

Stakeholder dialogue at SpareBank 1 SMN 2022



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Introduction

The purpose of this document is to explain the principles of stakeholder dialogue in the SpareBank 1 SMN Group.

Our continuous stakeholder dialogue provides us with inputs and expectations that contribute to the development of our knowledge base, priorities and customer offering:

- Good stakeholder management gives us valuable information and a better foundation for good decision making
- Our ownership model ensures that the local community is represented on the bank’s governing bodies, and our business model builds on local knowledge and relations with the populace throughout the region.

We aspire to meet the demands and expectations of the group’s various stakeholders in an open and constructive manner.

Material stakeholder groups

The group’s stakeholder network is continuously expanding and is summarised in Figure 1.



Figure 1: Overarching stakeholder map for the SpareBank 1 SMN Group

Process for continuous stakeholder dialogue

A continuous process underlies the SpareBank 1 SMN Group's work with stakeholders:

1. Active exercise of the group's social role

The group defines its social role as part of its strategy.

2. Mapping significant stakeholders

The group performs a materiality analysis every second year in which stakeholder groups are engaged with in a structured interview process

3. Stakeholder prioritisation

We take care of all our stakeholders, but we prioritise the group's customers, employees and shareholders, along with public authorities and the media, if priorities need to be assigned.

4. Meeting places and forms of collaboration

The group organises a diversity of activities in order to identify and engage with its varied network of stakeholders. We invite, and contribute to, strengthened collaboration by establishing meeting places across sectors, industries and communities.

5. Competence development in the region

As part of the group's annual cycle we conduct surveys, both externally and in-house, to update our knowledge base with respect to the situation in Mid-Norway. Our knowledge base and our analyses are made available via reports and conferences and form the basis for development and cooperation in the region.

6. The supervisory board and management boards

The administration attaches importance to orderly processes and open dialogue with governing bodies. The current position, analyses and developments are presented and discussed in keeping with each management board's annual cycle.

Stakeholder analysis in 2022

In addition to the ongoing stakeholder dialogue we perform a structured stakeholder analysis every two years.

Why perform a stakeholder analysis?

The group impacts a number of stakeholders, and is also dependent on its interaction with several of them for its success. Matters of material importance for the group are therefore naturally linked to matters of material importance for its stakeholders.

The stakeholder analysis is conducted both to understand what stakeholders are most preoccupied with, and to understand how the group can best align its sustainability effort with a view to meeting stakeholders' expectations and needs.

What analyses were performed in 2022?

The 2022 stakeholder analysis took a basis in the analysis from 2020, duly updated with fresh perspectives from customers, employees and the management.

Voluntary surveys in which respondents were asked to prioritise materialities were circulated without obligation to retail customers, corporate customers and employees.

In-depth interviews were performed with large corporates at Corporate Banking with a view to prioritising materialities, and to discuss business opportunities and risks.

The ESG committee and the group management team were involved in the drawing up and prioritisation of business opportunities and risks.

How were the analyses performed?

The in-depth interviews were conducted with representatives from SpareBank 1 SMN and EY Norway. Large corporates representing the following sectors were interviewed: Fishery, Fish farming, Construction, Property and Shipping/Offshore. These customers cover five of the most relevant industries in the Corporate Portfolio.

The surveys were sent digitally without obligation to a randomised selection of 3,000 retail customers with residential mortgages, 3,000 retail customers with financial products and 3,000 small and medium sized businesses that are customers of Regnskapshuset. All 1,600 employees in the group had the opportunity to respond to the survey.

Themes for the stakeholder analysis 2022

Climate and environment

- Stimulate the green transition of retail customers and corporates
- Contribute to raising customers' competence
- Offer green products and services
- Contribute to the management of climate risk
- Achieve a green transition in the group's own operations
- Stimulate a more circular economy
- Protect and restore ecosystems and biodiversity
- Prevent and combat pollution
- Reduce the carbon footprint in operations and loan portfolios
- Prevent and combat deforestation
- Stimulate sustainable consumption and lifestyle
- Contribute to the protection of water and marine resources

Social

- Offer competence-raising programs to SMN's employees
- Stimulate innovation and sustainable economic growth
- Seek new partnerships and collaboration in order to realise sustainability goals
- Promote diversity, inclusiveness and equal treatment
- Offer and strengthen social products and services
- Stimulate local business development and value creation
- Further develop health, environment and safety (HES) efforts in the group
- Stimulate the retention and recruitment of skills and working people in the region
- Ensure fair access to finance
- Cater for customers with special needs
- Ensure accountability and transparency in value and supplier chains
- Contribute to greater awareness of the importance of a good quality of life and mental health

Business ethics/corporate governance

- Strengthen data protection and cybersecurity
- Prevent and combat economic crime and corruption
- Set the stage for long-term returns and profits
- Comply with requirements and obligations on the processing of personal data and with GDPR
- Maintain ethical standards
- Observe high standards for procurement and responsible marketing
- Ensure the board of directors' diversity and independence
- Ensure fair remuneration
- Practise greener and more active corporate governance