

Human rights and decent working conditions: Our responsibility

The SpareBank 1 Sør-Norge Group's statement on due diligence in line with the Norwegian Act relating to enterprises' transparency and work on fundamental human rights and decent working conditions (the Transparency Act).

Statement for 2024

Stavanger 12 March 2025



Finn Haugan
Chair of the board



Maria Tho



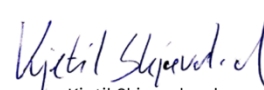
Trine Sæther Romuld



Heine Wang



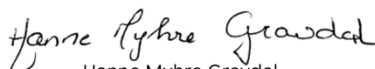
Jan Skogseth



Kjetil Skjæveland



Camilla AC Teppers



Hanne Myhre Grævdal
Employee representative



Sally Lund-Andersen
Employee representative



Eirik P. Elholm
Employee representative



Inge Reinertsen
Chief Executive Officer

March 12, 2025

The statement has also been approved by the CEO and the board of:

EiendomsMegler 1 SR-Eiendom AS

EiendomsMegler 1 Sørøst-Norge AS

SpareBank 1 Sør-Norge Forretningspartner AS

SpareBank 1 Regnskapshuset Sørøst-Norge AS

SR-Boligkreditt AS

Contents

- 1. Introduction 3
 - 1.1 About SpareBank 1 Sør-Norge 3
 - 1.2 About this report 3
 - 1.3 What is new in the 2024 report? 4
- 2. Respect for human rights in own business and our value chain 5
 - 2.1 Respect for human rights integrated into strategy and policies 5
 - 2.2 Our mechanisms for reporting matters of concern 6
 - 2.2 Due diligence at SpareBank 1 Sør-Norge 7
 - 2.2.1 Employer 7
 - 2.2.2 Corporate lender 8
 - 2.2.3 Financial service provider to the retail market 9
 - 2.4.4 Distributor of fund products 9
 - 2.2.5 Purchaser 10
- 3. Sample of focus areas for due diligence in 2024: Findings, actions and expected results 10
 - 3.1 Employer 11
 - 3.2 Corporate lender 12
 - 3.3 Financial service provider to the retail market 15
 - 3.4 Distributor of fund products 16
 - 3.5 Purchaser 18
- 5. The way forward 23
 - 5.1 Continued focus on new challenges 23
 - 5.2 Further measures and plans 23

1. Introduction

1.1 About SpareBank 1 Sør-Norge

SpareBank 1 Sør-Norge ASA has over many years evolved into a financial group for the whole of Southern Norway, which extends from Bergen in the west, down to Kristiansand in the south and up to Oslo in the east, with subsidiaries and related product companies that complement the bank's service provision. The group has a national distribution network and has for many years been the second largest Norwegian-owned bank. The group has branches in Rogaland (head office in Stavanger), Vestland, Agder, Telemark, Vestfold, Buskerud, Akershus and Oslo.

On 01.10.2024 SpareBank 1 SR-Bank and SpareBank 1 Sørøst-Norge merged and formed SpareBank 1 Sør-Norge. Including subsidiaries, the group has around 2,500 employees.

SpareBank 1 Sørøst-Norge offers a varied range of traditional banking services such as loans, insurance and savings products, securities trading, accounting and estate agency services for both retail and corporate customers. The group's main business areas are traditional banking services aimed at the retail, corporate and public sector markets.

1.2 About this report

This report constitutes the annual public account by the SpareBank 1 Sør-Norge Group on due diligence in accordance with the Act relating to enterprises' transparency and work on fundamental human rights and decent working conditions (the Transparency Act) for 2024. The main focus of the report is a description of the human rights due diligence carried out in the SpareBank 1 Sør-Norge ASA Group to identify and address any actual or potential negative impact on fundamental human rights and decent working conditions arising out of the group's activities and value chain.

In addition to the parent company SpareBank 1 Sør-Norge ASA, the report covers:

- EiendomsMegler 1 SR-Eiendom AS, which has 32 offices in southwest Norway and Oslo providing residential and other real estate brokerage services, with special expertise in projects, business and residential letting.
- SpareBank 1 Sør-Norge ForretningsPartner AS, which provides accounting services and advice for companies in the areas of HR, payroll, consulting, CFO services and sustainability/responsible business conduct.
- EiendomsMegler 1 Sør-Norge AS's 14 branches in Buskerud and Vestfold offers estate agency services related to the purchase or sale of homes, holiday homes and projects and new construction.
- SpareBank 1 Regnskapshuset Sørøst-Norge AS, with its six branches in Buskerud, Vestfold and Telemark, offers accounting and advice services.
- SR-Boligkreditt AS purchases loans and issues covered bonds.
- Other fully owned subsidiaries in the SpareBank 1 Sør-Norge Group.

The report is published on our website, where it can be easily accessed.¹ As well as meeting the annual disclosure requirement in the Transparency Act, the report complements the annual sustainability report² and describes our efforts to meet our obligations related to international standards for human rights and decent working conditions.

¹ Available at <https://www.sparebank1.no/nb/sr-bank/om-oss/baerekraft/Aapenhetsloven.html>

² Available at <https://www.sparebank1.no/nb/sr-bank/om-oss/baerekraft/Aapenhetsloven.html>

A key part of the disclosure requirement has to do with how the company manages risks related to human rights and decent working conditions in the context of procurement (the “supply chain”). As a large proportion of purchases in SpareBank 1 Sør-Norge are managed through the SpareBank 1 Alliance’s joint procurement function in the jointly owned company SpareBank 1 Utvikling, the description in this report on due diligence relating to purchases and suppliers of goods and services is based on the work in SpareBank 1 Utvikling.

Overview of how the present report covers the minimum disclosure requirements in the Norwegian Transparency Act:

A general description of the enterprise’s structure and area of operations	See section 1.1
A general description of policies and procedures for handling actual and potential adverse impacts on fundamental human rights and decent working conditions	See section 2.
Information concerning actual adverse impacts and significant risks of adverse impacts that the enterprise has identified through its due diligence	See section 2.2
Information concerning measures the enterprise has implemented or plans to implement to put an end to actual adverse impacts or mitigate significant risks of adverse impacts, and the results or expected results of these measures	See section 3.

1.3 What is new in the 2024 report?

Our first statement on human rights due diligence, which we published in June 2023 for the year 2022, had a dual purpose: In addition to meeting the disclosure requirement in the Transparency Act, the statement provided an opportunity for a detailed description of our approach to due diligence and how this had been built up over time. The 2022 report covers in detail:

- Our commitment to fundamental human rights and how this relates to our strategy and other efforts related to a sustainable transition.
- The group’s overall system of due diligence and compliance with international standards laid down in the UN Guiding Principles on Business and Human Rights (UNGPs) and the OECD Guidance for Responsible Business
- Specific due diligence considerations for a financial services group, and how compliance with UN and OECD policies requires a focus on the whole value chain, including the downstream part.

