

UN Sustainable Development Goals in SpareBank 1 Østlandet

The UN Sustainable Development Goals are a common global roadmap for a sustainable future. In order to reach the goals by the 2030 target, governments and the business community in every country need to act. SpareBank 1 Østlandet has, through a number of sustainability workshops in Autumn 2018, identified which sustainable development goals are most relevant for the bank in terms of both reducing negative impact and realizing positive impact from both our operations and the products and services we offer customers. Our ambition is to maximise our positive impact, while at the same time reducing our negative impact. The UN Sustainable Development Goals provide a good framework for this work. As a bank we have the potential to impact all of the 17 UN Sustainable Development Goals in one way or another, directly or indirectly, but we think that we are able to have the greatest impact on the following goals:



As part of our commitment to contributing towards the UN Sustainable Development Goals by 2030, we will focus on collaboration with a number of external stakeholders, including customers, sector-specific organisations and associations, academia, governments and authorities and civil society and grassroots organisations. As such, Sustainable Development Goal 17, Partnership for the Goals, is an important enabler for us.



Internal goals (the inner circle in the figure below) describe the areas that are most relevant for our own operations and supply chain, such as carbon emissions from offices. External goals (the outer circle in the figure below) are goals where we impact society at large through our services and products, and require collaboration with external stakeholders, such as customers. These are goals we will support customers and society in realising, within the scope of our influence. Five of the goals cover areas where we can realise a positive impact, and reduce our negative impact, through focusing on *both* internal and external measures:



SpareBank 1 Østlandet is already contributing towards the above goals, and we have reported on results so far under the relevant topics in our annual report.

Rationale for choice of sustainable development goals:



"Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all"

Quality education is the foundation for improving lives. As an active and responsible citizen in our community, SpareBank 1 Østlandet have focused on education for a number of years, including through building financial literacy amongst children and young people. The level of educational attainment in Hedmark county is relatively low compared to the national average. The bank contributes, both in terms of providing capital and educational content, to enable young people to take higher education in their local area in the Inland region. The bank has therefore had a long-lasting collaboration with Young Entrepreneurship (UE) and Inland Norway University of Applied (HINN). Through our collaboration with UE, HINN and EON Reality, we have developed AR-technology for use in economic studies at the university. In 2018 we also entered into a partnership agreement with NTNU Gjøvik. We also have a strong focus on training and skills development internally among employees, including annual initiatives such as Ethics Week and Climate Week.

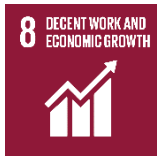
SpareBank 1 Østlandet has a particular focus on the following targets:

4.4) By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship.

We contribute with our expertise in finance and economy and collaborate with Young Entrepreneurship. We provide financial support for entrepreneurship awards. We have developed a comprehensive training program, called *Jesper's Roadtrip*, where the bank's own teacher travels from school to school to develop financial literacy amongst teenagers and young people.

4.7) By 2030, ensure that all learners acquire the knowledge and skills needed to promote sustainable development, including, among others, through education for sustainable development and sustainable lifestyles, human rights, gender equality, promotion of a culture of peace and non-violence, global citizenship and appreciation of cultural diversity and of culture's contribution to sustainable development.

This is also included in our work around *Jesper's Roadtrip*. In addition, we have developed a dedicated award for the most sustainable business as part of our partnership with Young Entrepreneurship. At a more operational level, financial literacy is increasingly a part of the advisory services offered to our customers.



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

Creating economic growth and employment opportunities is a pre-requisite for sustainable development. Creating high quality employment opportunities by 2030 is one of the key challenges for all countries. SpareBank 1 Østlandet has always had a focus on being a responsible bank. As a *savings bank* our main objective is to contribute to developing society through being an active and responsible actor in the communities in which we are present. This is represented in our vision: *creating together*, and in our objective: *sustainability in everything we do*.

SpareBank 1 Østlandet has a particular focus on the following targets:

8.3) Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services.

For the bank, this is especially relevant for loans to business customers since a large proportion of our customers are micro, small or medium-sized enterprises.

8.5) By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.

This is an internal goal, of particular relevance to HR.

8.8) Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.

This is first and foremost an internal goal for HR, but also relevant for loans to business customers, and is therefore an integral part of our risk assessment process.

8.10) Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all.

SpareBank 1 Østlandet have conducted assessments relating to vulnerable groups, and do our utmost to design services to be accessible for everyone.



"Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation"

Technology and innovation can contribute to solving environmental challenges, including those related to developing infrastructure. SpareBank 1 Østlandet have, during this strategy period, had

considerable focus on innovation, and established our own innovation department in 2017. We have two targets in our sustainability strategy connected specifically to innovation, one with an internal focus and one with an external focus.

SpareBank 1 Østlandet has a particular focus on the following targets:

9.3) Increase the access of small-scale industrial and other enterprises, in particular in developing countries, to financial services, including affordable credit, and their integration into value chains and markets.

For SpareBank 1 Østlandet, this is closely related to our growth ambitions and to our core business – supporting SMBs, particularly in the districts, which is where the majority of our customers are located.

9.4) By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.

SpareBank 1 Østlandet deliver on this target through the products and services we offer to business customers in the agriculture and forestry sectors and in the construction and property sectors.



"Ensure sustainable consumption and production patterns"

Sustainable consumption and production means creating more value with less resources.

Sustainable production involves reducing resource intensity, and avoiding exploitation of people, environmental degradation and greenhouse gas emissions when producing goods and delivering services. In the long term, this will contribute to economic growth, climate change mitigation and increased quality of life for human beings on the planet Earth.

