

SUSTAINABILITY REPORT 2023



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2 INTRODUCTION

2.1 Sustainability strategy

Sparebanken Sør's mission is to "create sustainable growth and development for our region". The bank is a regional savings bank and its business model is an integrated value chain that comprises the development, production and provision of financial products and services. The distribution of products through owner companies and partners is also an important part of the business model, and we serve customers through a combination of physical sales offices and digital solutions. Our main business areas are Deposits and Lending to the retail and corporate markets, as well as Financing and Investment. These business areas, together with procurement, are where we have the greatest positive and negative impact on areas that affect sustainability. These areas also represent the greatest risks and opportunities in relation to the bank's financial position and results. For more information on the size of these business areas, please refer to the Annual Report.

Our business activities are conducted within the framework of the company's strategy, corporate governance, Code of Conduct, governing documents, guidelines and procedures, all in accordance with regulatory framework conditions. A number of indicators (KPIs) have been established, with short and long-term goals in the relevant material topics. Continuous follow-up of these indicators, together with other analyses and assessments, form the basis for monitoring development and target attainment and are used to ensure compliance with strategies, guidelines, due diligence and objectives.

As a savings bank, we have a long tradition of being a responsible corporate citizen. Our work on sustainability (ESG – Environmental, Social and Governance), which encompasses the climate and nature, social conditions and corporate governance, is a natural continuation of the role that we have played for almost 200 years. For us, sustainable development means that we should contribute to positive development in ESG, while safeguarding our social responsibility in the areas in which we operate. Our work on sustainability should strengthen our competitiveness and reduce the bank's ESG risk. As an employer, investor, lender and supplier of financial products and services, we should contribute to sustainable growth and development by strengthening the positive effects and reducing the negative impacts on people, society, climate and nature.

Sustainability is embedded and integrated into our overall strategic plan. We will operationalise sustainability in all business areas and contribute to solutions to the sustainability challenges facing society. We support the Paris Agreement and other relevant global and national sustainability initiatives. Our aim is to provide competitive returns to equity certificate holders and create sustainable growth and development in our region.

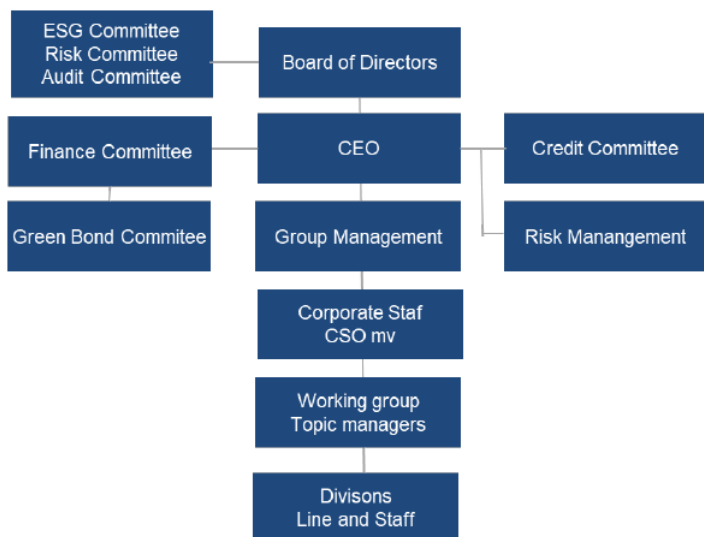


Through active collaboration with customers, the public sector, business, research and educational environments, we also contribute to business and community development. We contribute significant funds to a number of sports and cultural activities, societal functions and sustainable activities to stimulate sustainable development and growth in the region.

2.2 Framework

2.2.1 Organisation

The organisational structure for sustainability work:



ESG work is firmly embedded at Board and management level. You can find more details about organisation and responsibility in our “Sustainability Strategy” document at <https://www.sor.no/globalassets/organisasjon/barekraft/sustainability-strategy-sparebanken-sor.pdf>, section 3 page 6.

2.2.2 Governing documents, management and measurement systems

Good governing documents and management and measurement systems are key prerequisites for sustainability work. Governing documents have been prepared at an overarching level and an operational level for each of the different topic areas. We also have a number of internal governing documents, procedures and guidelines that are not publicly available for reasons of confidentiality.

Governing documents describe management control systems for the various topics, how these are managed, and how they are followed up.

We have established KPIs for the various topics set out in Scorecard (Appendix 2). Measures for improvements are implemented as needed, and prioritised KPIs are integrated into the bank’s overall risk management framework and included in quarterly reports to the Board.

Governing documents, management control systems, goals and methods are evaluated and revised through annual auditing processes. You can find an overview of our governing documents for ESG under the relevant topic or on the bank’s website at <https://www.sor.no/felles/om-sparebanken-sor/about/social-responsibility/sustainability-reports/>

2.2.3 GRI Standards (Global Reporting Initiative)

This report has been prepared according to the new GRI Standards from 2021, which comprise a recognised global system and framework for sustainability reporting (ESG).

2.2.4 Scorecard and KPIs

ESG area	Indicator	UNIT	2021	2022	2023	Objective	
						Goal	Date
SOCIAL	Percentage of female managers in total	%	38,9	37,3	38,6	40 - 60	2025
	Women's average pay compared to men	%	85,9	86,9	87,5	90 - 110	2025
	Employee satisfaction	%	NA	85	NA	> 80	
	Uptime customer solutions, SLA	%	99,77	99,64	99,9	99,70	
CORPORATE GOVERNANCE	Donations and sponsorships	MNOK	51,7	111,7	163,9		
	Customer satisfaction indicator, retail market	Plass nr	11	6	10	Topp 3	
	Customer satisfaction indicator, corporate market	Plass nr	7	7	7	Topp 3	
	Green home mortgages, % of total	%	NA*	NA*	18,1	50	2030
	Green commercial property, % of total	%	NA	NA	21,3	50	2030
	Sustainable bonds, Liquidity portfolio	MNOK	1.495	3.178	5.619	2.000	2022
	Bond financing under Green & Sustainability Bond Framework	MNOK	5.103	12.231	12.231		
	Percentage of suppliers risk classified in line with ESG	% volum		78,3	80,7		
	ESG Rating (Neglectable risk is ≤ 10 points)	Poeng	11,7	9,7	10,8	≤ 20	
KLIMA OG NATUR	Greenhouse-gas (GHG) emissions from own operations	tonn CO2	254,4	232,2	253,5		
	Reductions in GHG emissions from own activities, Baseline 2017	%	50,4	54,7	50,6	55	2030
	Energy intensity, own activities	kWh/m2	233	203	213	0 (NZE)	2050
	Reduction in GHG emissions from lending in 2030, Baseline 2023	%	NA	NA	0	40	2030
	GHG emissions from lending	tonn CO2	NA	NA	NA	0 (NZE)	2050
	Reduction in GHG emissions from investments in 2050, BL 2023	%	NA	NA	NA	40	2030
	GHG emissions from investments	%	NA	NA	NA	0 (NZE)	2050
	Percentage energy from renewable sources	%	94,1	96,1	96,4		
	Company cars that are electric	%	81	83	84	100	2023

** For definitions of KPIs, see Appendix 2 Scorecard Definitions

An overview of all the bank's KPIs is presented in Appendix 2 to this report.

2.3 Initiatives



2.3.1 UN Global Compact

Sparebanken Sør has endorsed the UN Global Compact. The Global Compact is the world's largest initiative for work on sustainability and corporate social responsibility, and we publish a Communication on Progress (CoP) annually, which includes the status and development of our work on sustainability and Sustainable Development Goals.

2.3.2 UNEP FI PRB (United Nations Environment Programme Finance Initiative – Principles for Responsible Banking)

The UN Principles for Responsible Banking are a guide that describes responsibilities and ambitions for actions to meet the UN Sustainable Development Goals and the targets of the Paris Agreement.

Sparebanken Sør is a signatory to UNEP PRB. For more information on how the bank integrates UNEP PRB principles, see:
<https://www.sor.no/globalassets/organisasjon/barekraft/2022-reporting-self-assessment-template-sparebanken-sor.pdf>

2.3.3 UNEP FI PRI (UN Environmental Programme Finance Initiative – Principles for Responsible Investment)






Sparebanken Sør outsources its asset management operations and is therefore not a signatory to UNEP PRI. We distribute securities funds from other fund managers and require these to be members of UNEP PRI and to comply with its principles.

2.3.4 Finance Norway’s “Roadmap for Green Competitiveness in the Norwegian Financial Sector”

Finance Norway has prepared a roadmap for green competitiveness in the financial sector with a vision for the financial services industry to be profitable and sustainable by 2030. We are involved in a continuous process of integrating these principles into our strategic and operational processes.

2.3.5 UN Sustainable Development Goals

The UN Sustainable Development Goals, which were adopted in 2015, represent a global plan to eradicate poverty, combat inequality and stop climate change. We support all 17 Sustainable Development Goals and have identified certain goals that will have special priority. Prioritised sustainability goals, important measures and activities are shown in the figure below.

 <p>5 LIKESTILLING MELLOM KJØNNENE</p>	<p>The Norwegian Transparency Act Whistleblowing and complaints Equal access to financial solutions and products</p>
 <p>8 ANSTENDIG ARBEID OG ØKONOMISK VEKST</p>	<p>ESG requirements for customers and suppliers ESG requirements for lending, investments and financing</p>
 <p>12 ANSVARLIG FORBRUK OG PRODUKSJON</p>	<p>Sustainable products and services Circular economy, reuse and waste management ESG requirements for credit, investments, financing</p>
 <p>13 STOPPE KLIMAENDRINGENE</p>	<p>TCFD report and greenhouse gas reduction targets TNFD report Green product framework</p>
 <p>17 SAMARBEID FOR Å NÅ MÅLENE</p>	<p>Member of the UN Global Compact Member of UNEP PRB/PRI Finance Norway</p>

Further details about measures and activities for supporting prioritised sustainability goals appear under the relevant topic in point 2.4.