The 2023³ report covered to a greater extent specific measures taken during the year, which included the seven focus areas summarised here. These concerned both cross-departmental measures and measures related to several of the most prominent human rights issues for the group, both in its own business and in the value chain:

- Skills development
- Supporting whistleblowing and protecting employees
- Equality and diversity
- Customer data protection
- Risk of unintended discrimination through digital solutions and artificial intelligence (AI)

³ www.sparebank1.no/content/dam/SB1/bank/sr-bank/om-oss/Samfunn/SpareBank1SRBankBaerekraftv5.pdf

- Constant focus on industries in the portfolio of corporate loans with greater social risk and exposure to financial crime
- Fund products consistent with international human rights standards and possible links to the occupied Palestinian territories
- Ongoing due diligence in a procurement context

In some areas, the report for 2024 overlaps with the group’s sustainability reporting under the Accounting Act. The sustainability topics that are material for us include “Own workforce (S1)” and “Consumers and end-users (S4)”. Therefore, reference is made to the sustainability report in those sections that cover the group as an employer and financial services provider for the retail market due to overlaps with the sustainability reporting.

2. Respect for human rights in own business and our value chain

2.1 Respect for human rights integrated into strategy and policies

SpareBank 1 Sør-Norge is committed to complying with international standards for human rights and decent working conditions. This commitment is anchored in the group’s general sustainability strategy and sustainability policy. It is a key component of our vision of being a responsible and sustainable financial services group and an integral part of our work on contributing to a sustainable transition.

In 2023, we produced a separate corporate standard which sets out the international standards on which the group’s commitment is based, what that commitment entails and how it relates to the group’s policies, guidelines and standards. The group’s due diligence, which is designed to identify, avoid and manage adverse impacts on human rights and decent working conditions, are a key part of this work. Our approach to due diligence strives for full compliance with the UNGPs and OECD Guidance.⁴

The approach follows the six steps in the UNGPs and the OECD’s due diligence model – to which the Transparency Act also refers:

1. Embed accountability into the company’s policies
2. Identify and assess actual and potential adverse impacts on fundamental human rights and decent working conditions that the enterprise has either caused or contributed to, or that are directly related to the enterprise’s operations, products or services through its commercial relationships (the value chain)
3. Establish appropriate processes, procedures and measures to stop, prevent or mitigate adverse impacts based on the enterprise’s priorities and assessments
4. Monitor the implementation and results of processes and measures
5. Talk publicly about due diligence and, in particular, tell affected stakeholders and rights holders how any negative impacts are being addressed
6. Ensure or cooperate in remediation where this is required

The assessments are linked to the group’s efforts to analyse sustainability risk and its own impact on sustainability, and to materiality assessments relating to its strategy work and sustainability reporting. The key due diligence concern as regards human rights is the likelihood of adverse impact

⁴ The group’s standard for human rights and due diligence can be found at: <https://www.sparebank1.no/nb/sr-bank/om-oss/baerekraft.html>

on human rights and working conditions – and not the risk to the group, which is the focus of traditional due diligence and risk management.

The duty to respect human rights and avoid involvement in breaches through business associates is embedded in the:

- Corporate sustainability strategy
- Sustainability policy
- Compliance policy
- Risk and capital management policy
- Data and AI management policy
- Privacy policy
- Standard for human rights and due diligence
- Guidelines for responsible investments and ownership
- Purchasing policy
- Standard for sustainability in procurement
- Standard for sustainability in the distribution and recommendation of securities funds
- Standard for sustainability in the corporate market
- Standard for sustainability in agriculture and nature
- Privacy statement
- Framework for sustainable financing

Our commitment to our employees, plus the roles and responsibilities of employees, have been incorporated into the:

- Standard for diversity, inclusion and belonging
- Code of conduct

2.2 Our mechanisms for reporting matters of concern

The UNGPs and the OECD Guidelines emphasise that dealing with actual adverse impacts is part of an enterprise's responsibility to respect fundamental human rights. Where a business enterprise has itself caused or contributed to adverse impacts, remediation or contributing to remediation is key. If the business enterprise has not caused or contributed to an adverse impact, the responsibility for remediation lies with the entity that is directly responsible. However, the business enterprise can still make a positive contribution by trying to stop and mitigate the harm and by using its influence over those directly responsible to promote remediation.

Remediation is not part of due diligence itself, but it is closely related. One important function of due diligence is precisely to identify adverse impacts, which must then be followed up. Working on damage remediation can also strengthen due diligence in the long term. Mechanisms for reporting concerns or complaints, along with remediation processes, can provide information about how operations and business relationships impact individuals, which in turn can help improve systems and avoid adverse impacts and serious risks.

SpareBank 1 Sør-Norge is conscious of this dimension of responsible business conduct, which in practice requires us to have ways in which complaints and concerns can be reported. The group has

various channels for reporting concerns and complaints, which also include potential cases of a human rights nature or concerns in relation to decent working conditions. These include both internal and external situations. When it comes to our own operations, one important aspect is the right of employees to report internally and externally pursuant to the Working Environment Act.

Our internal mechanisms include:

- Whistle-blowing procedure in line with the Working Environment Act
- The group's system for reporting concerns
- Procedures for reporting potential breaches of privacy
- Trade unions

SpareBank 1 Sør-Norge also has its own mechanisms for handling reports from external stakeholders on potential causes for concern that might be associated with the group. In addition, SpareBank 1 Sør-Norge has its own channels for customer complaints and a contact channel for privacy. Processes for handling and following up complaints or concerns are described in the annual report (section "S4 – Consumers and end-users" and "G1 – Business conduct"), including how SpareBank 1 Sør-Norge should remediate where needs are identified.

SpareBank 1 Sør-Norge has also produced a form for due diligence related enquiries in accordance with the duty of disclosure introduced by the Transparency Act.

2.2 Due diligence at SpareBank 1 Sør-Norge

Most of our own activities and those of our corporate customers are concentrated in Norway. The risk here of becoming involved in breaches of standards for human rights and decent working conditions is generally low, although we could be linked to such breaches and serious risks both internally and via the supply chains of companies. Involvement in or links to possible breaches of human rights and decent working conditions can occur in various ways through the group's roles as employer, corporate lender, financial service provider for retail customers, distributor of fund products and purchaser. This section describes how key risk areas related to each of these "roles" or contexts are managed.

2.2.1 Employer

Our workforce is the group's most important resource, and a central responsibility for SpareBank 1 Sør-Norge and its subsidiaries is to safeguard the fundamental rights of its own workforce. This is done through extensive work in material areas for our workforce (as described under ESRS S1 in the annual report):

- Training and skills development
- Equality between genders and equal pay (including the group's compliance with the activity and disclosure requirements under the Equality and Anti-Discrimination Act)
- Inclusion of people with disabilities
- Actions related to combating workplace violence and harassment (employees' options for reporting concerns)
- Diversity
- Health and safety
- Work-life balance

2.2.2 Corporate lender

Norwegian banks rarely cause direct violations of human rights and decent working conditions, but they may have customer relationships in which human rights violations are discovered. As a responsible financial services group, our financing should not contribute to any adverse impact on human rights and decent working conditions, and we do our utmost to avoid any connection to abuses committed by others. In this context, SpareBank 1 Sør-Norge's main tools are to ensure thorough risk management and due diligence as part of our efforts to combat financial crime, money laundering the proceeds of crime and money laundering with respect to terrorist financing, as well as the credit process. The latter includes the establishment of customer relationships.

