

Sparebanken Møre

Regional Banks Norway OSLS:MORG

ESG Risk Rating

19.2

Updated Jul 17, 2022

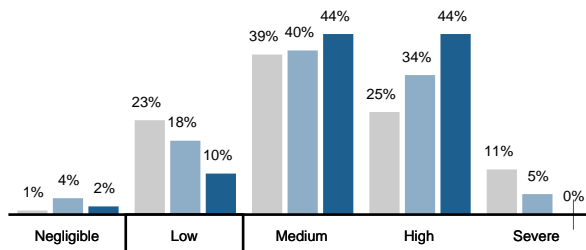
-1.4

Momentum

Low Risk



ESG Risk Rating Distribution



ESG Risk Rating Ranking

UNIVERSE	RANK	PERCENTILE
	(1 st = lowest risk)	(1 st = lowest risk)
Global Universe	3349/14912	23rd
Banks INDUSTRY	194/995	20th
Regional Banks SUBINDUSTRY	42/386	12th

Peers Table

Peers (Market cap \$0.3 - \$0.4bn)

	Exposure	Management	ESG Risk Rating
1. Sparebanken Møre	37.5 Medium	51.0 Strong	19.2 Low
2. The First Bancorp, Inc. (Maine)	38.2 Medium	21.7 Weak	30.4 High
3. TOMONY Holdings, Inc.	45.2 Medium	29.6 Average	32.6 High
4. The Toho Bank, Ltd.	43.3 Medium	17.9 Weak	36.0 High
5. Glarner Kantonalbank AG	42.0 Medium	15.0 Weak	36.1 High

Sparebanken Møre

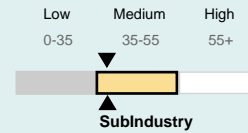
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ESG Risk Analysis

Exposure refers to the extent to which a company is exposed to different material ESG Issues. The exposure score takes into consideration subindustry and company-specific factors such as its business model.

ESG Risk Exposure

37.5 **-0.5**
Medium Momentum
 Beta = 0.99



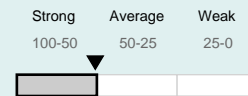
Sparebanken More offers a diverse range of banking and other financial products to individual customers, SMEs, corporates, and public institutions. Insufficient transparency, misleading marketing practices or predatory lending may result in customer loss and potential penalties. Additionally, Sparebanken More stores and processes large volumes of sensitive customer data. Data privacy and security breaches may result in regulatory action, litigation, public scrutiny, or loss of customer trust. Moreover, aside from traditional banking services, Sparebanken More offers real estate brokerage, financial advisory and investment services through its subsidiaries, thus increasing the difficulty of monitoring and enforcing ethical business conduct. As regulatory scrutiny of the financial sector is high, infractions could result in expensive penalties and reputational damage.

The company's overall exposure is medium and is similar to subindustry average. Product Governance, Data Privacy and Security and Business Ethics are notable material ESG issues.

Management refers to how well a company is managing its relevant ESG issues. The management score assesses the robustness of a company's ESG programs, practices, and policies.

ESG Risk Management

51.0 **+3.0**
Strong Momentum



Sparebanken More's overall ESG-related disclosure follows best practice, signalling strong accountability to investors and the public. In FY2021, the bank published an integrated annual report, which was prepared in accordance with the GRI standards. In addition, the company's ESG-related issues are overseen by the executive team, suggesting that these are integrated into its core business strategy.

The company's overall management of material ESG issues is strong.

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Material ESG Issues

These are the Material ESG Issues driving the ESG Risk Rating.

Issue Name	ESG Risk Exposure Score Category	ESG Risk Management Score Category	ESG Risk Rating Score Category	Contribution to ESG Risk Rating
Product Governance	8.0 High	40.0 Average	4.8 Medium	24.9%
Corporate Governance	9.0 High	53.0 Strong	4.2 Medium	22.0%
Data Privacy and Security	6.0 Medium	55.0 Strong	3.4 Low	17.5%
Business Ethics	4.8 Medium	43.1 Average	2.8 Low	14.6%
ESG Integration -Financials	5.0 Medium	53.3 Strong	2.3 Low	12.1%
Human Capital	4.8 Medium	67.3 Strong	1.7 Negligible	8.9%
Overall	37.5 Medium	51.0 Strong	19.2 Low	100.0%

Events Overview

Identify events that may negatively impact stakeholders, the environment, or the company's operations.

