 and will be further enhanced in the coming year.

The Group has two wholly owned subsidiaries that offer bespoke solutions for business: SNN Finans (leasing and vendor’s lien-based loans) and Regnskapshuset.

The interaction between the Bank and subsidiaries allows the Group to offer good customer experiences and determine the best solutions for corporate customers.

The business sector in the north was impacted by the Covid-19 situation in 2021 as well. The year was heavily affected by high levels of uncertainty with new restrictions and new measures. The Group focused intensely on facilitating solutions and providing advice on the situations in which companies found themselves.

In cooperation with Innovation Norway, the Group offered financing to companies that could not provide the necessary collateral to obtain ordinary bank financing. The purpose was to improve access to bank financing for innovative or rapidly growing SMEs. The Covid-19 situation resulted in very limited demand.

LAB NORD-NORGE

In 2021, LAB Nord-Norge particularly focused on a partnership between UiT The Arctic University of Norway and the seafood industry. Analysing the movements of fishing boats resulted in the development of an online portal showing where

boats have been and fished, what they caught and where they landed their catches. The initiative is contributing to a more sustainable seafood industry and helps prevent economic crime.

SAMI AREAS

SpareBank 1 Nord-Norge’s market area is part of the Sápmi/Sami regions. The Group wants to have a presence in local Sami communities and be a good business partner for Sami businesses and Sami retail customers. The telephone bank and advice are available to customers in the Northern Sami language. SpareBank 1 Nord-Norge wants to support the Sami language by strengthening a Sami expert environment for banking and finance.

Status:

- Lending growth of 6.3 per cent in the corporate market
- Some 38 per cent of new companies in Northern Norway have an account with SpareBank 1 Nord-Norge
- MNOK 35 was granted to local business development in 2021 via “Samfunnsløftet” (read more in the section on “Samfunnsløftet”)

FACTS:

Responsible area in the Group: <ul style="list-style-type: none">• Corporate market• Communication and society• Organisation	Governing documents: <ul style="list-style-type: none">• Lending policy• Guidelines for sustainable financing• Sustainability guidelines for corporate social responsibility	Measurement parameter: GRI 201-1
		Link to SDGs: 14.1, 7, 8, 9, 12

GREEN PRODUCTS AND GREEN INNOVATION

One of SpareBank 1 Nord-Norge’s goals for many years has been to contribute to a greener securities market, both nationally and internationally. The Group believes that green financial instruments are an effective means of channelling investment into projects that have demonstrably positive climate effects and thus help to achieve the SDGs. SpareBank 1 Nord-Norge believes the commitment to decarbonise the economy is a priority and by issuing green financial instruments the Group is seeking to align our financing strategy with our vision, sustainability strategy and overall objectives. In this context, the most important instruments for the Group are green loans and borrowing, as well as the investments made in connection with liquidity management. Back in 2020, the Bank established a green product framework and in 2021 this was supplemented with a framework for green financing.

The green product framework enabled the Group to identify the green commitments we already had on our balance sheet and also highlighted which new commitments would meet the requirements. Standardised products were also established that meet the framework’s requirements, both for loans and deposits. At the end of 2021, the ESG compliant proportion of the portfolio amounted to a total of BNOK 12.8.

SpareBank 1 Nord-Norge’s green financial framework was published in autumn 2021. The financial framework allows the Group to make use of the green assets that have been prepared. The framework defines how green assets can be financed, how these assets should be managed and how the Group reports on these assets. SpareBank 1 Nord-Norge issued its first green bond after the financial framework was launched. The nominal value of the bond was MCHF 130, and it has a term to maturity of 6 years. The issue was very well received by the market and demonstrates that investors want opportunities to invest in green financial instruments.

STANDARDISED GREEN PRODUCTS

The retail market is an important area for SpareBank 1 Nord-Norge and, therefore, the Bank wants to offer customers relevant green products.

Green loans can be offered for the following purposes:

- Homes with an energy rating of A or B
- Improvement measures eligible for Enova’s support schemes
- Purchasing electric cars
- Deposits

SOCIAL PRODUCTS

SpareBank 1 Nord-Norge also offers products with a social profile:

- “Boliglån Ung” and “LOfavør Boliglån Ung” are discounted mortgage products designed to help young homebuyers get onto the property ladder
- “Førstehjemslån” and “LOfavør Førstehjemslån” are the Group’s most affordable mortgages for first time buyers, regardless of age
- “LOfavør Forskudd Lønnsgaranti” is a loan that is granted at mortgage rates to customers awaiting payments from the wage guarantee scheme if the company they work for has declared bankruptcy
- “LOfavør Konfliktlån” is a loan granted at mortgage rates to customers who end up in long-term labour disputes in connection with collective pay settlements
- Growth loans are aimed at innovative and/or fast-growing companies with up to 250 employees who are creditworthy but lack sufficient collateral to obtain financing.

RESULTS 2021

One of the most important steps taken in 2021 was to raise internal awareness of the Group’s green financial instruments. This included enabling the entire institution to locate green assets and systematically work to increase this proportion. This is an area that the Group will continue to focus on and it will be prioritised in the coming period.

As shown in the table below, the Group has prepared assets in all of the sectors covered by the product framework. By the end of 2021, the Group had located and prepared a total of BNOK 12.8 in green assets. The Group has a large reserve of green assets; a reserve that is expected to grow further and, therefore, we expect to issue more green bonds.

SPAREBANK1 NORD-NORGE GREEN PORTFOLIO	AMOUNT (MNOK)
Green homes	6 438
Green commercial properties	1 071
Renewable energy	1 300
Clean transport	300
Sustainable management of living natural resources and land use ¹	3 707
TOTAL	12 816

¹ Fisheries (MSC certification) MNOK 861
Aquaculture (ASC and Global Gap certification)
MNOK 2,846

² SpareBank 1 Nord-Norge's activities will be subject to the taxonomy regulations. Until legislation on the regulations has been adopted and implemented in Norwegian law, SpareBank 1 Nord-Norge is complying as far as possible with the EU Taxonomy Climate Delegated Act (June 2021) 98.8% of the ESG-classified portfolio is Taxonomy-aligned (per delegate act June 2021) (Second Party opinion of ESG ISS, August 2021)

ACTIVE OWNERSHIP/FOLLOW-UP OF SUBSIDIARIES

SpareBank 1 Nord-Norge's policies and guidelines also apply to the Group's wholly owned subsidiaries, EiendomsMegler 1 Nord-Norge, SpareBank 1 Regnskapshuset Nord-Norge, and SpareBank 1 Finans Nord-Norge. Group Management is represented on the boards of all of the subsidiaries, and the companies are managed according to the guidelines that apply to the rest of the Group.

The establishment of SpareBank 1 Nord-Norge's green financial framework was an important milestone and marked a new chapter in the Group's commitment to a greener securities market. The financial framework has undergone a "second party opinion" assessment by ISS ESG as an independent third party. This included checking that the following criteria are met:

- There is a correlation between green financial instruments and the Group's sustainability strategy
- The green framework is in line with the International Capital Market Association's Green Bond Principles and the Loan Market Association Green Loan Principles
- The financial framework is in line with the EU Taxonomy Climate Delegated Act (June 2021)²

When prioritising social corporate responsibility and sustainability work in corporate governance, SpareBank 1 Nord-Norge emphasises the following parameters:

- The risk of negative impact on people, the environment, the economy and society.
- The size and importance of the ownership.
- The degree of influence.