All customers of Sør-Norge are required to comply with applicable laws and regulations, which include the Transparency Act for companies in scope, in addition to SpareBank 1 Sør-Norge's standard for sustainability in the corporate market, which was updated in January 2024. This emphasises that we expect our customers to "treat people in accordance with recognised international norms" as established in international standards for human rights and labour rights (ILO Core Conventions) and to safeguard human rights in war and conflict situations. It also states that we expect those of our customers who are obliged to do so to carry out their own due diligence in line with the Transparency Act. We do not grant loans to customers involved in arms trading, tobacco production or pornography.

We also conduct extended ESG (environmental, social and governance) assessments for credit commitments over NOK 10 million, using a standardised ESG framework which also takes account of industry-specific risk. The social criteria assessed in this context include whether the corporate customer:

- is aware of the risk of abuses of human rights and decent working conditions in its own operations and supply chain
- has policies that cover this type of risk
- has communicated guidelines and expectations to its suppliers
- carries out its own due diligence and has taken steps to manage any risk of abuses
- works systematically on gender equality and diversity

The assessment results in an ESG score, which is part of the credit committee's basis for processing loan applications. In the case of a low score, which could indicate a heightened risk and uncertainty about the corporate customer's risk management, an action plan must be prepared. For sectors with inherently higher ESG-related risk (including social risk), the requirements for scrutiny, policies and procedures will be higher for customers to achieve a satisfactory score. The following questions are included in the sustainability assessment module for corporate loans at SpareBank 1:

- To what extent does the enterprise comply with its diversity and equality activity and disclosure duties? Applies to enterprises with more than 50 employees.
- A Transparency Act has been enacted that is directly or indirectly relevant to most businesses:
 - o To what extent is the customer aware of social risks (such as social dumping, breaches of the Working Environment Act and work-related crime) in their industry?
 - o If the enterprise is required to report under the Transparency Act: Has the enterprise conducted due diligence and introduced measures to manage the risk of breaches of human rights and labour rights in its activities and in its supply chain?

The module/questions must be used in connection with all credit matters (granting, renewing and changes) where the commitment exceeds NOK 10 million, and for loans below NOK 10 million if the

loan will be granted within the framework for sustainable financing or green loans. Industry-specific questions regarding social matters, such as hiring in agriculture and property development, have also been formulated. See, for example, the questions for property development:

- According to the Norwegian Labour Inspection Authority, social risk in the construction industry is high. Does the customer have policies, and/or systematically strive, to avoid this risk and are they incorporated into relevant documents (such as contracts with subcontractors)?

Assessments made in the module are assigned a period of validity in order to ensure their implementation and results, as well as communication with affected customers, are regularly monitored. Commitments of less than NOK 10 million are not currently covered by the ESG assessments, but are covered by the anti-money laundering and “know your customer” processes, as well as the standard for sustainability in the corporate market.

SpareBank 1 Sør-Norge also makes use of frameworks that address specific issues for individual industries, such as our commitment to support a sustainable maritime sector. The principles in the Responsible Ship Recycling Standards (RSRS) form part of our engagement with shipping companies that wish to become, or already are, customers of SpareBank 1 Sør-Norge. Among other requirements, shipping companies must undertake to use shipyards that can show evidence of decent working conditions and HSE, including the absence of child labour and modern slavery in their value chain. The RSRS principles are an integral part of our loan agreements and other terms for shipping companies.

2.2.3 Financial service provider to the retail market

The group assists retail customers in important decisions and investments by offering loans, savings opportunities, insurance and other financial services and advice. This also includes activities of subsidiaries, such as real estate brokerage.

The role of financial service provider also comes with a fundamental responsibility to avoid any unintended negative impact on individuals. In practice, this is done through processes and work on material areas that concern our retail customers (described under ESRS S4 in the annual report):

- Non-discrimination: avoiding discriminatory practices, particularly with respect to groups that may be more exposed to discrimination in society at large.
- Access to products and services
- Privacy protection
- Financial equality

Anti-money laundering and combating financial crime are also integrated into risk management for the retail market.

2.4.4 Distributor of fund products

We set clear requirements and expectations for the managers of the funds that we offer, who must adhere to responsible investment principles and international human rights standards. SpareBank 1 Sør-Norge does not have its own equity and fund management but distributes fund products in the marketplace. SpareBank 1 Sør-Norge is also a co-owner of SpareBank 1 Forvaltning

and the SpareBank 1 banks' joint savings investment firm, Odin Forvaltning, which manage the funds under the Odin and SpareBank 1 brands. Through our fund platform, we recommend and distribute SpareBank 1 funds and ODIN funds, and we also distribute funds from other providers, such as Alfred Berg, Holberg, Storebrand and DNB.

As a prerequisite for distribution in our channels, SpareBank 1 Sør-Norge's standard for responsible distribution of securities funds stipulates that all external fund managers must confirm in writing that they are familiar with and comply with our guidelines. SpareBank 1 Sør-Norge requires transparency about the way in which sustainability risk is managed in fund management (this is also a requirement in the Sustainable Finance Act which implements the EU Sustainable Finance Disclosure Regulation (SFDR)). The fund managers must update SpareBank 1 Sør-Norge on their ESG monitoring of investments by reporting on the data that forms the basis for labelling fund products. This should be done as soon as possible after changes are detected, and at least once a year.

The guidelines for fund managers with whom SpareBank 1 Sør-Norge has a distribution agreement set a clear expectation that they will not invest in companies involved in serious abuses of human rights and labour rights standards or breaches of the Geneva Conventions, and that this commitment will be reflected in their own guidelines.

2.2.5 Purchaser

The banks in the SpareBank 1 Alliance work together closely on purchasing, where the jointly owned SpareBank 1 Utvikling plays a key role in the work on sustainable purchasing. Some 90% of SpareBank 1 Sør-Norge's purchases are made via SpareBank 1 Utvikling, the remaining purchases are made locally by SpareBank 1 Sør-Norge. All new suppliers are assessed for any risk of negative impact on the environment, social conditions (including fundamental human rights and decent working conditions), and ethical business practice. All suppliers must accept an appendix on sustainability in procurement when entering into a contract.

The SpareBank 1 banks' Standard for sustainable purchasing clearly states that we expect suppliers and business partners to respect basic requirements concerning the environment, social conditions and ethical business conduct. This standard (in the form of a so-called contract appendix) was revised in 2023 and now contains explicit requirements for compliance with the Transparency Act.

3. Sample of focus areas for due diligence in 2024: Findings, actions and expected results

The EU's Corporate Sustainability Reporting Directive (CSRD)

In line with the EU's Corporate Sustainability Reporting Directive (CSRD), the group's annual report also addresses some of the topics described in the report mandated by the Transparency Act. This includes covering the group's roles as an employer (section 3.1, which in the annual report is ESRS S1 "Own workforce") and a financial service provider for the retail market (section 3.3, which in the annual report is ESRS S4 "Consumers and end-users"). Sections 3.1 and 3.3 briefly summarise our work on impacts and risks as an employer and in relation to our consumers, while more detailed information can be found in SpareBank 1 Sør-Norge's annual report for 2024, including communication and impacts related to our employees, consumers and end-users, as well as how reports are handled and negative impacts remediated.

