



Sustainability in SpareBank 1 SR-Bank

April 2024

1

1. SpareBank 1 SR-Bank's approach to sustainability	3
1.1. SpareBank 1 SR-Bank is a responsible corporate citizen and a driving force in the green transition	3
1.2. SpareBank 1 SR-Bank's sustainability and climate strategy	4
1.3. Sustainability governance in SR-Bank	5
1.4. SpareBank 1 SR-Bank's sustainability strategy and governing documents	6
1.5. The group's stakeholders and key sustainability themes	10
1.6. SpareBank 1 SR-Bank's global responsibilities – organisations and internasjonale principles supported by the group	18
1.7. Global standards that SpareBank 1 SR-Bank complies with	18
1.8. Other initiatives and tools	18
1.9. SpareBank 1 SR-Bank's membership in national framework and initiatives	19
2 Sustainability is an integral component of SpareBank 1 SR-Bank operation	21
2.1. Labour and Human Rights	21
2.2. Employees	21
2.3. Diversity and Equality	22
2.4. Combating money laundering and terrorist financing	22
2.5. Ethics and anti-corruption	23
2.6. Personal data protection and cyber security	24
2.7. Digital and Financial fraud	24
2.8. Transparency	25
2.9. Responsible information, communication and marketing	25
2.10. Risk assessments and approval of new and improved products, processes and systems	26
2.11. Responsible sourcing	26
2.12. Compliance with the Transparency Act	26
2.13. Stimulating new jobs	26
2.14. Support for non-profit causes	27
3 Human Capital Development	28
3.1. Competency	28
4 Responsible Finance	30
4.1. Strategy	30
4.2. Responsible credit	30
4.3. Responsible asset management	30
4.4. Cross sectoral expectations and requirements for responsible finance	31
4.5. Expectations and requirements for companies operating within particular industries	32
5 Environmental responsibility and climate risk	33
5.1. Environmental responsibility in own operation	33
5.2. Climate risk and energy production	33
6 Nature as a stakeholder	34
6.1. Climate risk and energy production	34

About this document

The purpose of this document is to inform our stakeholder about how SpareBank 1 SR-Bank works with and handles sustainability. For information on this year's progress on our sustainability work, climate accounting and reports, please refer to the [annual report](#).

Governing documents:

For more information and guidelines, please refer to our [Sustainability Library](#)

1. SpareBank 1 SR-Bank's approach to sustainability

1.1. SpareBank 1 SR-Bank is a responsible corporate citizen and a driving force in the green transition

SpareBank 1 SR-Bank desires to be a driving force behind, and facilitator of, the necessary transition to a low-emission society in order to achieve the targets set out in the Paris Agreement. The group's activities should contribute to reducing greenhouse gas emissions at both a national and global level by facilitating and setting requirements for customers, suppliers and other business partners.

SpareBank 1 SR-Bank is a proactive financial services group with national activities. As Norway's second largest Norwegian-owned bank, the group provides financial services to foster growth, value creation, and profitability for our customers, the society, and our shareholders. The group has a physical presence in Rogaland, Hordaland, Agder and Oslo. Its head office is in Finansparken in Stavanger. SpareBank 1 SR-Bank is a fully fledged financial services group offering traditional banking services such as loans, insurance and savings products, securities trading, accounting services and estate agency services for both retail and corporate customers.

SpareBank 1 SR-Bank takes a proactive approach to sustainability and responsibility for the environmental challenges society faces. Sustainable development is defined as development that meets "the needs of today's generation without compromising those of future generations" (Brundtland Commission, 1987).

The group's work related to sustainable development embraces all three dimensions of sustainability (ESG):

- Environment and climate
- Social conditions
- Governance

The group will not, directly or indirectly, participate in violations of human and labour rights, corruption, serious environmental harm or other actions that could be considered

unethical. This applies both internally and in relation to society as a whole. The group's responsibilities encompass products and services, consultancy and sales, investment and credit decisions, marketing, procurement, corporate governance and business administration. Internally, the group's sustainability responsibilities also encompass HSE, ethics, equal opportunities and environmental efficiency.

SpareBank 1 SR-Bank's Sustainability- and Climate Strategy:

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.

By 2025, ESG 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 acknowledge our expertise in, and commitment to, sustainability through our relations with them and our services.
- We will strengthen the societal perspective in our communications and purpose to stimulate growth and development.

1.2 SpareBank 1 SR-Bank's sustainability and climate strategy

SpareBank 1 SR-Bank has raised the level of ambition in its sustainability and climate strategy, which was approved by the board in November 2021. ESG will be deeply integrated into all of the group's business areas by the end of 2025. This will incorporate ESG risks and opportunities into all activities, thus giving the group the ability to exploit the opportunities that will arise in line with the coming regulations. These could be experienced in everything the group does, for example in how the group creates valuable customer experiences, delivers results, operates, as well as how the group collaborates internally and externally, and, not least, in how the group contributes to sustainable social development. All employees must take a proactive and responsible approach to sustainability.

The sustainability and climate strategy is anchored in SpareBank 1 SR-Bank's corporate strategy and adapted to the objectives of the Paris Agreement. The group bases its work on sustainability on the UN Sustainable Development Goals and these have been integrated into the strategy.

1.2.1 General objectives, goals and targets

SpareBank 1 SR-Bank has achieved good scores over the years, from both leading sustainability indices and rating agencies, for the group's commitment to promoting sustainability in the financial services sector and for continuously improving its sustainability work. This shows that the group has focused on relevant topics in its sustainability work and that its systematic work has produced results. SpareBank 1 SR-Bank will measure its general progress in the 2022-2025 strategy period based on four selected external assessment sources. For more information, [read more here](#).

The following four objectives have been defined with specific goals and targets:

Emission reduction

- **A climate neutral** group by the end of 2022
- **Net zero emissions** in our financing and investment activities by 2050

Transition

- 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

- **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 and promoting accountability

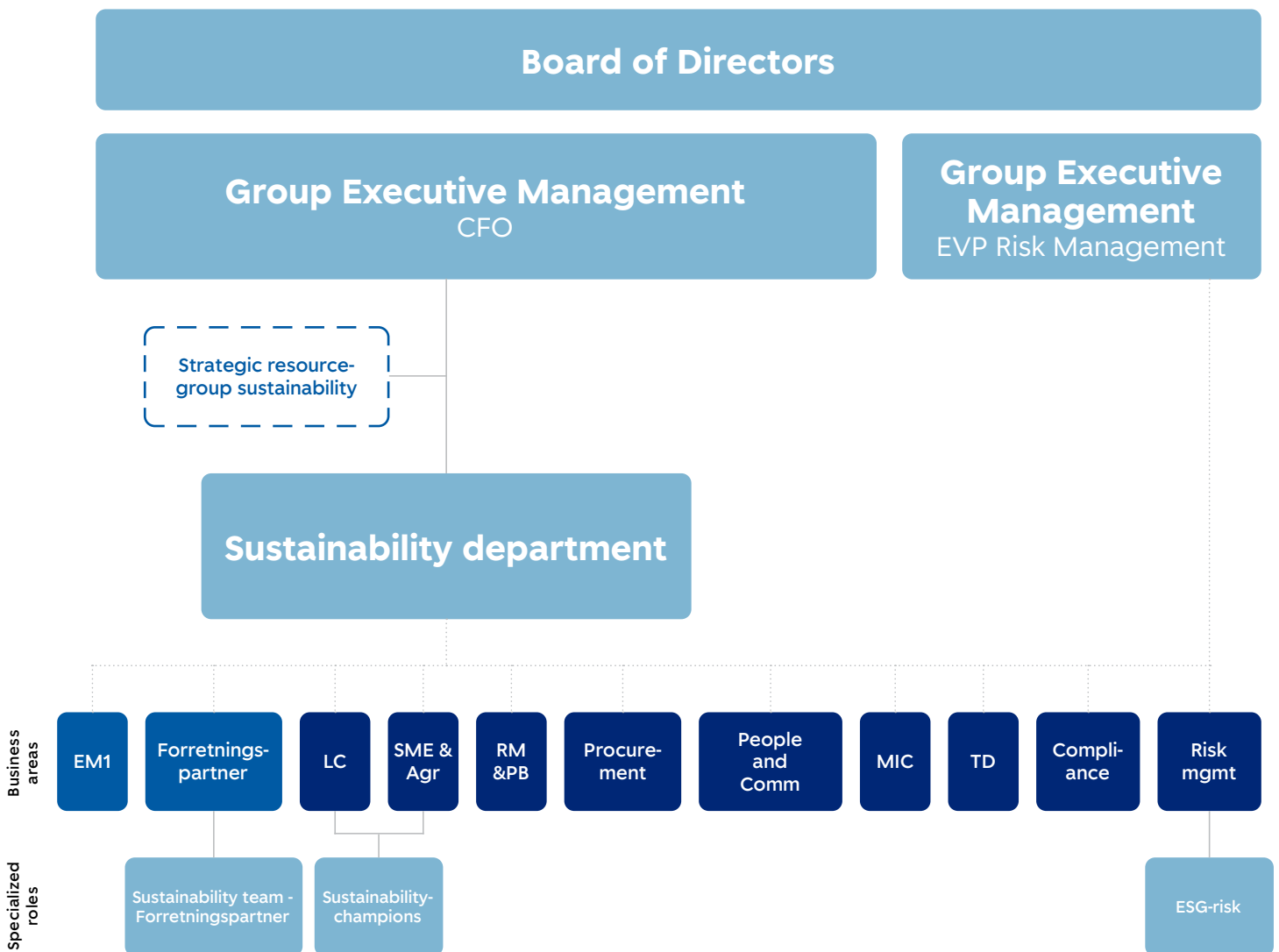
- Have **zero-tolerance** for all forms of financial crime
- **Safeguard human rights** by contributing to transparency in supply chains
- Be known for a **high ethical standards**

1.3 Sustainability governance in SR-Bank

SpareBank 1 SR-Bank’s ambition is for the group to be the customer’s ally in the sustainability shift. In order to achieve this, there needs to be a deep integration of sustainability efforts both in central functions and in the business divisions. A good governance structure and clearly allocated roles and responsibilities are required to deliver on the group’s goals. An overview of this governance structure was established in 2023 and updated in Q2 2024 (Figure 1).

The board bears general responsibility for the work and has delegated this responsibility via the CEO to the CFO. The central sustainability department reports to the CFO. The department works with the group’s business divisions, subsidiaries and key functions. Risk Management is responsible for the ESG risk management framework and reporting. A broadly composed strategic resources group has also been established in which representatives appointed by the executive group management team must ensure embedding, coordination and efficient information flow.