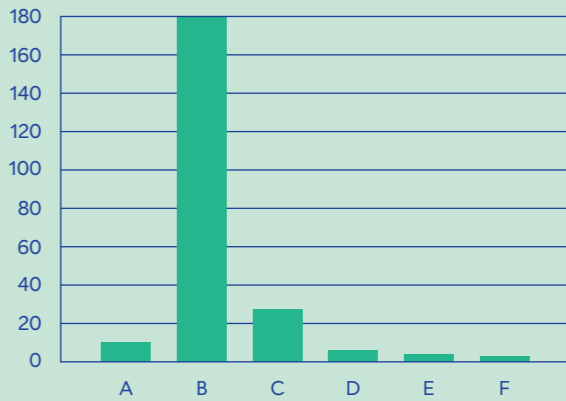
The Group owns stakes in various companies in SpareBank 1-alliansen. These are held together with other alliance banks. SpareBank 1 Nord-Norge also owns an insurance company, Fremtind, together with other alliance banks and DNB. Sustainability is a priority for all of the companies in SpareBank 1-alliansen, as expressed by their ambition: *We will achieve good sustainability ratings and maintain our position among consumers as the banks seen as the most sustainable.*

ODIN Forvaltning is a provider of mutual funds and a subsidiary of SpareBank 1 Gruppen. The company has its own sustainability policy for its fund management. The sustainability fund, "ODIN Bærekraft", was launched in 2021. The purpose of the fund is as follows:

- To contribute to achieving sustainability objectives defined by the UN and the EU
- To invest in companies with profitable growth and strong market positions
- To generate good returns and contribute to sustainable value creation

SpareBank 1 Nord-Norge does not perform our own fund management, instead we distribute mutual funds from other fund managers. In 2021, SpareBank 1-alliansen revised its sustainability guidelines for mutual funds to ensure that the funds offered matched SpareBank 1's sustainability ambitions and complied with the Norwegian legislation relating to the EU's disclosure and taxonomy regulations. Annual ESG assessments are conducted of all fund providers to analyse each fund's approach to sustainability. The analysis is carried out by an external third party (The Governance Group) and results in a labelling scheme for the various funds. Some 221 funds were reviewed through this labelling scheme in 2021. The labelling is intended to

contribute to greater transparency for customers and ensure closer ESG monitoring of fund managers.



Status:

- SpareBank 1 Nord-Norge has direct investments of MNOK 2,927 in development banks, of which MNOK 1,190 million is in securities that are ESG compliant
- 13 per cent of the capital issued via Spabol is classified as green
- 5.64 per cent of the capital issued via SNN is classified as green
- In total, the Group has direct investments in ESG compliant securities worth MNOK 1,617 million
- Some 221 funds in the savings platform have been labelled based on the fund's sustainability profile and given a grade on a scale of A-F
- SpareBank 1 only recommends funds with A, B or C energy labels

FACTS:

Responsible area in the Group: <ul style="list-style-type: none">• Treasury• Investment firm• Savings and investment committee	Governing documents: <ul style="list-style-type: none">• Market risk strategy• Guidelines for sustainability in liquidity management and corporate governance• Sustainability guidelines in the distribution and recommendation of mutual funds	Measurement parameter: GRI FS11, FS10
		Link to SDGs: 8, 13.3, and 16.4

SUPPLIER MONITORING

SpareBank 1 Nord-Norge makes a substantial volume of purchases, both regionally and nationally. Sustainable purchasing is about the suppliers’ awareness of their supply chain and the work they do to reduce negative impacts on the environment, social conditions and ethical business conduct throughout their supply chain. By, for example, requiring suppliers to have sustainability guidelines and to convert these into action, SpareBank 1 Nord-Norge is using our purchasing power to encourage suppliers to work more sustainably. In 2021, a special project group worked on implementing the Transparency Act and this work will continue in 2022.

A majority of purchases are made by and via SpareBank 1 Utvikling. The guidelines for sustainable suppliers apply to all purchases and describe requirements for suppliers in relation to the environment, social conditions such as human and labour rights, and ethical business conduct.

In 2019, SpareBank 1 Utvikling conducted a category-by-category risk assessment of 249 current suppliers. Based on the analysis, three main categories were selected for further follow-up:

- IT related acquisitions: IT equipment
- Administrative acquisitions: Furniture
- Largest suppliers: IT services and consultants

In 2021, in-depth surveys were conducted within two of the above-mentioned areas: IT equipment and IT services. The suppliers were asked to document their general guidelines, action plans and actual sustainability risk in their supply chain. It was found that all of the suppliers have established general guidelines. At the same time, few suppliers presented specific action plans and the actual risk in their supply chain. Therefore, one priority in 2022 will be to follow up the actual risk in the supply chains of the suppliers that have already been included in the survey. New surveys of more suppliers/ categories will also be conducted, and the sustainability work in relation to new suppliers will be strengthened.

SpareBank 1 Nord-Norge made purchases totalling MNOK 755 from 1,408 different suppliers in 2021. Among the largest procurement categories are joint spending on systems in the Alliance and new technology. About 70 per cent of the suppliers come from Northern Norway.

Status:

- SpareBank 1 Nord-Norge has established a project group to implement the Transparency Act in internal purchasing procedures.
- 70 per cent of the suppliers SpareBank 1 Nord-Norge does business with come from Northern Norway

FACTS:

Responsible area in the Group: <ul style="list-style-type: none">• Purchasing in SpareBank 1 Utvikling• Facilities management in SpareBank 1 Nord-Norge	Governing documents: <ul style="list-style-type: none">• Guidelines for sustainability in suppliers	Measurement parameter: GRI 102-9
		Link to SDGs: 13.3, and 16.4