While the CSRD introduces disclosure requirements for environmental, social and governance matters, the Transparency Act requires due diligence to be conducted and reported on. Due diligence, i.e. the process of overseeing and managing involvement in actual or potential breaches, includes, for example, practical assessments and monitoring suppliers and business partners. Due to the merger in 2024, there was a focus on the first point of the Transparency Act – embedding accountability in the organisation’s policies and in its departments and employees. The work on risks and actions was mainly collected by email. With roles in the bank having been clarified, the focus in 2025 will be on putting due diligence processes in place for financial services in the retail market as well.

Due diligence work

The group strengthened its due diligence work in 2024. A working group has been established to regularly monitor the group’s work on due diligence and to suggest and follow up with action to address identified risk factors. The working group includes participants who work within sustainability and compliance, the corporate market and retail market business areas and representatives of the subsidiaries. An annual cycle of working meetings, workshops and activities has been established to ensure any actions and risk assessments are followed up.

Assessments and measures related to salient risk areas were carried out within all the different “roles” during 2024.

3.1 Employer

Employee safeguarding

SpareBank 1 Sør-Norge has an established whistle-blowing procedure, along with a special review group made up of representatives from HR, Risk Management and Group Legal (report recipient group). This is designed to ensure that employees have easy access to a mechanism for reporting matters of concern. The database for unwanted incidents also helps strengthen employee protections and whistle-blowing channels. The database is constantly monitored, with an in-depth review every 14 days in an interdisciplinary forum (the HSE forum).

The matters of concern reported included three cases in the “psychosocial working environment” category, 11 in the “physical working environment” category, one near-miss and hazardous situation, one accident resulting in a personal injury and three other HSE-related incidents. All of these incidents have been handled in line with procedures, and we consider that those involved have been well looked after.

Work on the psychosocial working environment is a high priority and the group uses Winningtemp, which is a tool for organisational research. This has been in use in the group since the autumn of 2022. Using this tool, frequent short surveys are sent out asking employees how they are doing at work and the results are available to both managers and employees in real time. The questions range over topics such as work situation, stress, leadership, autonomy and commitment. The group also takes a systematic approach to health, safety and the environment, primarily via the HSE forum, an interdisciplinary team that deals with issues such as reported concerns. The HSE forum includes representatives from the safety service, and the Security, Facility Management and People and Organisation departments. The HSE forum runs safety and security courses which include training in how to handle challenging customer behaviour in bank branches.

There has also been an increase in incidents relating to threatening customer behaviour. While 48 cases were registered in 2023, 66 cases were registered in 2024. Threatening customer behaviour has increased significantly and poses a serious threat to employee well-being and integrity. Measures that have been and are being taken involve various actions (termination of customer relationships, reporting to the police, warning letters), psychological safeguarding of the whistle-blower through conversations and possibly professional help, and a focus on training through mandatory courses, emergency response training, game-based learning and scenario exercises. None of the incidents resulted in sickness absences and were handled according to procedure.

Diversity and equality

In 2023, a diversity, inclusion and belonging working group was established with contributors from across the group. The purpose of this group is to raise the company's maturity level in this area and to highlight the group's efforts both internally and externally. In 2024, the diversity, inclusion and belonging working group used an annual cycle to mark special dates. In this, selected special dates are marked in various ways, with the goal of making employees more aware of specific themes. The following days were marked: Sámi National Day, Women's Day, Eid, World Day of Cultural Diversity, Pride, World Mental Health Day and International Day of Disabilities. See the annual reporting on our website for how we fulfil our activity and disclosure duties within equality and diversity.

3.2 Corporate lender

ESG assessments: a key part of due diligence for the corporate portfolio

In 2024, corporate customers from 2023 with commitments of more than NOK 10 million were assessed in line with the ESG framework. Figure 1 below shows a distribution of all of the customer commitments in the corporate market assessed by SpareBank 1 Sør-Norge broken down by risk categories: high (red, 1-2), medium (orange, 3-4) and low (green, 5-6). The breakdown in Figure 1 only shows social factors that are part of the overall ESG assessment.

Number of customer commitments across the different risk categories in the social sustainability category

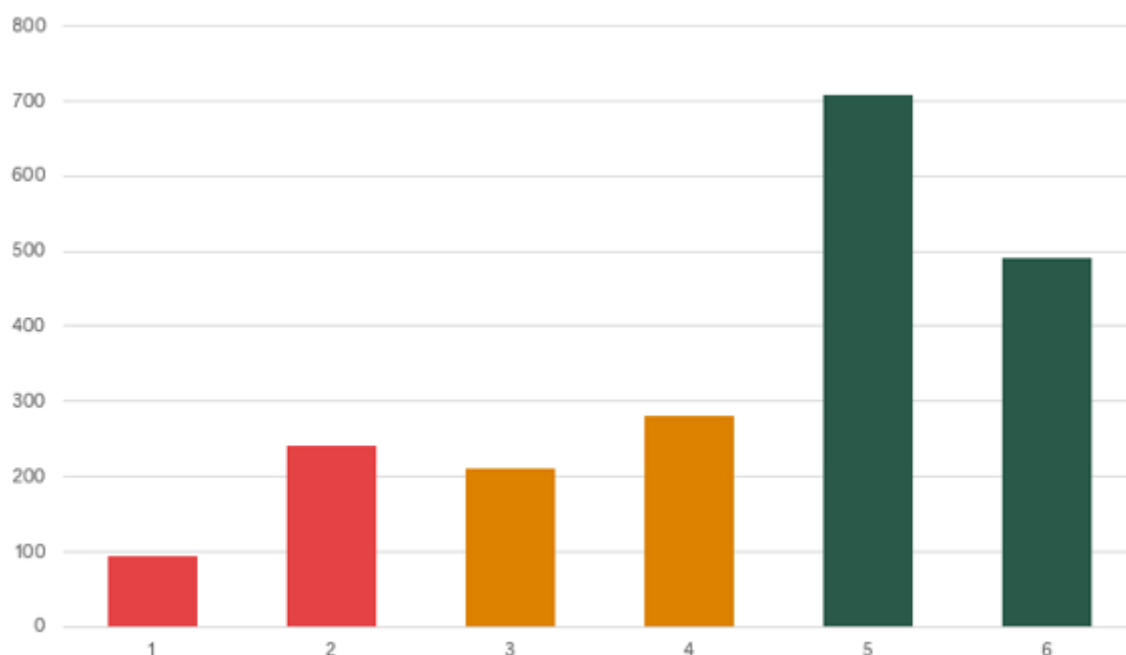


Fig 1: Number of customer commitments across the different risk categories in the “social sustainability” category.

Because of the high inherent risk associated with working conditions and labour rights for industries with extensive use of contract and/or foreign labour, some of these corporate customers are classified as medium or high risk. In our portfolio, these are industries such as agriculture (with hired labour), engineering and building contractors, property projects, offshore (oil and gas) and shipping. This is in line with risk assessments carried out over time and known issues related to human rights and decent working conditions in the loan portfolio.