FIGURE 1: Overview of governing documents in SpareBank 1 SR-Bank



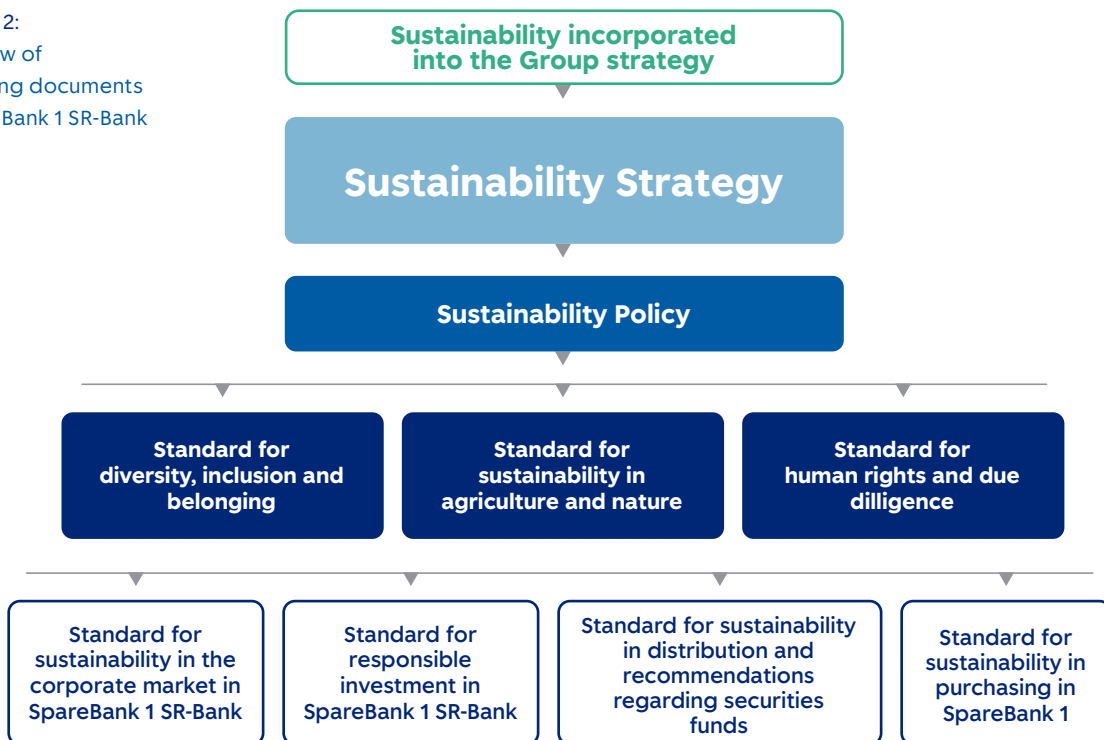
1.4 SpareBank 1 SR-Bank's sustainability strategy and governing documents

The board and executive management team have made sustainability a strategic priority area and the group's sustainability strategy is intended to clarify the work in this area. A clear sustainability strategy with associated guidelines is vital to enable the group to achieve an efficient and concrete sustainability. The sustainability strategy provides guidelines for the group's work on sustainability and should support the staff and managers in making decisions and their day-to-day work. The sustainability strategy must also clarify to customers and investors how sustainability is integrated into SpareBank 1 SR-Bank's operations and how it affects its decisions. All of the group's customers, financial partners, investment partners and suppliers must

be familiar with the group's sustainability strategy and governing guidelines.

The sustainability and climate strategy must be considered in conjunction with other governing documents, such as the code of conduct, credit strategy, and other relevant policies and standards within the group. Sustainability is included in the documentation and set of procedures associated with credit and investments, as well as management. The strategy and associated governing documents apply to all of the group's operations, including its subsidiaries, irrespective of customer groups and organisational affiliation. Sustainability is included in the documentation and set of routines associated with credit and investments/management.

FIGURE 2:
Overview of governing documents in SpareBank 1 SR-Bank



1.4.1 Our contribution to the realization of the Sustainable Development Goals

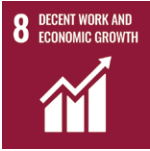
The group's sustainability work is based on the 17 UN Sustainable Development Goals (SDGs). The group has identified three SDGs where it can have the greatest impact through its core business activities. The SDGs on which the group particularly focuses are SDG 5 Gender Equality, SDG 8 Decent Work and Economic Growth, and SDG 13 Climate Action. The SDGs are anchored in the group's sustainability strategy and targets have been set with specific measures for each of these SDGs.



TABLE 1: The group's goals, targets and achievements with respect to the SDGs in 2023.



Goals	Targets	Achievements in 2023
<ul style="list-style-type: none"> Gender balance (40/60) at all management levels and in material positions in the company by 2025 	<ul style="list-style-type: none"> At least 40% representation of both genders at all management levels (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 	<ul style="list-style-type: none"> In 2022, questions about diversity were introduced in the department's leadership needs analysis during recruitment. There was also a requirement to have a 50/50 gender representation among final candidates. In 2023, we have maintained the focus on good practices and guidelines around recruitment to achieve gender equality in the group.
<ul style="list-style-type: none"> Equal pay for genders - Equal pay for equal work 		<ul style="list-style-type: none"> Every year, the use of an equal pay fund is considered to address wage differences that can be explained by gender. In 2023, no distribution of the equal pay fund was made.
<ul style="list-style-type: none"> Strengthen financial gender equality through our advisory products, and services 		<ul style="list-style-type: none"> In 2023, we have maintained our focus on including both parties in a relationship in our advisory meetings, along with providing legal services through Justify.



Goals	Targets	Achievements in 2023
<ul style="list-style-type: none"> At least NOK 50 billion allocated 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 sector during 2022 	<ul style="list-style-type: none"> Developed and implemented the sustainable finance framework (download pdf here)
<ul style="list-style-type: none"> Help customers in the transition through our advisors 		
<ul style="list-style-type: none"> Create sustainable growth by facilitating new jobs through entrepreneurship and innovation 		<ul style="list-style-type: none"> GrunderAcadamy conducted its annual program. In 2023, NOK 650,000 were awarded in prizes to nine founders to stimulate entrepreneurship.
<ul style="list-style-type: none"> Ensure that the group's employees have sufficient and relevant expertise to contribute to the transition 	<ul style="list-style-type: none"> Learning objectives for various target groups within the group are defined. 	<ul style="list-style-type: none"> The group has followed the competence plan set in 2022, which defines basic competence for all employees, further training for various target groups, and specialist courses for experts. In 2023, the group provided training on our sustainability strategy for all employees and insight into how sustainability is integrated into all parts of our group. Training was also provided on the implications of our ISO certification in environmental management (ISO 14001:2015). In March 2024, as in the previous year, we held our own sustainability festival, spanning a week with lectures and discussions that further enhanced our sustainability expertise In the fall of 2023, we enhanced our expertise in the social aspect of sustainability and provided training in human rights, diversity, and inclusion. Leaders also received an introduction to diversity management. Our corporate advisors received training in green framework and ESG, while our retail advisors received training on how our advisory services can contribute to a more gender-equal economy for our customers. Employees have taken further education in the field of sustainability: Sustainable Finance course at BI, Sustainable Financial Analysis at NHH and SDG Innovation Accelerator at UN Global Compact.



Goals	Targets	Achievements in 2023
<ul style="list-style-type: none">• SpareBank 1 SR-Bank is climate- neutral group from 2022		<ul style="list-style-type: none">• SpareBank 1 SR-Bank was certified according to the environmental management standard ISO 14001 in the fall of 2023.• Carbon credits in the form of biochar equivalent to 50 tons of CO2 for scope 1 were purchased.• Additionally, carbon credits in the form of tree planting equivalent to 500 tons for scope 2 were purchased.• Furthermore, forest conservation equivalent to 800 tons of CO2 for category 6 was also purchased.
<ul style="list-style-type: none">• Net-zero emissions in our financing and investment activities by 2050	<ul style="list-style-type: none">• A corresponding target for reducing emissions in the lending portfolio by 2030 will be finalized during the first half of 2022	<ul style="list-style-type: none">• SpareBank 1 SR-Bank reported in 2023 according to the frameworks TCFD, PCAF, CDP, Poseidon Principles, and TNFD.• Additionally, an transition plan was published in March 2024.

1.5 The group's stakeholders and key sustainability themes

SpareBank 1 SR-Bank is best able to influence society to move in a more sustainable direction through its core business. Its core business activities mainly involve providing loans to retail and corporate customers. The group can also have an influence through its investments, both directly and indirectly through daughter companies.

1.5.1 Impact analysis

The group carried out an impact analysis using a tool developed by UNEP FI which apply to the lending portfolio for the retail market and the corporate market. The impact analysis was carried out to identify SpareBank 1 SR-Bank's positive and negative impact on the economy, the environment and social conditions. The analysis shows that SpareBank 1 SR-Bank has a positive contribution to a healthy and inclusive economy. This is achieved by offering payment solutions and access to housing for retail customers which stimulates the economic growth and the creation of new jobs for the corporate market. The analysis points at three areas where SpareBank 1 SR-Bank contribution should be improved: resource efficiency, climate and biodiversity. These areas are reflected in the analysis through loans to vehicle, homes and general sector associated with higher greenhouse gas emissions. The impact analysis shows that the group has positive impact in several social aspects, but that it should focus on environmental aspects in the future. This analysis was one of the foundations for the group's strategy work that was ongoing through 2021, and which will be continued in the strategy period until 2025.

1.5.2 Materiality analysis

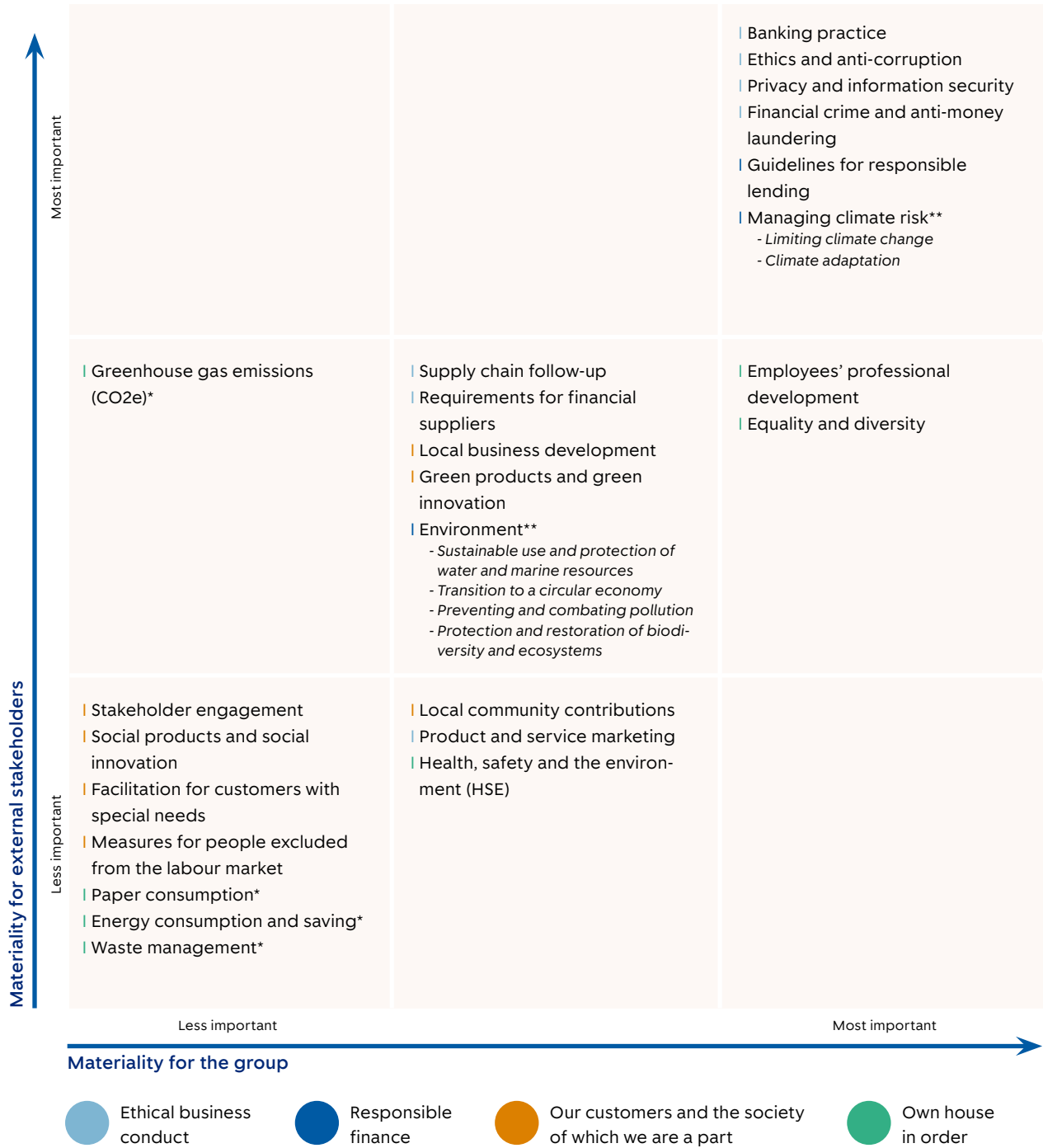
The group strives to be specific and concise in its sustainability work. In accordance with the GRI Standard, SpareBank 1 SR-Bank conducted its first materiality analysis in 2018. This analyses was updated in 2022. The group conduct and updated its materiality analysis regularly to identify various risks and opportunities related to ESG (environment, social conditions and governance) and to ensure

that the group's sustainability work meets the expectations of its stakeholders. The implementation of the materiality analysis helps SpareBank 1 SR-Bank to strengthen its dialogue with important groups of stakeholders (Figure 2) Figure 2 shows the materiality matrix prepared after conducting a survey and interview with both external and internal stakeholders, as well as a workshop among key internal employees. The materiality matrix identifies and maps out which topics are important for both the group's employees and its external stakeholders. It also points to areas where the group has positive and/or negative impact.