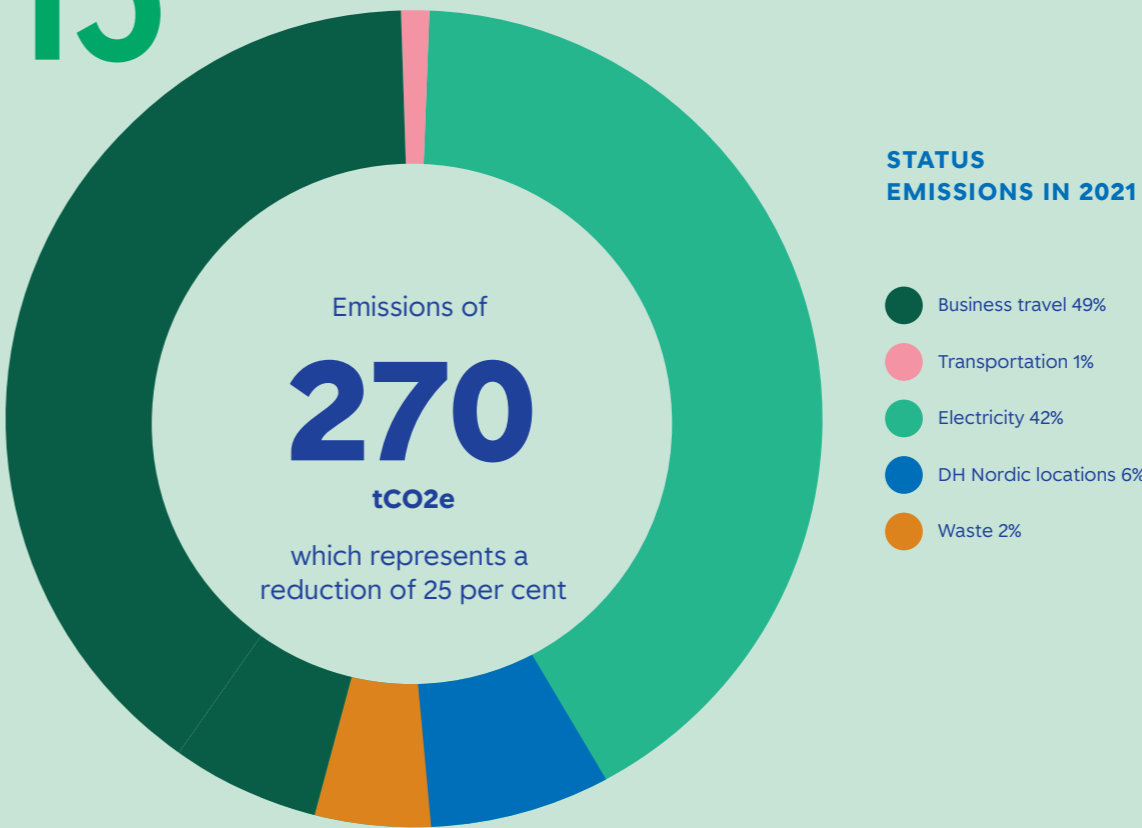
ENVIRONMENT AND GREENHOUSE GAS EMISSIONS

SpareBank 1 Nord-Norge has set itself a target of cutting greenhouse gas emissions by 40 per cent from 2016-2026 with a minimum 5 per cent reduction annually. The target has been set in line with the Paris Agreement and will help the Group work to reduce its own negative impact on the climate. In 2021, the Group continued our efforts to become even more efficient with respect to the environment and saving resources. SpareBank 1 Nord-Norge’s head office and 15 financial centres are all Eco-Lighthouse certified. All of the Group’s employees must take a conscious approach towards consumption, travel, waste management and energy consumption in general. Every employee has a personal responsibility to focus on sustainability during their workday.

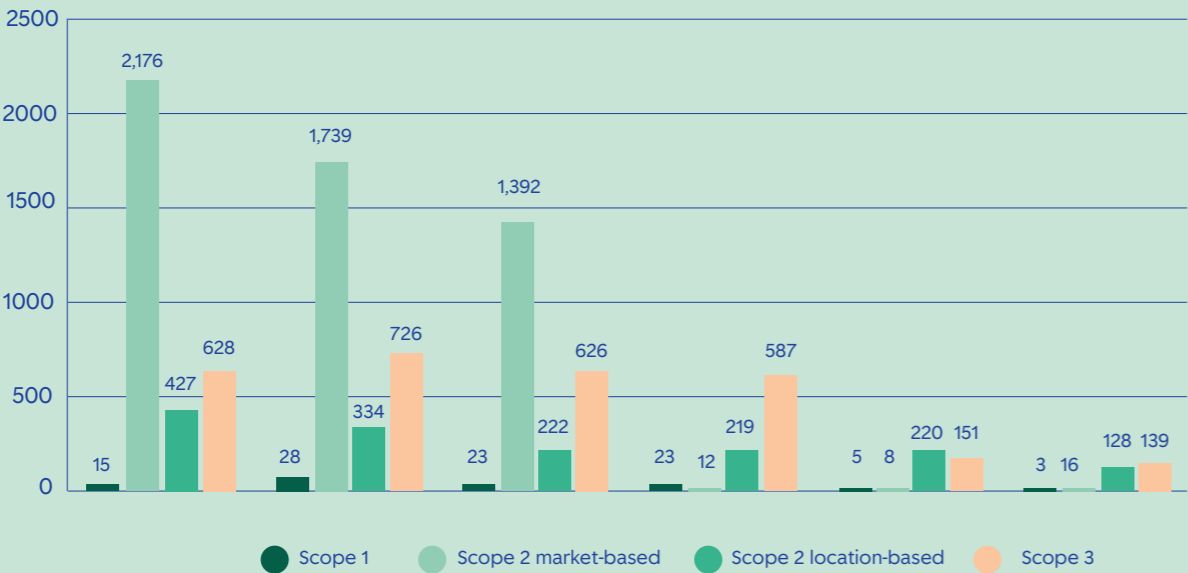
An energy and climate report is produced in order to keep track of the Group’s emissions. These accounts comply with the international standards set out in the Greenhouse Gas Protocol and ISO 14064-1. The energy and climate accounts for 2021 show that SpareBank 1 Nord-Norge produced total GHG emissions of 270 tonnes of CO2 equivalents (tCO2e). This represents a total reduction of 25 per cent of tCO2e and was mainly due to less travel activity as a result of Covid-19 and lower waste volumes and electricity consumption due to extensive working from home.

Number of branches that are Eco-Lighthouse certified:

15



DEVELOPMENT OF EMISSIONS FROM 2016-2021



FACTS:

Responsible area in the Group: <ul style="list-style-type: none">Facilities managementHR	Governing documents: <ul style="list-style-type: none">Policy for sustainability and corporate social responsibility	Link to SDGs: 13.1, 7, 1
------------------------------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------------------------------------	------------------------------------

”

“Northern Norway has many natural advantages. For years, value creation has been growing faster in the north than in the rest of Norway. This growth must continue but the value creation must be based on insights and sustainability. The financial services industry will play a key role in the fight against climate change. This is a responsibility that SpareBank 1 Nord-Norge takes extremely seriously. By making green capital available and requiring our customers to act sustainably, we can contribute to the necessary transition in Northern Norway.”

Liv Ulriksen, CEO

Samfunnsløftet

“Samfunnsløftet” in 2021

The community owns 53.6 per cent and it is the dividends from this ownership that are managed via “Samfunnsløftet”. “Samfunnsløftet” is SpareBank 1 Nord-Norge’s strategy for how community dividends can help to strengthen Northern Norway and was drawn up after 10,000 people from the north contributed suggestions in 2018.

In 2021, “Samfunnsløftet” consisted of 1,150 projects across the region with total funding of MNOK 175. In the past 5 years, application and grant numbers have almost doubled (see Graph 1) and the total amount applied for has grown from MNOK 247 to MNOK 839 a year (see Graph 2). Since 2017, the amounts distributed to sports, culture and business development have become more even (see Graph 3).

SOCIETY’S NEEDS IN A PANDEMIC

There is no doubt that the Covid-19 pandemic has left its mark on volunteering and development in the north. Part of this can be seen from the number of applications falling slightly in 2021. A survey “Samfunnsløftet” commissioned by the Institute for Social Research showed that 65 per cent of northern Norwegian associations cut back on operations during the pandemic, while a quarter put them on hold altogether. Some 59 per cent also experienced a reduction in income, and about one in three organisations had to draw on their savings to get through the pandemic.

The response of “Samfunnsløftet” to society’s situation was the “A different 17 May celebration” scheme (17 May is Norway’s national day), as well as significant contributions via the four normal rounds

of applications. Based on the applications, it appears that teams and associations carried out fewer major development and construction projects and focused more on activities. “Samfunnsløftet” launched the “Open doors” scheme to kick start activities and recruitment in teams and associations. In this, some 14,753 young people were given an opportunity to take part in free activities in the second half of 2021.

The pandemic has impacted various parts of the culture industry and in order to contribute to continued artistic production in the north, “Samfunnsløftet” launched the home residence scheme through which 65 artists in the region received grants in spring 2021. The scheme was repeated in December 2021. After decades of continued growth, tourism in the region experienced a turning point in 2020. In order to contribute to continued innovation and development in the sector, “Samfunnsløftet” launched the “One

more day” scheme. MNOK 10 million was allocated, and 85 different actors received support to develop products and offers that would contribute to tourists staying an extra day during the summer.