A summary breakdown of the industries that are most often reviewed shows that engineering and building contractors, property projects, offshore (oil and gas), shipping, and other industries are all heavily represented in our portfolio. As these are sectors with great inherent risk, we have reason to monitor them more closely. See Figure 2.

Number of customer commitments broken down by the different risk categories under “social sustainability” in some industries

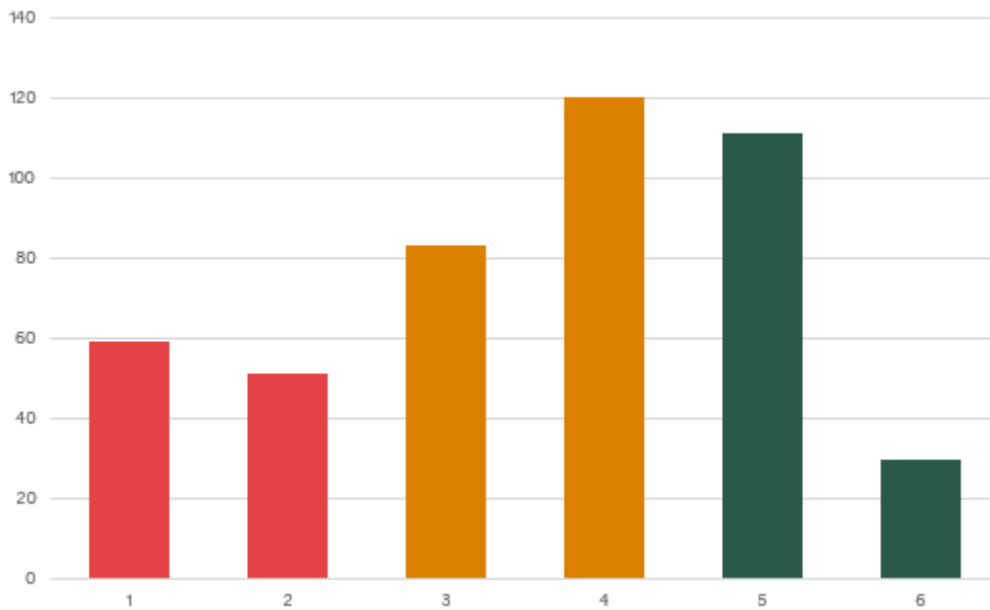


Fig 2: Number of customer commitments broken down by the different risk categories under “social sustainability” for the industries: agriculture (with hired labour), engineering and building contractors, property projects, offshore (oil and gas) and shipping. The total number of commitments here is 454.

The ESG assessments carried out in 2024 did not uncover any violations of criteria relating to human rights and decent working conditions at corporate customers covered by the framework.

Spotlight on high social risk industries in the supply chain: Building/property projects and shipping

The sustainability department and the key customer advisers in the building and property and shipping sections assess risk areas for supply chains for these industries via good engagement with the customer.

For property projects and engineering and building contractors, a rather variable level of maturity and awareness was identified when it came to documentation and measures related to social responsibility. This has been documented through the standardised ESG ratings and further conversations with customers. Despite these challenges, the view today is that the industry-specific risk related to social dumping and workplace crime, particularly in subcontractor relationships, is broadly captured (on a par with other sectors within the bank) in the anti-money laundering and due diligence processes that SpareBank 1 Sør-Norge carries out when entering into new customer relationships. This process is crucial to picking up money laundering in property upgrades, which often go hand-in-hand with workplace crime. SpareBank 1 Sør-Norge has mainly larger customers within the construction and property segment who generally use well-established suppliers who have committed to promoting a serious construction industry and combating workplace crime. The expectation is that the demands for decent employment terms and working conditions from the large customers down the supply chain is having a positive ripple effect. Meanwhile, risk can never be eliminated entirely given that the industries’ social risk in the supply chain is high.

Within shipping, there has long been a focus on the risk of violations of international standards for human rights and decent working conditions throughout the value chain, from construction and

operation through to recycling of materials. In the construction phase, there is an increased focus on requirements and expectations as to the choice of shipyards and the fact that the construction process now requires larger “site teams”. Among Norwegian shipping companies, requirements and guidelines for shipyards have been tightened over time, with close monitoring to prevent and avert violations of social rights and environmental standards. On the operating side, there has been an increasing focus on crew members’ rights, and provision for diversity at sea. In light of our commitments under the Responsible Ship Recycling Standards, we set clear requirements for shipping customers who must commit to responsible scrapping of ships, in accordance with the Hong Kong Convention and EU Regulations which emphasise protection of fundamental labour rights. SpareBank 1 Sør-Norge monitors its shipping customers closely in this area.

3.3 Financial service provider to the retail market

Non-discrimination

Equality and diversity challenges are also a known issue for the financial sector. Decisions linked to financing may inadvertently be impacted by structural matters in society where vulnerable groups are more exposed to discrimination. Open bank branches that try to comply with universal design and enable in-person advice are important in ensuring that we are accessible to as many people as possible. In 2024, we produced a video about the importance of being available in person in collaboration with Finance Norway. The bank also has an ongoing collaboration with the Norwegian Labour and Welfare Administration (NAV) in some municipalities, including classroom teaching and training for NAV employees designed to contribute to its work with disadvantaged people and refugees.

In our first statement on human rights due diligence, social risks associated with AI solutions were among the “newer” challenges we mentioned of which the financial sector needs to be aware. This technology has great potential, although it also has associated material risks related to ethics, compliance and safety. SpareBank 1 Sør-Norge has established its own AI strategy to ensure that its focus on responsible technology development remains strong and that it complies with new regulatory requirements. The strategy takes a risk-based approach to using AI, which is designed to ensure we can leverage the technology’s capabilities while setting clear guidelines for ethics, transparency, privacy and security.

Access to products and services

The goal of financial inclusion is to create economic opportunities and stability for a greater proportion of society, including those previously excluded from bank accounts, loans, insurance and other financial products. One area the bank has been working on is our customers who are less likely to use digital solutions, and in 2024 we continued our collaboration with the social entrepreneur Kakadu and signed an agreement on further cooperation. Financial inclusion also requires preventive work. Therefore, SpareBank 1 Sør-Norge is providing lessons for young people in schools on personal finances via Young Entrepreneurship and established a collaboration with K-Tech for apprentices in Kongsberg in 2024.

Privacy protection

The group has a large customer base and therefore processes customer information and personal data on a large scale. SpareBank 1 Sør-Norge can have negative impacts for retail customers if we cause, contribute to or are associated with breaches of privacy rights. The privacy rules, enshrined in

the Norwegian Personal Data Act and the EU's General Data Protection Regulation (GDPR) provide very strong safeguards. SpareBank 1 Sør-Norge's privacy statement must safeguard the individual's right to information about the group's processing of personal data in an easily accessible manner.

One important privacy measure in 2024 was initiating a process to recruit a new privacy resource early in 2025 with responsibility for ensuring the continuous follow-up, compliance and implementation of first-line internal controls, awareness campaigns and supplier monitoring.