The results of the materiality matrix gives SpareBank 1 SR-Bank valuable insight and the opportunity to prioritize, adjust and sharpen future work on sustainability. At the same time, the materiality analysis forms the basis for reporting in accordance with GRI. Figure 1 shows that internal and external stakeholders attach the highest importance to ethics and anti-corruption, privacy and information security, financial crime and anti-money laundering, climate risk management, responsible credit and banking practices. The result shows a picture of the present situation of what is significant based on the stakeholder's average ranking of the topics, from low to high. Low ranking does not mean unimportant, but of lower significance compared to other topics. It can be assumed that the topics that apply internally in the group have been ranked with lower importance because these have become a hygiene factor/ standard in the financial industry or because the group has a larger and more significant impact beyond its own operation.

In the work of assessing materiality, it is important to take into account how sustainability affects the group and also how the group affect various sustainability factors. This approach is called dual materiality and is a key part of the development of sustainability reporting. The forthcoming directive for sustainability reporting in the EU, the Corporate Sustainability Directive (CSRD), is based on dual materiality.

FIGURE 3: Materialitymetrix



* applies internally in the group
 ** taxonomy-related topic

1.5.3 Stakeholder dialogue

SpareBank 1 SR-Bank has several important stakeholders: customers, employees, shareholders, authorities, investors, organizations and society in general. A fruitful dialogue with professional and research environment is important when it helps enhancing the group's work in line with the SDGs and the Paris Agreement, as well as the group's own ambitions

based on its sustainability strategy. SpareBank 1 SR-Bank continuously maps out new expectations and signals from stakeholders, changes in national and international standards that affect best practices, and the development of behaviors and norms of significance to the group's stakeholders.

TABLE 2: Shows the dialogue SpareBank 1 SR-Bank had with stakeholders in 2023

SpareBank 1 SR-Bank has maintained a rich dialogue with all stakeholders both through digital solutions, but also physical meetings when possible.

Stakeholder groups	How we interact throughout the year	Ongoing	Quarterly	Annual	Frequently discussed topics
Customers	<ul style="list-style-type: none"> Private customer dialogues/meetings Corporate customers focus on sustainability Market research of both retail and corporate markets Digital channels (sr.bank.no, press releases, mobile bank) Social media (Facebook, Instagram, Snapchat and LinkedIn) Customer centre for private and corporate customers Dialogue with corporate clients 				<ul style="list-style-type: none"> Advising and assisting customers on green products Sustainability themes that are relevant for corporate customers (industry dependent) Responsible finance, openness, trust, local presence, UN SDGs Doble materiality assessment
Employees	<ul style="list-style-type: none"> Annual organization survey Annual employee meetings Cooperation with trade unions Onboarding days Trade union E-learning course on sustainability and climate 				<ul style="list-style-type: none"> Work environment Employee development Involvement of employees in the future of the bank Responsible finance, transparency, financial crime, ethics and privacy Material topics within sustainability and the EU's action plan for sustainable finance
Owners and the Board	<ul style="list-style-type: none"> Regular communication with our largest owners, including Sparebankstiftelsen Board meetings Board elections Stock exchange announcements and quarterly reports Investor updates and quarterly reports Investor presentations Presentations and meetings with the SpareBank 1 SR-Bank Executive Board 				<ul style="list-style-type: none"> Financial results and SpareBankstiftelsen SR-Bank donations and grants Annual report and governing documents relating to sustainability Information and communication about the business environment in Southern Norway and the development and status of the financial markets Annual implementation plan for investor relations Green bonds CSRD and EU Taxonomy
Management	<ul style="list-style-type: none"> Regular meetings 				<ul style="list-style-type: none"> Sustainability reporting, climaterisk, naturerisk, transition plans, competency plan on sustainability
Authorities	<ul style="list-style-type: none"> Measures for compliance with laws and regulations (Compliance) Meetings and dialogues with the Central Bank of Norway 				<ul style="list-style-type: none"> Improvement measures in consultation with management Operations, security, and privacy Sick leave, health-promoting workplaces Financial stability/climate risk

Stakeholder groups	How we interact throughout the year	Ongoing	Quarterly	Annual	Frequently discussed topics
Society at large	<ul style="list-style-type: none"> Participation in various forums and conferences (CEO and Director Sustainability) Annual prizes awarded to entrepreneurs to stimulate entrepreneurship Articles in various newspapers 				<ul style="list-style-type: none"> Climate change risks, natural risks and ESG Knowledge on the region's opportunities and challenges Products and services offerings Responsible investment, openness, trust, local anchoring, local contributions Creation of new future-oriented companies and jobs Master's thesis/bachelor thesis with focus on CSRD
Investors and Brokers	<ul style="list-style-type: none"> Meetings and events 				<ul style="list-style-type: none"> Financing, follow-up on ESG status, market development
Initiatives, frameworks and special interest groups	<ul style="list-style-type: none"> Answering surveys and interviews focusing on sustainability Website update, review of internal guidelines Various projects participation Dialogues Working groups Participation in the Sustainability Group (NCE) Implementation of the Principles of Responsible Banking 				<ul style="list-style-type: none"> ESG reporting Knowledge/competency management of employees on sustainability Influence and goals on sustainability Sustainability in Shipping Measurement of financed emissions, climate change risks Offshore wind Sustainable finance Responsible finance, openness, trust, selected sustainability issues, UN SDGs
Rating agencies and analysts	<ul style="list-style-type: none"> Rating processes, events and meetings 				<ul style="list-style-type: none"> Rating processes, ESG status monitoring, market development
Suppliers	<ul style="list-style-type: none"> E-mails, telephone conversations and digital meetings Dialogue/questionnaires Follow-up related to the transparency law 				<ul style="list-style-type: none"> Suppliers work on climate, environment, social conditions, and ethical business practices The Transparency Act
SpareBank 1 Alliance and joint committees, including procurement, skills management and asset management	<ul style="list-style-type: none"> Communication via e-mail, telephone conversations and digital meetings in the established Sustainability Forum 				<ul style="list-style-type: none"> Joint project – ESG module for the corporate market Working group within CSRD, procurement, and skills development Climate change risks, skills development, responsible finance, the Norwegian Transparency Act and EU Taxonomy

TABELL 3: IMPLEMENTED MEASURES IN 2023

Table 3 provides an overview of sustainability measures that were implemented in 2023 as well as planned measures for 2024

	Implemented measures in 2023	Results of measures	Related objective (from sustainability and climate strategy and/or internal KPI)	Planned measures in 2024	Responsible (division/ department)
Privacy and information security	The privacy department has conducted a series of major and minor internal controls in 2023, according to the annual plan, to verify the Group's compliance with data protection regulations. Following the controls, measures have been implemented to ensure increased quality. Furthermore, in 2023, there has been a focus on training, including privacy training for all bank branches and several departments in the staff. Additionally, a number of activities have been carried out to improve the quality of procedures, templates, and the bank's processing protocol.	No sanctions, orders, or criticisms from the Norwegian Data Protection Authority (Datatilsynet).	SpareBank 1 SR-Bank aims to be the most trusted provider of secure and modern banking services.	Continuing education in data privacy and implementing measures to increase awareness among employees in the group. Strengthening the group responsibility of the Privacy Department by appointing dedicated privacy resources in all divisions/units within the group. Conducting frequent internal controls based on a risk-based approach.	Privacy Department
Money laundering and terrorism financing	Business-oriented risk assessment and Group guidelines for AML (Anti-Money Laundering) and sanctions, including the AML Policy, have been updated and reviewed by the board. Planned tailored training has been conducted, and both first, second, and third-line controls have been performed, along with improvements to measures based on identified deficiencies. Public regulatory reports have been reviewed, and measures have been implemented to meet regulatory requirements. Furthermore, additional resources have been allocated to the AML area throughout 2023.	The hit rate of alarms has increased throughout the year, and the number of cases reported to Økokrim has risen by nearly 50 percent. This reflects an improvement in compliance requirements and a strengthening of our defenses.	SpareBank 1 SR-Bank has a zero-tolerance policy for money laundering, financing of terrorism, and all other forms of financial crime	Continuous improvement measures are ongoing, including as a result of risk assessments, regulatory reports, and internal audits. Particularly important is the work related to the merger with SpareBank 1 Sør-Øst.	AML section (Anti-Money Laundering) responsible party

	Implemented measures in 2023	Results of measures	Related objective (from sustainability and climate strategy and/or internal KPI)	Planned measures in 2024	Responsible (division/ department)
Emissions and Compliance with Environmental Regulations	<p>ISO 14001 certified in September 2023. Established energy monitoring system for the bank's locations and set consumption targets.</p> <p>Established waste fractions at all locations in accordance with new legal requirements. Enhanced focus on sustainability in operations through the establishment of a dedicated full-time position for sustainability and workplace concepts.</p>	<p>Through ISO certification, employees and customers are assured that the bank is actively working to reduce its impact on the external environment.</p> <p>Established energy monitoring systems have contributed to better oversight and control of consumption at our locations.</p>	<p>Sustainability and climate strategy: Climate-neutral group by 2022</p> <p>Sustainability policy: Working on continuous environmental improvement and complying with regulatory and internal requirements related to the external environment..</p>	<p>Maintain and continuously improve the environmental management system with a focus on reducing the bank's carbon footprint and ensuring the best possible sustainable operation of our locations.</p>	Facility Management
Ethics and Anti-Corruption	<p>23 new employees have completed e-learning on anti-corruption.</p>	<p>Increased awareness on anti-corruption.</p>	<p>Climate and sustainability strategy: Characterized by high ethical standards.</p>	<p>New deployment of e-learning on anti-corruption to employees in the target group.</p>	People and organisation
Diversity and equality	<p>Created a dedicated Diversity, Inclusion, and Belonging task force. Revised "Standard for Diversity, Inclusion, and Belonging". Completed diversity leadership certification program for 5 employees. Integrated diversity leadership into our management programs. Presented on diversity leadership at executive summit. Established routine for needs assessment and recommendations to ensure diversity.</p>	<p>The work on diversity and equality has been structured and systematized for long-term efforts. Increased competence for everyone on diversity and equality. Established a foundation within diversity management to build upon.</p>	<p>Objective to achieve a 40/60 gender balance at all management levels and in senior professional positions within the group by 2025, as well as gender balance among final candidates in recruitment. Sustainability included in the company's bonus model.</p>	<p>Enhance the quality of systematic work related to the duty to report activities. Implement an annual cycle for diversity celebrations. It may be particularly important to mention that risk assessment will be conducted.</p>	People and Organization

	Implemented measures in 2023	Results of measures	Related objective (from sustainability and climate strategy and/or internal KPI)	Planned measures in 2024	Responsible (division/department)
Employment conditions	All employees have been given new questions regarding their work situation, job satisfaction, as well as questions about the need for sustainability competence in the annual employee performance review. We have established dedicated career pages for late-career employees. We have held lectures for everyone on psychological safety and inclusion, and conducted a specific survey on this topic. Talent and succession processes have been implemented to ensure the right development opportunities for each individual. This is the first full year of conducting more frequent employee surveys (Winningtemp) to regularly gauge the pulse (every other week).	Improved communication tools for employees and managers, laying the foundation for increased transparency and psychological safety.	Employee well-being, employee engagement, and turnover of employees with less than 5 years of tenure.	Improve the quality of development plans. Initiate a mentorship program.	People and organization
Employee training	Conducted fundamental sustainability training for all employees on topics such as our sustainability strategy, how sustainability is integrated across all parts of the organization, human rights, diversity, and inclusion. Training on gender-equal economics for personal banking advisors, training on ESG and green framework for corporate advisors. Educational programs on sustainable finance, sustainable financial analysis, SDG innovation program, sustainability reporting, and certification program in diversity management.	Established basic competence for all employees, leading to organizational maturity and providing a foundation for further development.	Competence, competence and skills development with focus on sustainability	New competence activities for everyone, targeted competence activities for different target groups, and diversity management for leaders.	People and Communication



FIGURE 4: The figure illustrates our engagement with local communities on sustainability themes

