

Sustainability

SpareBank 1 SR-Bank is a responsible social actor

Social responsibility is not something we are given, it is something we take. Through our daily operations and in relation to our stakeholders, SpareBank 1 SR-Bank takes into account our social and environmental responsibilities. We have done so as part of our day-to-day operations ever since the establishment of Egersund Sparebank in 1839. This has formed part of our basic philosophy ever since. With good local knowledge and proximity to customers, the group contributes to a positive community development through value creation, which is about empowering growth and development, while still following decent practices in our own business. Even though we, as the region's largest and leading financial group, primarily focus on our immediate surroundings, we are just as interested in ensuring that everything we do is sustainable in a global perspective. The group supports the UN Global Compact's 10 principles of sustainability. All operations in SpareBank 1 SR-Bank are carried out at all times within the framework of the applicable laws and regulations in Norway.



Status and measures carried out in 2017

Employees and the organisation

SpareBank 1 SR-Bank aims to be an attractive and inclusive workplace for employees in all age groups and at all phases of their life. The SpareBank 1 SR-Bank Group endeavours to ensure that all employees have a positive experience of the balance between work, home and leisure time. At the same time, a number of different measures have been implemented to motivate employees to stay healthy, both by developing a good working environment and by encouraging them to exercise. We believe that employees whose needs are catered for will perform better, which benefits both them and the group. In 2017, the group again refunded a significant amount to cover part of employees' regular exercise expenses in order to promote better health, greater motivation and satisfaction.

The group has established a thoroughly-prepared framework for managing organisational matters, including: a staff manual, HSE manual, inclusive workplace agreement, and several internal committees regulated by agreements. The executive management team and the group's two unions work well together in these areas.

SpareBank 1 SR-Bank mainly focuses on development and competence among its employees. In 2017, the SR-Bank has established a partnership with NTNU in Trondheim to provide employees with a programme of study specially adapted for bank employees in order to develop technological competence within the Group.

Gender equality

The SpareBank 1 SR-Bank Group has a good distribution between women and men. At the leadership levels in the corporate management, the group has in general a good gender distribution. However, in the group management and in some areas of the group, there is still a way to go in order to achieve a greater proportion of women in management. There have been an organizational change which means that the group management will be expanded with two persons this year. One position is now occupied by a woman. In relation to pay equity, the group's management has had a focus on this for several years in cooperation with the trades unions. Although targets have not yet been achieved, the figures indicate that there has been a positive development. One of the measures that has been taken is that all employees who go on maternity leave are entitled to salary evaluation in advance of, or during leave. The table on page 20 shows that sickness absence among women is considerably higher than among men. Listings from NAV show that sickness absence among women versus men varies considerably between industries and throughout the country. The difference in SpareBank 1 SR-Bank is slightly less than what statistics show both compared to its own industry and in total listings.

In 2017, a gender equality committee was established to ensure focus on the work on equality within the group. The Gender Equality Committee reports to the Coordination Committee in the group, which consists of representatives from corporate management as well as the trades unions.

Equal Opportunities report 2017

Equality and diversity	2016		2017	
	Parent bank	Group	Parent bank	Group
Number of full-time equivalents in total	861	1,172	914	1,218
Percentage of women	56%	55%	55%	54%
Percentage of men	44%	45%	45%	46%
Women employed part-time	5.5%	5.9%	5.8%	6.2%
Men employed part-time	0.6%	0.5%	0.4%	0.3%
Proportion of women by position level				
Management level 1	0%	0%	0%	0%
Management levels 2 and 3	29%	30%	26%	26%
Management level 4	47%	43%	43%	41%
Percentage of women on the board of directors	50%	50%	50%	50%
Average Salary				
Women	549,960	533,887	577,494	556,590
Men	732,069	696,211	756,225	713,317
Women's wages relative to men by position level				
Management level 1	-	-	-	-
Management levels 2 and 3	77%	79%	75%	77%
Management level 4	88%	86%	92%	90%
Parental leave taken, average number of weeks				
Women	37.5	37.4	39.6	39.8
Men	7.6	7.5	10.3	9.0
Work absence				
Total	3.59%	3.60%	3.80%	3.56%
Women	4.24%	4.84%	5.24%	5.01%
Men	2.99%	2.47%	2.29%	2.02%
Work absence due to child illness (day's work)				
Women	331.0	364.9	329.4	370.4
Men	148.6	187.6	157.2	177.8