Financial equality

In 2024, SpareBank 1 Sør-Norge carried out insight and analysis work aimed at improving advice and updated our practices for all advisers. Two of the areas highlighted in the advice are "involving both parties in advice meetings" and "conscious choices that contribute to greater financial equality". According to the Financial Contracts Act of 2023, there is no longer a main borrower and a co-borrower, both parties are now called co-debtors. These are measures designed to ensure equal knowledge and information for both parties and are directly linked to contributing to financial equality. See section 3.4 for information on the goal of gender balance in fund savings and the bank's goal of financial equality.

3.4 Distributor of fund products

SpareBank 1 Sør-Norge distributes fund products on behalf of a wide range of asset management companies. Our standard for sustainability in the distribution and recommendation of securities funds forms the basis for selecting funds and fund managers, and places requirements on the individual provider concerning responsible investments in accordance with international human rights standards.

The bank and relevant product suppliers, both jointly owned and external, maintained an active dialogue throughout the year, where suppliers explained their processes for risk assessments and following up companies at risk of contributing to breaches of human rights.

Due diligence due to the situation in the Middle East

As a result of the heightened tension in the Middle East in connection with the Gaza War (October 2023 – January 2025) and on the West Bank, SpareBank 1 Forvaltning carried out due diligence in 2024 to map and follow up investments with possible links to serious breaches of human rights and international law⁵. The due diligence encompassed SpareBank 1 Forvaltning's individual portfolio management and the subsidiary Odin's fund portfolio. To support the assessments of relevant investments and implementation of enhanced due diligence in line with international standards and relevant guidelines (UN's Guiding Principles on Business and Human Rights and OECD Guidelines for Multinational Enterprises; authoritative guidance from the UN and OECD⁶ and the UN's classification of business activities that could support the occupation⁷) a special framework was developed based

⁵ Updated information on SpareBank 1 Forvaltning's due diligence will be published by 30.06.2025.

⁶ The OECD's guidance on due diligence in conflict situations, the guidance from the UN's Working Group on Business and Human Rights and the UNDP's guidance on conducting stricter due diligence in conflict areas.

⁷ As defined in UN Human Rights Council Resolution 31/36 and applied in the database of companies accused of activities in occupied Palestinian territories prepared by the UN High Commissioner for Human Rights (OHCHR).

on the international reference points and the group's existing guidelines for responsible management.

The following were carried out:

- Full review of the portfolios of SpareBank 1 Forvaltning and Odin to identify exposure to companies accused of involvement in the occupation and/or breaches of human rights in the occupied Palestinian territories. The review was based on the UN database of companies accused of activities in the occupied Palestinian territories,⁸ as well as lists published by civil society organisations⁹.
The surveys in 2024 identified a total of 30 companies. Two of the companies had direct investments in the area. For the other companies, their exposure was indirect via some externally managed funds (indirect ownership). None of the identified companies were on the exclusion list of the Norwegian Government Pension Fund Global (NBIM).
- A thorough review of the identified companies to assess the degree of involvement in potentially serious breaches of human rights and the extent to which the activity of the companies may make a material contribution to the occupation activities. The companies' policies, due diligence processes and any communications about activities in the occupied territories were surveyed, as well as any complaints related to the subject matter.
- Dialogue with civil society organisations monitoring the human rights situation in the Palestinian territories in order to gain a better understanding of the context and accusations against several of the companies in question.
- Follow-up of direct investments (contacts with the companies) and external fund managers in line with the responsible management policy, to gather information, indicate expectations and assess whether the companies and external managers exercise adequate enhanced due diligence in accordance with the international standards.

Access to objective, quality-assured information about companies' activities in or related to the occupied territories is limited. Assessments of involvement in, and the severity of, any breaches of human rights, as well as the extent to which a company through its goods and services contributes significantly to the occupation requires making difficult judgements, often where there are no unambiguous answers. The same issues also arise in relation to the companies' and fund managers' management and measures. International experts on the UN and OECD guidelines recommend that investors follow up companies and/or fund managers to signal clear expectations over time, rather than selling their units immediately. SpareBank 1 Forvaltning follows this practice.

Collaboration and sharing experience with other financial actors are essential to help promote responsible investments. In 2024, SpareBank 1 Forvaltning participated in several seminars hosted by the independent organisation Shift – the internationally leading centre for the UN Guiding Principles on Business and Human Rights – to share experiences with enhanced due diligence for investments related to the occupied territories. These seminars brought together a number of major international banks, asset managers and institutional investors.

As part of the ongoing follow-up, SpareBank 1 Forvaltning complies with guidance from the Norwegian authorities, the OECD contact point for responsible business, any updated

⁸ Latest publicly available version from September 2023, <https://www.ohchr.org/en/hr-bodies/hrc/regular-sessions/session31/database-hrc3136>.

⁹ Don't Buy Into Occupation; Who Profits.

recommendations from the Council on Ethics and the NBIM Exclusion List, further updates from the UN database (expected in 2025) and reports from civil society organisations.

Financial equality

The bank also actively strives to promote financial equality among our customers. An analysis conducted by the bank in 2023 showed that among our customers both genders save just as often in securities funds. We want this to continue, and we submitted gender equal distribution targets as part of our reporting to the UN Responsible Banking Principles (PRB). The figures are followed up quarterly.

A status analysis indicates there is a gap in the volumes being saved, where on average men save more than women. Measures designed to increase the volume of women’s savings should be considered.

3.5 Purchaser

The work on systematic mapping and monitoring of sustainability risk in the SpareBank 1 Alliance’s joint procurement function (Alliance Purchasing) started in 2019. This focused on three procurement categories where the risk of environmental and human impact is particularly prominent: administrative purchases, IT-related purchases and the largest suppliers. The main risk areas with respect to the environment, social conditions and ethical business conduct were identified for each of the procurement categories. Alliance Purchasing is further strengthening its follow-up with a focus on a supplier monitoring solution and more thorough stakeholder engagement.

There has also been a focus on due diligence in relation to the supply chain for promotional items, an area that may generally carry an elevated risk with respect to safeguarding fundamental labour rights in producer countries, many of them in Asia. The SpareBank 1 Alliance calls for sustainable promotional items in its standard contracts. The main supplier of promotional items takes a systematic approach to traceability and due diligence for its supply chain with regard to risks to human rights and negative environmental impacts, based partly on guidance from the Ethical Trade initiative.

The sustainability risk is generally low for our own local purchases handled by SpareBank 1 Sør-Norge and subsidiaries. In recent years, we have focused especially on industries where employees of suppliers and subcontractors are typically exposed to a higher risk of breaches of labour standards, such as cleaning and canteen services, and on building projects.