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

TCFD is a supplement to our Sustainability Report and our overall reporting of sustainability. The TCFD report provides a framework for our climate reporting, see:
<https://www.sor.no/globalassets/organisasjon/barekraft/2022-tcf-report-sparebanken-sor.pdf>

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

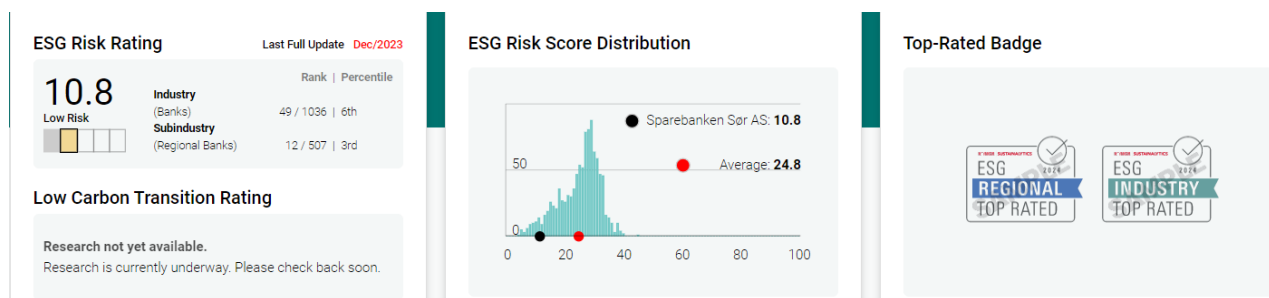
The TNFD is a supplement to our Sustainability Report and our overall reporting of sustainability. The TNFD report provides a framework for our nature reporting, see: <https://www.sor.no/globalassets/organisasjon/barekraft/2023-07-05-tnfd-report-sparebanken-sor.pdf>

2.3.8 PCAF (Partnership for Carbon Accounting Financials)

In 2021, Sparebanken Sør became a partner in the PCAF, which is a global collaboration between financial institutions that are working together to harmonise assessments of and information on greenhouse gas emissions financed by loans and investments. The group is rapidly growing and consists of a large number of banks and investors from around the world.

2.3.9 ESG Rating

In 2023, we received an ESG rating from Sustainalytics of 10.8 (corresponding to negligible risk). See below for more details.



3 STAKEHOLDER ENGAGEMENT AND MATERIALITY ANALYSIS

3.1 Stakeholder engagement and materiality analysis

Sustainability is about long-term value creation, both for society and for the company in question. The significance of the various sustainability topics for the company and the industry in general will vary. Each company must prioritise those sustainability topics that are most important for its operations. These analyses are called “double materiality analyses”.

A materiality analysis is an established tool for identifying sustainability topics that are significant to a company’s long-term value creation and impact on society and the environment. The principle of double materiality is central to the most important international reporting standards, such as the CSRD (Corporate Sustainability Reporting Directive), and is an established element of best practices in sustainability.

In the autumn of 2022, we updated our stakeholder and materiality analysis. The purpose of this was to:

- quality-assure material topics
- follow the principle of double materiality

The process is described in the following sections.

3.2 Stakeholder survey

Stakeholders are selected on the basis of business relationships, their expertise on sustainability, and their significance to society and the bank’s business areas. When selecting stakeholders, we have also focused on selecting a sufficient number of stakeholders with good knowledge of industry and sustainability, and who can be defined as experts.

The stakeholder survey was conducted as a questionnaire with follow-up discussions with selected stakeholders. The figure below shows which stakeholder groups were given priority in the selection process.



We assess relevant and potential new stakeholders on an ongoing basis. The stakeholder groups are important because they can influence and provide input on how the bank can prioritise work on sustainability in terms of the choice of topics, measures and priorities.

3.3 Stakeholder engagement

The objective of stakeholder engagement is to obtain input on what stakeholders believe are material sustainability topics that the bank should prioritise from a societal and business perspective.

Information about key stakeholders:

Stakeholders	Arena for dialogue	Regularly	Annually	As needed	Relevant topics	Measures
Customers (retail customers and corporate customers)	Customer meetings, events, customer surveys			X	Products, services and prices. Digital solutions. Responsible business conduct.	Sustainable products. ESG in customer dialogue and credit processes.
Suppliers and partners	Procurement and follow-up. Meetings and gatherings		X	X	Follow-up of delivery agreements, quality and solutions, SLAs in line with the Norwegian Transparency Act.	ESG requirements in tendering processes, follow-up and supplier dialogue.
Authorities, Norges Bank, Financial Supervisory Authority of Norway	Semi-annual meetings, ad-hoc meetings	X	X		ESG risks, status and follow-up of regulatory requirements.	Ensure regulatory requirements and reporting.
Rating agencies and analysts	Meetings, events, rating processes	X	X		Follow-up of ESG status, market development. Rating processes.	Requirements and gaps in relation to ESG, reporting. Framework for sustainable bonds/products.
Management	Fixed meetings and meeting places	X			All relevant sustainability topics.	Relevant operational, regulatory and development measures are discussed and adopted.
Employees	Performance appraisals, events, staff meetings		X		Working environment, equality, professional topics such as sustainability, HSE etc.	Competency enhancement, employee surveys and a good working environment.
Owners and the Board of Directors	Board meetings, regular meetings, general meeting	X	X		Regulatory requirements, market expectations, operationalisation of ESG.	Ongoing information, follow-up, reporting of measures and development.
Special-interest organisations, UN GC, PRB, Finance Norway	Regular and ad-hoc meetings, events, projects and courses	X			Development of ESG, implementation of principles, projects, KPIs etc.	Projects, courses, safeguard principles, development and reporting.
Investors and brokers	Meetings, events	X	X		Follow-up of ESG status, market development, financing etc.	Requirements and gaps in relation to ESG, reporting and issuance of green bonds.
Society in general	Miscellaneous			X	The bank's role as corporate citizen, contributions to the development of society and the local community.	Donations, sponsorships and the bank's engagement in the local community.

The process of identifying and engaging stakeholders and integrating their input into decision-making processes that concern them is ongoing.

3.4 Materiality analysis

To ensure that the bank prioritises the most material topics and takes double materiality into account, the materiality analysis was updated in autumn 2022.

The analysis is based on the principle of double materiality. Double materiality means analyses of how risks and opportunities in relation to ESG affect our financial position and our performance (financial materiality), and what positive and negative impact the bank has on ESG in relation to society and the environment (environmental and social materiality).

The update of the materiality analysis involved a wide range of our key stakeholders, including owners, customers, employees, authorities and society at large. We conducted a survey that was followed up by in-depth discussions with representatives from the stakeholder groups.

A workshop was held with Group Management to assess which sustainability topics are of greatest importance to us, and to prioritise these.

The selection of sustainability topics was based on dialogue with consultants, as well as various internal and external sources such as the SASB Materiality Map.

The materiality analysis resulted in an overview of those topics that are material to us. These reflect what our stakeholders are concerned about, what has the greatest financial significance for Sparebanken Sør, and the greatest social impact.

The most material topics show where we have influence, either directly in our own operations or indirectly through the business areas represented by our customers, suppliers and partners. Some of the topics, such as climate and nature, are key to our financial risk and opportunities, including, for example, sustainable products, bonds and investments. These are the most important instruments we have for achieving the objectives of the Paris Agreement and the forthcoming UN Biodiversity Agreement. A common feature of the topics that provide us with business opportunities is that they affect our customers, primarily in the business areas of Lending, Investments and Financing.

Other topics such as money laundering, financial crime, data protection and information security are important for safeguarding regulatory and social conditions. Topics related to social conditions, such as labour and human rights and the development of employees, are important for safeguarding and developing individuals both in society at large and at the bank, as they help ensure fair and sustainable value creation and economic development.

Below is a list of our most material topics and key business areas in terms of sustainability.

Material topics
Climate and nature
Responsible products and services
Development of employees and the working
Financial crime
Labour and human rights
Data protection
Information security and stable IT systems
Responsible business conduct
Responsible credit activities
Responsible investment and financing
Responsible procurement

4 LABOUR AND HUMAN RIGHTS

4.1 General information





Labour and human rights are an important issue because providing equal rights and opportunities for all, both internally at the bank and in society at large, helps to ensure sound and fair economic development and growth both nationally and globally.

The bank has a positive actual and potential impact on gender equality, fair pay, diversity, further development of employees, health, safety and the environment, and it is a requirement that everyone with whom the bank interacts complies with key UN conventions on labour and human rights. Similarly, we could have a negative impact by not attending to these areas in a responsible manner. The bank has not been directly associated with any negative incidents related to labour and human rights. The biggest potential social impact is in the business areas.

We follow up these topics with relevant measures to enhance the positive impact and reduce the negative impact. Short and long-term KPIs have been established in order to monitor and measure results and develop measures for key indicators.

We have governing documents, policies and guidelines that show what requirements the bank sets and how the bank works with this topic in relevant business areas.

Information table

Topic	Comments
   	<p>Key focus areas:</p> <ul style="list-style-type: none"> • Labour and human rights • Equality and diversity • Working environment • HSE • Competence and organisational development
Governing documents	Sustainability Strategy, Policy Employee and Human Rights, Guidelines Employee and Human Rights, Ethics and Transparency, HSE handbook, Personnel handbook, the Board Diversity Policy
UN Global Compact Principles	2: We will ensure that we are not complicit in violations of human rights 3: We will uphold the freedom of association and the right to negotiations 6: We will uphold the elimination of discrimination in the context of employment and occupation
UNEP PRB Principles	1: Banks must adapt their business strategy so that it is consistent with and contributes to the needs of individuals and society's overall goals, as expressed in the UN Sustainable Development Goals, the Paris Agreement and in relevant national and regional frameworks.
Finance Norway's Principles	4: Increase climate competence and capacity in the financial sector
GRI indicators	401-1, 401-2, 401-3, 405-1, 404-1, 404-2, 404-3, 405-2, 406-1
Sør indicators	KPI A1, KPI A2, KPI A3, KPI A4, KPI A5, KPI A6
Implemented measures	<p>Continued work on implementation of the Norwegian Transparency Act, including action plans, see Appendix 3.</p> <p>The bank has increased employee diversity throughout 2023.</p> <p>Considerable training has been carried out in various subjects, with each employee receiving an average of 222 hours of training in 2023. Leadership development programme for all managers, including new managers. We have completed the annual update of authorisation schemes. Improved onboarding process.</p>
Results of measures	Increased diversity. Positive development in women's pay compared to men's. Zero cases of discrimination.
Planned measures	<p>The bank will be recertified under Ligestilt Arbeidsliv (Equality in Working Life) during 2024. Monitor and further develop the work on the Norwegian Transparency Act. Continue the work on equal pay, including methodology to make equal pay considerations easier. The bank focuses on diversity.</p> <p>Continue the work on the action plan for the duty to engage actively in equality work and the duty to issue statements (ARP).</p> <p>Continue training activities. Continue the "Trainee Sør" and "Sør Talenter" schemes.</p> <p>A new employee survey will be carried out in 2024.</p> <p>Follow-up modules in SDWorx for the implementation of employee performance appraisals</p>
Responsible division	Corporate Staff Division

KPIs and goal attainment

KPI	Beskrivelse	Enhet	Mål	Tid	2021	2022	2023	Måloppnåelse
KPI A1	Discrimination	Saker	0		0	0	0	V
KPI A2	Percentage of female managers	%	40-60	2025	38,9	37,3	38,6	X
KPI A3	Women's average pay compared to men	%	90-110	2025	85,9	86,9	87,5	X
KPI A4	Sick leave absence, total, %	%	≤ 4,0		3,7	4,59	4,45	X
KPI A5	Employee satisfaction	%	≥ 80		NA	85	NA	
KPI A6	Percentage who have had an performance appraisal	%	100		100 *	100*	100*	V

4.2 The Norwegian Transparency Act

This section reports on how we deal with the Norwegian Transparency Act internally.

