

# Overarching Sustainability Strategy for Sparebanken Møre

Version 1.0 – updated 27/01/21

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# 1 Background and objective

## 1.1 Background

The world community urgently needs to restructure in the next few years in order to achieve the climate targets for 2030. If we are to succeed, authorities, business actors and individual consumers require knowledge and need to be willing to change.

As a regional financial institution we have a great strength to make an impact, and we will take on our share of the responsibility. We will place demands on ourselves, customers and suppliers, we have significant funds set aside to build a stronger region, and we both initiate and participate in a number of partnerships aiming to make Nordvestlandet more sustainable.

Sparebanken Møre is a regional actor in Nordvestlandet that focuses on sustainability, growth and development in the communities of which the Bank is a part. In addition, we will also look at the group's sustainability work from a national and global perspective.

## 1.2 Objective

The overriding sustainability strategy in Sparebanken Møre is the governing document for Sparebanken Møre's work with sustainability, and applies to all of the group's activities, including subsidiaries.

The objective of the strategy is as follows:

- To define a framework for the group's work with sustainability, including a clear distribution of responsibilities
- To ensure a clear and common direction by way of defined goals
- To ensure a positive impact on Environmental, Social and Governance factors

The strategy shall form the basis for both strategic decisions and ongoing operational work. It must further be viewed in conjunction with other internal governing documents, including the Code of Conduct and Corporate Social Responsibility.

## 1.3 Definitions

**Sustainability** is defined as development that meets today's needs without destroying the chances of future generations to meet their needs. Ensuring sustainable development requires services and solutions that safeguard and promote environmental, social and ethical business conditions.

**ESG** is an abbreviation for "Environmental, Social and Governance." Pollution and energy consumption are examples of environmental factors, human rights and working conditions are examples of social factors, while compliance with statutes and control mechanisms in the company are examples of governance factors.

## 2 Responsibility, updating and decisions

The Communications & Group Support section is the document owner of the Overarching Sustainability Strategy for Sparebanken Møre. The document must be reviewed and revised at least annually, and changes must be adopted by the board of Sparebanken Møre.

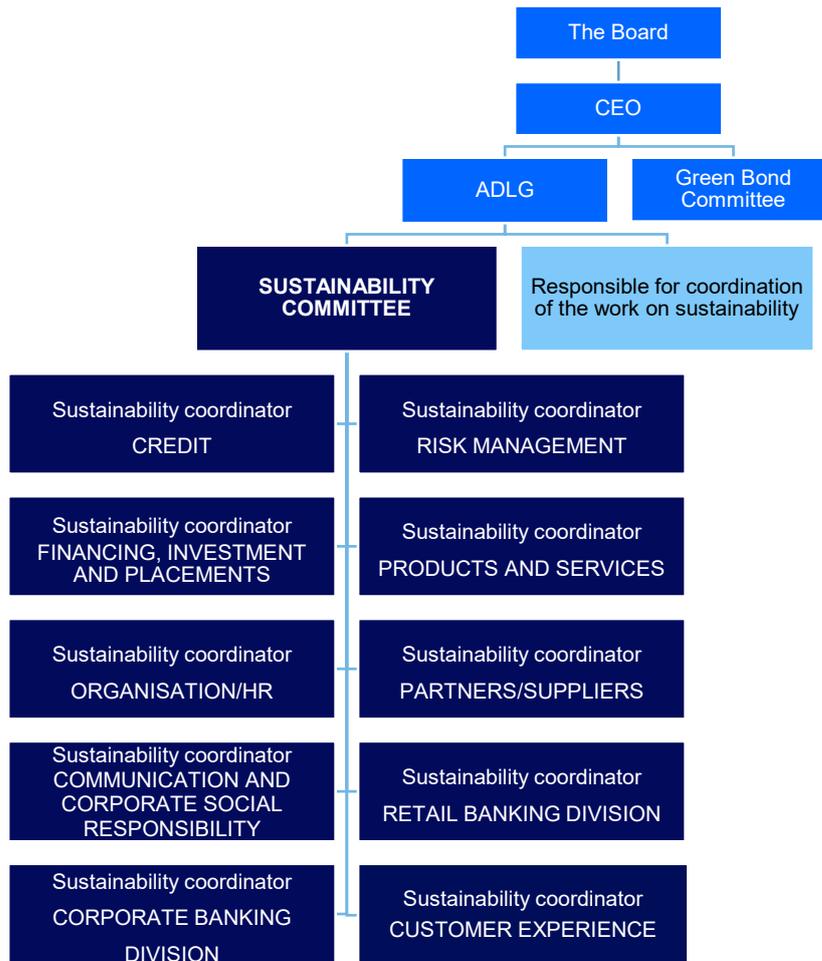
Before decisions are adopted by the board of Sparebanken Møre, the document must be considered by the group's sustainability committee and executive management group.

