

SpareBank 1 Nordmøre

18 months reporting on Principles for Responsible Banking (due October 2021)

Principle/requirement	Reporting	Reference
Principle 1 Alignment	We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement, and relevant national and regional frameworks.	
1.1 Description of business model	SpareBank 1 Nordmøre- SpareBank 1 Nordvest and Surnadal Sparebank have merged and will continue under the name SpareBank 1 Nordmøre with effect from 3 rd May 2021. The bank operates in Norway, mainly Møre og Romsdal - and Trøndelag counties. There are around 140 employees, divided into 13 locations. The bank offers mainly banking and insurance services to customers in both the private and corporate markets. SpareBank 1 Nordmøre is one of 15 banks in the SpareBank 1 alliance.	Årsrapport
1.2 Business strategy alignment	The banks strategy for sustainability was approved by the Board of Directors in 2020. This strategy is based on UN SDG, PRB, UN Global compact and other sustainability principles, agreements, and initiatives. Please read our strategy for more information	Strategy for sustainability

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Principle 2 Impact and target settings	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.	

<p>2.1 Impact analysis</p>	<p>SpareBank 1 Nordmøre has done an impact analysis for 2020. The analysis shows areas where the bank has the greatest opportunity for positive and negative impact. The bank operates only in Norway.</p> <p>The analysis covered the lending portfolio and covered both Personal Banking, including Private Banking (approx. 70%), and Business Banking (approx. 30%).</p> <p>For Personal Banking (consumer banking) and Business Banking (corporate banking) the analysis covered our lending portfolio.</p> <p>All of our lending is in Norway.</p> <p>By using the UNEP FI Portfolio Impact Analysis Tool, where country need score is included, the most relevant challenges and priorities related to sustainable development for Norway were considered in the impact analysis. These were:</p> <ul style="list-style-type: none"> - Resources efficiency/security - Climate - Waste <p>For the sustainability report 2021, we will look more closely at the context in order to form a basis for our work.</p>	
<p>2.2 Target setting</p>	<p>For the sustainability report 2021, we will look more closely at the context in order to form a basis for our work and set targets.</p>	
<p>2.3 Plan for Target Implementation & Monitoring</p>	<p>The banks targets will be followed as part of the sustainability strategy and be reported in the annual report as well as to the BoD</p>	
<p>2.4 Progress on Implementing targets</p>	<p>SpareBank 1 Nordmøre are currently rewriting its sustainability strategy and will have a new strategy with set targets in late 2021 or early 2022.</p>	

Principle/requirement	Reporting	Reference
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	
<i>3.1 Policies and practices</i>	Please see the banks sustainability strategy and the sustainability report in our annual report	Årsrapport Strategy for sustainability
<i>3.2 Sustainable practices with clients and customers</i>	In order to help our customers in the business market we are including ESG-criteria's in the loan process, we are also going to offer green products in the near future. In the private market we are offering green options in loans for housing with EPC between A-C and for renovation, and electric cars.	

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Principle 4 Stakeholders	We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.	
<i>4.1 Stakeholders consultation, engagements, and partners</i>	The bank is conducting a stakeholder analysis each year, and report on the dialog. Please read the description of the dialog with our stakeholders in the annual report.	Årsrapport

Principle/requirement	Reporting	Reference
Principle 5 Governance & culture	We will implement our commitment to these Principles through effective governance and a culture of responsible banking	
<i>5.1 Governance structure</i>	This will be developed further in 2021 in connection with the finalization of the impact analysis.	
<i>5.2 Initiatives and measures</i>	The bank's work with sustainability is based on the PRB, UN global compact, the SDG and OECD's guidelines. This is laid down in	



PRINCIPLES FOR RESPONSIBLE BANKING

	our strategy for sustainability and it is reported on annually in our annual report in line with the GRI Standard. In our annual report we also include our climate risk based on the TCFD framework.	
<i>5.3 Governance structure for implementation on the Principles</i>	The principles will be included in our reporting routines from 2022 onwards, with quarterly reporting to the Board of Directors and executive management team.	

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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.	
<i>6.1 Progress on implementing the Principles for responsible Banking</i>	<p>The priority has been to raise awareness of sustainability issues throughout the organization and the community.</p> <p>The bank has also worked on establishing services and products which makes it possible to include sustainability and climate risk in our dialogue with our customers.</p> <p>In 2020 we started to report annually on the progress of our work on sustainability, and are reporting in line with TCFD and the GRI standards</p>	