We have included a brief summary of our work with the Norwegian Transparency Act in this section. A full report can be found on our website. Our website also contains more detailed information about governing documents and the bank's work with the Norwegian Transparency Act, see <https://www.sor.no/felles/om-sparebanken-sor/about/social-responsibility/norwegian-transparency-act/>

The Norwegian Transparency Act deals with labour and human rights.

Key points of the Act are:

- Section 4 Duty to carry out due diligence
- Section 5 Duty to account for due diligence
- Section 6 Right to information

The bank carries out a risk analysis (due diligence) of selected conventions relating to labour and human rights.

Risk analysis labour and human rights		RISK			
Risk and focus areas	Theme of the assessment	Consequence	Probability	Risk factor	Risk
Risk of violations of equality between genders, including equal pay for work of equal value.	See e.g. UN Convention no. 100 on equal pay for male and female employees of equal value and UN Convention no. 156 on equal opportunities and equal treatment of women and men 1. Figures for women's pay compared to men's in NOK and % 2. Figures for proportion of women/women in management/women on the	2	2	2,0	Low risk
Risk of discrimination regardless of reason.	See e.g. UN Convention no. 111 on discrimination in employment and occupation. 1. Number of incidents/notifications of discrimination	2	2	2,0	Low risk
Risk of violations of right to social security	See e.g. UN Convention no. 102 on minimum standards for social security	1	1	1,0	Low risk
Risk of unsatisfactory number of female managers	1. Proportion of female managers at various levels	2	3	2,4	Medium risk
Risk of violations of the freedom of association and the right to organise.	See e.g. UN Convention no. 87 on the freedom of association and the right to organise 1. Are the employees unionised? Which union? 2. Freedom of association and right to organise	1	1	1,0	Low risk
Good opportunities for professional and personal development	See e.g. Chapter 4 of the Norwegian Working Environment Act concerning the employer's duty to facilitate professional and personal development through the employee's work, see Section 4-2(2)(a), and UN Convention 195 on the development of human resources, education, training and lifelong learning 1. Competence development programmes	2	2	2,0	Low risk
Risk of violations of good and safe working conditions, health, safety and the environment in the workplace	See e.g. UN Convention no. 155 on health and safety in the working environment 1. Does the company have HSE manuals or procedures?	2	2	2,0	Low risk
Risk of violations of reasonable limitations to working hours	See e.g. UN Convention no. 47 on a 40-hour week. 1. Scheduled and overtime hours	1	1	1,0	Low risk
Risk of unsatisfactory diversity in the bank	1. Diversity programme 2. Recruitment strategy. 3. Trainee/apprenticeship scheme	2	3	2,4	Medium risk
Risk of violations of fair pay	See e.g. UN Convention no. 26 on setting a minimum wage, UN Convention no. 95 on securing employees' wages. 1. Wage statistics	1	1	1,0	Low risk
Accumulated risk				1,7	

The results of the analysis show that Sparebanken Sør has a low risk of labour and human rights violations. In a couple of areas, the proportion of female managers and diversity, the bank has medium risk. Measures have been taken in both these areas, resulting in positive development. Accumulated risk is low risk.

There have been no violations of labour and human rights.

Although the bank's risk of violations of labour and human rights is low, we are still focusing on development and improvement in several areas. We have established a joint action plan for initiatives related to labour and human rights, and for measures relating to the bank's duty to engage actively in equality work and duty to issue statements (ARP), Appendix 3.

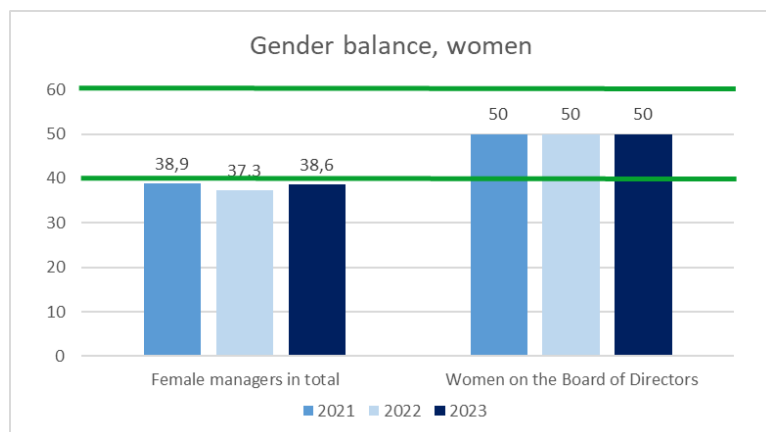
4.3 Equality and diversity

For us, diversity and equality mean equal rights and opportunities for all. This means that the bank creates a sense of security and an inclusive working environment, where everyone is valued for their qualities and talents and everyone can be themselves. We also focus on gender equality and diversity in our work with customers, as well as various events held by the bank.

The duty to engage actively in equality work and the duty to issue statements (ARP) means that employers not only have to report on the actual situation, but also implement measures to promote equality and prevent discrimination.

A Diversity and Equality Committee has been established at the bank and we are making determined efforts to promote diversity and prevent unequal treatment and discrimination.

It is a long-term goal to have a relatively equal distribution of gender in all job levels and business areas.



The target for female managers should be 40–60%.

There was a slight increase in the number of female managers from 2022 to 2023 to 38.6%, but this is still slightly under the goal of at least 40%.

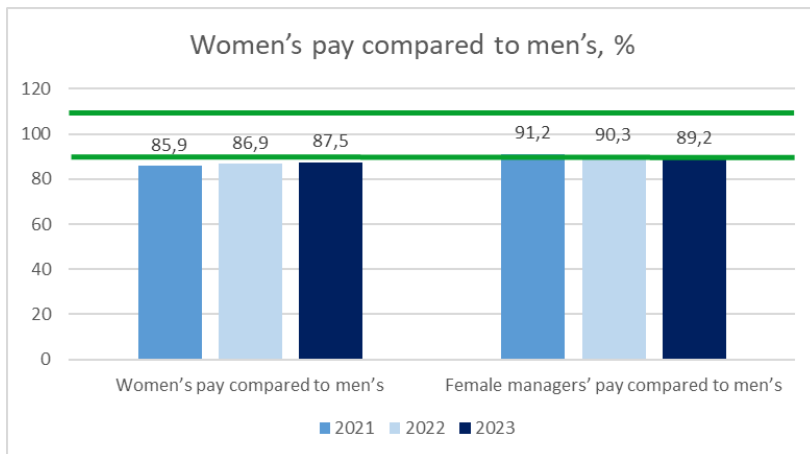
Diversity and equality are followed up in all parts of the organisation, and the bank's regulations safeguard this in its recruitment and selection processes. In addition to its gender equality goals, the bank aims to increase the proportion of employees from ethnic backgrounds other than Norwegian.

Sparebanken Sør is certified for equality and diversity through Likestilt Arbeidsliv (Equality in Working Life), a regional certification scheme for companies that aim to contribute to gender equality and diversity in working life. The bank will be recertified in 2024.

The certification scheme includes the following focus areas:



We aim to ensure equal pay for equal work, regardless of gender, and our figures indicate a positive development. For several years, the bank has had an equal pay pot for local pay reviews. This pot is used to correct any pay imbalances associated with equal pay.



The target for women's pay compared to men's should be between 90–110%.

There has been a positive development in women's pay compared to men's, while there has been a slight negative development in the average salary of female managers compared to male managers. This is something that the bank will focus on in 2024.

4.4 Working environment and employee development

4.4.1 Working environment and HSE

We aim to be an attractive and inclusive workplace for all employees, and we endeavour to ensure that all employees experience a good balance between work, home and leisure time. Flexitime schemes and a policy for the use of home offices have been established as part of the bank's life phase policy.

We offer employees various benefits, such as a defined contribution pension scheme, bonus schemes, subsidised loan schemes, private insurance, travel insurance, a fee-free bank account, company holiday cabins and the opportunity to purchase bank equity certificates at a discounted price. In 2023 the bonus scheme rules were changed so that employees who are on sick leave and employees on statutory leaves of absence are also covered by the scheme.

Systematic work on health, safety and the environment (HSE) is a high priority for us. The bank has established a good framework, which includes a personnel handbook, an HSE handbook and several internal contractual committees. We provide occupational health services, offer health insurance for all employees, and cooperate with an occupational psychology service. Continuous efforts are made to ensure a good working environment, and considerable resources are used to encourage employees to keep healthy through good ergonomics, physical activity and exercise, for instance, by offering financial support to the bank's company sports teams. Safety inspections are conducted annually.

HSE measures are followed up through reviews by employees with particular responsibility for HSE.

We have good procedures in place for maintaining close contact with employees on sick leave.

4.4.2 Employee satisfaction

We measure employee satisfaction every two years based on Kantar's employee satisfaction survey. A new survey was conducted in 2022 and the results show a slight increase, from 84 to 85%. The result is described by Kantar as excellent and we still score above the industry average. A new employee satisfaction survey will be organised in the first quarter of 2024.



We conduct annual performance appraisals with all employees, along with various measures and follow-up of improvement and development areas.

4.4.3 Skills and organisational development

It is important for the bank to be able to attract, retain and develop employees with the skills that the bank will need in the future. Skills are about adaptation and building a diverse, competent workforce. Customer behaviour, regulatory requirements and new technology are the drivers for the changes we are seeing around us, and to which the bank must adapt. This means that we will need a different mix of skills than previously. We place great value on developing our own employees to meet the challenges and opportunities of tomorrow. Everyone needs to enhance their skills. Thus, the bank is investing broadly in training and development opportunities for our employees.

Technological development and the focus on being a data-driven bank are accelerating.

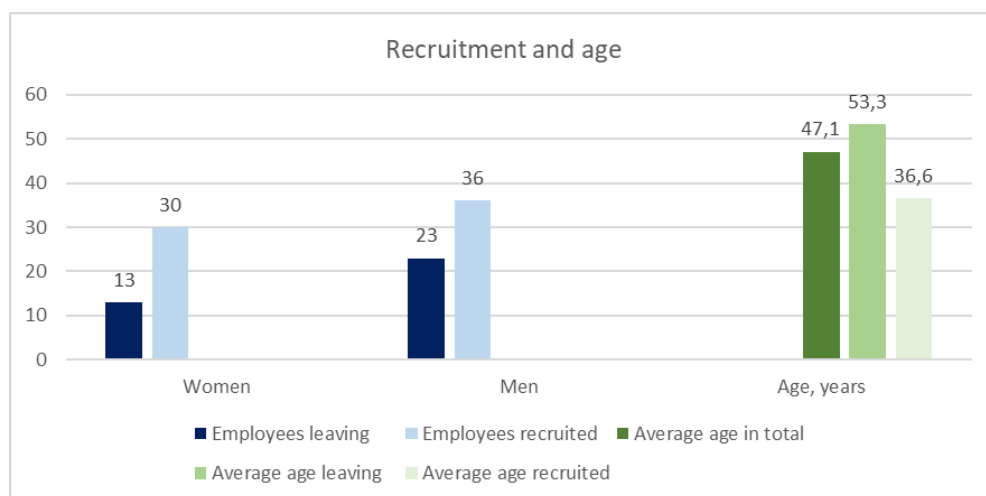
We are focused on facilitating professional development opportunities for all employees, and on ensuring that they are given opportunities to acquire the right skills in relation to the work they are to perform. Training and education take place in collaboration with both internal and external partners. New and digital solutions have been adopted.