Identified risk areas in joint procurement based on risk-based due diligence in 2019-2022	
The salient risk areas with regard to the environment, social conditions and ethical business practice identified for the prioritised procurement categories (see table below; areas of risk related to human rights and decent working conditions are highlighted).	
Prioritised main category	Identified risk areas for these categories that are followed up in the purchasing process
Furniture and fixtures (prioritised category within)	<ul style="list-style-type: none"> • Environmentally harmful materials and chemicals • Climate footprint • Waste management

administrative purchases)	<ul style="list-style-type: none"> • Circular economy • Risk of human and labour rights violations in supply chains • Compliance with the Transparency Act and due diligence
IT hardware (priority category within IT-related procurement)	<ul style="list-style-type: none"> • Links to conflict minerals at the raw material level • Environmentally harmful materials and chemicals • Waste management • Circular economy • Risk of human and labour rights violations in supply chains • Compliance with the Transparency Act and due diligence
Largest suppliers (volume) to core business: IT systems and consultants	<ul style="list-style-type: none"> • Climate footprint, particularly in relation to: <ul style="list-style-type: none"> ○ Energy consumption linked to cloud services/servers ○ Travel • Circular economy • Social conditions and ethical business conduct in supply chains, including the risk of human and labour rights violations • Compliance with the Transparency Act and due diligence

Due diligence and sustainable purchasing efforts in 2024

The SpareBank 1 Alliance¹⁰

Stakeholder engagement in 2024

Due diligence was strengthened through stakeholder engagement. Stakeholders are individuals or groups that can impact or be impacted by the organisation’s activities. Following a request from purchasing committee for more active stakeholder involvement, Alliance Purchasing contacted the Alliance’s main supplier of PCs, monitors and mobile phones. The goal was to learn how to address and implement stakeholder engagement in practice in the supply chain from those suppliers we consider good in this area.

Updating of agreement archive

In September 2024, Alliance Purchasing started a project to audit all active agreements to which SpareBank 1 Utvikling was a party (with the exception of internal Alliance agreements). Agreement coordinators were contacted via the agreement archive and asked to update the supplier's email address and the duration of the agreement. Using this initiative, a large proportion of agreements were updated with both suppliers’ contact points and duration. Many expired agreements were archived. This measure proved valuable, not just for future sustainability surveys but also for general supplier management and compliance with the requirements of the Digital Operational Resilience Act (DORA) concerning third-party risk management.

¹⁰ Based on the annual report and due diligence from SpareBank 1 Utvikling.

Implementation of supplier management solution

In early 2024, SpareBank 1 Utvikling decided to partner with Hellios, a cloud solution for collecting and managing supplier data. The solution will streamline supplier management and risk management by giving SpareBank 1 Utvikling access to important information about its suppliers. Using the solution, SpareBank 1 Utvikling will become a member of HelliosFSQS-Nord; a community for Nordic financial actors, where the purpose is to collaborate on collecting supplier information.

Suppliers are added to the portal by answering a set of questions. This saves time for suppliers and streamlines compliance and risk management for financial operators. It also satisfies the regulatory requirements of DORA, the CSRD and several other acts and regulations that stipulate stricter requirements for supplier and agreement follow-up.

Hellios's solution will also support and streamline sustainability work in the supply chain. It contains a dedicated ESG module, with questions about suppliers' sustainability work, including compliance with the Transparency Act and the CSRD. The module scores suppliers' sustainability performance. This will be useful for comparing and selecting suppliers for closer follow-up on sustainability risk.

Supplier screening: Monitoring human rights in the Israel-Palestine conflict

In October 2024, the government strengthened its advice to Norwegian companies not to conduct trade and business activities that help sustain the illegal Israeli presence in the occupied Palestinian territories. The government expects Norwegian companies to act responsibly and comply with the Transparency Act, the UN Guiding Principles on Business and Human Rights (UNGPs) and the OECD Guidelines for Multinational Enterprises.

Alliance Purchasing has screened the supplier database against public lists from Norges Bank and the UN High Commissioner for Human Rights. The screening found no matches with supplier names. At the same time, it cannot be ruled out that there are actors or subcontractors covered by the government's advice. However, the likelihood and scope of this must be assumed to be small.

Alliance Purchasing's due diligence KPIs

The preliminary KPIs for Alliance Purchasing related to human rights and labour rights in the supply chain are:

1. Percentage of suppliers surveyed and risk assessed
2. Number of general surveys per relevant ESG topic
3. Number of supplier follow-ups
4. Percentage of new contracts expected to undergo due diligence

The KPIs will be finalised in early 2025.

Own purchases in the group

During 2023, all "local" supplier agreements (i.e. not covered by joint contract management through SpareBank 1 Utvikling) for SpareBank 1 Sør-Norge and the fully owned subsidiaries EM1 SR-Eiendom and SpareBank 1 Sør-Norge ForretningsPartner were risk-assessed and categorised based on a risk-based approach. In all, 311 suppliers with contracts for more than NOK 100,000 were assessed:

- Parent company SR-Bank: 50 suppliers

- SpareBank 1 Sør-Norge ForretningsPartner: 86 suppliers
- EM1 SR Eiendom: 175 suppliers (including 15 managed by the EM1 Alliance)

For the purchasing contracts held by both SpareBank 1 Sør-Norge and its subsidiaries, the risks relating to potential breaches of human rights and decent working conditions are regarded as low. During 2023, no actual violations (including issues with the working environment, gender equality and employee rights) by suppliers were uncovered. SpareBank 1 Sør-Norge has previously followed up specifically on providers of cleaning and canteen services.

A large proportion of SpareBank 1 Sør-Norge's purchases involves purchases of goods and services for property management. These include, for example, rent, property management services and craftspeople. Other major areas include service purchases, such as consultancy services, courses and training.

None of these suppliers have been categorised as "high risk".

Three suppliers were selected for in-depth review, all of which were considered to have a medium to high risk of adverse impact on social conditions. The selected suppliers belong to the following industries: furniture and fixtures, IT equipment, and cleaning and canteen services. The criterion for a satisfactory response is that the documentation should be easily accessible and understandable. If the suppliers are covered by the Transparency Act, they were required to have carried out due diligence of their own.

Given the thorough work done in 2023 and the merger process during the year, no further supplier follow-up was carried out in 2024. A plan will be established for supplier follow-up in 2025. This will include frequency, depth and threshold criteria.

EiendomsMegler 1 SR-Eiendom, EiendomsMegler 1 Sørøst-Norge, SpareBank 1 Regnskapshuset Sørøst-Norge AS and SpareBank 1 Sør-Norge ForretningsPartner strengthened their purchasing processes by incorporating the group's common policies and procedures for sustainable procurement in 2023, which include expectations relating to human rights, decent working conditions and the conduct of due diligence.

EiendomsMegler 1 SR-Eiendom

In accordance with the group's routine for subsidiaries' work on the Transparency Act and due diligence, the company, together with the group, again reviewed the risk classification of its suppliers (those it does not have in common with SpareBank 1 Sør-Norge). Photographers are still classified as medium risk. In order to ensure good routines a measure was implemented that makes regional managers responsible for signing new contracts that comply with the Transparency Act.

The person responsible for the Transparency Act in the company was part of a working group during the year with technical responsibility for the Transparency Act. This working group was put on hold due to the bank's merger work until the sustainability team had been reorganised. The company will continue to be a member of this working group in 2025.