PUBLIC HEALTH DURING THE PANDEMIC

Each year, the Board decides on an annual theme for “Samfunnsløftet”. In 2021, public health was a consistent theme, and all of the projects were assessed in relation to their contribution to this. A total of 725 of the projects that made up “Samfunnsløftet” in 2021 stated that they contribute to SDG 3 – Good Health and Well-being. In total, these received MNOK 106 in support, which represents more than 60 per cent of the total community dividends. These projects primarily involved activities for children and young people, such as the “Open doors” scheme. However, support was also provided for the development of everything from sports facilities and urban spaces to humanitarian and cultural provision. All of the grants made during the year are published on samfunnsløftet.snn.no, and the projects here include:

- Bodø 2024: MNOK 10 for plays of colour in eight northern Norwegian cities over the next 4 years
- Bardu Municipality: MNOK 5 for a new athletics track and an artificial grass pitch
- Tromsø skateboard club: MNOK 1.7 for the skatepark Nansenplassen Betongpark
- Guttas Campus: NOK 700,000 for Guttas Campus Nord, which aims to ensure that more boys complete upper secondary school
- Kirkens SOS: NOK 300,000 for a Northern Sami crisis helpline

“Samfunnsløftet” particularly focuses on young people and in 2021 it arranged the “Young voices” skills programme. The programme was a direct response to the input received from young people since work started in 2019, and the participants were linked to one of five strategic areas of society in the north. It was implemented in collaboration

with important actors in the various fields: marine (Nofima), health (Bodø Municipality), infrastructure (UiT The Arctic University of Norway), space technology (Andøya Space) and energy (Mo Industrial Park). The “Young voices” perspective report collated the young people’s views on what contributes to an attractive and inclusive Northern Norway. The input will be used to further develop how “Samfunnsløftet” can contribute to attractive places and jobs in the north.

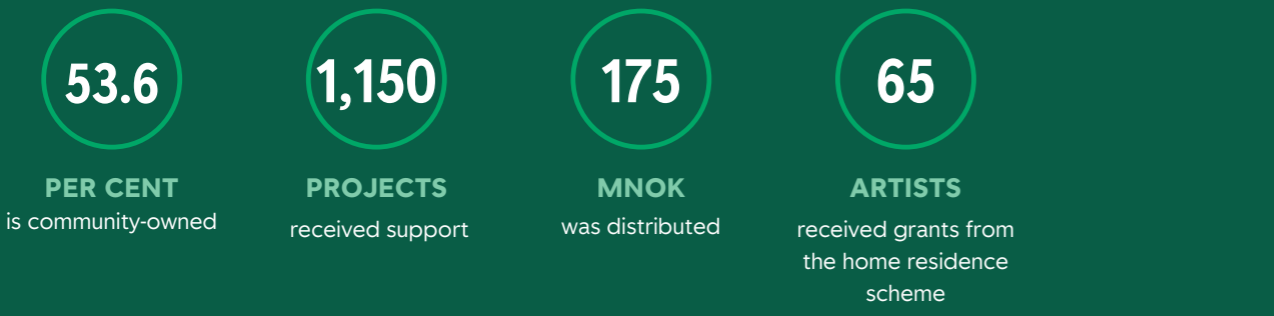
KNOWLEDGE THROUGH THE PANDEMIC

Public health was also on the agenda with the event KBNN Special, where the Business Barometer for Northern Norway was launched. The “The economy is not good for your health” podcast was one of 38 “Northern Norway in the World” podcasts that were produced during the year. A total of 71 different guests participated in the podcasts, with an equal balance between the genders.

The Knowledge Bank is intended to contribute to real and impartial knowledge of the region, and MNOK 9 of the community dividends was allocated to this work. Knowledge provides the basis for SpareBank 1 Nord-Norge’s activities and for SpareBank 1 Nord-Norge’s work on sustainability. During the year, The Knowledge Bank published 72 reports, pieces and articles. Among the most important were the Business Barometer for 2020 and 2021, the Housing Report, the Expectations Barometer, Barometer X and the “Young Voices” perspective report. Knowledge is an important element of “Samfunnsløftet” and must contribute to ensuring that the measures launched meet society’s needs at all times.

The purpose of the kbnn.no website is to make this knowledge available to everyone, and in 2021 it around 40,000 unique users (+30 per cent) and 88,000 page views (+22 per cent). The figures and statistics are publicly available on telleren.kbnn.no.

IN 2021, SAMFUNNSLØFTET CONTRIBUTED SUPPORT ENABLING...



All allocations by Samfunnsløftet can be found at snn.no/samfunn.

NARVIKFJELLET

The SNN patrol is SpareBank 1 Nord-Norge’s employees participating in various local activities. Here employees in Narvik are in place during the open day on Narvikfjellet.



In the “Open doors” scheme, 14,753 children and young people were given the opportunity to take part in a free activity when the pandemic started to recede. Narvikfjellet gave free lift passes to children and adults to make a statement that we can return to everyday activities.



YOUNG VOICES

In 2021 50 young adults took part in the competence programme “Young voices,” a partnership the Society Lift had with Mo industrial park, Andøya Space, Bodø municipality, UiT – Norway’s Arctic University and Nofima. At the closing event, CEO Liv B. Ulriksen was among the decision-makers who listened to the young people.



Crown Prince Haakon met 50 young adults from all over Northern Norway when he visited Bodø. They took part in “Young Voices,” a competence programme the Society Lift had with Mo industrial park, Andøya Space, Bodø municipality, UiT – Norway’s Arctic University and Nofima.



FRISBEE GOLF

Active outdoors at Svalbard Turn received support to establish a frisbee golf course that is accessible to everyone in Longyearbyen. In 2021 several frisbee golf courses in the region received support.



TALENT

Tora Johansen (22) receives a Society Lift talent grant in 2021. She is on the elite national team in freeski and has despite her young age achieved top results internationally in both Slopestyle and Big Air.



ALL THE GIRLS

NFF Nordland’s “All the girls” project aims to get more girls to involve themselves in football, as players, coaches and managers. They believe the measure is especially important at a time that has been marked by the pandemic and people dropping out of sports.



Astrid Regine Næsslander stands out as a role model and a voice for ecology and sustainability, and the food culture enthusiast received the Society Lift talent grant in 2021. Photo: Karoline O. A. Pettersen



ONE MORE DAY

NFF Nordland’s “All the girls” project aims to get more girls to involve themselves in football, as players, coaches and managers. They believe the measure is especially important at a time that has been marked by the pandemic and people dropping out of sports.



In 2021 NOK 10 million was allocated to the “One more day” scheme, to contribute to sustainable and green restructuring in tourism and experiences. Hattvika Lodge piloted a breakfast concept developed in cooperation with the Culinary Academy and was one of the finalists that received a further NOK 200,000 to make the pilot permanent.



In 2021 NOK 10 million was allocated to the “One more day” scheme, to contribute to sustainable and green restructuring in tourism and experiences. Tranøy Lighthouse tested a number of activities through the summer, and received further support to develop a KulTur package for the locals and tourists.

HJEMMERESIDENS

Artist Joar Nango was one of 35 artists who received home residence from the Society Lift. He works with Sami architecture and spent his time researching the gumpi, a Sami herder’s hut.