Through access to the bank's digital learning platforms E-guide, NanoLearning and Workplace, all employees at the bank have opportunities to acquire specially adapted skills from more than 100 courses. In addition, there are annual mandatory courses for training and updating in key topics such as ethics, money laundering, data protection and information security.

222 hrs AVERAGE TRAINING PER EMPLOYEE IN 2023

Training covers management, professional areas, products etc., as well as special topics. More details about training are available in Scorecard, section 1.2.

Employees also participate in various competence enhancement activities through external digital courses and seminars. Restructuring, employee development and the recruitment of new skills to build a bank for the future are high priorities for us.



Of the 66 employees recruited in 2022, 81.8% have completed higher education.

The bank is an active user of, and contributor to, Trainee Sør, which is a local trainee scheme in Agder county. In 2023, the bank had four trainees.

Sparebanken Sør wants to be an attractive workplace and attract future-oriented skills. In 2024 we will be launching Sør Talenter – an initiative aimed at strengthening our position as the leading financial organisation in our region. Sør Talenter is a programme for students who will soon be coming to the end of their studies. Students start in a part-time position and transition to a permanent position once they complete the programme. From September to June, the students work in a part-time position in our customer centres and can work as interns in various departments of the bank. They are also offered professional input and their own mentor at the bank. The goal is for the students to start in a relevant permanent position with us in August.

5 DATA PROTECTION AND INFORMATION SECURITY

5.1 General information

As a bank, we process and manage large volumes of personal data, which places demands on our handling of customer information and compliance with key data protection principles. Data protection is about ensuring the confidentiality, integrity and accessibility of all personal data that is owned, processed or managed by us. In order to create confidence, it is important for the bank to process personal data in a safe and proper manner and to comply with regulatory requirements.


We are an important corporate citizen, which means we must provide both our customers and society at large with stable, secure and user-friendly solutions. Good, stable systems and security are essential to gain the confidence of our customers and society at large, and to maintain our competitiveness. Rapid technological development requires that the bank must continuously work on measures to prevent cyberattacks and other incidents.

Data protection and information security are a priority for our customers and society in general, so these topics are naturally important to us. We have a positive actual and potential impact on data protection and

information security by ensuring that we have reliable systems, sound procedures and good training, and by ensuring that we attend to internal procedures and regulatory requirements related to these topics in a satisfactory manner. Similarly, we could have a negative impact on data protection and information security by not attending to these areas in a responsible manner. The greatest positive and negative impacts affect our customers.

We follow up these topics with relevant tangible measures to enhance the positive impact and reduce the negative impact. KPIs have been established so we can monitor and measure results and develop measures for key indicators.

Information table

Topic	Comments
	<p>Key focus areas:</p> <ul style="list-style-type: none"> • Data protection • Information security • Stable IT systems
Governing documents	Policy for processing of personal data, Processing of personal data, Data protection guidelines, Policy for information security management system (ISMS).
UN Global Compact Principles	10: We will combat corruption, extortion and bribery
UNEP PRB Principles	5: To achieve their goals related to responsible and sustainable banking operations, banks must implement management tools and a responsible banking culture that demonstrates their ambitions and responsibility by setting public targets related to areas in which they have the greatest impact
Finance Norway's Principles	1: Adapt the business strategy to the UN Sustainable Development Goals and the Paris Agreement
GRI indicators	418-1
Sør indicators	KPI B1, KPI B2, KPI B3
Implemented measures	<p>The Data Protection Officer will ensure that the bank's employees are offered the opportunity or are required to take a GDPR course as part of the bank's training plan. In 2023, the focus has been on the following areas:</p> <ul style="list-style-type: none"> • All new employees have completed the introductory course "Basic data protection and secure communication". • All employees have completed the "Data protection refresher course". • New rules on the transfer of personal data to the USA came into force on 10 July 2023. The Data Protection Officer has reviewed the new regulations for the relevant departments at the bank. <p>Continue the implementation and operationalisation of ISMS, risk assessments, and further development of the framework. Implementation of an Identity Access Management (IAM) solution, which is an information security management system designed to customise access based on users' needs and responsibilities, maintain control and an overview of access to sensitive areas, and ensure automated and rule-based control of users and rights. Completed Cyber TIBER-NO test.</p>
Results of measures	No orders from the Norwegian Data Protection Authority or serious cases of digital fraud. SLA better than requirements. No serious cases of fraud.
Planned measures	Continue training for all employees in data protection and information security.

	Further development of SOC (Security Operations Centre) tools to prevent cyberthreats and other incidents. The bank will also focus on compliance related to information security. Further development of the bank's solutions for safeguarding data protection and information security, including KPIs for information security.
Responsible division	Corporate Staff Division (Data protection), Business Development Division (Information security and IT systems)

KPIs and goal attainment

KPI	Description	Unit	Goal	Time	2021	2022	2023	Goal attainment
KPI B1	Orders, fines related to privacy by the Norwegian Data Protection Ag	Number	0		0	0	0	V
KPI B2	Uptime customer solutions, SLA, %	%	≥ 99,70		99,97	99,64	99,9	V
KPI B3	Serious digital fraud cases against the bank				0	0	0	V

5.2 Data protection

We process personal data in accordance with the Norwegian Personal Data Act and the General Data Protection Regulation (GDPR). The regulations regulate how we gather, store, use and erase such data. Our employees have a statutory duty of confidentiality regarding all matters concerning our customers. Only employees with an official need should have access to personal data concerning our customers. We will not collect any personal data other than what is necessary to serve the individual customer. Customers have the right to request access to their stored data at any time, as well as to request a copy of their data, and to have any inaccurate data rectified. Consent to the collection, use and sharing of data is ensured in the bank's procedures and guidelines for the Norwegian Personal Data Act, including the GDPR.

19 REPORTED CASES TO THE NORWEGIAN DATA PROTECTION AUTHORITY REGARDING BREACHES OF

DATA PROTECTION 0 ORDERS FROM THE NORWEGIAN DATA PROTECTION AUTHORITY

We process and manage large volumes of personal data, which places great demands on our handling of customer information and compliance with key data protection principles. We have appointed a Data Protection Officer to assist with ensuring compliance with the bank's requirements for processing personal data.

5.3 Information security

Our systems and solutions must be effective and efficient, both directly for the bank's customers and also for society as a whole.

Our procedures and infrastructure protect information about both the bank and its customers, including sensitive information, against cyberattacks. Services such as payment infrastructure (card payment, mobile banking, online banking, online business banking) are all part of the bank's critical infrastructure.

Security measures that protect customers' personal data and payment infrastructure consist of sound procedures, 24-hour monitoring and state-of-the-art security mechanisms. A key part of this work is the "Policy for information security management system, ISMS", based on ISO/IEC 27001.



6 FINANCIAL CRIME

6.1 General information

Financial crime is a serious societal problem and a threat to individuals, businesses and society as a whole. Banking and finance are important contributors to the fight against financial crime, which includes, for example, money laundering, financing of terrorism, and corruption. The extent of financial crime affecting the financial sector or exploiting financial services providers is on the rise and is becoming increasingly complex. Our efforts to prevent and uncover financial crime are therefore important in a national and global perspective.

Our overall goal is to combat financial crime to reduce financial losses for society, customers and the bank, and to maintain confidence in us as a bank and the financial system. This is therefore a material topic for us. We have a positive actual and potential influence in uncovering and reducing financial crime through continuous and systematic work on money laundering, financing of terrorism, corruption and bribery. Similarly, we could have a negative impact by not attending to these areas in a responsible manner. The greatest positive and negative impacts affect society, but also affect individuals who are exposed to financial crime.

Information table

Topic	Comments
 	Key focus areas: <ul style="list-style-type: none"> • Financial crime • Financing of terrorism • Money laundering • Corruption
Governing documents	Anti-money laundering document, Policy on Anti-Corruption and Bribery, Anti-Money Laundering and Anti-Terrorism Financing Policy
UN Global Compact Principles	10: We will combat corruption, extortion and bribery
UNEP PRB Principles	1: Banks must adapt their business strategy so that it is consistent with and contributes to the needs of individuals and society's overall goals, as expressed in the UN Sustainable Development Goals, the Paris Agreement and in relevant national and regional frameworks.
GRI indicators	205-3
Sør indicators	KPI C3, KPI C4
Implemented measures	<p>Updated governing documents. Policies, procedures, guidelines and work descriptions revised and updated in 2023. Skills requirements and training plans for all job categories have been mapped and skills programmes implemented, including mandatory e-learning for all employees and employee representatives. Through restructuring and increased resources, efforts to combat financial crime have been significantly strengthened, including the recruitment of employees from the police and the Norwegian Labour Inspection Authority with extensive investigative experience. The risk scoring model has been revised to provide more risk-based management and a more solid basis for transaction monitoring. Extensive information work has been carried out, aimed at customers and the general public, to reduce the number of fraud cases. Online support tools to detect fraud have been implemented.</p> <p>We actively participate in national industry forums for combating financial crime and also cooperate with other banks and system suppliers to strengthen efforts and the quality of prevention systems.</p>

Results of measures	The number of cases of fraud has more than doubled in the past two years. The implemented measures have also contributed to a dramatic reduction in significant losses for the bank, customers and third parties.
Planned measures	Duplicate skills and expand on-call working to ensure even better readiness. Continue adapted training on topics for all employees. Further develop KPIs and goals. Continuously monitor compliance through internal controls and developments in risk exposure to identify further improvements and measures.
Responsible division	Corporate Staff Division (Legal/Anti-money laundering)

KPIs and goal attainment

KPI	Description	Unit	Goal	Time	2021	2022	2023	Goal attainment
KPI C1	Internal corruption cases	Number	0		0	0	0	✓
KPI C2	Internal fraud cases	Number	0		0	0	0	✓
KPI C3	Suspicious of money laundering flagged	Number			18.933	20.878	17.092	
KPI C4	Suspicious of money laundering reported to the National Authority for	Number			102	161	311	

6.2 General information about the bank's work with financial crime

As a bank, we have zero tolerance for all forms of financial crime, and we will contribute towards a business community that is based on fair competition and legal activities. We have committed major resources to combating financial crime.