We acknowledge that as a Norwegian bank, we have a responsibility here in relation to our private and business markets. Examples of measures within responsible consumption and production is that RM has been arranging swap days for sports equipment for several years to promote reuse and circular economy, as well as we offer a maintenance calendar. The maintenance calendar provides customers with step-by-step guidance and an overview of what is needed for both indoor and outdoor maintenance of your home.

In 2020, the Bank entered into two business clusters in our region that are working on solutions for the climate and resource utilization; 1) NCE Heidner Biocluster, Norway's leading industry cluster for the green bioeconomy and sustainable food production, and 2) Norwegian Wood Cluster, a wood cluster in the forest, industrial and building value chain, that aims to grow into an internationally leading industry cluster for industrial, sustainable wooden buildings.

SpareBank 1 Østlandet has a particular focus on the following targets:

12.2 By 2030, achieve the sustainable management and efficient use of natural resources.

We currently deliver towards this target through the credit and loan services and products we deliver to the business market, especially in the agriculture sector.

12.6 Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.

We currently deliver towards this target through the services and products we deliver to the business market.

12.8 By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature.

We aim to deliver towards this target through our communication activities and through dialogue with private and business customers.



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

Climate change is a global challenge that goes beyond the borders of individual countries. At COP 2015, world leaders agreed to the Paris Agreement, an agreement committing all participating countries to implement measures that will ensure global temperatures do not increase above 2 degrees Celsius, and preferably not more than 1.5 degrees Celsius.

SpareBank 1 Østlandet shares the responsibility, along with the rest of the business community in Norway, to ensure that we do our utmost to achieve these climate goals. Thus, SpareBank 1 Østlandet has committed to net zero emissions from its lending and investment portfolios by 2050 or earlier, and has joined the new UN initiative Net Zero Banking Alliance (NZBA).

The bank has the greatest opportunity to reduce emissions in the loan portfolio to the corporate market (CM) and has set science-based climate targets for emission reduction. Emissions shall be reduced by at least % in this portfolio from 2020 to 2030. Work on climate measures in the bank's two largest industries, commercial real estate and agriculture, is already well underway. In addition, the Bank does not provide loans for fossil energy, such as coal, oil or gas.

In the retail market (RM), it is within housing that the bank has the greatest opportunity for impact. RM has already established the CO2 footprint in the housing portfolio, and has further decided that by 2050, RM will contribute to reducing CO2 emissions in the existing housing portfolio by 30% on 40% of the housing.

We offer several green products to our customers, such as green mortgages, green car loans, green agricultural loans and green energy loans. In addition, SpareBank 1 Østlandet has a Green Bond Framework for issuing green bonds.

SpareBank 1 Østlandet has a particular focus on the following targets:

13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.

SpareBank 1 Østlandet will include information about climate-related issues and assessments of climate impact and risk into our work with private and business customers.



"Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss"

Forests cover 30% of the planet's surface. These forests provide food and shelter, play an important role in climate change mitigation, provide for increased biodiversity, and are the homes to many indigenous groups. Over 80% of all animals, plants and insects that live on the planet live in forests.

Around 2.6 billion people earn a living directly from agriculture, but, at the same time, over 50 percent of all arable land is currently at risk of degradation. In Norway, the proportion of arable land is relatively small compared to total land mass, but a large amount of this arable land is located in our key markets. Agriculture is therefore a crucial sector for SpareBank 1 Østlandet. It is also a sector that will experience a large amount of change over the coming years, including a shift towards climate-friendly agriculture. We will be an important partner for the agriculture sector to enable this transition towards more sustainable agriculture.

SpareBank 1 Østlandet has a particular focus on the following targets:

15.a) *Mobilize and significantly increase financial resources from all sources to conserve and sustainably use biodiversity and ecosystems.*

This is a goal with an external focus, and part of our strategy for engaging with the agriculture sector.

15.b) *Mobilize significant resources from all sources and at all levels to finance sustainable forest management and provide adequate incentives to developing countries to advance such management, including for conservation and reforestation.*

This is primarily an externally-focused goal for the bank, aimed at customers in the agriculture and forestry sectors.



"Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels"

Weak institutions make it more difficult to prevent corruption, bribery and tax evasion. This stifles economic growth and hinders the development of basic welfare services. SpareBank 1 Østlandet has appropriate routines, good training and competent employees for preventing and detecting economic crime. The Bank also maintains a strong focus on ethics and anti-corruption. In 2020, we established an ethics committee, and all employees receives relevant training, among others during Ethics Week.

SpareBank 1 Østlandet has a particular focus on the following targets:

16.4) By 2030, significantly reduce illicit financial and arms flows, strengthen the recovery and return of stolen assets and combat all forms of organized crime.

The bank contributes to this target through our work to prevent money laundering.

16.5) Substantially reduce corruption and bribery in all their forms.

The bank works both internally and externally to realise this goal.

16.6) Develop effective, accountable and transparent institutions at all levels.

The bank delivers on this goal through financial and non-financial disclosure and a commitment to transparency.

16.7) Ensure responsive, inclusive, participatory and representative decision-making at all levels.

For the bank this is an internal goal, primarily relating to our HR function.

16.b) Promote and enforce non-discriminatory laws and policies for sustainable development.

SpareBank 1 Østlandet contributes towards this target through our lobbying and advocacy work, including membership of Finance Norway.



"Strengthen the means of implementation and revitalize the global partnership for sustainable development"

To be successful in reaching the UN Sustainable Development Goals, new and strong partnerships are required. The authorities, business and civil society need to collaborate for sustainable development. The UN Sustainable Development Goals provide a common, global direction for prioritising activities over the next 12 years. Experience from the Millennium Goals shows that this type of focused collaboration works.

SpareBank 1 Østlandet is committed, as shown throughout this document, to engaging with a range of stakeholders to collaborate towards achieving the UN Sustainable Development Goals.