

# Guidelines for equality, diversity and anti- discrimination

Version 1.0 – Updated 23/03/2021

Confidentiality level	Tick those that apply	Description of the confidentiality levels
Public	x	Information that is published and/or that can be shared with no limitations
Internal		Information intended for internal use, but which to a limited extent would harm the bank if it became available to others.
Restricted		Information that is available to all employees of the bank. Must only be shared outside of the bank on the basis of law or role (police, external auditor, internal auditor, Financial Supervisory Authority, etc.)
Confidential		Information that only certain internal employees have access to, for example inside information or sensitive decisions. Must only be shared outside of the bank on the basis of law or role (police, external auditor, internal auditor, Financial Supervisory Authority, etc.)

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## 1. Objective

The purpose of these guidelines is to ensure that Sparebanken Møre operates in accordance with the applicable rules and legislation relating to equality and anti-discrimination at all times.

Equality, diversity and anti-discrimination are key topics within sustainability, one of the bank's prioritised areas of focus. These guidelines will therefore also set out how the bank will be a driving force for equality, diversity and anti-discrimination within its own operations, as well as in respect of customers, suppliers and partners.

## 2. Background

A strengthened duty of action and disclosure has been introduced in the Norwegian Equality and Anti-Discrimination Act. This took effect for the first time for the year 2020 and will be reported on in annual reports published in 2021. The duty of action and disclosure is a duty for all employers to actively work on equality and anti-discrimination within their own business activities.

The duty of action means that all public sector companies and private sector employers with more than 50 employees must work to promote equality and prevent discrimination through the application of a specific four-step methodology (Section 26(2) of the Norwegian Equality and Anti-Discrimination Act). The duty of disclosure means that the actual gender equality ratio of the company must be reported. Such reporting must be provided in the annual report or other publicly available documents. The company must also report on what it does to fulfil the duty of action (Section 26(a) of the Norwegian Equality and Anti-Discrimination Act).

Section 3-3(c) of the Norwegian Accounting Act states that larger companies must report on what the company does to integrate the considerations for human rights, labour rights, equality and anti-discrimination in everyday operations and in relation to its stakeholders.

In addition to ensuring that Sparebanken Møre operates in accordance with the applicable regulations and legislation relating to equality and anti-discrimination at all times, it is also important that this is an integral and natural part of our HR policy in general. All of the bank's current and future employees should feel that they are treated equally and have equal opportunities and rights.

In a constantly changing world, increased diversity can help broaden our perspectives, which in turn can contribute to improved decision-making processes, increased innovation and better customer experiences.

Sparebanken Møre has also defined sustainability as a priority focus area in the bank's corporate strategy for the 2021-2024 period. The overarching objective is for Sparebanken Møre to be a driving force behind sustainable development. Several of the UN Sustainable Development Goals relate to

equality, diversity and anti-discrimination. In the bank's materiality analysis, equality and diversity have also been identified as among the sustainability topics that are most important to the bank's stakeholders and the bank's ability to create long-term value. It is therefore natural for these guidelines to also address equality, diversity and anti-discrimination in connection with the bank's customers, suppliers and other partners.

### 3. Responsibility, updating and decisions

The Board of Directors of the bank has a special responsibility for ensuring that the duty of active equality work and the duty to report on equality are met in accordance with Sections 26 and 26(a) of the Norwegian Equality and Anti-Discrimination Act and Section 3-3(c) of the Norwegian Accounting Act.

The Organisational Development section is responsible for updating these guidelines annually in line with the company's strategy and the regulations and legislation applicable at any time. Editorial changes may be adopted by the Head of the Organisational Development section.

The guidelines will be adopted by the Board of Directors of the bank upon creation and in connection with significant changes. The guidelines must be adopted by the boards of the subsidiaries before they are applicable to these companies.

### 4. Document map

The document "Guidelines for equality, diversity and anti-discrimination" forms part of Sparebanken Møre's general sustainability strategy. The sustainability strategy is subject to the bank's "Overarching guidelines for governance and control", which in turn are endorsed by the Group's strategic plan, Møre 20xx.



## 5. Internal guidelines

This section provides guidance on how Sparebanken Møre will work on equality, diversity and anti-discrimination within its own operations.

The bank has a zero-tolerance policy for all forms of discrimination, including verbal, physical and sexual harassment. Discrimination on the basis of gender, pregnancy, maternity or adoption leave, care duties, ethnicity, religion, beliefs, disability, sexual orientation, gender identity, gender expression, age or combinations of these is prohibited. This prohibition includes discrimination due to existing, presumed, past or future circumstances (Section 6 of the Norwegian Equality and Anti-Discrimination Act).

Equality, diversity and anti-discrimination will also be an integral and natural part of our HR policy. A diverse working environment can help improve decision-making processes, increases innovation and improves the customer experience.

### 5.1 Fulfilment of the duty of action and disclosure

The duty of action means that private companies with more than 50 employees must conduct a risk assessment using a specific four-step methodology. Each year, the company must assess whether there are any risks of discrimination and/or obstacles to equality within the company, find the cause of any identified risks, develop relevant measures and subsequently evaluate the outcome of the work. At Sparebanken Møre, this risk assessment is performed annually by the Organisational Development section.