Our efforts to combat financial crime are based on applicable laws and regulations, and we have a comprehensive framework of governing documents, policies and guidelines to ensure we comply with laws and regulations and prevent financial crime, such as money laundering, fraud and financing of terrorism.

The bank's "Policy on Anti-Corruption and Bribery" provides guidelines for our stance and efforts to prevent corruption, trading in influence, bribery and use of facilitation payments.

Transaction monitoring is one of the primary methods of detecting and analysing suspicious transactions that may indicate potential money laundering and financing of terrorism. Throughout 2022, the bank checked a significant number of transactions that were flagged in the electronic transaction monitoring system or that had indications of financial crime for other reasons. In most cases, the suspicion was disproved. Transactions in which the suspicion was not disproved are reported to the Norwegian National Authority for Investigation and Prosecution of Economic and Environmental Crime (Økokrim) as prescribed by the Money Laundering Act.

We maintain robust control and have customer due diligence measures in place, as well as good internal management and monitoring systems. Sound procedures, proper training and necessary resources help to ensure that the bank is not used for financial crime. The work to prevent financial crime is challenging, and in the past year we have increased our resources and expertise in this area.

As an element of the operationalisation of ESG in business areas, measures against financial crime have been integrated into policies and systems for monitoring credit processes, investments, financing and procurement.

7 RESPONSIBLE PRODUCTS AND SERVICES

7.1 General information




We offer products and services that have a major impact on the finances of private individuals and companies. To help customers make the right choices, it is important to provide good, objective and understandable information and marketing of products and services.

Sustainable products and services in accordance with recognised classification criteria are the bank's most important instrument for achieving the UN Sustainable Development Goals, the Paris Agreement, the UN Biodiversity Agreement and the green transition. This also applies to new business and product areas. Thus, responsible products and services are an important topic for us. We have a positive actual and potential impact on customers making the right choices by providing good and objective product information.

Similarly, we could have a negative impact by not attending to these areas in a responsible manner. The greatest positive and negative impacts affect individual customers.

We have a major positive actual and potential impact on society, the climate and nature by offering sustainable products and services, and would have a corresponding negative impact if such products were not offered to customers. The impact affects the bank, customers and society locally, nationally and globally.

Information table

Topic	Comments
  	<p>Key focus areas:</p> <ul style="list-style-type: none"> • Sustainable products and services • Ethical marketing and product information • No greenwashing
Governing documents	Green and Sustainability Bond Framework; Green, Social and Sustainable Product Framework; Policy for new and changed products and systems; Risk assessment of products, services, procedures, processes and systems; Procedure for customer complaints. Product management procedure for fund products. Policy for marketing and product information.
UN Global Compact Principles	8: We will undertake initiatives to promote greater environmental responsibility 9: We encourage the development of environmentally friendly technology
UNEP PRB Principles	2: Increase positive impact and reduce negative impact on ESG as a result of activities, products and services. Establish and publish specific goals in areas that have the greatest impact
Finance Norway's Principles	2: Use digitalisation skills to scale the market for climate-smart solutions
GRI indicators	417-2, 417-3
Sør indicators	KPI D1, KPI D2.
Implemented measures	In 2023 the bank updated its Green, Social and Sustainable Product Framework. Revised procedure for risk assessments of products, services, processes and systems. The process started with the expansion of the product range for green mortgages and commercial real estate loans.
Results of measures	No breach of rules for product and service information and marketing communications. Increased digitalisation of the retail market.
Planned measures	Further develop new sustainable products in the retail and corporate markets. Increase the proportion of sustainable loans and bonds. Further develop digital services.
Responsible division	Business Development Division, Retail Market Division (PM) and Corporate Market Division (BM), Capital Markets Division (KM)

KPIs and goal attainment

KPI	Description	Unit	Goal	Time	2021	2022	2023	Goal attainment
KPI D1	Lost cases, breach of product/service information	Number	0		0	0	0	V
KPI D2	Lost cases, breach of marketing communications	Number	0		0	0	0	V

For more information on sustainable products, please refer to section 8 Responsible credit activities, and section 9 Responsible investment and financing.

7.2 Product information and marketing

We are concerned about having transparent and understandable products and services, and marketing these in an ethical way so that customers can make sound financial choices. There are strict requirements for product labelling, service information and marketing. The bank therefore has a strong focus on advisory services, offering customers safe products, and ensuring that the sale and marketing of products is conducted in a responsible manner in accordance with legislation. All financial advisers have approved certification schemes that meet the requirements of the Finance Industry's Authorisation schemes (FinAut) and have updated their skills in line with the certification schemes. We have established guidelines for quality assurance and risk assessment of products, systems and services, and to ensure compliance with the requirements for information, labelling and marketing.

Sustainable products and services are an important tool for helping to achieve the UN's Sustainable Development Goals, the Paris Agreement and the green transition. We work actively with sustainable products and aim to increase the proportion of sustainable activities in our business areas.

The use of recognised frameworks and ethical product information and marketing will ensure that our products meet the classification criteria for sustainable products and services, in addition to preventing greenwashing.

Guidelines and systems have been established for the registration, processing and follow-up of complaints related to violations of laws and guidelines for products, service information, labelling and marketing.

7.3 Framework for green, social and sustainable products

We have established a "Framework for green, social and sustainable products". The framework is based on internationally recognised principles. The purpose of the framework is to develop and disseminate sustainable products as an important contribution to the green transition. We will expand our range of sustainable products based on this framework and on current classification criteria.

7.4 Green and Sustainability Bond Framework

We have established two bond frameworks (2019 and 2022). The frameworks were established in accordance with ICMA (International Capital Market Association) standard principles for green, social and sustainable bonds. The framework, which was updated in 2022, also requires the proceeds from the bond issues to be allocated to projects that are defined as green and sustainable in accordance with the EU taxonomy. Green and sustainable financing enables the bank to contribute to the realisation of its customers' green and sustainable projects.

7.5 Digitalisation

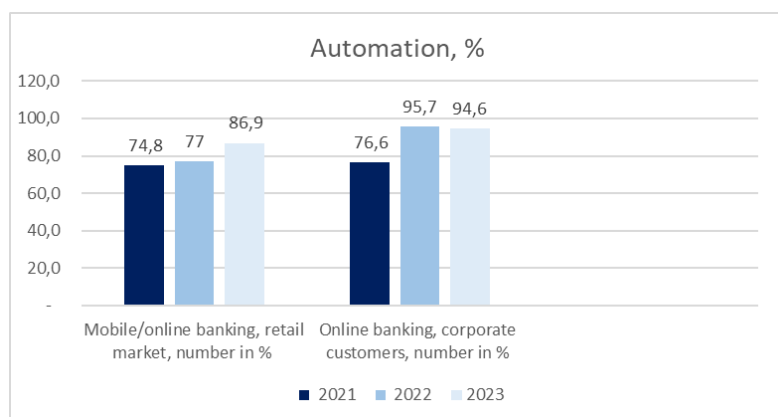
Digitalisation of processes and distribution of products and services are important tools for contributing to a sustainable transition. Digital solutions lead to more self-service of financial products and services, and reduced travel activity. We have worked hard to enhance the customer experience in our most visited

channel: the mobile app for private customers. Navigation in the app has been improved. It is now easier to increase saving and customers can easily generate quotes for insurance. Use of the mobile app is increasing, and the number of private customers who no longer use online banking and exclusively use the mobile banking app has almost doubled since 2020.

We are also seeing strong growth in the use of mobile banking on the part of corporate customers. Good access to the most important services is also important for corporate customers, even if the online business banking service has the highest visitor numbers from this group. With almost all corporate customers using online business banking, we will have streamlined digital communication with our customers, and physical mail, such as bank statements, will be reduced to a minimum.

Sustainable products and activities will help to reduce negative and increase positive impacts in the ESG area. We will continue to facilitate solutions that can contribute to more sustainable development. We are a member of Digital Samhandling Offentlig Privat (Digital Collaboration Public Private), which is a collaboration to digitalise and streamline important processes in society. This collaboration contributes to the realisation of several of the UN's Sustainable Development Goals.

We are at the forefront in terms of the automation of financial products and services.



Mobile and online banking figures reflect active users of mobile and online banking as a percentage of active customers (exposures of over NOK 1,000).

8 RESPONSIBLE BUSINESS ACTIVITIES


8.1 General information

Banking and finance play a key role in economic developments in their market area and are essential for value creation in society. Our role is primarily to manage deposits and finance retail customers, corporate customers and the public sector. Customer needs should always be our starting point, and customers should have confidence that we wish them well.

In order to be a safe and long-term business partner, we must act honestly and transparently, maintain a high ethical standard, and at all times conduct our activities in accordance with applicable laws and regulations. Corporate governance will ensure that we do not contribute to the violation of human and employee rights, corruption, unacceptable greenhouse gas emissions, serious environmental damage or other acts that may be perceived as unethical or irresponsible. Through responsible and secure banking services, we will contribute to the financial security of our customers. Identifying customers' need for financial services should be based on a long-term and confidence-building perspective, which is why this topic is so fundamentally important for us.

We have a great positive actual and potential impact on customers and society, by acting as a responsible corporate citizen, and would have a corresponding negative impact if this did not happen. The impact affects the bank, customers and society.

Information table

Topic	Comments
	<p>Key focus areas:</p> <ul style="list-style-type: none"> • Corporate governance • Ethics • Working together to achieve goals • Meeting regulatory requirements • Compliance
Governing documents	Corporate Governance, Ethics and Transparency, Sustainability Strategy, Internal whistleblowing procedure and External whistleblowing procedure, Customer complaints procedure, Policy on conflicts of interest, Compliance document, Organisation of risk and capital management.
UN Global Compact Principles	2: We will ensure that we are not complicit in violations of recognised labour and human rights 10: We will combat corruption in all its forms, including extortion and bribery
UNEP PRB Principles	1: Adapt the business strategy to the UN Sustainable Development Goals and the Paris Agreement 4: Proactively consult, involve and enter into collaboration agreements with relevant stakeholders to achieve society's goals 5: Implement management tools and a responsible banking culture, and set goals that are related to areas in which we have the greatest impact
Finance Norway's Principles	3: Strengthen the interaction between the financial sector and public policy instruments 6: Implement a common framework of terms and concepts for sustainable finance
GRI indicators	201-1, 201-2
Sør indicators	KPI E1, KPI E2, KPI E3, KPI E4, KPI E5
Implemented measures	Increased resources and expansion of skills in the Sustainability department and in the business areas. New ESG Rating with good result, Low Risk. Established and implemented several policy documents and guidelines within ESG. A GAP analysis and work with regard to ESG regulations and EU taxonomy and Corporate Sustainability Reporting Directive (CSRD) have been conducted. Work on transition plans has commenced.
Results of measures	Improved ESG risk. Operationalisation of ESG in the business areas. Checks on ESC regulations.
Planned measures	Continue the work of implementing the UN Global Compact, UNEP PRB and Finance Norway's principles. Continue work on ESG regulations, including EU taxonomy and CSRD (Corporate Sustainability Reporting Directive). Customer satisfaction surveys conducted by EPSI. Preliminary project, data, systems and reporting solutions for ESG regulations and the ESG area in general. Continue work on the operationalisation of ESG in the business areas, especially with a focus on lending, investments and financing.