Katrine Strøm was one of 35 artists who received home residence from the Society Lift in 2021. She spent the time on script and concept development, and work resulted in the performance “Thank you for everything” at Tromsø graveyard.



HARSTAD BICYCLE PARK

All of Harstad took a walk for Harstad bike park, when bank manager Mona Slåtto Olsen and SpareBank 1 Nord-Norge challenged everyone to demonstrate their commitment for the project. A total of NOK 9 million from the Society Lift contributes to realise a green, red and black track in the new park, in addition to a skill park and a freestyle park. Harstad Cyckleklubb, who is behind the project, also received contributions from a number of other local players.

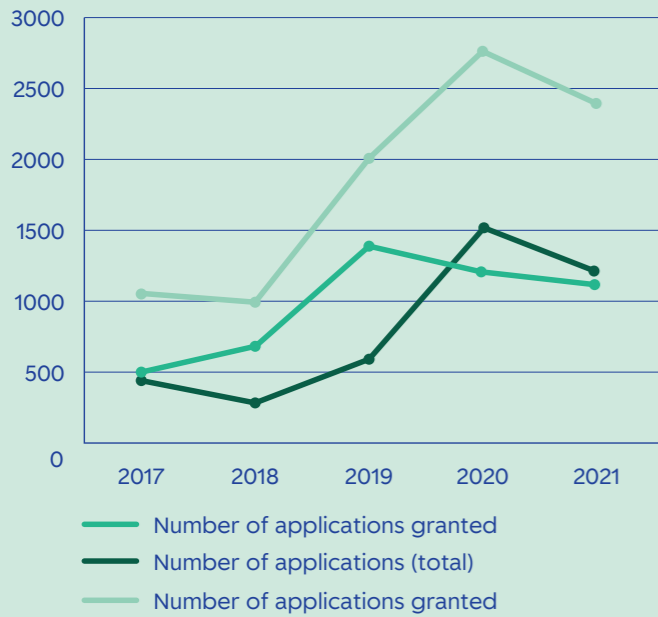


UN SUSTAINABLE DEVELOPMENT GOALS

A total of MNOK 175 went to projects that contribute to the SDGs in Northern Norway. All applicants must themselves choose which of the SDGs their project will contribute to, and they can choose multiple goals. Contributing to more sustainable cities and communities was the most common SDG chosen by people (23 per cent), closely followed by good health and well-being (22 per cent). The other goals that were popular among the projects were industry, innovation and infrastructure, reducing inequality, good education and climate action. Around 10 per cent chose partnerships for the goals. “Samfunnsløftet” had no projects aimed at zero hunger, clean water and clean energy, and had few projects aimed at life on land, ending poverty and peace and justice. Full information on the distribution of SDGs is provided in Graph 4.

GRAPH 1:

NUMBER OF APPLICATIONS IN LAST 5 YEARS



DIVIDENDS IN A PANDEMIC

Because of the pandemic, the Ministry of Finance recommended that banks only pay a dividend of up to 30 per cent of the accumulated annual profit for 2019 and 2020. “Samfunnsløftet” therefore received MNOK 147.5 in April 2020. The Board of Directors was authorised to pay the remainder of the dividend in 4Q 2021, when “Samfunnsløftet” received an additional MNOK 95.5 for good causes in the region. Sparebankstiftelsen SpareBank 1 Nord-Norge also received MNOK 175 from the last payment of community dividends, with a further MNOK 10 going to LAB Nord-Norge and MNOK 25 being allocated to the northern Norwegian investment fund that Investinor has been tasked with establishing in 2022.

The allocations to “Samfunnsløftet” projects were as follows in 2021:

- Under NOK 10,000: 26 per cent (304 grants)
- NOK 10,001-50,000: 29 per cent (339 grants)
- NOK 50,001-250,000: 36 per cent (412 grants)
- NOK 250,001-1,000,000: 7 per cent (80 grants)
- More than NOK 1,000,000: 1 per cent (15 grants)

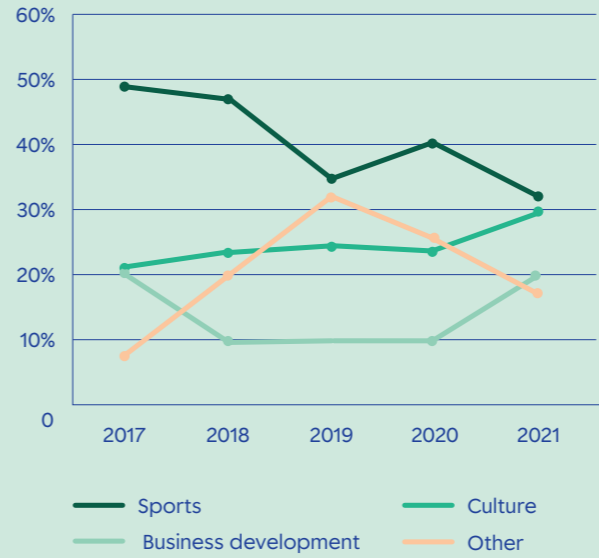
GRAPH 2:

APPLICATIONS AND GRANTED AMOUNTS IN LAST 5 YEARS



GRAPH 3:

DISTRIBUTION PER CATEGORY IN LAST 5 YEARS



GRAPH 4:

PERCENTAGE BREAKDOWN 2021

Percentage breakdown of support from “Samfunnsløftet” for the SDGs in 2021. All applicants chose which of the SDGs their project would contribute to themselves, and could choose multiple goals.



- 1: No poverty
- 3: Good health and well-being
- 4: Quality education
- 5: Gender equality
- 8: Decent work and economic growth
- 9: Industry, innovation and infrastructure
- 10: Reduce inequalities
- 11: Sustainable cities and communities
- 12: Responsible consumption and production
- 13: Climate action
- 14: Life below water
- 15: Life on land
- 16: Peace, justice and strong intitutions
- 17: Partnerships for the goals

Appendix

APPENDIX 1
GRI CONTENT INDEX

GENERAL DISCLOSURES

DISCLOSURE	DESCRIPTION	LOCATION IN ANNUAL REPORTS OR SNN.NO	RREPORTING DIRECTLY IN THE INDEX	PRB – LINK TO THE SIX PRINCIPLES																		
ORGANISATIONAL PROFILE																						
102-1	Name of the organisation	SpareBank 1 Nord-Norge		PRB 1.1																		
102-2	Activities, brands, products and/or services	Annual report note 4 (83)	Banking services, accounting services, real estate brokerage and object financing																			
102-3	Location of headquarters		The head office of SpareBank 1 Nord-Norge is located in Tromsø.																			
102-4	Location of operations		Norway	PRB 3																		
102-5	Ownership and legal form	Annual report (20) on ownership structure note 41 (153)	SpareBank 1 Nord-Norge is a savings bank owned 53.6 per cent by the northern Norwegian community and 46 per cent through equity certificates listed on Oslo Børs.																			
102-6	Markets served	About the Bank's activities on snn.no	The Group's market area is people and enterprises, primarily in Troms og Finnmark and Nordland	PRB 3																		
102-7	Scale of the organisation	Annual report Annual financial statements 2021 – Note 23 (129) and the Balance Sheet (67)		PRB 1.1																		
102-8	Total number of employees by employment contract (permanent and temporary), by gender and region		<table><tr><td></td><td>WOMEN</td><td>MEN</td></tr><tr><td>Permanent employees</td><td>462</td><td>430</td></tr><tr><td>Temporary employees</td><td>23</td><td>22</td></tr><tr><td></td><td>WOMEN</td><td>MEN</td></tr><tr><td>Full-time</td><td>405</td><td>407</td></tr><tr><td>Part-time</td><td>80</td><td>45</td></tr></table> <p>No work is done at SpareBank 1 Nord-Norge by workers who are not employees.</p>		WOMEN	MEN	Permanent employees	462	430	Temporary employees	23	22		WOMEN	MEN	Full-time	405	407	Part-time	80	45	
	WOMEN	MEN																				
Permanent employees	462	430																				
Temporary employees	23	22																				
	WOMEN	MEN																				
Full-time	405	407																				
Part-time	80	45																				
102-9	Description of the organisation's supply chain	Sustainability in SpareBank 1 Nord-Norge (209)																				

