



Sustainability and Climate Strategy

Strategy Period 2022 – 2025

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Introduction

The purpose of this Sustainability and Climate Strategy is to clarify and provide guidance on the sustainability work of SpareBank 1 SR-Bank and to support staff and managers in their decision-making and day-to-day work. The strategy also aims to clarify to customers and investors how sustainability is integrated into the operations and decisions of SpareBank 1 SR-Bank. The Sustainability and Climate Strategy must be viewed in the context of other internal governing documents such as our corporate strategy and associated business plan. The Sustainability and Climate Strategy and associated guidelines apply to all operations and subsidiaries of the group.

The 17 UN Sustainable Development Goals¹ (SDG) lays the foundation for the work with sustainability in the group, and the contribution to the green transition. The group supports the 10 principles of the UN Global Compact² (human rights, labour, environment, and anti-corruption) and has signed up to the UN Principles for Responsible Banking (UN PRB).³

SpareBank 1 SR-Bank makes a substantial contribution to society in the form of grants and donations for charitable causes and local community initiatives through its foundation, Sparebankstiftelsen SR-Bank.

1 UN Sustainable Development Goals <https://fn.no/om-fn/fns-baerekraftsmaal>

2 Global Compact <https://globalcompact.no/>

3 Principles for Responsible Banking <https://unepfi.org/banking/bankingprinciples/>

Ambitions

SpareBank 1 SR-Bank plays an important societal role in a changing world. Our ambition is: **We take responsibility to be a part of the solution and a proactive ally to our clients in the transition to a more sustainable society.**

This means that sustainability will be an integral part of everything we do; how we create valuable customer experiences, how we deliver results, how we operate our business, and how we work together and contribute to the society we are a part of. All employees will have a proactive and responsible approach to sustainability.

By 2025, ESG⁴ will be deeply embedded throughout the group, which means that we will incorporate ESG risks and opportunities in all our activities and seize the opportunities that arise as new regulations are introduced. We will have achieved our sustainability goals and have committed the entire organisation to them.

- Our primary focus is to help our customers in the coming transition by being a discussion partner that understands the scope of opportunities and advises customers on making good choices. We are an ally.
- By 2025, our customers will notice our expertise in, and commitment to, sustainability through our customer relations and services.
- We will strengthen the societal perspective in our communications and purpose to stimulate growth and development.

Main Objectives

SpareBank 1 SR-Bank will use four external rating and indices to measure overall progress and performance that together cover the main aspects of sustainability in financial services:

Rating	Target	Scale
Bærekraft på Børs (ESG 100 – Oslo Stock Exchange, The Governance Group)	A	A+ to F
MSCI ESG	AA	AAA to CCC
Carbon Disclosure Project (CDP)	A	A to F
Ethical Bank Guide	>75%	0 to 100%

Goals and Ratings

We have defined four overarching goals (Figure 1) that are designed to help SpareBank 1 SR-Bank achieve its ambitions. We have defined relevant ratings and KPIs that we will work towards and report on for the goals. The ratings will help to operationalise the Sustainability and Climate Strategy and emphasise which measures that must be implemented.

⁴ Environmental, Social, Governance

Sustainability and Climate Strategy

1. We will be an active contributor towards the low carbon society
2. We will contribute towards a more sustainable society
3. We will create equal opportunities for all
4. We will combat financial crime and ensure security and transparency throughout our business operations

Emission reduction	<ul style="list-style-type: none">• Climate neutrality in own operations by the end of 2022• Net zero emissions in our financing and investment activities by 2050
Transition	<ul style="list-style-type: none">• Financing and facilitation of NOK 50 billion in sustainable activities by the end of 2030• Financing of NOK 15 billion in green properties by the end of 2025• Facilitating new jobs through entrepreneurship and innovation
Equality and diversity	<ul style="list-style-type: none">• Gender balance (40/60) on all management levels and material positions in the company by 2025• Equal pay for genders – equal pay for equal work• Through our advisory, products and services we will strengthen economic equality
Combat financial crime	<ul style="list-style-type: none">• Have zero-tolerance for all forms of financial crime• Safeguard human rights by contributing to transparency in supply chains• Be known for a high ethical standards

Figure 1: Sustainability and Climate Strategy

We will be an active contributor towards the low carbon society

SpareBank 1 SR-Bank will strengthen the ability of the group and its customers to adapt to and mitigate the consequences of climate change.