Overview of SpareBank 1 SR-Bank's Stakeholders (the list is not exhaustive):

- | **Employees:** Parent company, daughter company, elected representatives, ombudsman, pensioner society.
- | **Customers:** Retail customers, corporate customers, public sector customers and organisations, entrepreneurs.
- | **Owners:** Sparebankstiftelsen SR-Bank, other shareholders.
- | **Capital markets:** Equity investors, debt investors, financial institutions, brokerage firms.
- | **Daughter companies:** EiendomsMegler 1 SR-Eiendom AS, SpareBank 1 SR-Bank ForretningsPartner AS, SR-Boligkreditt AS, FinStart Nordic AS and Monio AS.
- | **Joint Ventures and Partnerships:** SpareBank 1 Gruppen AS, SpareBank 1 Utvikling DA, SpareBank 1 Forvaltning AS, BN Bank ASA, SpareBank 1 Kreditt AS, SpareBank 1 Betaling AS.
- | **Suppliers:** Product and service suppliers related to personnel, consultant, auditing, IT, maintenance, operation, security, cleaning, energy etc..
- | **Authorities:** Relevant municipalities and county authorities in the group's market area, Norges Bank, Norwegian Competition Authority, Consumer Ombudsman, Norwegian Government, Parliament, Financial Supervisory Authority.
- | **Competitors:** Financial institutions, insurance and pension companies, asset managers, other players within payment services, fin-tech, accounting- and consulting services, etc. (local, national and international actors).
- | **Sponsorships:** Teams, clubs and organizations (Stavanger Concert Hall, Viking FK, Viking FK Women, Avaldsnes Elite AS, Blinkfestivalen).
- | **Partners:** Sparebank 1-banks, SpareBank 1-alliance, LO Favør.
- | **Grant recipients:** Recipients of grants from G9alt, recipient of grants from Sparebankstiftelsen SR-Bank.
- | **Initiatives, frameworks, special interest groups:**
 - International: UN Global Compact, UN SDGs, UN Principles for Responsible Banking (PRB), Poseidon Principles, Initiative for Responsible Ship Recycling (RSRS), Carbon Disclosure Project (CDP), Global Reporting Initiative (GRI), Task Force on Climate-Related Financial Disclosures (TCFD), The Paris Agreement Capital Transition Assessment (PACTA), NCE Finance Innovation, Partnership for Carbon Accounting Financials (PCAF), EU Taxonomy.
 - National: Skift- Næringslivets klimaledere, Finans Norge, Future-Proof, Raftostiftelsen, LO Finans, Finansforbundet, Cicero, Statens pensjonsfond utland (SPU), Miljøstiftelsen Zero, Norsk Klimastiftelse, Kvinner i Finans Chater, Framtiden i våre hender, Forbrukerrådet, Norsif.
- | **Industry organizations:** NHO Rogaland, Stavanger Chamber of Commerce, Innovation Norway, Norwegian New Energy Solutions, RSRS, Poseidon Principles.
- | **Research and education environments:** Universities and Colleges in the group's market areas (UIS, UIA, HVL, Universitetet i Nord avd. Bodø, UIO BI, NHH, NTNU).
- | **Society, media, public opinion, public actors:** Local communities near the groups market/operates, digital channels (sr.bank.no, press releases, phonebank), social media (Facebook, Instagram, Snapchat and LinkedIn), local and regional newspapers, society at large.
- | **Sustainability rankings, rating agencies and analysts:** Sustainalytics, MSCI, Moody's ISS, Etisk Bankguide, ESG 100 etc..
- | **Oslo Stock Exchange:** EuroNext

1.6 SpareBank 1 SR-Bank's global responsibilities – organisations and international principles supported by the group

1.6.1 FNs bærekraftsmål

The group has identified three SDGs in relation to which it can have the greatest impact through its core business activities. SpareBank 1 SR-Bank supports the global effort to eradicate poverty and fight inequalities and limit climate change by 2030. It has stipulated targets and associated measures for each of the SDGs it is particularly focusing on. The measures are anchored in an action plan linked to the sustainability strategy and will be implemented during the selected strategy period.

1.6.2 UN Global Compact

SpareBank 1 SR-Bank adhered to the UN Global Compact, the world's largest initiative for corporate social responsibility (CSR). The group recognizes and supports the UN Global Compact's 10 Principles of Sustainability. The 10 Principles of Sustainability apply to the entire group, across all business areas. Accordingly, these principles apply to all of the group's operations, including its subsidiaries, irrespective of customer group and organizational affiliation. As a member of UN Global Compact, the group reports annually to the UN Global Compact at advanced level and plays an active part in the Global Compact Network Norway.

1.6.3 The Principles for Responsible Banking

The United Nations Environment Programme Finance Initiative (UNEP FI) launched the Principles for Responsible Banking in 2019. These six principles are designed to ensure that the banking industry is a driving force behind achieving the SDGs and the Paris Agreement. SpareBank 1 SR-Bank adhered to these principles when they were launched and has thus committed itself to reducing its direct and indirect CO2 emissions in line with the national obligations under the Paris Agreement. The group has committed itself to carrying out and implementing measures that support those principles over 4 years, namely from when it became a signatory up to the end of 2023.

1.7 Global standards that SpareBank 1 SR-Bank complies with

1.7.1 UN Guiding Principles on Business and Human Rights

SpareBank supports the UN Guiding Principles for Business and Human Rights (UNGPs). The UNGPs were unanimously approved by the UN Human Rights Council in 2011 and represent the most important global standard for businesses human rights responsibility. This responsibility applies to all companies regardless of size, industry location, ownership or structure. The UNGPs state that all companies have an independent responsibility to respect the internationally recognized human rights (the so-called "International Bill of Human Rights"). And the Principles laid down by the ILO's declaration on fundamental principles and rights in working

life. In order to ensure respect for human rights in their own operations and to avoid being involved in human rights violation through business relationships, the UNGPs requires companies to carry out due diligence assessments. In 2011, UNGPs's due diligence standard was included in the OECD's guidelines of multinational companies, on which the Act on Business Transparency and Decent working conditions (the Transparency Act) is based. The Transparency Act forms the basis of SpareBank 1 SR-Bank's efforts to ensure respect for human rights. To further emphasize the importance of our commitments and work in this area, SpareBank 1 SR-Bank has joined the Future-Proof initiative. This is a collaboration platform for business and human rights established by Bergen Næringsråd and the Raftostiftelsen, which will contribute to raising the issue in Norway and exchange experience on the implementation of due diligence assessments in practice. By signing the Future, Proof poster, we confirm that: "we take our shared responsibility to respect human rights seriously. We do this by complying with the UN Guiding Principles for Business and Human Rights (UNGPs).

1.7.2 OECD Guidelines for Multinational Enterprises

SpareBank 1 SR-Bank's governing documents relating to sustainability are based, among other things, on OECD's Guidelines for Multinational Enterprises and are in line with the UN's Guiding Principles on Business and Human Rights. The OECD Guidelines for Multinational Enterprises, together with UN Guiding Principles on Business and Human Rights, are the leading international standard for responsible business in all sectors. A main goal of the OECD's guidelines is for the business community to contribute to sustainable development. The guidelines set out clear expectations for the business community's caution in areas such as human right, labor rights, as well as the environment. The objective of the guidelines is to promote positive contributions from companies to economic, environmental, and social progress throughout the world. Due diligence assessments to prevent harm to people is central in the new law that entered into force in Norway on July 1st 2022. For additional information on how SpareBank 1 SR-Bank is working on meeting the requirements of the Norwegian Transparency Act (the Transparency Act), see chapters 2.10 and 2.11.

1.8 Other initiatives and tools

1.8.1 Global Reporting Initiative (GRI)

SpareBank 1 SR-Bank reports in line with the international standard governing sustainability reporting, the Global Reporting Initiative (GRI). One of the main principles of the GRI Standard is to report on the most important factors for a company in relation to its impact on the environment, people, and society. Sustainability is an integral component of the group's operations and the GRI reporting is integrated into the annual report. The GRI indicator SpareBank 1 SR-Bank reports on are based on the materiality analysis carried out in 2022.

1.8.2 CDP-reporting

SpareBank 1 SR-Bank submits a Carbon Disclosure Project (CDP) report, which is a global system for measuring, reporting and sharing climate and environmental information.

To read the report and for updated scoring, see the CDP website ([Read more here](#))

1.8.3 Task- Force on Climate- related Financial Disclosures (TCFD)

SpareBank 1 SR-Bank focuses heavily on climate risk and complies with the recommendations of the Task-Force for Climate related Financial Disclosures (TCFD) for reporting on climate risk. The group's climate risk reporting can be found in SpareBank 1 SR-Bank's annual report.

1.8.4 Task- Force on Nature- related Financial Disclosures (TNFD)

SpareBank 1 SR-Bank focuses on nature risk and follow the recommendations from the Task-Force for Nature-related Disclosures (TNFD) when reporting on nature risk. The group's TNFD reporting can be found in SpareBank 1 SR-Bank's annual report.

1.8.5 Initiative for Responsible Ship Recycling

SpareBank 1 SR-Bank supports the initiative for Responsible Ship Recycling (RSRS) which is a voluntary initiative led by leading banks. The initiative advocates the responsible breaking up and recycling of vessels and aims to minimize the adverse consequences of noxious and environmentally hazardous waste on board. The principles behind RSRS will form part of the group's engagement with shipping companies that wish to become, or already are, its customers. The principles form an integral part of SpareBank 1 SR-Bank's loan agreements and other terms and conditions.

1.8.6 Poseidon Principles

In 2020, SpareBank 1 SR-Bank adhered to the Poseidon Principles, a global framework in which the banks work together to encourage their shipping customers to abide by good responsible environmental standards. SpareBank 1 SR-Bank was the 19th bank to adhere to this global framework aiming to achieve 50 per cent lower greenhouse gas emissions from shipping by 2050. The group has committed itself to collecting data on its customers' emissions on an annual basis and to publishing aggregated data. Major weight will be given to environmental standards when new loans are granted within the shipping industry

1.8.7 The Norwegian State Pension Fund Global, the Norwegian Sustainable Investment Forum (Norsif) and the UN Principles for Responsible Investments (UN PRI)

SpareBank 1 SR-Bank complies with the Norwegian Government Fund Global's ethical exclusion list with respect to the companies it invests in or to which it provides credit.

1.8.8 Grønnvaskingsplakaten

SpareBank 1 SR-Bank has signed "Grønnvaskingsplakaten" - a guideline for small and large businesses aiming to avoid greenwashing in marketing and contribute to accelerating the green shift.

1.9 SpareBank 1 SR-Bank's membership in national framework and initiatives

1.9.1 Finance Norway

SpareBank 1 SR-Bank is an active member of Finance Norway. CEO, Benedicte Schilbred Fasmer was elected as chairman of Finance Norway in 2022.

1.9.2 Women in Finans Charter

SpareBank 1 SR-Bank became a member of Women in Finance Charter in autumn 2021, a group that works actively for gender balance and inclusion.

1.9.3 Skift – Næringslivets Klimaledere

SpareBank 1 SR-Bank became member of Skift in autumn 2021. Skift is a business-driven climate initiative, consisting of climate leaders in the business community which to be the driving forces for Norway to reach its climate goals by 2030 and take leading position in showing the business opportunities in the transition to zero-carbon society.

















1.9.4 Global Compact Norge

It is important for SpareBank 1 SR-Bank to help facilitate companies transition toward a more sustainable business practices through a common platform for knowledge and exchange of experiences. Therefore, SpareBank 1 SR-Bank contributed to the establishment of the Norwegian chapter of Global Compact. SpareBank 1 SR-Bank was represented on the board from October 2018 to October 2020 and is now represented on one of the committees.

1.9.5 Norwegian Green Building Alliance

SpareBank 1 SR-Bank became a member of the Green Building Alliance in the autumn of 2023. The Green Building Alliance is a member organization for construction and real estate, with the purpose of raising the environmental standard in Norwegian buildings.

TABLE 4: Initiatives and frameworks with which SpareBank 1 SR-Bank is affiliated.