DISCLOSURE	DESCRIPTION	LOCATION IN ANNUAL REPORTS OR SNN.NO	RREPORTING DIRECTLY IN THE INDEX	PRB – LINK TO THE SIX PRINCIPLES
102-10	Significant changes to the organisation's size, structure, or ownership during the reporting period		Four branches in Helgeland were sold to SpareBank 1 Helgeland in 2021. Employees were offered the opportunity to transfer to a new employer or apply for a severance package from SNN.	
102-11	Whether and how the organisation applies the precautionary principle or approach	Sustainability and Corporate Social Responsibility Report (3)	SNN is a member of Global Compact and has committed to complying with the precautionary principle.	PRB 2
102-12	Externally-developed economic, environmental and social charters, principles, or other initiatives to which the organisation subscribes, or which it endorses	Sustainability and Corporate Social Responsibility Report (3)		
102-13	Memberships of industry or other associations, and national or international advocacy organisations	Sustainability and Corporate Social Responsibility Report (3)	Other industry organisations SpareBank 1 Nord-Norge works with include the Confederation of Norwegian Enterprise (NHO), Finance Norway and AEC.	
STRATEGY				
102-14	Statement from senior decision-maker	Annual report – From the CEO (9)		
102-15	Key impacts, risks, and opportunities	Annual report – Annual report from the Board (38) Sustainability and Corporate Social Responsibility Report (7-10)	Also see the Knowledge Bank's analysis of climate risk in important Northern Norwegian industries kbnn.no/ klimarisiko	PRB 2.1
ETHICS AND INTEGRITY				
102-16	Values, principles, standards, and norms of behaviour	Strategic compass (10 -11) Sustainability and Corporate Social Responsibility Report (3)	The Global Compact's ten principles and the PRB provide direction for the Group's work on sustainability	PRB 1
GOVERNANCE				
102-18	The organisation's governance structure of the organisation, including committees of the highest governance body. and committees responsible for decision-making on economic, environmental, and social topics	Annual report on corporate governance, pages 43-52. Sustainability and Corporate Social Responsibility Report (5)		PRB 5.1 and 5.2
STAKEHOLDER ENGAGEMENT				
102-40	Stakeholder groups engaged by the organisation	Sustainability and Corporate Social Responsibility Report (38-39)		PRB 4.1
102-41	Percentage of total employees covered by collective bargaining agreements		100% in the parent bank, 100% in the Group.	

DISCLOSURE	DESCRIPTION	LOCATION IN ANNUAL REPORTS OR SNN.NO	RREPORTING DIRECTLY IN THE INDEX	PRB – LINK TO THE SIX PRINCIPLES
102-42	The basis for identifying and selecting stakeholders with whom to engage	Sustainability and Corporate Social Responsibility Report (6, 38-39)	The most important stakeholders were chosen in connection with the development of the Group's materiality analysis. As a savings bank, SNN has extensive engagement with society	
102-43	Approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group	Sustainability and Corporate Social Responsibility Report (6, 38-39)		PRB 4.1
102-44	Key topics and concerns that have been raised through stakeholder engagement and how the organisation has responded	Sustainability and Corporate Social Responsibility Report (38-39)	In particular, we want to highlight that as a result of stakeholder engagement, specialists have been established for industries within "Marine industries", "Real Estate and commerce" and "Power and industry".	PRB 4.1

REPORTING PRACTICE

102-45	A list of all entities included in the organization's consolidated financial statements or equivalent documents	Annual report from the Board (18-23)		
102-46	An explanation of the process for defining the report content and the topic boundaries, and the implementation of the reporting principles	Sustainability and Corporate Social Responsibility Report (3)	The sustainability report should convey correct and understandable information, in a way that enables stakeholders to make decisions. Both positive and negative aspects of the Group's impact on society and the environment should be reported and be of high quality and relevance.	PRB 6 From 2022 onwards, impact assessments will also be included in the materiality assessment
102-47	A list of the material topics identified	Sustainability and Corporate Social Responsibility Report (6)	The materiality analysis must be renewed in 2022	
102-48	Restatements of information		None.	
102-49	Significant changes from previous reporting periods in the list of material topics and topic boundaries		None.	
102-50	Reporting period		01.01.21-31.12.21	
102-51	Date of most recent report		This is SpareBank 1 Nord-Norge's fourth GRI report.	
102-52	Reporting cycle		Annual	
102-53	Contact point for questions regarding the report		Ragnhild Dalheim Eriksen	
102-54	Claims of reporting in accordance with the GRI Standards		This report has been prepared in accordance with the GRI Standards: Core option.	
102-55	GRI content index	Sustainability and Corporate Social Responsibility Report (30-35)		
102-56	Current practices for external assurance of the report		The report is not externally verified.	

SPECIFIC INFORMATION FOR SPAREBANK 1 NORD-NORGE

DISCLOSURE	DESCRIPTION	LOCATION IN ANNUAL REPORTS OR SNN.NO	RREPORTING DIRECTLY IN THE INDEX
FINANCIAL PERFORMANCE			
103-1	Explanation of the material topic and its boundary	Annual report – Annual report from the Board (16)	
103-2	Explanation of the material topic and its boundary		
103-3	Explanation of the material topic and its boundary		
201-1	Direct economic value generated and distributed	Annual Report - Annual Accounts 2021 (64) Note 42 for supplementary information on dividends (152)	Income 4410 Personnel costs 632 Other operating costs 653 Interest costs 534 Fees and commissions payable 68 Losses – 70 Taxes 395 Dividend 1516 Retained dividend 652
201-2	Financial implications and other risks and opportunities due to climate change	Sustainability and Corporate Social Responsibility Report (7, 15)	

ANTI-CORRUPTION

103-1	Explanation of the material topic and its boundary	Sustainability and Corporate Social Responsibility Report (5,6)	
103-2	The management approach and its components		
103-3	Evaluation of the management approach		
205-2	Communication and training about anti-corruption policies and procedures	Sustainability and Corporate Social Responsibility Report (12)	
205-3	Confirmed incidents of corruption and actions taken		No confirmed cases in 2021.