	Further develop management systems, targets and methods for relevant ESG topics.
Responsible division	Corporate Staff Division

KPIs and goal attainment

KPI	Description	Unit	Goal	Time	2021	2022	2023	Goal attainment
KPI E1	Customer satisfaction indicator, retail market	Place no.	≤ 3		11	6	10	X
KPI E2	Customer satisfaction indicator, corporate market	Place no.	≤ 3		7	7	7	X
KPI E3	Complaint cases lost at the Norwegian Financial Services Complaints	Number	0		0	2	1	X
KPI E4	Whistleblowing cases internal and external	Number	0		4	2	4	X
KPI E5	ESG Rating Sustainalytics, Low risk 10 ≥ 20 points	Points	20		11,7	9,7	10,8	V

8.2 Ethics

We have ethical guidelines to ensure that all parts of the organisation understand and respect our ethical standards. The ethical guidelines apply to all employees and describe, for example, how employees should respond to challenges related to impartiality and conflicts of interest, participation in other commercial activity, as well as trading in financial instruments. All employees review the ethical guidelines on an annual basis. An annual update on ethics is provided as part of the various authorisation schemes for the bank's financial advisers.

The bank has held an ethical guidelines refresher course for all departments.

8.3 Customer complaints

We have sound systems and procedures in place for handling customer complaints, see Sustainability library. Complaints may arrive through various channels and good solutions have been established for receiving, registering, handling and reporting complaints, and for implementing measures. In 2023, a total of 16 complaints were reported to the Norwegian Financial Services Complaints Board; the bank lost one of the cases. The complaints have been resolved.

8.4 Whistleblowing

We aim to be a safe and positive workplace and want to facilitate a culture of freedom of expression. We have therefore established whistleblowing procedures to prevent, identify and rectify misconduct or wrongdoing. Employees are encouraged to report any misconduct or wrongdoing they become aware of, or that they have experienced themselves. A procedure has also been established for external third-party whistleblowing.

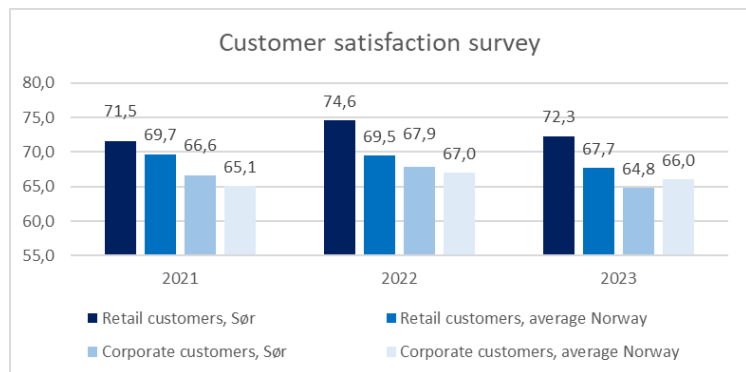
Whistleblowing can take place through several channels, and reports can be submitted anonymously. Anonymous whistleblowing cases are sent directly to an independent external third party, BDO AS. Sound procedures have been established for reporting, follow-up and measures. In 2023, four whistleblowing cases were registered, three internal and one external. Measures were implemented in relation to all four cases, with varying degrees of seriousness. All were handled in accordance with the whistleblowing procedures and resolved. Professionals from the HR department were involved in two of the whistleblowing cases.

Our whistleblowing procedures can be found here: <https://www.sor.no/felles/om-sparebanken-sor/about/social-responsibility/sustainability-reports/>

8.5 Customer satisfaction

Responsible and ethical business activities in all areas are essential for achieving trust and good customer relationships.

Although we did not achieve our ambition of being among the three banks that scored the highest in 2022, the bank scored high on customer satisfaction in EPSI Norway’s annual bank survey. We have seen negative development in the past year, something that is affecting the entire industry. We are above the industry average for both retail and corporate customers.



8.6 ESG regulations (Taxonomy and detailed information about the regulations)

In 2019, the EU presented its green growth strategy, the “European Green Deal”, with the goal of ensuring more sustainable economic development with less pollution and lower greenhouse gas emissions, better health, increased quality of life and new jobs. In the wake of the Green Deal, the EU has established a number of measures and regulations that affect the financial sector. As a member of the EEA Agreement, it is natural for the Norwegian market to closely follow what is happening in the EU. We will be affected by a number of forthcoming measures for sustainable finance, and we have implemented or are in the process of implementing interdisciplinary projects to meet the new regulatory requirements and establish ownership of the work ahead. In 2023, we worked on reporting on EU taxonomy in accordance with the first two environmental goals, see point 8.7.

We have also been working on analysing GAP with regard to the Corporate Sustainability Reporting Directive (CSRD). The work on regulations, including data, systems and reporting solutions to address the regulations and work associated with ESC will in general continue in 2024.

8.7 EU taxonomy

Through the European Green Deal, the EU has set ambitious goals for achieving the aim of the Paris Agreement of net-zero emissions of greenhouse gases by 2050. To achieve these goals, the EU is relying on redirecting capital to invest in the green transition.

The aim is for capital to be directed towards sustainable green investments, to reduce climate emissions and environmental damage, and to ensure a fair transition.

The EU has therefore launched its own action plan for sustainable finance that includes several comprehensive new regulations, and the EU taxonomy for sustainable activities is the foundation of this work.

The regulations contain reporting requirements for major listed companies and financial institutions. Sparebanken Sør is currently subject to disclosure requirements for non-financial information under the Norwegian Accounting Act. In accordance with the law on sustainable finance that came into force in Norway on 1 January 2023, Sparebanken Sør will be obliged to report taxonomy information for the financial year 2023. Through sustainable products, Sparebanken Sør will be able to channel capital into sustainable activities.

The EU taxonomy is a classification system that defines which activities are sustainable. It includes financial products such as loans and investments.

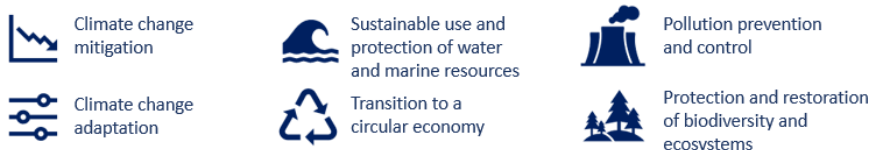
The taxonomy currently includes two of six environmental objectives, and reporting in 2023 will therefore be somewhat limited in scope. The taxonomy will be further developed and expanded in the years to come. More information about our sustainable products can be found on the bank’s website.

<https://www.sor.no/felles/om-sparebanken-sor/about/social-responsibility/sustainability-reports/>
<https://www.sor.no/felles/om-sparebanken-sor/about/investor-relations/green-and-sustainability-bond-framework/>

The taxonomy includes reporting requirements, key indicators and templates for both financial and non-financial companies. The most important key indicator is the Green Asset Ratio, GAR. This shows what proportion of the bank’s loans and investments are given to activities that are defined as green according to the taxonomy. The taxonomy provides for a gradual extension of the reporting requirements related to GAR. The level of detail, and thus the extent of the obligation to obtain information, will gradually increase towards 2026. For 2023, there are only requirements for reporting on loans, but for the financial year 2024, investments must also be reported.

The table below shows the EU taxonomy’s six environmental objectives:

The EU taxonomy’s six environmental objectives



The reporting for 2023 includes two of the six environmental objectives, “climate change mitigation” and “climate change adaptation”. The 2024 reporting will cover all six environmental objectives.

To align with the requirements of the taxonomy regulations, the following three criteria must be met:

1. The technical criteria of the EU taxonomy must be met.
2. The activity must not harm any of the other environmental objectives, “Do no significant harm”.
3. The minimum social and governance requirements, “Minimum social safeguards” must be met.

The taxonomy regulations require comprehensive reporting. The key information is:

1. What proportion of the bank’s lending is eligible by the taxonomy regulations
2. What proportion of the bank’s lending align to the requirements of the taxonomy regulations
3. Green Assets Ratio (GAR) – i.e. what proportion of the bank’s balance sheet meets the requirements of the taxonomy regulations

Sustainable assets in accordance with the EU taxonomy (Taxonomy Aligned) as of 31.12.23	NOK million
Loans to households with home mortgages	14,400
Bonds with preferential rights (secured by mortgages)	N/A*
Loans to non-financial corporations (covered by the NFRD)	70
Sustainable economic activity in accordance with the EU taxonomy (Taxonomy Aligned)	14,470

*) Sparebanken Sør has a liquidity portfolio which, among other things, comprises bonds with preferential rights that are secured by mortgages. Parts of this portfolio are defined as green bonds, but it is not known what proportion of this portfolio is in accordance with the criteria of the EU taxonomy.

Assets covered by the EU taxonomy (Taxonomy Eligible) as of 31.12.23	NOK million
Loans to households with home mortgages	79,723
Bonds with preferential rights (secured by mortgages)	13,018
Loans to non-financial corporations (covered by the NFRD)	184
Economic activity covered by the taxonomy (Taxonomy Eligible)	92,925
Economic activity not covered by the taxonomy (Taxonomy Non-Eligible), but included in the denominator for calculating GAR	54,723
Total assets included in the calculation of GAR	147,648
Assets not included in the calculation of GAR	9,728

Green Asset Ratio (GAR)	9.80%
Green Asset Ratio Flow (GAR FLOW)**	31%

** Green Asset Ratio Flow (GAR FLOW) is calculated as the increase in sustainable economic activity in accordance with the EU taxonomy (Taxonomy Aligned) from 2022 to 2023.

For further details see Appendix 4 section 16 “EU Taxonomy Green Asset Ratio Template”.

9 RESPONSIBLE CREDIT ACTIVITIES

9.1 General information

Lending to retail customers and corporate customers represents our core operations, and lending is the area in which we can have the greatest impact on our customers’ greenhouse gas emissions. The positive impact from our lending activities can take place through a shift to sustainable products and, through our lending activities, by focusing on reducing our customers’ greenhouse gas emissions. Both the positive and negative impacts are greatest for society, but also represent opportunities and risks for customers and the bank. Thus, this is one of our most important topics.