Initiative/framework	Description
 <p>UN Sustainable Development Goals (UN SDGs)</p>	<p>SpareBank 1 SR-Bank has identified four UN Sustainable Development Goals where the group has the greatest potential to have a positive impact through its core activities:</p> <p>Goal 5 Gender equality Goal 8 Decent work and economic growth Goal 13 Climate action Goal 16 Peace, justice and strong institutions</p>
 <p>UN Global Compact</p>	<p>SpareBank 1 SR-Bank has been a signatory to the UN Global Compact, the world's largest initiative for corporate social responsibility, since 2015. The group recognises and supports the UN Global Compact's 10 principles of sustainability.</p>
 <p>UN Principles for Responsible Banking (PRB)</p>	<p>SpareBank 1 SR-Bank has been a signatory to the UNEP FI Principles for Responsible Banking since 2019. Through the PRB, the group has committed itself to continuously improving its work on being a responsible bank.</p>
 <p>Global Reporting Initiative (GRI)</p>	<p>SpareBank 1 SR-Bank reports in line with the leading international standard, GRI 2021.</p>
 <p>Carbon Disclosure Project (CDP)</p>	<p>SpareBank 1 SR-Bank reports in line with the CDP, which is a global system for measuring, reporting and sharing climate and environmental information. In 2022, the group achieved a grade B, which means that the group manages environmental and climate impacts well.</p>
 <p>Partnership for Carbon Accounting Financials (PCAF)</p>	<p>SpareBank 1 SR-Bank became a member of PCAF in autumn 2021. This is a global partnership of financial institutions that collaborates on methods for reporting greenhouse gas emissions in banking and investment portfolios.</p>
 <p>Task Force on Climate-related Financial Disclosures (TCFD)</p>	<p>SpareBank 1 SR-Bank has reported on climate-related risk in line with the recommendations issued by the TCFD since 2018.</p>
 <p>Responsible Ship Recycling Standards (RSRS)</p>	<p>SpareBank 1 SR-Bank supports the RSRS initiative and integrates the principles for the responsible breaking up and recycling of ships into its loan terms and conditions and other terms.</p>
 <p>Poseidon Principles</p>	<p>SpareBank 1 SR-Bank signed up to the Poseidon Principles in 2020. This is a global framework in which banks have joined forces to encourage their shipping customers to abide by responsible environmental standards and help cut emissions.</p>
 <p>EU classification system (Taxonomy) for sustainable activities</p>	<p>SpareBank 1 SR-Bank is working on classifying its portfolio in line with the Taxonomy and the Norwegian Act on sustainability-related disclosures.</p>
 <p>The Norwegian State Pension Fund Global and the UN Principles for Responsible Investment (UN PRI)</p>	<p>SpareBank 1 SR-Bank expects managers of funds distributed via the group's platform to comply with the Norwegian State Pension Fund Global's ethical exclusion list and to have signed up to the UN Principles for Responsible Investment (UN PRI).</p>
 <p>Skift – Business Climate Leaders</p>	<p>SpareBank 1 SR-Bank became a member of Skift, a network for business climate leaders, in autumn 2021.</p>
 <p>Women in Finance Charter</p>	<p>SpareBank 1 SR-Bank became a signatory to the Women in Finance Charter in autumn 2021, and the group is actively working on gender balance and inclusion. Read more on page 20 in the chapter on employees.</p>
 <p>Grønnvaskingsplakaten</p>	<p>SpareBank 1 SR-Bank has signed "Grønnvaskingsplakaten". The initiative provides guidance for businesses large and small that want to avoid greenwashing in marketing and make a positive contribution to speeding up the green transition.</p>
 <p>FUTURE-PROOF</p>	<p>SpareBank 1 SR-Bank signed the FUTURE-PROOF decree in April 2023. FUTURE-PROOF is a collaborative platform designed to promote responsible business conduct and help companies fulfil their human rights responsibilities, both internally and throughout their supply chains.</p>
 <p>Green Building Alliance</p>	<p>SpareBank 1 SR-Bank became a member of the Norwegian Green Building Alliance in autumn 2023. The Green Building Alliance is a member organisation for buildings and property and aims to raise the environmental standards of Norwegian buildings.</p>

2 Sustainability is an integral component of SpareBank 1 SR-Bank operation

2.1 Labour and Human Rights

SpareBank 1 SR-Bank's commitment to respect basic human rights is rooted in the overall sustainability and climate strategy.

It is the UN- and OECD guidelines, together with the UN human rights standard ("International Bill of Human Rights") and the ILO's core conventions ("human rights in working life") and standards for decent working conditions, which are the foundation for the group's work in fulfilling its responsibility to respect basic human rights.

Companies' responsibility to respect human rights, including basic conditions for decent working life, is a universal norm. This is embedded across the UN's Sustainable Development Goals, which form the basis of SpareBank 1 SR-Bank's sustainability work and contribution toward the green transition.

The group's standards for sustainability: Labour and human rights lists some of the most important conventions, frameworks, and guidelines in the area of human rights. This does not mean that other human rights are not important. These are also relevant to the groups, its customers and business partners to varying degrees, depending on the industry and whether or not a national or international business or supply chain is affected. The standard specifies requirements for an international framework for human rights and business, labour rights, vulnerable groups and international humanitarian laws, the Geneva Conventions.

The obligation to respect basic human rights is also anchored in the group's governing documents. The Transparency Act contributes to strengthening the work on human rights and decent working conditions. Conducting due diligence assessments is a central component, where the focus is on avoiding and managing the risk of negative consequences for basic human rights and decent working conditions in our own business and in the value chain. SpareBank 1 SR-Bank's approach to due diligence

assessments builds on the UNGP and the OECD Standard, which incorporates due diligence assessments for the entire value chain. This includes assessment of risks to human rights and employee standards in the context of all our activities and roles, including loans provided to businesses, as a service provider for both the private and corporate market and as an intermediary for savings and investment products, and in the work to look after our own employees and promote sustainability in our procurement processes i.e. our supply chain and agreements with business partners who supply goods and services to the group.

In accordance with the Transparency Act, the group publishes the due diligence assessment on the website annually by 30 June (first time in 2023). A contact form has been created on the website for questions related to the group's work with due diligence in accordance to requirements set out in the Transparency Act.

2.2 Employees

The employees are the group's most important asset, and we work continuously to facilitate professional development, well-being and commitment in the organization. Employees and managers that perform at their best in accordance with the group's strategy are crucial for creating added value for customers and shareholders. Continuous change in customer behavior and increasing digitalization requires the development of skills and knowledge of existing employees so as to achieve the group's objectives.

The group will support employees and ensure that they have the opportunity to thrive and create value throughout their various life phases. The group's life phase policy enables employees to live as they want and have planned in various phases of their lives. It also encourages the group's seniors who want to follow the group's development to stay in work longer.

SpareBank 1 SR-Bank follows IA-companies arrangements and supports the ILO convention and the convention on the right of persons with disabilities. The group supports the work of ILO on promoting social justice and rights in working life, both internally and through the group's business areas.

2.3 Diversity and Equality

SpareBank 1 SR-Bank desires to be a good place to work for everybody: A workplace that employees experience as safe and pleasant, and where individual's rights are properly safeguarded. The group's standard for diversity and equal opportunities emphasizes that this objective is an important focus area for the group and that it applies to all processes related to employment and being an employee of the group.

The group has zero tolerance of any form of discrimination and labor rights violation. All employees must have equal opportunities with respect to pay and career development, irrespective of age, ethnicity, national origin, heritage, skin colour, language, religion, sexual orientation, life stance or disability. This is anchored in the group's Standard for diversity and equal opportunities in addition, SpareBank 1 SR-Bank follows the ILO Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy (MNE Declaration).

No one should feel bullied in SpareBank 1 SR-Bank. The group has zero tolerance of verbal, physical and sexual harassment. All employees have both the right and a duty to report it if they or others are being subjected to such type of behaviors. Procedures have been prepared that describe how the group follows up and deals with reports of harassment. The objective is to ensure that reports of such type are handled professionally and that everyone involved is taken care of in a proper and satisfactory manner.

The group wants to actively encourage equal careers for both genders within leading and heavily specialised positions. The group systematically works to improve employees' skills and offers interesting career development opportunities for when interacting with customers, discipline and management pathways. The group has procedures and processes in place to ensure gender-balanced candidate pools for executive management positions. The group offers employees goal-oriented development initiatives, and emphasizes on increasing the proportion of women in those parts of the group where such proportion is low.

SpareBank 1 SR-Bank strives to achieve equal pay between for employees and actively works to ensure that it is in place. One of the group's procedures involves assessing the equal pay perspective when hiring for equal roles. The group has also used a dedicated equal pay pot to equalise disparities where the disparities have been the greatest. The work on equal pay, analyses, and equalisation of disparities is on the agenda in central in-house forums, and the

group constantly focuses on ensuring adherence to equal pay between the genders.

The group particularly focuses on SDG 5# Gender Equality. It is working on specific measures related to this goal.



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

As far as the group's customers, suppliers, partners and investments are concerned, SpareBank 1 SR-Bank standard for diversity and equal opportunities states, among other

things, that all companies customers and business partners should have zero tolerance of any form of gender discrimination, including verbal, physical and sexual harassment. This standard also stresses out the importance to strive for the equal treatment of men and women through equal pay for equal work and a balance between men and women in senior positions, where possible and natural.

SpareBank 1 SR-Bank expects its customers and partners to have a management system in place to prevent and reduce gender discrimination. Employment processes must be fair, and employees must be paid in line with the ILO's definition of a living wage: an income enabling a medium-sized family in a given economy to cover their basic needs.

2.4 Combating money laundering and terrorist financing

Fighting financial crime, which includes preventing the proceeds of criminal activities being laundered and terrorist financing, is a demanding and important work. Ensuring that the industry is not exploited for financial crime through the misuse of the services and products offered to the public is part of the financial services industry's social mission. SpareBank 1 SR-Bank prepares an annual assessment of the risk of money laundering and terrorist financing in relation to its operations, along with the associated risk mitigation measures.

A wide-range of key people in the group are involved in producing the risk assessment before it is considered by the board. Group guidelines for anti-money laundering and sanctions have been drawn up and are available to all employees and external parties on the group's website. Managers have to confirm on an annual basis that they take a conscious approach towards the risk associated with money laundering and terrorist financing, and that they are familiar with the guidelines and policy that is anchored in the group guidelines for anti-money laundering and sanctions.

SpareBank 1 SR-Bank also has an extensive framework of guidelines intended to prevent the use of the group to launder money, evade taxes or finance terrorism. This

framework aims at ensuring that the group complies with the statutory requirements in various processes through established procedures, customer measures, electronic monitoring, sanctions regulations, and procedures for internal control.

The group has committed to complying with the framework and guidelines in the Wolfsberg principles for combating financial crime. The Wolfsberg principles establish requirements, for example, with respect to transparency in customer transactions and on how information on those transactions is monitored and managed in line with the authorities' requirements.

Training plans have been produced for all employees and the group is aware of the consequences of failing to comply with the requirements of the Norwegian Money Laundering Act. In addition to striving to properly comply with legal requirements, the group maintains constant vigilance to

prevent the group's customers being subject to financial crime.

2.5 Ethics and anti-corruption

SpareBank 1 SR-Bank has zero tolerance of corruption. Zero tolerance applies within the organisation, with the group's customers, in companies it invests in, with respect to its providers suppliers. The group's sustainability policy states that SpareBank 1 SR-Bank must not contribute to financial crime such as corruption and money laundering. The group's activities are dependent on the confidence of customers, public authorities and society at large. SpareBank 1 SR-Bank must provide unbiased and correct information in an open and honest manner concerning the group's activities and services.

The group has taken a clear stand: the group's sourcing processes, and customer relationships must withstand the light of day and the group must be transparent and clear about its attitude to corruption with respect to customers and business partners. Employees must under no circumstances use their position to achieve personal benefits or act in a manner that could

Corruption puts long-term value creation at risk and creates distrust in society's systems. SpareBank 1 SR-Bank's code of conduct and anti-corruption policy are intended to contribute to, among other things, fighting corruption, extortion, bribery, money laundering, fraud, terrorist financing, and the financing of other criminal activities. The code of conduct is intended to make people aware of the potential dilemmas and ensure that all of the group's employees maintain high ethical standards.