TRAINING AND EDUCATION

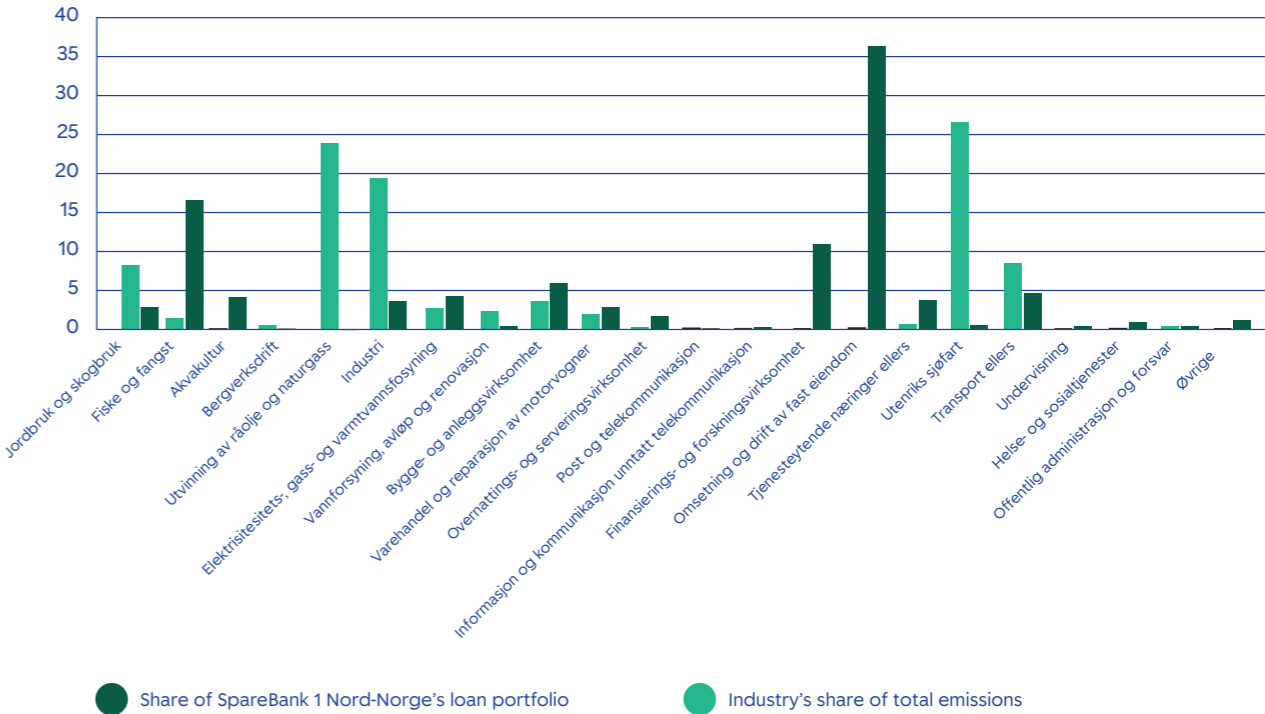
103-1	Explanation of the material topic and its boundary	Sustainability and Corporate Social Responsibility Report (6) and HR report	
103-2	The management approach and its components		
103-3	Evaluation of the management approach		
404-1	Average hours of training per year per employee-by-employee category	HR report (29) Sustainability and Corporate Social Responsibility Report (12)	Partially reported. Retail market (30 hours) Corporate market and technical departments (10 hours). information about courses
404-2	Programmes for upgrading employee skills and transition assistance programmes	HR report	<ul style="list-style-type: none">The annual appraisal meeting covers this topic.Everyone over the age of 60 is enrolled in the pension association.
404-3	Percentage of employees receiving regular performance and career development reviews		All employees have an annual appraisal. Some 30% are also offered quarterly meetings.

DISCLOSURE	DESCRIPTION	LOCATION IN ANNUAL REPORTS OR SNN.NO	REPORTING DIRECTLY IN THE INDEX																
DIVERSITY AND EQUAL OPPORTUNITY																			
103-1	Explanation of the material topic and its boundary	Organisation and HR (201)																	
103-2	The management approach and its components																		
103-3	Evaluation of the management approach																		
405-1	Diversity of governance bodies and employees		SpareBank 1 Nord-Norge's goal is for women to make up 40 per cent of managers. The result in 2021 was 41 per cent																
			<table><tr><td></td><td>WOMEN</td><td>MEN</td></tr><tr><td>Management team</td><td>3</td><td>6</td></tr><tr><td>Other managers</td><td>21 (24)</td><td>37 (26)</td></tr><tr><td>Regular employees</td><td>213 (201)</td><td>259 (102)</td></tr></table>		WOMEN	MEN	Management team	3	6	Other managers	21 (24)	37 (26)	Regular employees	213 (201)	259 (102)				
				WOMEN	MEN														
			Management team	3	6														
			Other managers	21 (24)	37 (26)														
			Regular employees	213 (201)	259 (102)														
			Management team: Group Management. Other managers: Management in the Bank. Subsidiaries' management stated in brackets. Regular employees. Bank employees minus management team and other managers. Regular employees of subsidiaries stated in brackets.																
			<table><tr><td></td><td>30 AND YOUNGER</td><td>31-50</td><td>51+</td></tr><tr><td>Management team</td><td>0</td><td>2</td><td>7</td></tr><tr><td>Other managers</td><td>4 (4)</td><td>34 (36)</td><td>20 (10)</td></tr><tr><td>Regular employees</td><td>119 (60)</td><td>210 (150)</td><td>143 (93)</td></tr></table>		30 AND YOUNGER	31-50	51+	Management team	0	2	7	Other managers	4 (4)	34 (36)	20 (10)	Regular employees	119 (60)	210 (150)	143 (93)
				30 AND YOUNGER	31-50	51+													
			Management team	0	2	7													
Other managers	4 (4)	34 (36)	20 (10)																
Regular employees	119 (60)	210 (150)	143 (93)																
The units Retail Market, Corporate Market, SNN Capital Markets and the Treasury department are defined as core/line.																			
The units Compliance, Credit and Risk Management, Finance and Administration, Organisation, Communication and Society, and Innovation and Business Development are defined as corporate/support.																			
<table><tr><td></td><td>WOMEN</td><td>MEN</td></tr><tr><td>Staff/support</td><td>73</td><td>107</td></tr><tr><td>Core (borrowing, lending, treasury)</td><td>164</td><td>195</td></tr></table>		WOMEN	MEN	Staff/support	73	107	Core (borrowing, lending, treasury)	164	195										
	WOMEN	MEN																	
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	30 AND YOUNGER	31-50	51+																
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Core (borrowing, lending, treasury)	98	152	109																

DISCLOSURE	DESCRIPTION	LOCATION IN ANNUAL REPORTS OR SNN.NO	REPORTING DIRECTLY IN THE INDEX
NON-DISCRIMINATION			
103-1	Explanation of the material topic and its boundary	Sustainability and Corporate Social Responsibility Report (6) and HR report	
103-2	The management approach and its components		
103-3	Evaluation of the management approach		
406-1	Incidents of discrimination and corrective actions taken		No cases related to discrimination were reported in 2021.
CUSTOMER PRIVACY			
103-1	Explanation of the material topic and its boundary	Sustainability and Corporate Social Responsibility Report (6, 13)	
103-2	The management approach and its components		
103-3	Evaluation of the management approach		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Sustainability and Corporate Social Responsibility Report (13)	One complaint was considered by the Norwegian Data Protection Authority based on external reporting of breaches of personal data.
RESPONSIBLE LENDING			
103-1	Explanation of the material topic and its boundary	Sustainability and Corporate Social Responsibility Report (10, 11)	
103-2	The management approach and its components		
103-3	Evaluation of the management approach		
FS8	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose	Sustainability in SpareBank 1 Nord-Norge (11)	
RESPONSIBLE INVESTMENT AND REQUIREMENTS FOR FINANCIAL SERVICES PROVIDERS			
103-1	Explanation of the material topic and its boundary	Sustainability and Corporate Social Responsibility Report (6)	
103-2	The management approach and its components		
103-3	Evaluation of the management approach		
FS10	Percentage and number of companies held in the institution's portfolio with which the reporting organisation has interacted on environmental or social issues.	Sustainability in SpareBank 1 Nord-Norge (11 and 16)	SpareBank 1 Nord-Norge's policies and guidelines apply to and are communicated to the Group's wholly owned subsidiaries.
FS11	Percentage of assets subject to positive and negative environmental or social screening.	Sustainability in SpareBank 1 Nord-Norge (11 and 16)	Fund investments: 100% ESG risks are assessed in credit processes and the liquidity portfolio, including when using the green product framework.
TCFD	11 questions for reporting on climate risk in governance and management, strategy, risk management goals and methods	SpareBank 1 Nord-Norge TCFD (7-10)	