The group's sections, divisions and subsidiaries are responsible for implementing the strategy in governing documents. They are also responsible for operationalising the strategy through their own action plans.

## 3 Organisation of the sustainability work

Sparebanken Møre has established the following organisation for the work on sustainability:

- Board: Is responsible for establishing relevant guidelines and strategies.
- AD: Is responsible for implementing the strategy.
- Section/division heads (ADLG): Are responsible that principles, goals and actions are known and systematically pursued in their own division/section.
- Green Bond Committee: Must ensure follow-up and compliance with green framework.
- Sustainability committee: Has a common responsibility for preparation and follow-up of the group's sustainability strategy. The committee conducts regular meetings to discuss topical issues, exchange information and coordinate measures and further work.
- Sustainability managers: Sustainability managers within various disciplines comprise the sustainability committee. The sustainability managers are responsible for being up to date on the sustainability area within their own area of responsibility, develop specific action plans for the area they represent and contribute information and knowledge in their own unit.
- Responsible for coordination of the sustainability work: Responsibility for preparation, implementation and follow-up of meetings in the sustainability committee, and reporting to ADLG and the board.



## 4 Document map

The “Overarching Sustainability Strategy” document is a part of Sparebanken Møre’s overarching framework for governance and control. The document is also supported by the group’s overarching strategy, Møre 20XX.



## 5 Our commitments

Sparebanken Møre has signed up to several national and global sustainability initiatives and objectives, all of which provide guidelines for the group's work within sustainability.

### 5.1 UN Sustainable Development Goals

Sparebanken Møre supports all 17 of the UN Sustainable Development Goals (SDGs).

Based on insight work and dialogue with our stakeholders, we have defined five sustainability goals (SDG profile) that we believe we have special opportunities to influence by way of our role as employer, social actor, investor, lender, facilitator and provider of financial services.

#### SDG 8: Decent work and economic growth

As a regional savings bank and the largest financial environment between Bergen and Trondheim, Sparebanken Møre is an important source of financial information and financial services for both people and businesses in Nordvestlandet. We take a systematic approach to entrepreneurship and innovation in order to reinforce value creation and employment in our region.

#### SDG 9: Industry, innovation and infrastructure

In order for Nordvestlandet to be an attractive region in the future, it is important that we work actively to build solid infrastructure, promote inclusive and sustainable industrialisation, and contribute to innovation. Sparebanken Møre wants to be both a driving force behind, and a supporter of, such activities.

#### SDG 11: Sustainable cities and communities

Since its inception in 1843, Sparebanken Møre has contributed to making cities and communities inclusive, safe, resilient and sustainable. This is vital for quality of life, innovation, population growth and value creation. Society needs strong local communities to develop and Sparebanken Møre must be a supporter of local communities.

#### SDG 12: Responsible consumption and production

In order to contribute to sustainable regional development, the public sector, the business sector and individuals must change their consumption. As a society, we currently consume more than is environmentally sustainable. Sparebanken Møre wants to help reverse this by increasing knowledge and awareness, setting requirements for customers and suppliers, contributing to research in the area, and taking steps in our own organisation. If we are successful, this could result in economic growth in the long term, mitigate climate change and improve the quality of life.

#### SDG 17: Partnerships for the goals

Strong new partnerships are needed in order to achieve the SDGs. The authorities, business and local communities must work together to achieve sustainable development. As a major regional player, Sparebanken Møre can make a difference. We want to encourage partnerships and help connect knowledge and relationships across disciplines and industries by creating and supporting various forums.

### 5.2 Finance Norway – 'Roadmap for Green Competitiveness in the Financial Sector'

Finance Norway has developed the 'Roadmap for Green Competitiveness in the Financial Sector'. This expresses the following vision:

*"The financial sector of 2030 is profitable and sustainable. We lend, manage and insure with the climate in mind, so creating value and contributing to green competitiveness."*

Sparebanken Møre supports the roadmap and will contribute to the work to achieve both national and global sustainability goals

### 5.3 UN Principles for Responsible Banking (PRB)

The UN Environment Programme (UNEP) has a partnership with the financial services sector called the United Nations Environment Programme – Finance Initiative (UNEP FI). The programme consists of six principles that are aimed at making the banking industry capable of assuming a leadership role in achieving the UN Sustainable Development Goals and fulfilling the Paris Agreement.

Sparebanken Møre has signed up to UNEP's "Principles for Responsible Banking."

### 5.4 UN Guidelines for Business and Human Rights/ OECD Guidelines for Multinational Enterprises

Responsible business is about the responsibility that business actors are expected to assume on behalf of people, society and the environment that are impacted by their business. The government expects all Norwegian companies to comply with the UN Guidelines for Business and Human Rights (UNGP) and OECD Guidelines for Multinational Enterprises (OECD Guidelines).

