

Employee and Human Rights Policy



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1 BACKGROUND

Sparebanken Sør wishes to create long-term value and contribute to sustainable regional growth and development. For Sparebanken Sør, responsibility for sustainable development means contributing to the positive future development of ESG issues (the environment, social conditions and corporate governance), as well as exercising corporate social responsibility in the areas where the Bank operates. Our sustainability efforts are intended to strengthen the Bank's competitiveness and reduce risk by making requirements of our customers and our partners.

Employee and human rights are an important part of Sparebanken Sør's sustainability efforts.

The UN's sustainable development goals represent a joint programme to eradicate poverty, combat inequality and stop climate change.

2 PURPOSE

This Policy is intended to support Sparebanken Sør's work to uphold employee and human rights, both in our own organisation and in dealings with our customers, partners and suppliers.

3 TARGET GROUP

This policy applies to all employees in all areas of Sparebanken Sør.

4 PRINCIPLES AND COMMITMENTS

4.1 Strategic guidelines

Sparebanken Sør's strategic guidelines for employee and human rights are established in international conventions such as:

- The UN's Guiding Principles on Business and Human Rights
- The UN Declaration on Human Rights
- The ILO's eight fundamental conventions in areas such as child labour, freedom of association, discrimination and forced labour

The Bank recognises that it has an independent responsibility to respect human rights, perform due diligence to avoid being complicit in violations, and to have processes in place to rectify any human rights violations.

For Sparebanken Sør this means:

- not being complicit in violations of human and employee rights and international conventions
- acknowledging children as a particularly vulnerable group; children's special rights are embedded in the UN Convention on the Rights of the Child
- recognising employees' right to form and join a trade union
- providing a working environment characterised by respect and consideration
- being an active and empathetic social contributor that cooperates with others to secure rights of appeal for affected parties through reasonable processes

4.2 Commitments

Sparebanken Sør pledges to comply with all legislation that is relevant to our activities, and to strive to ensure that our customers, partners and suppliers comply with legislation that is relevant to their activities in the market areas in which they operate.

UN Global Compact

Sparebanken Sør has signed up to the ten principles of the UN Global Compact, where the following principles are of key importance for employee and human rights:

- Principle 1: We will support and respect the protection of internationally proclaimed human rights (beliefs, ethnic origin, the right to work and education etc.)
- Principle 2: We will make sure that we are not complicit in human rights abuses
- Principle 6: We will uphold the elimination of discrimination in respect of employment and occupation

UNEP Principles for Responsible Banking

Sparebanken Sør has also signed up to the UN's environmental programme, the UNEP Principles for Responsible Banking, where the following principles are of key importance for employee and human rights:

- Principle 1: We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals
- Principle 2: We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services

The UN's Sustainable Development Goals

The UN's sustainable development goals, which were adopted in 2015, represent a global plan to eradicate poverty, combat inequality and stop climate change. The plan consists of 17 goals, which are referred to as the world's blueprint for sustainable development. Sparebanken Sør supports all 17 of the sustainable development goals.

The following sustainable development goals are of key importance for employee and human rights:

- SDG 4: Quality education
- SDG 8: Decent work and economic growth
- SDG 10: Reduced inequalities

4.3 Freedom of association, social dialogue and corporate democracy

Employees in Norway enjoy full freedom of association as a basic human right. This means that employees are free to join or form trade unions or other associations. Employees also have the right not to join a trade union. Freedom of association derives from a series of international agreements which Norway has signed, including Article 11 of the European Convention on Human Rights (ECHR). The ECHR is incorporated into Norwegian law. The provisions of the Norwegian Working Environment Act also affect freedom of association, for example through the prohibition of discrimination on grounds of membership of an employee organisation in Section 13-1.

Within the banking and finance sector in Norway there is a well-developed social dialogue between employers, represented by Finance Norway, and the Finance Sector Union of Norway and the Norwegian

Union of Commerce and Office Employees as the largest trade unions. The sector has a Basic Agreement and a Central Agreement negotiated at sector level, and business agreements and special agreements negotiated at enterprise level. In addition, representatives from Finance Norway and the member organisations extensively collaborate with representatives of the trade unions to reach a common understanding and find potential solutions for important strategic issues on which the sector needs to take any active position – including outside formal negotiations.

Sparebanken Sør recognises freedom of association and the right to demand collective agreements. The Bank currently has a collective agreement with the Finance Sector Union of Norway, in which most sector employees are members. The Bank has an agreement with the union to cover the costs of one full-time employee at the Finance Sector Union of Norway. In this way the Bank recognises and accepts the importance of skilled union representatives who help meet the parties' mutual interest in having a well-developed corporate democracy that supports the enterprise's strategy and objectives.

4.4 Requirements and expectations of customers, suppliers and partners

In their corporate governance, our customers and suppliers are also expected to prioritise meeting the obligations and principles that apply to Sparebanken Sør's own activities relating to employee and human rights.

5 RESPONSIBILITY, MANAGEMENT, FOLLOW-UP AND REPORTING

You can read more about responsibility, management, organisation and reporting in our governing document Sustainability Strategy at www.sor.no.