APPENDIX 2
EMISSIONS IN THE CREDIT PORTFOLIO

INDUSTRY	INDUSTRY'S SHARE OF TOTAL EMISSIONS	PROPORTION OF THE SNN GROUP'S LOAN PORTFOLIO, INCL. INTERMEDIARY LOANS
Agriculture and forestry	8,1 %	2,8 %
Fishing	1,4 %	16,5 %
Aquaculture	0,1 %	4,2 %
Mining	0,5 %	0,0 %
Extraction of crude oil and natural gas, incl. services and pipeline transport	23,9 %	0,0 %
Industry	19,3 %	3,5 %
Power, gas, steam and hot water supply	2,7 %	4,2 %
Water supply, sewerage and sanitation services	2,3 %	0,3 %
Building and construction	3,6 %	5,8 %
Retail trade and repair of motor vehicles	1,8 %	2,8 %
Accommodation and food services	0,2 %	1,6 %
Post and telecommunications	0,1 %	0,0 %
Information and communication, excl. telecommunications	0,0 %	0,2 %
Financing and insurance activities	0,0 %	10,8 %
Sale and management of real estate	0,1 %	36,1 %
Other service sector industries	0,6 %	3,6 %
International shipping	26,4 %	0,4 %
Other transport	8,5 %	4,6 %
Teaching	0,0 %	0,3 %
Health and social services	0,1 %	0,9 %
Public administration and defence	0,3 %	0,3 %
Others	0,0 %	1,1 %
TOTAL INDUSTRY	100,0 %	100,0 %



SOURCES:
<https://www.ssb.no/statbank/table/09288/tableViewLayout1/>

METHOD
The calculation is based on SpareBank 1 Nord-Norge’s share of the total lending by Norwegian banks and financial institutions to the individual industries. This share is then multiplied by total emissions (CO2 equivalents) from the individual industry. The lending figures are taken from the parent bank and have not included figures from SNN Finans.

WEAKNESSES IN THE METHOD
Each industry’s borrowing needs are equally distributed across the country. Therefore, the model does not take into account regional differences in terms of borrowing needs and emission intensity. SpareBank 1 Nord-Norge’s proportion will therefore be either overestimated or underestimated in some industries.

The emissions are based on the sectors’ direct emissions and therefore do not show the full picture of emissions from one sector.

APPLICATION
The model provides a rough estimate of carbon-related credit exposure in the individual sectors to which SNN lends money. The method is not precise enough to be used for comparisons with other banks, or as an absolute tool for understanding emissions in the business sector in Northern Norway.

APPENDIX 3
STAKEHOLDER ANALYSIS 2021

SpareBank 1 Nord-Norge engages extensive with our stakeholders. This overview shows the relevant meeting places, together with the main topics for each stakeholder group.

STAKEHOLDERS	MEETING PLACE FOR DIALOGUE	KEY TOPICS	MEASURES RELATED TO TOPICS
Customers	Customer and market surveys in the retail and corporate markets Position survey	Measures how an enterprise is perceived by customers. Greater need for industry knowledge Challenges related to Covid-19 restrictions Sustainability, presence via local branches and cash machines, response to marketing.	Revision of the Group's CM strategy with a focus on industry knowledge and SMEs Covid-19 measures Increased reporting on sustainability and focus on transparency
		Customer communication in the branches and via chat, phone, email, online banking and social media Webinars	Webinars: - Bank+Accounting - "one more day" for the tourism industry LOfavør campaign
	The Expectations Barometer (Kbnn.no) which measures business and public expectations concerning development in Northern Norway every year	Events tailored to the customer's life situation or needs Topics related to Covid-19 and restrictions in society	Improvement of content on kbnn.no
	Annual employee survey once a year Working environment committees in all companies in the Group. Monthly meetings between elected representatives and the Group's HR department.	Health and safety, skills development, equality, involvement in processes and projects.	Involvement of employees in the development of the Group Recruitment policy focusing on diversity and gender equality. Membership of "Women in Finance"
Owners	Supervisory Board meeting and election for equity certificate holders	Annual accounts and allocation of profit, plus other company actions. Election of members of the Board of Directors. Dividend payments and discussion surrounding the Financial Supervisory Authority of Norway's recommendation on ordering banks to withhold dividends.	
		Income statement and goal achievement, return, briefing on trends in the northern Norwegian economy and financial services markets	
	Stock exchange announcements and quarterly reports		
	Investor presentations	Performance and sustainability/ESG	Increased reporting on sustainability Launch of green financial framework.

Authorities	Contact with control and regulatory authorities (the Financial Supervisory Authority of Norway and others) throughout the year. Participation in expert committee for climate friendly investments	Management and control, operation and security.	Increased focus on compliance with laws and regulations.
	Follow-up of SNN's "Perspective Report"	Young people's everyday life in Northern Norway and what they see as future challenges and opportunities.	Established "young voices" skills programme The programme is a direct response to the input and is one of several ways in which SNN will involve and engage young voices
Northern Norwegian society	The Knowledge Bank Kbnn.no partners extensively with knowledge providers in Northern Norway	Share knowledge of macro developments, globally, in the Norwegian economy and in Northern Norway.	Development of Kbnn.no <ul style="list-style-type: none">72 reports, pieces and articles38 Northern Norway in the World podcasts40,000 unique users
	<ul style="list-style-type: none">More than 1,150 unique actors have applied for and received support from "Samfunnsløftet". More social actors are in dialogue with SNN, including:Volunteering based teams and associationsOrganisations that work with business development and entrepreneursNational and local authoritiesKnowledge producers	Insights into teams, associations and other social actors' activities in the region Challenges related to Covid-19 restrictions A survey "Samfunnsløftet" commissioned by the Institute for Social Research showed that 65 per cent of northern Norwegian associations cut back on operations during the pandemic	Development of "Samfunnsløftet" strategy Special Covid-19 measures targeted at, for example, teams and associations, tourism industry and artists
	Innovation Norway	Measures for business in Northern Norway	Growth guarantee loans
	Discussions with Future in our Hands and the Norwegian Consumer Council in connection with the Ethical Bank Guide and other case studies	Using SpareBank 1 Nord-Norge's position and influence as a shareholder to make the investment market more sustainable Responsible investments, credit activities, transparency, trust, local presence.	More comprehensive communication about own corporate social responsibility ESG labelling of funds in SpareBank 1's saving platform New requirements for financing companies New sustainability fund from ODIN
Stakeholder organisations	Participation in Finance Norway's technical committee for sustainable finance	Climate risk and regulations for sustainable finance	Increased focus on the topic in the Group, as well as in business and society through kbnn.no
	Collaboration with the Norwegian Confederation of Trade Unions (LO) through LOfavør and various projects in the region throughout the year.		



SpareBank
NORD-NORGE



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