SpareBank 1 SR-Bank focuses on the board, management and generally other employees receiving valuable training in the group's ethical framework and has established an anti-corruption e-learning course. It is vital that the board and executive management group, as well as advisers, have a good understanding of our ethical framework and this is part of the continuous work of ensuring that group develops an ethical culture and framework for doing business. SpareBank 1 SR-Bank's code of conduct can be read on the website.

A specific anti-corruption policy has been established and

risk analyses are conducted based on working meetings with employees involved in purchasing and accounting functions, as well as employees in both the retail and corporate markets. The guidelines for anti-corruption and impartiality have been incorporated into the purchasing and credit policies and suppliers and other business partners are sent a sustainability appendix which includes the anti-corruption guidelines.

The group has its own Ethics Committee, which regularly assesses whether the code of conduct satisfies the expectations and requirements of customers, suppliers, and the society as a whole. The Ethics Committee includes representatives of several business areas: the EVP for HR, Communications and Sustainability, the EVP for Compliance, and experts from legal, corporate market, private market, AML, organization and HR, credit activities, and union representatives from the Finance Sector Union of Norway.

All employees must sign the code of conduct every year. Annual refreshers on ethics are also provided via the authorization scheme for financial advisers and the approval scheme for salespersons and advisers in non-life insurance. The anti-corruption work includes ensuring new employees read and sign the code of conduct. This is also a topic covered in the Ethics Week.

The group has zero tolerance of corruption and compliance assessments are conducted in relation to compliance with the anti-corruption policy. The group reviews specific transactions and activities, planned and existing business connections, and various categories and groups of employees. The assessments take a risk-based approach, and the inspections include financial and non-financial control actions. Reporting lines have been established and measures are followed up in line with existing routines.

The group has whistleblowing procedures for anonymous, written and verbal reports. The procedures specify:

- that whistleblowers are protected against reprisals
- how reports should be submitted – externally anonymously or not anonymously via multiple channels, including via an application that uses an untraceable QR code
- the requirements that apply for processing reports

SpareBank 1 SR-Bank has established an external whistleblowing agreement with the external law firm EY available 24/7. The information provided in this context will be treated confidentially by dedicated case officers within EY. Board members are directly involved in the preparation and review, on an annual basis, the group's code of conduct, which also deals with anti-corruption.

SpareBank 1 SR-Bank has established rules of conduct for our employees based on our code of conduct.

In SpareBank 1 SR-Bank:

1. all employees have a duty of confidentiality
2. all employees must keep their private finances in order
3. employees must under no circumstances use their position to achieve personal benefits or act in a manner that could harm the group's reputation
4. all employees must actively work to ensure a good working environment with mutual trust and respect
5. no employees may trade in real estate on their own account in violation of the group's guidelines
6. no employees may trade in securities on their own account in violation of the group's guidelines
7. all employees must be familiar, and comply, with the group's guidelines for information technology
8. all employees must act with caution in relation to their impartiality
9. no employees may run private businesses or participate in commercial boards of directors of any kind without the group having been informed in writing and approval having been given
10. special guidelines have been produced for whistleblowing
11. the EVP, HR, Communication and Sustainability bears overall responsibility for all communication with the media
12. failure to comply with the group's code of conduct may have consequences for an employee's employment relationship

2.6 Personal data protection and cyber security

SpareBank 1 SR-Bank's security and privacy strategy aims at ensuring the confidentiality, integrity and availability of information between the customer and the bank. SpareBank 1 SR-Bank has a large customer base and is therefore a stakeholder that processes customer

information and personal data on a large scale. The personal data rules, which consist of the EU's General Data Protection Regulation (GDPR) and the Norwegian Personal Data Act, provide strong protections for privacy. These regulations give customers broad rights, and processes and procedures in the quality management system have been implemented to safeguard these rights. Furthermore, SpareBank 1 SR-Bank's privacy statement ensures that individuals have a right to be informed about how the group processes their personal information in an easily accessible manner.

SpareBank 1 SR-Bank has formalised and incorporated definitions of roles and responsibilities for information security, privacy and cyber security. A quality management system has been established with the group's governing documents relating to information security, cyber security and privacy. Risk management processes have been established to constantly identify and monitor risks relating to information security, cyber security, and privacy. The processes are designed to ensure compliance with internal requirements, as well as applicable acts and regulations and map and manage the risks associated with information security, cyber security and privacy. These processes cover information security, cyber security and privacy risks. Risk mitigation measures are registered, followed up, and reported via a dedicated measures database.

Both proactive and reactive measures are taken to prevent, detect, investigate and manage information security incidents. These include established contingency plans, regularly conducting emergency response exercises, on-call arrangements and crisis teams tasked with efficiently managing major incidents. The group has a dedicated incident response team that monitors and follows up security incidents and discrepancies relating to the use of IT systems in the group 24/7.

SpareBank 1 SR-Bank has implemented a number of technical safety barriers and puts employees through regular information security, cyber security and privacy training in order to avoid unwanted incidents. These are tangible, and concrete measures designed to prevent human and technical errors. Should unwanted incidents and discrepancies related to information security and privacy nevertheless occur, these are registered, followed up and reported via a dedicated incident database. The incident database ensures that the group learns from discrepancies and avoids repeating similar ones.

Regular audits of both our organization and external suppliers are conducted to ensure that the group's information security, cyber security and privacy requirements are being properly addressed throughout the value chain.

2.7 Digital and Financial fraud

Financial fraud is a challenge that increasingly affects the financial industry and SpareBank 1 SR-Bank's customers. The police report an increase in financial fraud. This corresponds to SpareBank 1 SR-Bank's experiences as we see

a significant increase in fraud-related inquiries from our customers.

Financial fraud has become a societal problem that require interaction between public and private actors across several industries. SpareBank 1 SR-Bank is a driving force in this work, and shall, after best ability, safeguard the customer's security against fraud. The group will take a clear role in combating digital and financial fraud.

SpareBank 1 SR-Bank takes responsibility and have its own financial fraud unit that works to detect, and handle fraud-related incidents that affect customers. Systematic work is being done to continuously improve the detection of fraud incidents and good routines have been established for the handling and following up on fraud cases.

The anti-fraud unit works closely with other financial institutions, the police and Nordic Financial CERT. In addition, SpareBank 1 SR-Bank has established good cooperation with telecom players, other government institutions and payment intermediaries in the fight against digital fraud and financial fraud.

2.8 Transparency

Everything SpareBank 1 SR-Bank does must withstand the light of day so that we can preserve confidence in the group and its integrity. We must also be able to account for our decisions and actions, including the decisions these are based on. This must be documented in line with the group's internal guidelines.

In SpareBank 1 SR-Bank's standards for sustainability, the group encourages its customers, partners and business associates to be transparent and employ positive management models, which include transparency regarding ownership structures, transactions and documentation of compliance.

Through membership in Finance Norway, SpareBank 1 SR-Bank is active in terms of regulatory matters that may affect the operations of Norwegian banks. The group does not perform any lobbying activities in relation to international affairs. SpareBank 1 SR-Bank does not actively seek to influence regulatory affairs or legislation regarding climate related factors. The group's customers or companies in which it invest must not take part in lobbying activities designed to weaken climate policy. SpareBank 1 SR-Bank supports the purpose of the Transparency Act, which is to increase awareness and transparency about challenges to human rights and decent working conditions, both in and outside Norway. The purpose of the Transparency Act is fully in line with the group's own values related to openness, transparency and responsibility. The annual due diligence assessment in accordance with

the Transparency Act will highlight how we work to uncover and manage risks for people in our own business and in the value chains we are part of.

2.9 Responsible information, communication and marketing

SpareBank 1 SR-Bank offers products and services that have a major impact on companies' and individuals' finances, including loan and credit agreements, as well as savings, pensions, and insurance products. This comes with a serious responsibility to help customers make informed choices when entering into agreements with the group. In line with the group's product and service management policy, customer segments should not offer products or services that are in conflict with the group's ethical guidelines, sustainability principles, the board's appetite for risk or breaches of other governing documents of the bank. Furthermore, only products that are in line with the requirements for good marketing practices. When determining how good marketing practices should be understood in each instance, the group refers to the special requirements for honesty and good business practices that apply to financial institutions, as well as any special disclosure obligations that apply, for example, for the marketing of credit agreements. Among other things, the products' properties and terms and conditions must be clearly stated and be understandable to the customer group at which the marketing is targeted.

There is a growing focus and awareness of the topic of greenwashing in relation to marketing of sustainable products. Greenwashing involves engaging in misleading marketing by portraying a business or product to be more sustainable or operate in a more sustainable way than it actually does. SpareBank 1 SR-Bank is well aware of the best practices to follow in marketing the group's products and strictly follow the Norwegian Consumer Agency's guide on how to use sustainability claims in marketing ([Read more here](#)).

Our guidelines ensure that customers' interests and investor protection are safeguarded when customers and investors are being sold products and services. Credit policy guidelines, procedures, and guidelines for the securities firm's activities, product and distribution strategy for financial instruments have been established, and procedures, processes and work descriptions have been operationalised. Training is also provided via the authorisation scheme for financial advisers (AFR), training programmes via VPF and VPF, and internal specialist days and training modules from SPAMA.

The group's product management policy requires that all new products and services, as well as material changes to these, must be subject to a risk assessment made by relevant professionals, approved by risk management and compliance, and presented and approved to the group's executive management. A standardized product, process and system scoring (PoPS) process has been established to meet this requirement, with weekly formalized case management meetings in which all relevant technical groups in the bank participate. The process is intended to ensure that customer interests are adequately safeguarded in all new products and services or changes to existing products and services. The same risk assessment and decision-making

process applies when significant changes to customer-related processes, including communication and marketing, are implemented.

2.10 Risk assessments and approval of new and improved products, processes and systems

As a financial services group, SpareBank 1 SR-Bank is subject to laws and guidelines that require quality assurance prior to changes being made to the group's products, processes and systems.

The system contains standardized questions and logical rules for informing and getting stakeholders and professionals involved depending on the changes made. Managing changes through PoPS enables the group to satisfy the applicable requirements for risk assessing changes in financial institutions. At the same time, it ensures that the group takes the right risks in its change processes.

PoPS system ensures that:

- All products, processes and systems that are developed/ changed in SpareBank 1 SR-Bank undergo a thorough assessment to ensure compliance with laws and regulations, as well as SpareBank 1 SR-Bank's governing documents (including the sustainability and climate strategy) and that relevant risks are analyzed and managed.
- Affected parties are involved at the correct time and receive adequate information.
- Changes are anchored and approved at the correct level.
- Documentation of the assessments that have been made is available.

2.11 Responsible sourcing

SpareBank 1 SR-Bank require the group's suppliers, customers, and partners to take a conscious approach to sustainability. Sustainable purchasing involves suppliers' awareness of their supply chain and the work they do to reduce their negative impact on the environment, social conditions and ethical business activities through their company's supply chain. SpareBank 1 SR-Bank largest purchasing categories are marketing, IT systems, property management, external consultants and contractor personnel.

Suppliers and partners are required to respect basic requirement regarding environment, social conditions and ethical business activities throughout their supply chain. These requirements are stipulated to ensure compliance with laws and regulations relating to human rights, decent working conditions, the environment and honorable activities. The group's requirement for suppliers and business partners are specified in the Standard for sustainability in purchasing. The requirements in the group's governing documents are based on key UN conventions, the ILO

convention and national labor legislation in the place of production. Where national laws and regulations cover the same themes as the guidelines, the strictest requirements will apply.

SpareBank 1 SR-Bank strives to ensure close cooperation and a fruitful dialogue with suppliers and business partners. All new suppliers are assessed from a sustainability perspective before any contract is entered into and will be included in the bank's routine due diligence assessments. SpareBank 1 SR-Bank expects suppliers to communicate the group's standard to their subcontracts and contribute to their adherence to them, as well as work to ensure their own compliance with the requirements.

Through SpareBank 1 Utvikling, SpareBank 1 SR-Bank and the alliance banks together source sustainably, conduct risk assessments of the likelihood of a negative impact of their suppliers on the environment to or social conditions and conduct follow-up on suppliers. Based on this assessment, suppliers with an elevated risk of negative impact are monitored to ensure that they take a systematic and practical approach to their work on sustainability. This applies to both existing and new suppliers. If shortcomings are identified, the purchasing department engages with the supplier to ensure that the requirements are met.