Social development through wealth creation

SpareBank 1 SR-Bank's commitment to entrepreneurs was extended in 2017 expanded and two new entrepreneurial hubs were established in Bergen and Kristiansand. In 2017 the Sparebankstiftelsen SR-Bank foundation established an annual prize for entrepreneurs with the first award to take place in 2018. The main prize is NOK 250,000. In total, NOK 700,000 will be awarded annually in prizes to entrepreneurs in order to encourage entrepreneurship in the region.



To help create further growth and competence-based jobs, SpareBank 1 SR-Bank, along with partners, has put in place more than 250 million kroner in private capital for a potential future national seed fund. Work has been carried out systematically in respect of the Ministry of Trade, Industry & Fisheries in order to obtain a similar amount in government funding. The work is still ongoing. The purpose of such a seed fund is to create a broader diversity of businesses and jobs within more industries, both nationally and regionally.

Environment and climate

As a responsible financial group, we have an active relationship to the climate challenges. In 2017, organizational changes to the group were carried out. This led to the group for the first time earmarking a function related to the field of sustainability in order to further increase our efforts in the fields of environment and climate, as well as other tasks that belong under the concept of sustainability.

Ongoing efforts are being made to become a resource-saving and environmentally-efficient organisation through setting requirements to the group, suppliers and partners. SpareBank 1 SR-Bank's new headquarters, Finansparken, will be one of the largest commercial timber buildings in Europe. Finansparken is certified according to BREEAM NOR and aims to achieve classification as Excellent. The certification is based on documented environmental performance in nine categories—management, health and indoor environment, energy, transport, water, materials, waste, land use and ecology as well as pollution. The building will be ready for occupation in the autumn of 2019.

The group regularly introduces measures that are intended to help reduce the consumption of electricity, paper and other resources, as well as to ensure that resource-demanding travel is limited. During 2017, 10 additional Skype/video meeting rooms have been established. This helps to limit travel activity.

A great deal of attention has also been paid to managing technological waste and purchasing environmentally-friendly solutions. Environmental and energy requirements are specific assessment criteria for procurement, and all technological equipment is handled as special waste.

Over time, the group has had a focus on digitization, thereby reducing its environmental impact. There has been a decrease in paper usage of 15.9% from 2016 to 2017. In terms of power consumption, there has been a reduction of 14.5% from 2016 to 2017.

In order to chart the carbon footprint of the group, a climate accounting tool has been introduced. All vehicles that are part of the group's company car system are included. The group's climate accounts show that total CO2 emissions in 2017 were 507.5 tonnes. The calculated emissions include a total of 2,787,873 kilometres travelled by air and a total 319,886 kilometres travelled using the group's vehicles. The decrease in number of driven kilometers is a result of reduced number of vehicles in 2017. Total emissions in 2017 represent an increase compared with 2016.

Ethics and anti-corruption

In 2017, four meetings were conducted in the Group's Ethics Council, with the aim of evaluating and improving the group's code of ethics. The code of ethics is signed each year by each employee. An annual update on ethics is also carried out through the authorization scheme for financial advisers and the approval scheme for salespersons and advisers in non-life insurance.

Money laundering and financing of terrorism

Economic crime, including the laundering of proceeds of crime, undermines the legal economy of any society. SpareBank 1 SR-Bank supports measures aimed at combating economic crime and financing of terrorism. SpareBank 1 SR-Bank adheres to legislative requirements and has adopted measures aimed at combating economic crime and financing of terrorism.