The duty of disclosure means that the actual gender equality ratio of the company must be reported. The bank must therefore provide an annual overview of the proportion of men and women at each employee level, women's salaries as a percentage of men's salaries per employee level, the number of FTEs on parental leave by gender, absence due to illness by gender, as well as the proportion of temporary and part-time employees in the bank's total number of employees. Additionally, every other year, an assessment must also be conducted to identify whether any of the bank's employees are involuntarily working part-time.

The report must be published as part of Sparebanken Møre's annual report, sustainability report and/or other publicly available documents. In addition to reporting on the actual gender equality situation in the company, the report must also include information about what the bank has done to fulfil the duty of action (cf. Section 26(a-d) of the Norwegian Equality Act).

The duty of action will cover all HR policy areas, including recruitment, pay and working conditions, promotions, development opportunities, facilitation and combining work and family life (Section 26 of the Norwegian Equality and Anti-Discrimination Act). The internal guidelines for equality, diversity

and anti-discrimination will therefore provide further guidance on these HR policy areas. Guidelines are also provided concerning the bank's working environment and reporting procedures.

## **5.2 Recruitment**

Sparebanken Møre has a long-term ambition for there to be at least 40% of each gender at all levels in the bank. This ambition has been set on the basis of an identified inequality between men and women at the various levels of the bank, with most men at levels 1-3 and most women at levels 4-6. The ambition for a more equal gender composition at each level will be reflected in our recruitment procedures, in which the best male and female candidate must be identified. Efforts will also be made to encourage more groups of applicants to apply for vacant positions at the bank to ensure that we can better promote inclusion and reflect the diversity of the population.

Section 30 of the Norwegian Equality and Anti-Discrimination Act prohibits the collection of data concerning applicants' pregnancy, adoption or plans to have children, religion or beliefs, ethnicity, disability, sexual orientation, gender identity or gender expression. It is also not permitted to discriminate against applicants on the basis of one or more of these grounds.

Sparebanken Møre has designed and applies a recruitment process based on a DNV-certified model. The recruitment process will take into account the requirements set down in the Norwegian Working Environment Act and the Norwegian Equality and Anti-Discrimination Act and will ensure that all of the bank's employees involved in the recruitment process are informed of and adhere to the legislation applicable to this area.

## **5.3 Pay and working conditions**

The levels of remuneration at Sparebanken Møre should contribute to the Group achieving its targets and should encourage appropriate conduct.

Furthermore, the levels of remuneration should act as a means of good management and control in relation to the Group's risk, should discourage unwanted risk-taking and should contribute to the avoidance of conflicts of interest.

Sparebanken Møre has a Remuneration Committee elected by and from amongst the Board's members. The Remuneration Committee is intended to contribute to thorough and independent consideration of matters relating to the remuneration of executive personnel, etc. at the bank. A Recruitment Committee has also been established in line with the main agreement between Finance Norway and the Finance Sector Union of Norway. The committee deals with pay and working conditions upon recruitment and assesses employees' pay conditions on an annual basis. Both of the above committees must take account of gender equality and non-discrimination in relation to pay and working conditions.

The pay of Sparebanken Møre's employees is determined by individual agreements, collective bargaining (collective agreements) or administrative decisions. In connection with pay settlement,

separate analyses will be performed on the percentage distribution between men and women in order to identify any inequality between these groups.

#### **5.4 Promotion and development opportunities**

Sparebanken Møre will facilitate career development for both management and specialist positions. The Organisational Development section conducts quarterly reviews of deputies and possible successors for management employees and conducts an annual review of this together with the bank's Remuneration Committee. In order to achieve the ambition of equalising gender differences at the organisational level of the bank, there is a desire to have a minimum of 40% of each gender in lists of possible successors for managerial employees.

A minimum of four follow-up meetings will be held each year with all employees, of which one is the employee appraisal. Procedures linked to employee appraisals will ensure that family planning, absence due to illness, reports of harassment, ethnicity, religion, beliefs and/or political views do not result in discrimination in connection with promotions or other development opportunities. Each year, the bank will conduct analyses on what proportion of each gender takes advantage of the bank's offer of funded further education.

#### **5.5 Facilitation and balancing work and family life**

Sparebanken Møre is working to be an inclusive workplace for employees in all age groups and phases of life.

Sparebanken Møre must facilitate good occupational health services. The occupational health services provider reports on any areas requiring improvement with respect to the working situation/ergonomics once a year, at an organisational level. As a supplement to the occupational health service, Sparebanken Møre has also entered into an agreement to provide psychological support and health insurance for all employees.

The bank will work on measures to promote health and to stimulate physical activity through e.g. an active company sports team. We have excellent social schemes in place, such as outstanding employee insurance and company cabins/apartments that may be used by employees and their families. We operate a flexi-time scheme and it is possible to work from home when conditions dictate. Overall, Sparebanken Møre aims for its operations to be based on limited overtime work.