For more information on the risk assessment and follow-up of suppliers, please see SpareBank 1 SR-Bank's annual report.

2.12 Compliance with the Transparency Act

The group is subject to the Transparency Act, which has two main purposes: (i) promoting respect by corporations of basic human rights and decent working conditions in connection with the production of goods and provision of services, and (ii) ensuring that the public has access to information regarding the manner in which corporations handle negative consequences their activities may have regarding basic human rights and decent working conditions. Ref. transparency act §1).

The principles underlying the Transparency Act are anchored in SpareBank 1 SR-Bank's framework for sustainability and the obligation of the group not to cause or contribute to violations of human rights, decent working conditions, employees' rights and international law.

The Transparency Act sets requirements for conducting due diligence assessments and the group has established its own guidelines regarding those activities. The guidelines also describe the manner in which the group addresses its obligation to provide information about the group's handling of actual and potential negative consequences, including general and specific information.

2.13 Stimulating new jobs

SpareBank 1 SR-Bank is committed to innovation and creating skills-based jobs. The GründerAcademy Foundation is one of the group's initiatives to create the jobs of the future. The foundation is supported by

SpareBank 1 SR-Bank and the Sparebankstiftelsen SR-Bank. The first hub was launched in autumn 2015 when the oil crisis hit Stavanger's business sector hard. Since then, hubs have been established in Bergen and Kristiansand in collaboration with competent partners. GründerAcademy is carried out twice a year as a digital program with physical meeting points. Participants are offered lectures, 1 to 1 follow-up and access to a large network. This initiative aims at supporting and equipping the participating entrepreneurs for the journey they are embarking on.

Since the introduction of the program, there has been a solid number of applicants every year. Since its inception in 2015, nearly 450 entrepreneurs have been trained and educated. A large variety of start-up, active in fields like technology, social entrepreneurship and sustainability, have participated. Approximately 450 new jobs have been created through 390 companies. Through the Sparebankstiftelsen SR-Bank, prizes are awarded annually to entrepreneurs to stimulate entrepreneurship.

2.14 Support for non-profit causes

As a part of SpareBank 1 SR-Bank's activities, the group supports measures contributing to good living conditions, growth and development, and a desire for enterprising people to get more back for their efforts and commitments. SpareBank 1 SR-Bank's activities within community

engagement and sponsorship are an extension of the group's day-to-day work. The aim is to start initiatives that can make a positive difference in SpareBank 1 SR-Bank's local area, achieve a clearer position in the market with the group's sponsorship strategy, and link sponsorships closely to the group's sustainability goals. In the future, the group desires to have an increased focus on gender equality in its sponsorship strategy. The group has entered into a sponsorship agreement with both Avaldsnes Elite AS and Viking FK's women's team.

SpareBank 1 SR-Bank's largest shareholder is Sparebankstiftelsen SR-Bank with an ownership of 28.3 per cent as of 31.12.2021. Through the Sparebankstiftelsen SR-Bank, the savings bank tradition has been continued. The Foundation may use profits, generated in the form of dividends from SpareBank 1 SR-Bank, to make donations to non-profit organizations, 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 strengthens the bank's local presence and local commitment. Together with the Sparebankstiftelsen SR-Bank, the group promotes young talents through G9alt Talentutvikling. G9alt Talentutvikling is a foundation that distributes up to NOK 800,000 annually to talented young people from the counties of Rogaland, Gamle Hordaland and Agder.

3 Human Capital Development

3.1 Competency

“Human capital” is the concept used to express that skills and competencies of employees are an essential basis for growth and development in a company. For SpareBank 1 SR-Bank living up to this vision and rebuilding psychological motivators in the workplace is at least as important as financial capital. The group’s workforce covers a great diversity, and it is therefore important to aim at meeting everyone’s needs through adapted learning processes, follow-up and support. The three aspects of ESG are linked to human capital and thus absolutely crucial for the green transition. The green transition requires new competencies and expertise, development and use of new technologies, as well as a high degree of collaboration and cross-functional interaction. Studies show that leading companies are those which realize that employees are the strongest enablers for fulfilling and driving the sustainability strategy, and thus a key piece alongside financial capital flow and new technologies.

It is a high priority for SpareBank 1 SR-Bank to enable individual managers to support and promote employees development. This encompasses how they should fulfil their role, further develop their skills and competencies and, if possible, prepare themselves for future roles. The group works to ensure that employees skills are in line with the company needs and are able to deliver on the company strategy. KPIs are used to measure the achievement of such objectives.

SpareBank 1 SR-Bank has the following areas of focus in terms of skills development for the period 2022-2025:

| Leadership

Leadership development programs for managers who want to develop their leadership skills, and other employees who want to develop their skills towards becoming leaders in the future. Program for leaders and leadership candidates are two of the bank’s nomination programs – where leaders nominate candidates.

| Data-driven insight

Employees must build skills to prepare high-quality data bases, the ability to use data to make strategic choices and be able to use data as a decision-making basis in everyday operational work. This includes various courses and training situations.

| Digital interaction

Employees must have an understanding and insight into the effective use of interactive tools, as well as strong skills in digital interaction using applications such as Microsoft Office 365 and other tools.

| Sustainability

Employees must have insight into the sustainability and climate strategy, knowledge on how to operationalize the strategy in their respective areas of the business and possess the skills to be able to support customers as regards sustainability matters. This means that employees must know what sustainability concretely means in their role. Managers, for their part, must understand the path choices in the sustainability and climate strategy, and understand how this affects employees in everyday work, and lead them to realize the strategy. The managers in the bank must be driven by diversity management, which in turn helps to ensure equality, equal pay, diversity and inclusion.

3.1.1 «Champions»

Several business units have introduced Champion roles on sustainability. A Champion is defined as a resource and sparring-partner for managers and colleagues on sustainability matters. The Champion can, together with management, contribute to developing the sustainability dimension further in their business areas. Champions share knowledge and assist colleagues on sustainability-related topics, and therefore receive additional training and support from the sustainability department.

3.1.2 Diversity management

In SpareBank1 SR-Bank, managers are guided in diversity

thinking when HR assists them with the recruitment process. Gender balance is emphasised in the bank and something managers must take an active position on and reflect on.

3.1.3 Initiatives for talent development with full or partial focus on sustainability

The group strives to ensure that leaders engage in succession planning. This entails the top management in the group having a clear plan for who internally in the organization may be able to step into their roles in the short and long term. In our leadership programs, sustainability is emphasized, especially in the form of diversity management training. Through goal and development discussions between leaders and employees, goals and activities for the development of individual skills are set. All employees are encouraged in these discussions to create a plan for updating relevant skills in sustainability, data-driven insights, and digital collaboration. The group provided training on our sustainability strategy for all employees in 2023 and provided insight into how sustainability is integrated into all parts of our group. Training was also provided on the implications of our ISO certification in environmental management (ISO 14001:2015). We held our own sustainability

festival this year, as we did last year, spanning over a week in April with lectures and discussions that further elevated our sustainability expertise. In the fall of 2023, we enhanced our expertise in the social aspect of sustainability and provided training in human rights, diversity, and inclusion. Leaders also received an introduction to diversity management. Our corporate advisors received training in green framework and ESG, while our retail advisors received training on how our advisory services can contribute to a more gender-equal economy for our customers.

3.1.4 Measuring competence and development

To measure the impact of sustainability training, the bank monitors the proportion of men and women included in the recruitment of final candidates. Additionally, employee engagement is measured through frequent temperature checks. The questionnaire includes diversity, equality, and inclusion. Course completion is measured as part of the competence assessment, with the goal for each employee to complete one course per month. Several courses have sustainability as their main theme, and sustainability is increasingly integrated into other courses offered to employees.

4 Responsible Finance

In general, the group can be the most impactful in relation to responsible investments, as well as financing activities by using its influence to set sustainable related requirements and steer capital in a sustainable direction. The materiality analysis we conducted in 2022 shows that responsible finance is regarded as one of the material topics. Read more about responsible finance in the annual report.

4.1 Strategy

Financing is a central component of the strategy approved in autumn 2021. SpareBank 1 SR-Bank's overall potential for contributing to the restructuring towards the green shift is equal to the sum of the impact all of the group's customers represent. Therefore, the bank's guidelines for responsible finance are of major relevance with respect to the pace of restructuring around us in society. Many of the specific goals in the strategy are aimed at financing and credit. The group are constantly striving to get better at measuring progress within sustainable finance and the goals the group sets are thus intended to help boost this work. It is mainly within responsible investing and lending/credit that the group can influence by setting standards and expectation to steer capital toward a sustainable direction. The group will be a discussion partner and a positive contributor to SpareBank 1 SR-Bank's customers in the transition to a more sustainable society and business environment.

An important focus area for SpareBank 1 SR-Bank is therefore responsible finance and ESG (environmental, social and governance issues). In 2022, SpareBank 1 SR-Bank developed a framework for sustainable financing that is adapted to the EU Taxonomy.

4.2 Responsible credit

Credit is the bank's core business area and corporate customers constitute an important part of this. The group's credit strategy stresses that corporate customers must have a long-term perspective and their companies must be comply with applicable laws and regulations, which include environmental considerations and human rights.

The group's corporate market portfolio is well-diversified, with an emphasis on commercial property, oil and gas, agriculture, and traditional industry.

As a bank, SpareBank 1 SR-Bank primarily finances small and medium-sized Norwegian companies. The group aims at being a positive contributor and sparring partner in order to improve companies' awareness and practices related to sustainability. The group's sustainability policy details the group's requirements with respect to environmental matters, social conditions and corporate governance. This policy applies to the entire group, across all business areas.

The standard for sustainability in the corporate market in SpareBank 1 SR-Bank further details the group's sustainability related requirements in relation to its credit activities. The standard requires sustainability to be assessed as part of the group's credit processes. The purpose of the standard is to provide corporate advisers with a framework for assessing a company from a sustainability perspective and ensuring that SpareBank 1 SR-Bank carries out an assessment of the extent to which a customer's business model is sustainable.

The group's expectations and requirements in the policy and standard are communicated to SpareBank 1 SR-Bank's customers through publication on the group's website and information provided to customers in connection with the establishment of new customer relationships and/or the processing of financing applications. If the group becomes aware that any of its customers is acting contrary to the group's expectations or requirements, the group will engage with the customer to seek improvements from it. If this follow-up does not lead to improvements, the group will set clear conditions for the group's continued involvement with the customer. In certain circumstances, we will consider ending the customer relationship. When it comes to guidelines about not giving loans, these are followed up concretely when assessing applications for financing. All employees who are in contact with the corporate customers must be familiar with SpareBank 1 SR-Bank's policy, standard and governing documents relating to sustainability in credit, and review these annually. Those documents provide guidance on the type of customers the group is willing to be engaged with, what SpareBank 1 SR-Bank expects of its customers, and the purposes for which SpareBank 1 SR-Bank lends money.

For further information on SpareBank 1 SR-Bank's handling of responsible finance, please see SpareBank 1 SR-Bank's annual report.

4.3 Responsible asset management

For more comprehensive information about SpareBank 1 SR-Bank's responsible asset management, please refer to the annual report and Standard for sustainable distribution and recommendation of securities funds in SpareBank 1 SR-Bank. In 2022, SR-Forvaltning became a part of SpareBank 1 Forvaltning, thus no longer being a wholly owned subsidiary of SpareBank 1 SR-Bank. In the future, the activities of SR-Forvaltning will therefore be assessed as a supplier rather than as a subsidiary.

4.4 Cross sectoral expectations and requirements for responsible finance

4.4.1 Environment and nature

The group's Sustainability- and Climate Strategy, as well as the associated governing documents, apply to all of the group's customers and partners, as well as the companies in which SpareBank 1 SR-Bank invests.

SpareBank 1 SR-Bank's Standard for Sustainability in the Corporate Market specifies that the group does not grant credit to companies involved in mining or power generation based on coal or that can in some manner be linked to nuclear power. This applies to all credit: existing and new credit commitments and project financing.