Sparebanken Møre supports the guidelines.

## 6 Dialogue with stakeholders

Sparebanken Møre has a broad and complex group of stakeholders and we believe that all of the groups are increasingly interested in how the group addresses its social mission.

Dialogue with the surroundings must be given high priority at Sparebanken Møre, and a schematic overview must be prepared annually that summarizes the main features of the stakeholder dialogue. This must be made publicly available.

We have defined our stakeholders to be the following:

- Employees
- Customers
- The capital market (owners/investors, the market for foreign capital and equity)
- Rating agencies and analysts
- Suppliers
- Partners
- Competitors
- Authorities
- Clubs and organisations

- Research and academia
- Industry and special interest organisations
- Media

## 6.1 Material topics

Every 2-3 years Sparebanken Møre must conduct a materiality analysis to identify the sustainability topics that are important to our stakeholders and at the same time important for the group's capacity for long-term value creation. Such an analysis shows how Sparebanken Møre can reinforce its positive impacts and where it can reduce its negative impacts within sustainability.

Based on the latest updated materiality analysis, the following ten topics were defined as the most material for Sparebanken Møre's sustainability work:

- Financial results
- Contribute to business development
- Supporter of the local community
- Open and ethical conduct
- Responsible lending
- Gender equality and diversity
- Expertise and restructuring
- Prevent corruption and financial crime
- Requirements for suppliers
- Climate and the environment

The topics defined as most significant are included in Sparebanken Møre's sustainability reporting.

## 7 Vision, objectives and strategic goals

### 7.1 Corporate vision

The savings bank model contains within itself both the strength and power to contribute to sustainable social development. Sparebanken Møre has also committed itself to being a driving force in this work through the overall vision of being the **leading driving force behind entrepreneurial zeal in Nordvestlandet. Every day.**

The vision entails us taking a leading role in developing our region. Through knowledge, engagement and returning a significant contribution back to the community, we shall create value for the benefit of people, business and society.

### 7.2 Objective

For the 2021-2024 strategy period five strategic focus areas have been defined, of which one is that **Sparebanken Møre shall be a driving force for sustainable development.**

The objective is operationalised through separate action plans and measures that are regularly followed up by the bank's board and executive management group.

### 7.3 Strategic targets

Based on the Bank's goal of being a driving force behind sustainable development, SDGs 8, 9, 11, 12 and 17, and our material topics, Sparebanken Møre has the following strategic goals for the strategy period:

Us:

- We are actively working to reduce our greenhouse gas emissions (CO<sub>2</sub>) by at least 25 per cent in the period 2019 to 2025.
- We will become climate-compensated for by the end of 2022 in line with the UN's Climate Neutral Now initiative.
- We are actively striving for gender equality and diversity and have a long-term ambition of achieving at least 40 per cent of each gender at all levels.
- Sustainability is an integral part of all innovation and development processes.
- We emphasise openness and transparency in our communication.

Customers and suppliers:

- We offer our customers sustainable products and services.
- Employees have the expertise to advise customers on sustainable options that contribute to restructuring and potential new business opportunities.
- An ESG assessment is conducted at least once a year for corporate customers with credit exposure above a threshold. The development must be measured annually.
- We will issue green bonds.
- Our major suppliers will submit an ESG supplier statement every year.

Society:

- Sustainability is an important assessment criterion for the distribution of dividend funds for local communities.
- Sustainability is included as a separate point in all sponsorship agreements.
- We take the initiative regarding, and support, good sustainability projects in Nordvestlandet.
- We actively contribute to reducing financial crime, money laundering and corruption.

The strategic targets cover areas within the environment (Environmental), society (Social) and governing factors (Governance).

## 8 External reporting and framework

Sparebanken Møre reports on its work on sustainability and corporate social responsibility (CSR) every year in connection with the annual report in line with section 3-3(c) in the Accounting Act.

In order to ensure it takes a systematic and structured approach, the Bank reports in line with the GRI standard (Global Reporting Initiative). This also means reporting the Group's CO<sub>2</sub> emissions in accordance with the Greenhouse Gas Protocol Initiative (GHG protocol).

As a result of joining the UNEP FI Principles for Responsible Banking, an annual self-evaluation is prepared that is verified by an external party. The report is published on Sparebanken Møre's and UNEP FI's websites.

Sparebanken Møre has a clear intention to report in accordance with Task Force on Climate-related Financial Disclosures (TCFD) in the course of the strategy period.

Sparebanken Møre will also comply with market practices as well as relevant recommendations, including Euronext's ESG Guidelines for Issuers. The reported information must be accurate, balanced, understandable, comparable, timely and reliable.

#### Revision history

<b>Version</b>	<b>Date approved</b>	<b>Approved by</b>	<b>Updated items</b>
1.0	27.01.21	The Board of Directors	