Ethical management

SpareBank 1 SR-Bank's investment activities, both on its own account and on behalf of customers, adheres to rules that are intended to ensure that the group avoids participating in violations of human- and labour rights, corruption, serious environmental harm or other actions that in general could be considered unethical. SpareBank 1 SR-Bank does not invest in companies which, themselves or through units they control, produce tobacco or pornography. The same applies for companies involved in anti-personnel mines and cluster munitions or in companies that develop and manufacture core components of weapons of mass destruction.

Funding

The group's credit strategy also makes it clear that our corporate customers must have a long-term perspective and that their companies must be run in line with applicable laws and regulations that include considerations to the environment and human rights. The group does not have credit exposure to either coal mining or coal-fire power plants.

Support for non-profit purposes

As part of our business, we support initiatives that support good living conditions. In the course of 2017, the group has contributed more than NOK 20 million in the form of grants and sponsorship agreements to various organizations, associations and teams.

SpareBank 1 SR-Bank's largest shareholder is Sparebankstiftelsen SR-Bank (SR-Bank Foundation) with a stake of 28.3 per cent. The tradition of the savings bank is continued through the SR-Bank Foundation. The Foundation may allocate profits, in the form of dividends from SpareBank 1 SR-Bank, for the distribution of gifts for generally beneficial purposes. This is to be done in line with the foundation's vision of "Creating Values Together" as well as the foundation's values of "Together we are to create, enrich and develop healthy communities." This enhances SpareBank 1 SR-Bank's local presence and local involvement. In 2017, NOK 57 million was distributed among 402 beneficiaries in Rogaland, Hordaland and Agder.

Future actions

SpareBank 1 SR-Bank will also have a sharp focus on corporate social responsibility and the environment in the future. The group's goal is to be an organization that actively takes corporate social responsibility and responsibility for the environmental challenges society is facing.

For 2018, the following actions are planned:

- Continue to reduce overall paper usage, total energy consumption, reduce the number of flights and increase the use of video conferencing.
- Include nature and the environment in the ethical guidelines of the group.
- Conduct materiality analysis and assess compliance with relevant national and international standards in sustainability and reporting.
- Start the development of sustainable products and services.
- Further improve the group's websites regarding reporting and highlighting the actions and activities undertaken related to sustainability.
- Analyse differences between women and men in the group, so as to introduce measures to ensure a working environment and culture where equality in career paths for both sexes is actively stimulated throughout the group.

Socio-economic impact analysis 2017

	2016	2017
Strategic		
Group strategy	Updated	Updated
CSR strategy	Updated	Updated
Value creation		
Taxes and fees (NOK million) ¹⁾	832	1,007
Net salary/pensions and other benefits (NOK million)	1,166	1,263
Cash dividend shareholders (MNOK)	575	1,087
Growth capital, retained earnings (NOK millions)	1,457	781
Purchased goods and services (NOK millions)	866	904
Social factors		
No. of working full time equivalents, incl. temps	1,172	1,218
Healthy rate	96.37	96.40 %
Average age	44.7	44.8
Satisfaction in the organization ²⁾	900	79
Inclusive workplace agreement	Continued	Continued
Life phase strategy	Continued	Continued
Management development programme	Continued	Continued
No. of meetings of ethics committee	3	4
Grants/Sponsorship from SpareBank 1 SR-Bank (NOK million)	20	20
Number of grants provided by the Sparebank Foundation	358	402
Total grants provided by the Sparebank Foundation (NOK million)	29.1	57
Environment		
Technological waste (tons)	2.2	3.2
Reduction in paper consumption (tons)	17.7 %	14.5 %
Energy consumption (kWh)	5,646,327	4,826,198
Air travel	4,537	5,738
Number of kilometres travelled in connection w/ flights	2,116,747	2,787,873
Emissions KgCO ₂ e in connection w/ flights	341,356	453,249
No. of vehicle kilometres	617,291	319,886
KgCO ₂ total vehicle fleet emissions	89,842	54,245
No. of electric vehicles in fleet	2	5
No. of videoconferencing rooms	25	35

¹⁾ Including company tax, tax paid by employees as well as employer's fee

²⁾ New measurement method was introduced in 2017 - very good results