Category (Events)

5 Severe (0)

4 High (0)

3 Significant (0)

2 Moderate (0)

1 Low (0)

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Events Overview

Identify events that may negatively impact stakeholders, the environment, or the company's operations.

Category (Events)

⚠ None (15)

Access to Basic Services

Accounting and Taxation

Anti-Competitive Practices

Bribery and Corruption

Business Ethics

Carbon Impact of Products

Data Privacy and Security

Environmental Impact of Products

Labour Relations

Lobbying and Public Policy

Marketing Practices

Quality and Safety

Sanctions

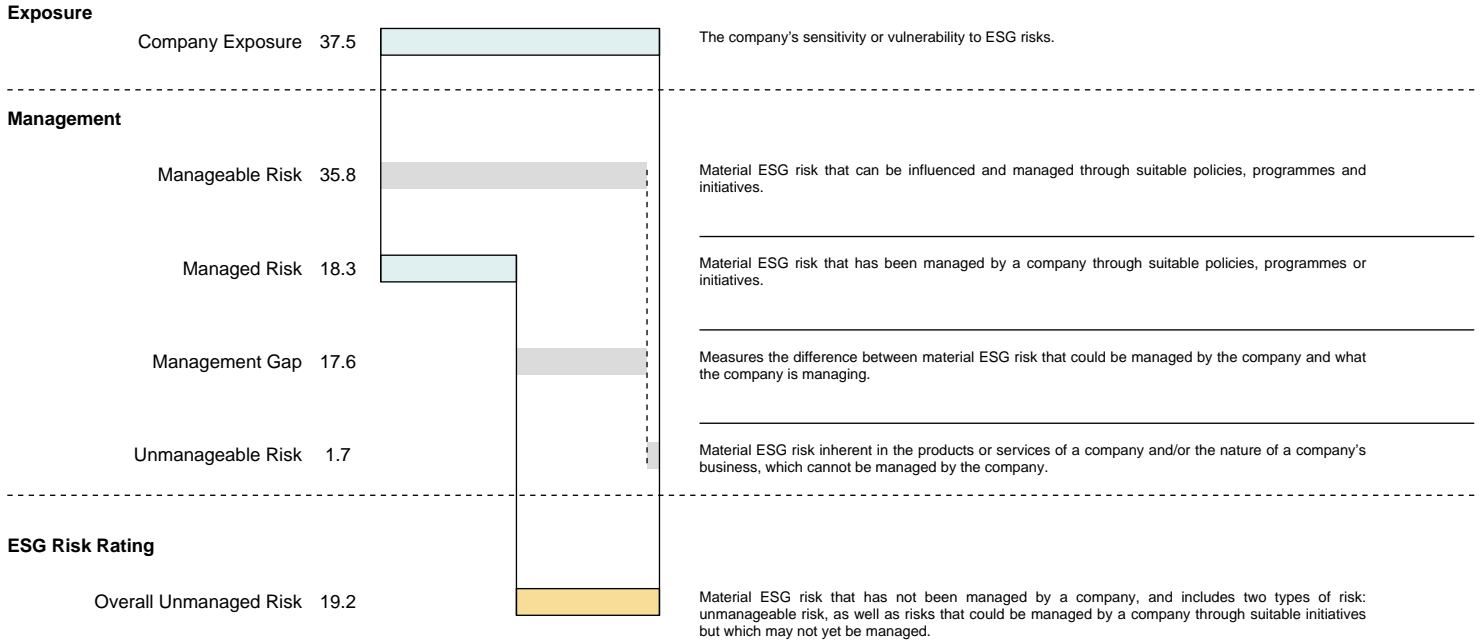
Social Impact of Products

Society - Human Rights

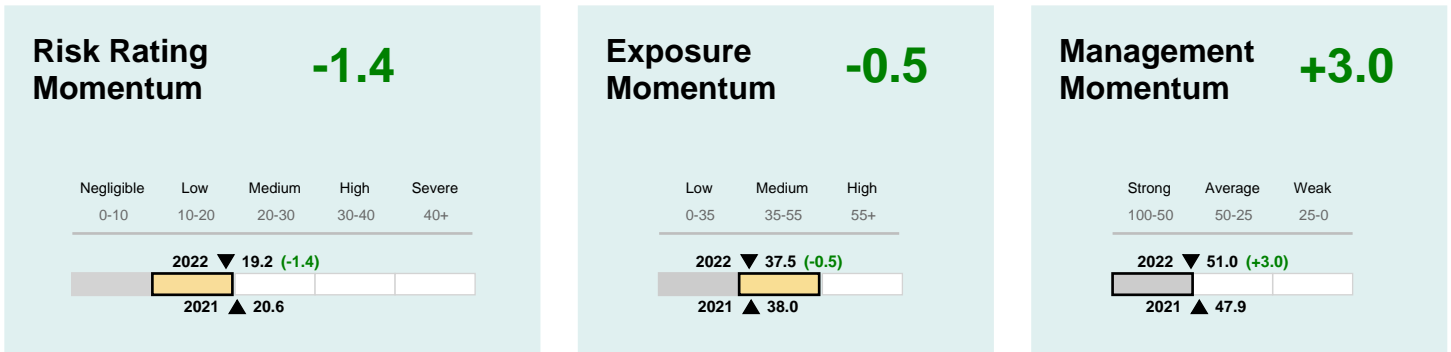
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Risk Decomposition



Momentum Details



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GLOSSARY OF TERMS

Beta (Beta, β)

A factor that assesses the degree to which a company's exposure deviates from its **subindustry's** exposure on a **material ESG issue**. It is used to derive a company-specific issue exposure score for a material ESG issue. It ranges from 0 to 10, with 0 indicating no exposure, 1 indicating the subindustry average, and 10 indicating exposure that is ten times the subindustry average.

Corporate Governance Pillar

A pillar provides a signal about a company's management of a specific Corporate Governance issue.

ESG Risk Category

Companies' **ESG Risk Rating scores** are assigned to five ESG risk categories in the **ESG Risk Rating**:

-  **Negligible risk:** enterprise value is considered to have a negligible risk of material financial impacts driven by ESG factors
-  **Low risk:** enterprise value is considered to have a low risk of material financial impacts driven by ESG factors
-  **Medium risk:** enterprise value is considered to have a medium risk of material financial impacts driven by ESG factors
-  **High risk:** enterprise value is considered to have a high risk of material financial impacts driven by ESG factors
-  **Severe risk:** enterprise value is considered to have a severe risk of material financial impacts driven by ESG factors

Note that because ESG risks materialize at an unknown time in the future and depend on a variety of unpredictable conditions, no predictions on financial or share price impacts, or on the time horizon of such impacts, are intended or implied by these risk categories.

ESG Risk Rating Score (Unmanaged Risk Score)