Information table

Topic	Comments
 	<p>Key focus areas:</p> <ul style="list-style-type: none"> • Address risks and opportunities related to ESG in the extension of credit • Offer sustainable products and services • Consider ESG risk in the extension of credit • Reduce negative impact on climate and nature through the bank’s lending activities
Governing documents	Credit strategy and credit policy PM, Credit strategy and credit strategy BM, Approval regulations, Policy for responsible credit activities, Risk and capital strategy, Organisation of risks and capital management
UN Global Compact Principles	<p>2: We will support and respect recognised labour and human rights</p> <p>7: We will support a precautionary approach to environmental challenges</p> <p>8: We will undertake initiatives to promote greater environmental responsibility</p> <p>9: We will encourage the development of environmentally friendly technology</p> <p>10: We will combat all forms of corruption</p>
UNEP PRB Principles	1: Adapt the business strategy to the UN Sustainable Development Goals and the Paris Agreement

	2: Increase positive impact and reduce negative impact on ESG as a result of activities, products and services 3: Work proactively with customers to create sustainable business 4: Proactively consult, involve and enter into collaboration agreements with relevant stakeholders to achieve society's goals 5: Implement management tools and a responsible banking culture, and set goals that are related to areas in which we have the greatest impact
Finance Norway's Principles	3: Strengthen the interaction between the financial sector and public policy instruments 6: Implement a common framework of terms and concepts for sustainable finance
GRI indicators	FS8
Sør indicators	KPI F1, KPI F2, KPI F3, KPI F4
Implemented measures	Increased resources and expansion of ESG in the credit area. Work on BM and PM transition plans has commenced. Reporting of EU taxonomy.
Results of measures	ESG analysis and customer dialogue in credit processes will help to expand customer and bank competence on sustainability and improvement initiatives.
Planned measures	Improve ESG module in credit processes in the Corporate Market Division (BM). Implementation of new green products for residential and commercial real estate. Continue work on transition plans and operationalisation, including training advisors on ESG and green loans, designed to raise awareness of our responsibility as a bank to contribute to the green transition. Increase the visibility of the bank's goals in this area. Increased knowledge of ESG risk among all employees through training. Increased access to and automation of ESG data through dialogue with TietoEvery and Eiendomsverdi
Responsible division	Retail Market Division (PM), Corporate Market Division (BM) and Risk Management Division (PM and BM)

KPIs and goal attainment

KPI	Description	Unit	Goal	Time	2021	Base line 2022	2023	Goal attainment
KPI F1	Green home mortgages, annual growth in per cent	%	≥ 10	Annual	NA	NA	*	✓
KPI F2	Green home mortgages, percentage	%	≥ 50	2030	NA	*	18,1	
KPI F3	Green loans for commercial real estate, annual growth in per cent	%	≥ 10	Annual	NA	NA	0	✗
KPI F4	Green loans for commercial real estate, percentage	%	≥ 50	2030	NA	22,0	21,3	

Green mortgages and green commercial real estate loans are calculated on the basis of criteria in the Green and Sustainability Bond Framework.

* Data for 2022 is based on an older version of the Green and Sustainability Bond Framework than 2023, and so is not comparable

9.2 Strategic guidelines

Responsible credit activities entail attending to social conditions, good corporate governance and climate and nature in the extension and management of credit. The main objective is to achieve a good long-term return with an acceptable level of risk and to contribute to sustainable development.

ESG represents both risk and opportunity. It represents risk primarily through weakened earnings and/or increased losses due to the inability or unwillingness to adapt to safeguard the climate and nature. It represents an opportunity as a result of new business activities through access to new technology, markets, industries, customers and products. By setting requirements for our customers through lending activities, as well as increasing the proportion of sustainable products, the bank can reduce and manage ESG risk.

Global and national regulations and initiatives, including the EU Green Deal and the EU taxonomy, will lead to a strong shift towards more sustainable financial activities, products and services in the future.

Strategic guidelines for work with the lending portfolio:

- Reduce the negative impacts of the lending portfolio on greenhouse gas emissions, nature, social conditions and corporate governance, primarily through measures for improvements and sustainable products, but also through exclusion criteria for industries and customers.
- Contribute to increasing knowledge about ESG and to helping customers make more sustainable choices.
- Manage the bank's ESG risk in accordance with risk and risk tolerance measures.
- Increase the proportion of sustainable products and services.
- Take advantage of opportunities for increased earnings through new products, services, industries and markets as a result of the green transition.

9.3 Greenhouse gas emissions in the lending portfolio

We have used the guidance from Finance Norway for calculating greenhouse gas emissions for mortgages, as well as the "sale and operation of real estate" category in the corporate market. We have used PCAF (Partnership for Carbon Accounting Financials) data and a method based on balance to calculate greenhouse gas emissions from other customers in the corporate market.

Industry	Total lending NOK mill.	Scope 1 Tonn CO2	Scope 2 Tonn CO2	Scope 3 Tonn CO2	Scope 1 og 2 Tonn CO1	Tonn CO2 pr MNOK	Emission KG CO2 per sqm
Retail customers							
Mortgage*	79.723,5				11.454,5	0,14	3,71
Other loan and credit*	2.448,1				351,7	0,14	
	82.171,6				11.806,2	0,14	
Industry	Total lending NOK mill.	Scope 1 Tonn CO2	Scope 2 Tonn CO2	Scope 3 Tonn CO2	Scope 1 og 2 Tonn CO2	Tonn CO2 pr MNOK	Emission KG CO2 per sqm
Agriculture and related services	992,0	132.970,9	103,9	31.916,3	133.074,8	134,15	
Forestry and related services	183,9	2.406,4	12,9	2.958,2	2.419,3	13,16	
Fishing, trapping and aquaculture	501,2	5.796,2	46,8	11.519,6	5.843,0	11,66	
Mining	75,6	2.535,2	6,9	2.874,9	2.542,1	33,61	
Industry	815,8	4.752,0	127,8	25.018,0	4.879,8	5,98	
Energy production and supply	79,7	41,7	0,9	181,6	42,6	0,53	
Water, wastewater and waste disposal	90,8	4.906,6	13,4	4.901,0	4.920,0	54,19	
Construction of buildings / construction	7.043,8	14.527,7	317,7	322.517,6	14.845,4	2,11	
Retail	1.490,7	15.339,7	43,2	24.630,6	15.382,9	10,32	
Transport	641,8	9.170,8	59,4	31.619,3	9.230,3	14,38	
Hotels, restaurants and tourism	421,6	4.303,4	134,3	9.972,0	4.437,6	10,53	
Information and communication	197,9	249,1	14,3	1.955,0	263,4	1,33	
Financing and insurance	212,6	247,4	1,4	444,8	248,8	1,17	
Sale and operation of real estate	25.059,8		6.655,8	76.937,2	6.655,8	0,27	4,44
Professional services	753,4	5.246,9	27,7	9.067,5	5.274,6	7,00	
Business services	423,8	8.243,9	47,1	12.294,2	8.291,0	19,56	
Public administration	7,6	5,2	2,5	86,4	7,7	1,02	
Education	1.739,2	1.215,6	607,9	15.248,8	1.823,5	1,05	
Healthcare and social services	2.115,9	2.120,3	2.170,1	39.280,2	4.290,4	2,03	
Cultural activities	2.305,9	861,6	248,6	19.851,5	1.110,2	0,48	
Other services	197,4	699,3	125,7	4.906,3	825,0	4,18	
Corporate customers	45.350,4	215.640	10.768	648.181	226.408	5,0	
Private and Corporate customers	127.521,9				238.214	1,9	

Scope 1: Direct emissions (operating assets over which the company has operational control, e.g. the use of fossil fuels).

Scope 2: Indirect emissions from purchased energy – electricity and district heating/cooling.

Scope 3: Indirect emissions from input factors (Upstream: greenhouse gas emissions from purchased goods or services, e.g. air travel; Downstream: greenhouse gas emissions from goods and services offered to others).

*) Greenhouse gas emissions calculated based on guidance from Finance Norway. Other loans to retail customers are estimated with the same CO2 emissions per million lent as mortgages.

Our lending portfolio mainly comprises customers with low greenhouse gas emissions. There is little statistical basis available for benchmarking greenhouse gas emissions from the lending portfolio. Previous calculations based on data on greenhouse gas emissions from Statistics Norway indicate that our greenhouse gas emissions from lending are significantly lower than the average in the financial industry, which the industry composition also indicates.

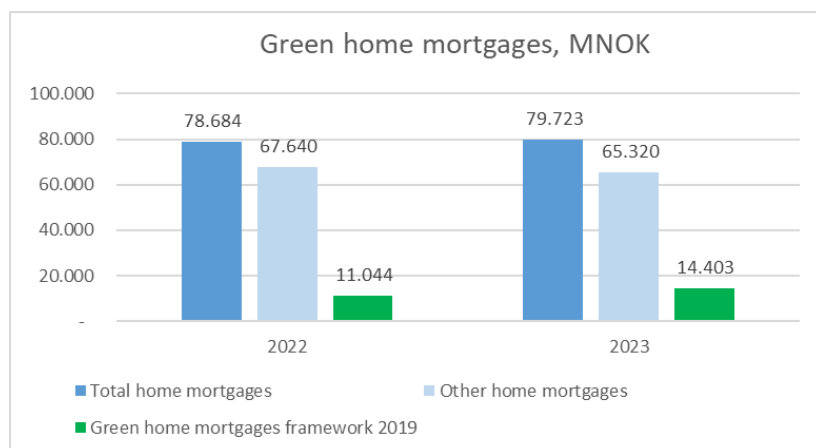
We will continue our work to improve data and methods for calculating greenhouse gas emissions from the lending portfolio.

9.4 Responsible credit activities in the retail market

Most loans in the retail market are home mortgages. The ESG risk in the retail market is primarily related to climate and nature, i.e. climate change and the impact of natural disasters on the value of our pledged property in connection with home mortgage financing.

The negative impact of the retail market on ESG is relatively limited and mainly related to greenhouse gas emissions from energy consumption for housing, behaviour and consumption patterns, and the use of natural areas and natural resources in new construction.

It is important to have good guidelines and solutions in place to manage risk and reduce the negative and increase the positive impact on ESG. To that end, we offer “Green home mortgages”.



Green loans are loans that qualify in accordance with the Green and Sustainability Bond Framework/EU taxonomy.

We currently have a portfolio of “Green home mortgages” (qualifying according to the bank’s framework) of around NOK 11,044 million.

