

Responsible investments and ownership in SpareBank 1 SR-Bank

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Guidelines for responsible investments in SpareBank 1 SR-Bank

Background

These guidelines have been developed for responsible investments in SR-Bank in order to support the group's sustainability strategy and overall sustainability guidelines.

The group has many different investments with different purposes. These include strategic ownership in subsidiary and alliance companies, as well as purely financial investments. These guidelines apply to all of the bank's investments.

The group's sustainability strategy

The group's investments will at all times comply with the group's sustainability principles and guidelines. In particular, reference is made below to the group's overall sustainability strategy and the group's general sustainability guidelines.

Principles

Through our sustainability strategy we aim to finance sustainable companies that are capable in adapting their business to a changing world.

Further, we will only invest in companies that

- Treat people in accordance with recognised international norms
- Operate prudent management of recyclable natural resources
- Operate prudent operation and interaction with all stakeholders when extracting non-recyclable natural resources
- In the event of direct/indirect participation in the arms industry, operate within national laws and international norms
- Liquidate/scrap/sanitise assets in accordance with recognised international norms

In addition, we cannot invest in

- SPU (Government Pension Fund Global) Exclusion List Companies
- Companies engaged in the manufacture of
 - Controversial weapons, i.e. weapons that by normal application violate basic humanitarian principles
 - Tobacco
 - Coal power/extraction of coal
 - Pornography

We also expect that the companies in which we invest will have a conscious approach to climate risk and be forward-looking in how they position themselves towards greener alternatives.

Instruments

- We always take ESG into consideration in investment analyses
 - This will be included in the analysis considered by an investment committee or others in advance of new investments

- We are active owners in the cases where this is relevant. This is primarily for strategic equity positions.

Checks and follow-up

Advance checks

To minimise the risk of the group's investment conflicting with the group's sustainability guidelines, a review is performed in advance of new investment decisions

Periodic checks

To keep track of the portfolio's holdings and the business's sustainability risks, the group will carry out periodic checks (minimum annually) of the entire portfolio.

If the checks reveal violations of the group's guidelines, the investment will be assessed by the investment committee or the group's sustainability committee. This assessment may result in:

- The asset being sold immediately
- SR-Bank entering into dialogue with the issuer on improvement measures, and then considering the sale of the securities
- Retaining the securities as a result of improvement measures being implemented and expected to be sufficiently effective. In such cases, the securities and issuer will be subject to closer, retrospective follow-up.

Responsibilities and organisation

The guidelines for responsible investments in SR-Bank are adopted by the group management. The guidelines are to be kept up-to-date and revised in relation to the group's overall strategies and guidelines.

The individual leader in charge of a portfolio is responsible for portfolio compliance with the guidelines for responsible investments.