The company's final score in the **ESG Risk Rating**; it applies the concept of **risk decomposition** to derive the level of **unmanaged risk** for a company.

Event Category

Sustainalytics categorizes events that have resulted in negative ESG impacts into five event categories: Category 1 (low impact); Category 2 (moderate impact); Category 3 (significant impact); Category 4 (high impact); and Category 5 (severe impact).

Event Indicator

An indicator that provides a signal about a potential failure of management through involvement in controversies.

Excess Exposure

The difference between the company's **exposure** and its **subindustry** exposure.

Exposure

A company or **subindustry's** sensitivity or vulnerability to ESG risks.

Idiosyncratic Issue

An issue that was not deemed material at the **subindustry** level during the **consultation process** but becomes a **material ESG issue** for a company based on the occurrence of a Category 4 or 5 event.

Manageable Risk

Material ESG risk that can be influenced and managed through suitable policies, programmes and initiatives.

Managed Risk

Material ESG Risk that has been managed by a company through suitable policies, programmes and initiatives.

Management

A company's handling of ESG risks.

Management Gap

Refers to the difference between what a company has managed and what a company could possibly manage. It indicates how far the company's performance is from best practice.

Management Indicator

An indicator that provides a signal about a company's management of an ESG issue through policies, programmes or quantitative performance.

Material ESG Issue

A core building block of the **ESG Risk Rating**. An ESG issue is considered to be material within the rating if it is likely to have a significant effect on the enterprise value of a typical company within a given **subindustry**.

Subindustry

Subindustries are defined as part of Sustainalytics' own classification system.

Unmanageable Risk

Material ESG Risk inherent from the intrinsic nature of the products or services of a company and/or the nature of a company's business, which cannot be managed by the company if the company continues to offer the same type of products or services and remains in the same line of business.

Unmanaged Risk

Material ESG risk that has not been managed by a company, and includes two types of risk: **unmanageable risk**, as well as risks that could be managed by a company through suitable initiatives, but which may not yet be managed (**management gap**).

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