The Group is affiliated with the "IW scheme" (Inclusive Workplace). The overall objective of the scheme is to reduce absence due to illness, retain more employees with reduced functional ability and increase the real retirement age. The bank will facilitate the adaptation of the workplace and content of the work when dictated by health and will strive to accommodate reduced working hours in the event of health, social or welfare issues.

The bank will help ensure employees can take statutory leave and contribute to promoting a more even balance of work and family life among parents. Employees who are on parental leave for a

minimum of five months have a collective agreement-stipulated right to a pay rise of at least one level upon returning.

## **5.6 Working environment**

Sparebanken Møre aims to lay the groundwork for a workplace created by interested and engaged employees. We are committed to achieving a good working environment through HR policy measures, employee involvement and development, as well as considered feedback.

All Sparebanken Møre employees are expected to contribute towards a positive and inclusive working environment. All managers must respect and treat all employees in such a way that they feel supported and inspired to perform at their best.

Employee satisfaction must be measured through annual working environment surveys, in which the main areas that are investigated are working environment, commitment, management, communication and the risk culture at Sparebanken Møre. The working environment survey provides us with a better understanding of what we excel at as an organisation and where we can improve. The results of the survey will be used to implement measures as needed. Sparebanken Møre has a target of an overall employee satisfaction level of 7.5, measured using a scale from 0-10.

## **5.7 Whistleblowing**

Sparebanken Møre aims to facilitate an open culture of free speech. A good climate for free speech is important for the working environment, the well-being of individuals and in achieving the best possible operations. It is important that illegal and unacceptable situations, as well as other adverse situations, are uncovered and followed up on as early as possible. Sparebanken Møre is committed to making employees feel confident that addressing unacceptable situations is a natural element of an individual's responsibilities in the workplace.

Employees have a statutory right under the Working Environment Act to report unacceptable situations in the workplace. In some cases, employees also have a statutory duty to make reports, including in the event of suspected bullying, harassment or discrimination.

Sparebanken Møre aims to have good whistleblowing procedures designed to facilitate secure and effective whistleblowing. The whistleblowing procedures will be available to all employees via the intranet and all employees will receive regular training in the whistleblowing procedures via e-learning courses.

## **6. Guidelines relating to customers, suppliers and partners**

This section provides guidance as to how Sparebanken Møre will work on equality, diversity and anti-discrimination in relation to suppliers, customers and partners.

One criterion applicable to all of the bank's stakeholders is that they adhere to applicable laws and agreements. This includes recognised standards for corporate social responsibility and binding national and international agreements and conventions, including the UN Universal Declaration of Human Rights and the UN Sustainable Development Goals. All of the bank's stakeholders are expected to have a zero-tolerance policy against all forms of discrimination.

All of the bank's customers must be treated with respect and no one should experience any form of conscious or unconscious discrimination. For our private customers, we will contribute to reducing inequality through good information, sound advice and high-quality products.

Our corporate customers are encouraged to work on equality, diversity and anti-discrimination within their own business and as part of their corporate social responsibility. An ESG assessment is conducted at least once a year for corporate customers with credit exposure above a certain threshold. Matters relating to equality and diversity form part of this assessment.

All of the bank's suppliers are expected to work actively on equality, diversity and anti-discrimination and the largest suppliers are required to submit ESG declarations upon entering into a contract with us.

When distributing dividend funds for local communities, sustainability, including equality, diversity and anti-discrimination, is a key assessment criterion. The bank will take the initiative for and support outstanding sustainability projects in Nordvestlandet and sustainability will be included as a clause in all sponsorship agreements.

## **7. Control requirements, including control dimensions**

The Organisational Development section will follow up annually to ensure that the bank complies with the duty of action and disclosure and is working actively on equality, diversity and anti-discrimination within its own organisation.

For the bank's customers, the goal is for no-one to be treated differently for subjective reasons (cf. provisions set down in the Norwegian Financial Contracts Act and Norwegian Equality and Anti-Discrimination Act). All customers have the opportunity to raise general complaints via sbm.no and these will be followed up on continually by the Risk Management and Compliance section.

For the bank's corporate customers with a credit exposure above a certain threshold, the goal is to conduct annual ESG assessments. Developments will be monitored by the Corporate Banking division.

For the bank's largest suppliers, the goal is for the suppliers to sign an ESG supplier declaration upon entering into a contract. The Product and Service Development department is responsible for annual follow-up to ensure that these suppliers have valid ESG declarations.

## 8. Reporting

The Organisational Development section is responsible for ensuring that the bank fulfils the duty of action and disclosure each year. The bank also follows the GRI standard and reports on equality and diversity in line with this framework as one of the most important sustainability topics at the bank.

Any complaints from customers will be followed up on by the Risk Management and Compliance section and are reported to the Board of Directors of the bank on a quarterly basis.

ESG assessments of corporate customers are followed up on by the Corporate Banking division and continuously reported via the bank's portfolio management system.

ESG declarations from our suppliers are stored in the common area for the Product and Service Development department together with the suppliers' main agreements.

### Revision history

<b>Version</b>	<b>Date approved</b>	<b>Approved by</b>	<b>Updated items</b>
1.0	23/03/2021	The Board of Directors of	