

### **Approval process for new products, processes and systems**

Being able to identify and handle risk is central to SpareBank 1 SMN's business as well as a prerequisite for creating value and supporting SpareBank 1 SMN's strategic development and goal achievements. An approval process has been established as part of the central framework that contributes to good risk management. The process has been developed to ensure that all new or substantially changed products, processes and systems in SpareBank 1 SMN undergoes an adequate risk analysis before being launched.

The approval process will contribute to sufficient identification and analysis of risk scenarios, help ensure that SpareBank 1 SMN is not exposed to unwanted risk, and see that laws, regulations and routines are complied with. A documented evaluation of product- and process complexity, legal complexity and market complexity is just one of the evaluations being undertaken. This includes amongst other things an evaluation of product- and process risk, privacy policy, and IT security, as well as an evaluation of whether the product and the process is according to current legal and regulatory requirements. The process will also include an evaluation of sustainability and ESG factors, which includes, but is not limited to, an evaluation of:

- to which degree the product represents a risk of negative impact on the climate and the environment
- whether the product represents a risk of negative influence on SpareBank 1 SMN's work in preventing money laundering, corruption and terror financing
- whether the product represents a risk of breaching basic human rights

Furthermore, the approval process will also contribute to ensuring that the bank's products are created and marketed in such a way that:

- the interests, goals and characteristics of customers and others are being considered
- potential damage, loss or other negative consequences for customers are avoided
- the risks of conflicts of interest are minimised