Global developments show an increasing focus on sustainability and especially climate challenges. SpareBank 1 SR-Bank will work continuously for the group's activities to contribute to reductions in greenhouse gas emissions (GHG), both nationally and globally. Our goal is that SpareBank 1 SR-Bank will strengthen the ability of the group and its customers to adapt to and mitigate the consequences of climate change.

We will continue to facilitate and to demand our corporate customers and suppliers to have a proactive plan for reduction of their greenhouse gas emissions (GHG). The group supports the Paris Climate Agreement and has defined measures that will strengthen the group in its work towards a strategy aligned with the Paris Climate Agreement. These are measures that will reduce our exposure to climate risk and measures that will help us seize the opportunities that arise from the green transition. The group will also define specific measures for reduction of greenhouse gas emissions (GHG) in line with the Paris Climate Agreement's commitment to limit global warming to 1.5°C by 2050.



Goal	Target
SpareBank 1 SR-Bank will be climate-neutral in our own operations by the end of 2022	
Net-zero emissions in our financing and investment activities by 2050	A corresponding target for reducing emissions in the lending portfolio by 2030 will be finalised by the end of Q1 2022

We will contribute towards a more sustainable society

SpareBank 1 SR-Bank will contribute to the transition by financing sustainable activities and projects.

The group aims to stimulate growth and development. This includes both economic growth and job creation. Being part of the local community's ecosystem for creating value, jobs, and driving social development is part of SpareBank 1 SR-Bank's reason for existing. Our primary focus is to help our customers in the coming transition by being a discussion partner that understands the scope of opportunities and advise them to make good choices.

We are an ally. Concurrently, we will continue to promote a safe and secure working environment and fair working conditions, and work to make banking and financial services available to everyone.



Goal	Target
Goal for at least NOK 50 billion to sustainable financing and facilitation by 2030	<ul style="list-style-type: none">• NOK 15 billion in financing green properties by 2025• Establish a corresponding target for renewables/ green sectors by the end of Q1 2022
Help customers in the transition through our advisors	
Create sustainable growth by facilitating new jobs through entrepreneurship and innovation	
Ensure that the group's employees have sufficient and relevant expertise to contribute to the transition	<ul style="list-style-type: none">• Targets to be set by the end of Q1 2022 for advisory services, skills development and entrepreneurship/innovation

We will create equal opportunities for all

SpareBank 1 SR-Bank will work to ensure equal opportunities and rights.



A sustainable society is characterised by equal opportunities for all, through inclusion and diversity. Our goal is to promote diversity, inclusion, and equality throughout the company. SpareBank 1 SR-Bank recognises that diversity and equal opportunities are prerequisites to operate a sustainable company. We will make improvements in our organisation and, through our product offerings and services, we will promote diversity, inclusion, and equality.

Goal	Target
Gender balance (40/60) at all management levels and material positions in the company by 2025	<ul style="list-style-type: none"> • At least 40% of both genders at all levels of management (2, 3, and 4) and in material positions (job category 8 and upwards) by the end of 2025 • Near 40/60 gender balance and diversity represented in succession plans (for management positions) • Near 50/50 gender balance for internal management candidates, leadership development and talent programmes, and mentor programmes • Near 50/50 gender balance for final candidates for advertised positions
Equal pay for genders – equal pay for equal work	
We will strengthen financial gender equality through our advisory products, and services	

We will combat financial crime and ensure security and transparency throughout our operations

Security and trust in everything we do.

SpareBank 1 SR-Bank will be the most trusted actor to deliver secure, modern banking services. Our advice and solutions are solidly built on how we operate our company; openly and transparently, with conduct that is honest and trustworthy. Financial crimes such as work-related crimes and money laundering are serious social problems that we actively work to combat. SpareBank 1 SR-Bank will actively and systematically work to maintain confidence in the financial markets.

Our employees will be trained to recognise, and report attempted digital and physical financial crimes. Our corporate governance principles are based on three main pillars: openness, predictability, and transparency.



Goal

SpareBank 1 SR-Bank has a zero-tolerance for money laundering, terror financing, and all forms of financial crime

SpareBank 1 SR-Bank will be known for a high ethical standards, openness, and good corporate governance

SpareBank 1 SR-Bank will deliver safe, secure IT-solutions and use data in a socially useful, trustworthy, and ethical manner (especially artificial intelligence)

SpareBank 1 SR-Bank will safeguard human rights by contributing to transparency in our own supply chains and guide our customers to do the same