EiendomsMegler 1 Sørøst Norge AS

In 2024, the company worked on the Transparency Act and conducted due diligence of its suppliers and reviewed and reassessed them. The focus in 2024 was on providers of photography services. EiendomsMegler 1 Sørøst Norge is the product of a total of five company mergers and acquisitions over the last 6 years. The company is still working on structural reorganisation and has a wide range of providers of photography services ranging from large nationwide companies to sole proprietorships. The company's focus on providers of photography services was specifically aimed at the editing services that mostly take place in Asia, with some also in the US. Work started at the end of 2024 and will continue in 2025. Unsurprisingly, the responses from the larger companies were more consistent than those from smaller companies or photographers organised as sole proprietorships. The company has concluded that it wants to continue to work with our providers of photography services in the future, but that it will be appropriate to put in place an overarching organisation of the suppliers to ensure that the suppliers comply with the Transparency Act.

SpareBank 1 Regnskapshuset Sørøst-Norge AS reviewed its suppliers in 2024 and has no new suppliers of a size that requires extra controls. The company found no challenges with existing suppliers.

SpareBank 1 Sør-Norge ForretningsPartner also reviewed its suppliers and will continue this analysis into 2025.

Other wholly owned subsidiaries The SpareBank 1 Sør-Norge companies SR-Boligkreditt AS and Finstart Nordic AS (the group's investment and innovation company within fintech). The group's common guidelines and procedures for ensuring sustainable procurement apply to its subsidiaries. Purchases for SR-Boligkreditt AS, EiendomsMegler 1 Telemark and Finstart Nordic AS are made via SpareBank 1 Sør-Norge.

External communication and skills development

Besides due diligence, the group helps promote responsible business and due diligence in collaboration with others. In 2024, representatives from the group (the parent bank and SpareBank 1 Sør-Norge ForretningsPartner) contributed to forums that aim to promote responsible business and finance in accordance with UNGP:

- Workshops organised by Future-Proof and the chamber Of Commerce in Stavanger on due diligence in practice
- Experience sharing workshops arranged by Shift (leading centre for UNGP expertise) for major international banks and investors on the conduct of stricter due diligence for investments in companies accused of links to the occupation and conflict situations.

4. Information requests

SpareBank 1 Sør-Norge has established a system for receiving requests for information. This includes a procedure which describes a process for receiving requests, liability, assessing the legal obligation to reply, and referring to templates for handling replies. No requests for information were received in 2024.

5. The way forward

5.1 Continued focus on new challenges

A number of challenges will require greater attention in the financial sector:

- Risk of unintended discrimination through digital solutions and artificial intelligence (AI)
- The link between man-made climate change and negative impacts on individuals hit hardest by climate change today and on future generations.
- The social risk in the value chains for green energy and technology, where there are credible reports of situations involving serious human rights violations both in producer relationships (e.g. suppliers of components for solar cells) and raw materials (many of the critical “transition minerals” are mined in regions where the risk of human rights violations for both workers and communities is high).
- The need to consider the social dimension of the green transition, which also implies a “just transition”, where due diligence is an important tool for identifying and assessing risks to e.g. workers in connection with new energy solutions and the rights of communities in connection with renewable energy development.

These challenges will be a conspicuous feature of the coming years and will grow in importance for both business policy and the financial sector. Geopolitical tensions, conflicts and scarcity of resources will also affect the green transitions and have implications for several of these challenges. Climate change and a sustainable transition are finding their way more and more often onto the political front line. This makes the challenges of tackling climate change, nature loss and various forms of inequality even more complicated, but it is nevertheless important to maintain a steady course. Socially fair restructuring at different levels will be crucial in this context. Among other topics that are gaining in importance are issues affecting individuals, such as the importance of mental health and social interaction both in the workplace and in customer relationships.

5.2 Further measures and plans

Key actions in the coming years include:

- **Skills development**
We will maintain our focus on training and skills development, both at a general level, for all our employees, but especially for employees in customer-facing positions such as business advisers. We also need to pay attention to customer commitments that are not large enough to require mapping according to the ESG framework. It is also important to consider these customers in terms of the social aspects. There are plans to develop courses on the Transparency Act for corporate advisers. The group also helped develop a course at BI Norwegian Business School on “sustainability in credit processes” which includes looking at the Transparency Act and which many employees will take in 2025.
- **Continuous improvement of the ESG framework**
In collaboration with the SpareBank 1 Alliance and across our professional communities, modifications and enhancements to the ESG framework will be an important tool to further improve our methods for picking up matters of concern among our corporate customers.

New functionalities will be integrated into the ESG framework. There will be a specific version for SMEs and a function for checking whether the customer has a duty to report under the Transparency Act and/or whether the customer has activity and disclosure duties, and to check whether the customer is required to have a gender balance on the board. If the customer is identified as having reporting obligations, appropriate questions will appear accordingly.

This also involves further follow-up of customers who have been instructed to create an action plan on the basis of low 'S' score in the ESG mapping.

- **Consumers and end-users**

The focus is on financial inclusion in relation to our consumers and end-users. The ongoing work in 2025 will include completion of a standard for sustainability in the retail market, which will aim to define the work on reducing our negative impacts within social and financial inclusion.

In 2025, a standard for responsible AI use will be put in place. Solutions from Kakadu, which provides services designed to improve the ability of consumers to perform digital tasks, will also be put in place on the bank's website in 2025.

- **Purchasing**

SpareBank 1 Utvikling will establish KPIs related to the Transparency Act in January 2025. Supplier follow-up and reporting in line with the KPIs will ensure that SpareBank 1 Utvikling and the companies in the Alliance comply with the Transparency Act, the CSRD and the upcoming Corporate Sustainability Due Diligence Directive (CSDDD).

Hellios's solution, a cloud-based solution for supplier follow-up, will be launched and introduced in SpareBank 1 Utvikling in the first quarter of 2025. The group will work with Alliance Purchasing so we can use the experience from the Hellios project in our own work as well.

For our own purchases in the group, we will implement the work on due diligence together with the introduction of supplier follow-up in several other areas. It will be natural to introduce fixed intervals for due diligence. These will be measures that could improve reporting in 2025.

- **Subsidiaries**

EiendomsMegler 1 SR-Eiendom has not assigned all the contracts with photographers to an "owner", although the company will do so in the coming year to ensure follow-up and good procedures for safeguarding human and labour rights. In addition, the main focus for 2025 will be on getting the newly merged departments onto the same contracts.

- SpareBank 1 Regnskapshuset Sørøst-Norge AS and SpareBank 1 Sør-Norge ForretningsPartner are in the middle of a merger process, where the plan is to legally merge on 01.04.2025. It will be a large accounting firm, with just over 500 employees. Sustainability

will be one of the focus areas going forward. This will include working on the Transparency Act internally and with customers.

Going forward, we will also prioritise:

- Coordinating, organising and developing the sustainability work in the new SpareBank 1 Sør-Norge Group, including the work on human rights and due diligence. Updating the annual cycle and working group after the merger processes. Further focusing on the work on due diligence in practice.
- Our role as a bank and financial actor in dealing with the Ukraine conflict, such as access to banks for refugees in general, and the solution for collaborating with refugee services.
- Collaborating with the SpareBank 1 Alliance on sustainable supply chains.
- Dialogue with both business and other corporate citizens on solutions and dilemmas for due diligence, including our participation in the FUTURE-PROOF initiative under the auspices of the Rafto Foundation and the Bergen Chamber of Commerce.