SpareBank 1 SR-Bank also does not grant credit for the extraction of tar sands, heavy crude, shale gas, or shale oil. This applies to all credit: existing and new credit commitments and project financing. In the production of oil and gas, the group expects companies to operate in a sustainable and prudent manner. SpareBank 1 SR-Bank expects companies not to operate in locations where the environmental impact of an accident would be unmanageable and companies to always adopt the best available techniques to mitigate the risk of accidents. Companies are also expected to have a contingency plan in place. The group expects waste from oil and gas extraction to be reduced and run-off and environmentally hazardous waste to be dealt with safely. SpareBank 1 SR-Bank expects companies to reduce the effect of seismological research on whales and other marine mammals.

While developing new projects, companies' plans are expected to take into account the impact on the environment and health of dismantling production facilities, especially offshore drilling platforms.

SpareBank 1 SR-Bank wants companies to work to exclude controversial energy sources and the group aims to increase the proportion of companies contributing to the increased use of renewable energy. The group wants to stimulate this through green business development.

With respect to the production of biomaterials, SpareBank 1 SR-Bank expects the 12 principles established by the Roundtable on Sustainable Biomaterials (RSB) to be complied with and the seven principles of the World Commission on Dams are expected to be met by all types of hydropower plants.

4.4.2 Agriculture and nature

SpareBank 1 SR-Bank is an important partner for agriculture in our market area. Agriculture includes forestry and farming, of which livestock is part. SpareBank 1 SR-Bank expects its customers and partners to strive for sustainable agriculture with high quality production so that its customers can produce quality food in large quantities food is met, while minimizing greenhouse gas emissions.

Sustainable agriculture and conservation are an important concern for our group. Nature can be a renewable resource if it is managed sustainably. SpareBank 1 SR-Bank aims at being a driving force for sustainable development in the group's market area and will work with its customers to achieve such purpose. Accordingly, the customers and business associates of the group should consider whether their business has a negative impact on the climate, environment, and nature, and perform targeted work to reduce their impact. They should also seek to strengthen the positive impact they can have on sustainable conservation. They should have their own guidelines relating to sustainability in areas that are relevant to their business, suppliers and other business partners, including in contracts and requirements specifications. The group also aims at contributing to sustainable agriculture and conservation internationally. In the group's standards for sustainability: Agriculture and nature specify important areas within nature and agriculture.

The standard is anchored in the group's sustainability strategy and in the group's sustainability policy. These apply to the entire group, across all business areas. The standard details requirements with respect to biodiversity and genetic engineering, animal welfare, conservation areas, wetlands and peat, world heritage sites, endangered plant and animal species, chemical use and fertilisation, raw materials, as well as forests

4.4.3 Tax

SpareBank 1 SR-Bank must not facilitate or advise companies or private individuals on tax evasion and expects the same of entities it invests in or to which the group grants loans. SpareBank 1 SR-Bank expects large multinationals with operations in multiple countries to report their earnings, surpluses, normal FTEs, public subsidies and paid taxes and charges (e.g. withholding tax, licence fees and company tax) country by country. The group expects such businesses to report on sustainability in line with the international standards for reporting on sustainability, Global Reporting Initiative (GRI).

SpareBank 1 SR-Bank's sustainability policy states that customers and business partners must be transparent about their ownership structures, ensure that their organisation is structured in a manner that reflects its genuine production/value creation and not use legal loopholes for tax avoidance.

SpareBank 1 SR-Bank must not provide financial services to companies in tax havens and if the group becomes aware that any of SpareBank 1 SR-Bank's customers or other business partner is acting contrary to the group's expectations or requirements, the group will engage with its customers and business partner to seek improvements from it. SpareBank 1 SR-Bank's customers and other business partners are expected to report their activities in each country in which they operate. If the group's follow-up does not lead to improvements, it will set clear conditions for SpareBank 1 SR-Bank's continued involvement with the

customer or other business partner. In certain circumstances, we will consider ending the business relationship. The group also expects its customers and other business partners to have a monitoring system for their customers and suppliers in this area.

4.4.4 Corruption

SpareBank 1 SR-Bank has zero tolerance of corruption. The group has taken a clear stand: the group's sourcing processes, and customer relationships must stand the light of day and the group must be transparent and clear about its attitude to corruption with respect to customers and business partners. Employees must under no circumstances use their position to achieve personal benefits or act in a manner that could harm the group's reputation. Zero tolerance applies within the organisation, with the group's customers, in companies it invests in, with respect to its providers and suppliers. SpareBank 1 SR-Bank also expects all these stakeholders to have established management systems that trigger immediate action if corruption is suspected. The companies and employees must have a conscious attitude to corruption and must be able to identify and handle any cases of suspected corruption.

4.5 Expectations and requirements for companies operating within particular industries

4.5.1 Weapons, tobacco and pornography

The group's sustainability policy clearly states that SpareBank 1 SR-Bank must not aid in the production of tobacco or the production of pornographic materials. It also specifies that the group must not contribute to the use, development, testing, production, maintenance, trading, storage or transport of controversial weapons or components exclusively designed for controversial weapons, including cluster bombs, anti-personnel mines, nuclear weapons, chemical weapons and biological weapons in general and for countries that have not ratified the Non-Proliferation Treaty. SpareBank 1 SR-Bank must not contribute to weapons being made available to countries under UN, EU or US sanctions.

SpareBank 1 SR-Bank's standard for sustainability in the corporate market and Standard for sustainable distribution and recommendation of securities fund in SpareBank 1 SR-Bank also specifies that loans must not be granted to companies involved in supplying weapons, weapon systems, military systems or other military materiel to countries that breach human rights or where there is a high risk that the weapons will be used to commit serious breaches of human or humanitarian rights. These restrictions also apply to conflict or war zones, countries where corruption is widespread, failed or vulnerable states, and/or countries that spend a disproportionately large proportion of their national budget on military equipment purchases.

4.5.2 Mining

SpareBank 1 SR-Bank's Standard for sustainability for the corporate market and Standard for sustainable distribution and recommendation of securities fund in SpareBank 1 SR-Bank specifies that the group does not grant credit to companies involved in mining or power generation based on coal, or that can in some manner be linked to extracting uranium and asbestos, or extraction and trading of conflict minerals.

With respect to mining, any interventions in nature must be minimized and SpareBank 1 SR-Bank expects companies to operate in a sustainable and prudent manner in this context. Companies must not to operate in locations where the environmental impact of an accident would be unmanageable, and companies are expected to always adopt the best available techniques to mitigate the risk of accidents. SpareBank 1 SR-Bank also expects companies to have a contingency plan in place. Mining waste must not be deposited in rivers or on the seabed. SpareBank 1 SR-Bank refrains from involvement in mining where entire mountain tops are removed and the establishment of new coal mines.

Regardless of local legislation, companies are expected to have plans for the purification of emissions and for the reversal and remediation of interventions in the natural world upon closure of a mine. The group also requires the proper treatment of run-off and hazardous waste, and that employees have good working conditions that result in a low health risks. The group will only engage with companies operating in conflict zones or areas with weak governance if they can document that they are not complicit in human rights violations. It is expected that companies follow the Voluntary Principles on Security and Human Rights for the security of their employees and company premises. SpareBank 1 SR-Bank expects companies to have procedures for remedying any negative consequences that they have caused or contributed to in the area regarding human rights.

Interventions in nature must also only be carried out in ways that ensure the rights and opportunities of indigenous people to carry on a traditional lifestyle without unnecessary interruption. SpareBank 1 SR-Bank expects companies to follow UN Declaration on the Rights of Indigenous People. Companies are expected to enter into dialogue to find solutions for that purpose. Special care must also be exercised in areas where the natural world is especially vulnerable, and mining must be avoided in areas where accidents or external impacts could result in irreparable damage to the environment. Companies should consider certification in line with certification schemes for certain types of minerals where this is appropriate and work with relevant standards and initiatives for certain minerals. In particular, guidelines issued by the International Council on Mining and Metals (ICMM) and we encourage companies to report according to the CDP Water Program.

5 Environmental responsibility and climate risk

5.1 Environmental responsibility in own operation

As a responsible financial services group, SpareBank 1 SR-Bank takes a proactive approach to environmental and climate change challenges. SpareBank 1 SR-Bank has committed itself to SDG 13: Climate Action. (See more in [“Sustainability and climate strategy”](#))



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

SpareBank 1 SR-Bank constantly strive to be a resource-saving and environmentally efficient bank by setting requirements for its own operation, its suppliers, and other partners. SpareBank 1 SR-Bank is striving to be a climate-neutral group from 2022 and continually seek to reduce the environmental impact of its operations. The bank uses, develops and invests in technology in order to reduce its environmental impact. The bank also helps employees reduce their environmental footprint and make eco-friendly choices. Improving skills in this area helps to ensure that employees become more aware of their impact on the climate and environment, both through their personal actions and through their work within in the bank.

The group registered energy and climate accounts based on the international standard “A Corporate Accounting and Reporting Standard”, developed by the Greenhouse Gas Protocol Initiative – the GHG Protocol. The climate accounts show tonnes of CO₂ that are direct and indirect emissions related to the group. These are greenhouse gas emissions that come from consumption due to, for example, travel, waste management, and energy use. Based on the climate accounts, the group can identify which sources impact the external environment and implement concrete measures to minimize them. SpareBank 1 SR-Bank’s annual climate accounting can be read in the annual report.

The group’s Sustainability Policy indicates that the group should contribute to green competitiveness and

sustainable value creation. SpareBank 1 SR-Bank must not contribute to serious environmental damage such as extensive greenhouse gas emissions and irreversible damage to vulnerable areas, ecosystems or groups of people. The group’s Standard for Sustainability in agriculture and nature specifies the requirements in more detail.

5.2 Climate risk and energy production

Climate change and climate change adaptation constitute both risks and opportunities that may affect SpareBank 1 SR-Bank’s operations. SpareBank 1 SR-Bank is indirectly exposed to climate-related risks and opportunities through lending, investments and insurance, and directly through its own operations. The group’s loan portfolio undergoes annual stress tests and financial statements. The results show that the group is well equipped to meet the financial consequences of major economic downturns, including any restructuring risk related to lower activity in the business sector. The stress test also corresponds well to the Financial Supervisory Authority (FCA) analysis, where the Norwegian financial industry is considered well equipped to handle potential losses in the transition to a low-emission society. Climate risk will also be followed up as part of the group’s work in connection with the global UN initiatives Principles of Responsible Banking (PRB) and Principles for Responsible Investment (PRI).

As a financial actor, it is strategically important for SpareBank 1 SR-Bank to handle climate risk properly. As a major financial institution in Norway, the group has a key role to play in the transition to a low-emission society and in contributing to the green shift. For further information on how the group manages climate risk and to read the annual TCFD and CDP reporting, please see SpareBank 1 SR-Bank’s annual report

SpareBank 1 SR-Bank expects its customers to try and exclude controversial energy sources and contribute to a greener shift in society. The group stipulates requirements through its financing and conducts ESG assessments of corporate customers based on selected criteria. More information about ESG assessments can be found in SpareBank 1 SR-Bank’s annual report.

6 Nature as a stakeholder

6.1 Climate risk and energy production

In a world increasingly impacted by human activity, the role nature plays in the economy is becoming ever more apparent. Nature is about to undergo a transition from being a passive, free backdrop for our activities to a situation where nature-related capital is essential for many of our activities and thus our ability to create value. Therefore, we need to work on maintaining growth and development without compromising planetary boundaries. At SpareBank 1 SR-Bank, we recognise that nature is a key stakeholder, and our ambition is to increase the systematic work we do to take account of it in our decisions – where this is material.

6.1.1 Natur-related risk

Nature-related risk is an important aspect of this consideration. Nature-related risk is the risk of strategic and

financial consequences emerging as a result of a loss of nature, or upon transition to a society where the planetary boundaries set new limits for the economy and associated business activities. There is physical nature-related risk (e.g. increased frequency and intensity of extreme weather events that threaten property and infrastructure), transition risk (e.g. new nature-related legislation and regulations or customer demand) and liability risk (contributions to loss of nature that provide grounds for litigation or claims for damages). Nature-related risk can impact everything from our physical infrastructure to our customers' financial stability, and it is therefore crucial that we understand and manage it effectively.

For further information on how the group manages climate risk and to read the annual TCFD and CDP reporting, please see SpareBank 1 SR-Bank's annual report.

Let your voice be heard

We are all responsible for the sustainable development goals.
We want your opinion on sustainability and the financial industry.
Email us on barekraft@sr-bank.no