9.5 Responsible credit activities in the corporate market

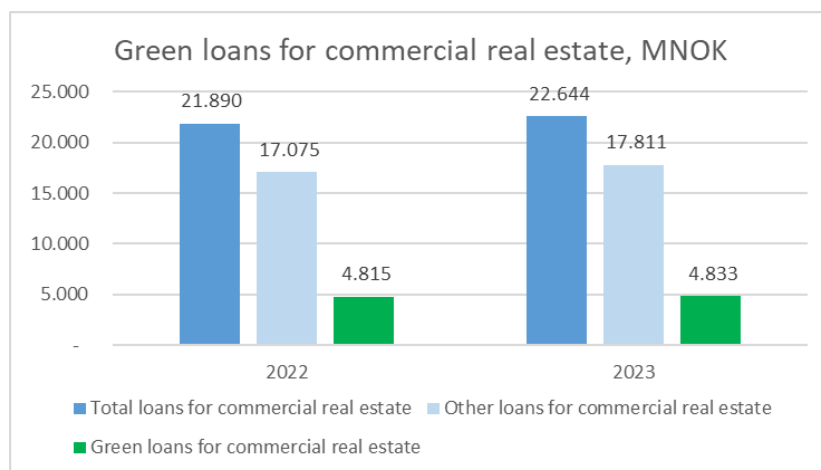
Our portfolio in the corporate market includes various industries, primarily in the SME segment. The largest industry in terms of lending volume is commercial real estate.

The ESG risk in the corporate market is primarily related to increased losses and reduced earnings for us as a result of factors related to the climate and nature. Such factors could have a major impact on the bank, customers and industries in terms of physical risk and adaptation risk. This could lead to changes in the supply and price of greenhouse gas emissions, input factors such as natural areas and natural resources, as well as markets and the demand for products and services.

We have integrated an ESG module with a special focus on climate in the bank’s credit processes. The module is mandatory for all loan cases for customers with an exposure greater than NOK 8 million. The module

provides a risk class for ESG risk, based on a weighted score of climate, nature, social conditions and corporate governance. An ESG risk class creates a basis for managing processes, authorisations and price. The purpose is to map the ESG risk for customers and the loan application, as well as to be able to implement measures to reduce the customer's ESG risk.

The results indicate that there is a relatively low ESG risk in the analysed cases, which corresponds well with our industry composition and analyses of greenhouse gas emissions. The ESG module is being developed on an ongoing basis.



Green loans are loans that qualify in accordance with the Green and Sustainability Bond Framework/EU taxonomy.

10 RESPONSIBLE INVESTMENT

10.1 General information

The main objective of our investment activity is to manage the Group's liquidity risk and to comply with regulatory requirements for managing this type of risk by establishing an interest-bearing liquidity portfolio. Investment activity should also facilitate strategic business development through equity investments in selected companies. We do not have a trading portfolio in equity instruments.




For Sparebanken Sør, responsible investment means that we must safeguard the climate and nature, social conditions and good corporate governance in our management activities. Investment activities must be conducted in such a way that the bank is not complicit in the violation of human and employee rights, corruption, unacceptable greenhouse gas emissions, serious environmental damage or other acts that may be perceived as unethical or irresponsible.

We aim to make sustainable and profitable investments and offer a competitive range of financial instruments to our customers, while also fulfilling our ESG commitments.

In addition to lending, investment is considered to be an area in which we can have the greatest actual and potential positive ESG impact on customers, society and in our own business. The positive impact will take place through investments in sustainable bonds in the liquidity portfolio and financing through the issuance of sustainable bonds in line with the Green and Sustainability Bond Framework. If we do not focus on sustainability, we will have a negative impact. The social impact is greatest, but it also represents both an opportunity and a risk for customers and us as a bank.

This is therefore an important topic for us.

Information table

Topic	Comments
  	<p>Key focus areas:</p> <ul style="list-style-type: none"> Address ESG risks and opportunities related to investments and financing Offer sustainable products and services Reduce the negative impact on the climate and nature from investment activities Financing in line with the Green and Sustainability Bond Framework
Governing documents	Finance policy document, Policy for responsible investments and responsible securities trading, Green and Sustainability Bond Framework
UN Global Compact Principles	<p>2: We will support and respect recognised labour and human rights</p> <p>7: We will support a precautionary approach to environmental challenges</p> <p>8: We will undertake initiatives to promote greater environmental responsibility</p> <p>9: We will encourage the development of environmentally friendly technology</p> <p>10: We will combat all forms of corruption</p>
UNEP PRB Principles	<p>1: Adapt the business strategy to the UN Sustainable Development Goals and the Paris Agreement</p> <p>2: Increase positive impact and reduce negative impact on ESG as a result of activities, products and services</p> <p>3: Work proactively with customers to create sustainable business</p> <p>4: Proactively consult, involve and enter into collaboration agreements with relevant stakeholders to achieve society's goals</p> <p>5: Implement management tools and a responsible banking culture, and set goals that are related to areas in which we have the greatest impact</p>
Finance Norway's Principles	<p>1: Contribute to innovation and change in other sectors</p> <p>7: Make the bond market greener</p>
GRI indicators	
Sør indicators	KPI G1, KPI G2
Implemented measures	Introduced expansion of customers' sustainability preferences both in support tools for Investment advice towards larger customers and in the savings robot; PAI, Taxonomy, SFDR, CO2-emissions. Training at advisor level. Increased volume of green bonds in the liquidity portfolio.
Results of measures	Increased focus on and understanding of sustainability in finance.
Planned measures	Increase accessibility to sustainability data at fund level in the portal; PAI, emissions, Enhancing competence and Reporting EU taxonomy. Calculate climate emissions from the investment portfolio including baseline.
Responsible division	Economy Division, Retail Market Division (PM), Corporate Staff Division

KPIs and goal attainment

KPI	Description	Unit	Goal	Time	2021	2022	2023	Goal attainment
KPI G1	Sustainable bonds, liquidity portfolio	MNOK	5.000	2023	1.495	3.178	5.619	V
KPI G2	Bond financing under Green & Sustainability Bond Framework	MNOK			5.102	12.231	12.231	

10.2 Investments in the liquidity portfolio

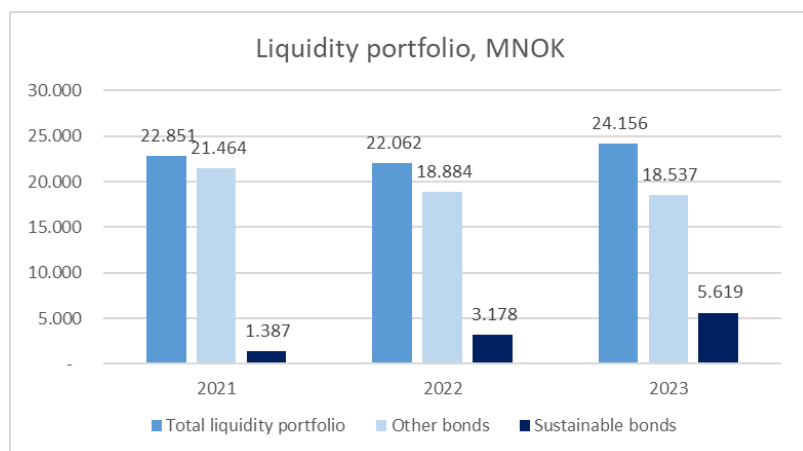
In order to be able to manage the Group's liquidity risk in accordance with the objectives adopted by the Board, we have established a liquidity portfolio consisting of particularly liquid interest-bearing securities with high credit quality. The composition of the portfolio is based on statutory requirements and guidelines adopted by the Board. The investments are made in securities that are traded in established markets, where

the bond issuers are subject to regulatory requirements for ESG set by the authorities, the Stock Exchange and in line with the expectations of institutional investors. This includes guidelines related to financial crime and financing of terrorism, and to human and employee rights. The issuers in which investments are made are also domiciled in regions where there is emphasis on risk related to the environment, nature and climate.

We want to help the financial market channel investments into sustainable business.

The portfolio's ESG risk must be assessed periodically, and at least once a year. If the assessment identifies breaches of our guidelines, the reason for and the severity of the breach must be evaluated. A thorough assessment of the underlying matters and the reason for the ESG breach must be carried out before any investment is realised.

Our liquidity portfolio is considered to entail low risk for breaches of the bank's ESG guidelines.



The aim is to increase the sustainable part of the liquidity portfolio to NOK 5.5 billion during 2024, taking into account guidelines for liquidity risk and market availability.

10.3 Investments in subsidiaries and companies in which the bank has ownership stakes

The Group includes the bank's wholly and partly owned companies. Our wholly owned mortgage company, Sparebanken Sør Boligkreditt AS, is closely integrated with our financial activities. We also have ownership positions in Sørmeqleren AS, Frende Holding AS and Brage Finans AS, which are consolidated in the income statement and balance sheet.

We have other ownership positions in companies that are of strategic importance to the bank's business operations, of which Vipps Holding AS is one of the most important.

We emphasise that companies in which we have significant ownership positions must comply with our guidelines for sustainable business. We aim to be a positive contributor to increasing the companies' focus on sustainability and want to stimulate sustainable development through investment decisions. ESG must therefore be emphasised when we have the opportunity to exercise active ownership, and this is dictated by the size and importance of our ownership position.

Our guidelines state how our exercise of ownership in companies in which we have real influence must be followed up, and how any breaches of the guidelines should be handled.

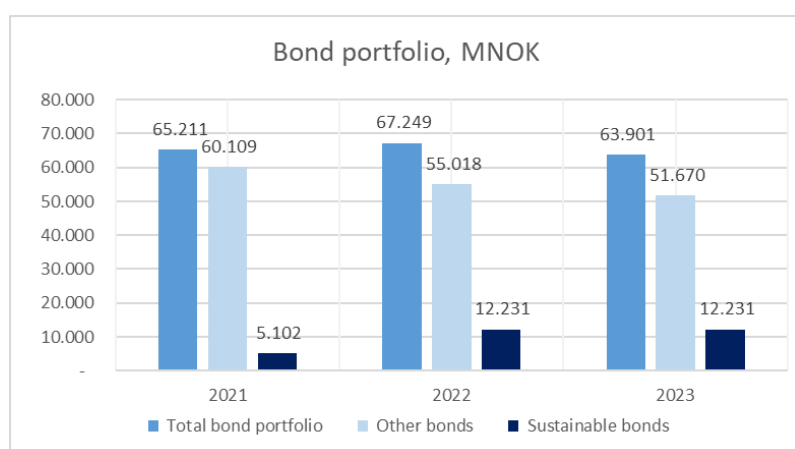
10.4 Financing in line with the Green and Sustainability Bond Framework

We have established a special “Green and Sustainability Bond Framework”, which describes the Group’s obligations to Norwegian and international investors in the bank’s or the mortgage company’s issued bonds that are defined as green, social and sustainable.

The guidelines in the framework follow the financial market’s established standards for such bond issues. When using the framework, we are obliged to the bond investors to use the proceeds from the bond financing for green and sustainable purposes. Based on the EU’s sustainability taxonomy, the framework defines the sustainable businesses to which the capital can be channelled. The framework also provides guidelines for internal approval processes when financing is to be allocated and for making available information about the allocation that has taken place. The Green Bond Committee is the Group’s body for allocation decisions and investor information is made available on our website.

By issuing sustainable bonds to a large investor base in Norway and abroad, we contribute to the green transition by channelling financing to sustainable activities.

The Group’s Green and Sustainability Bond Framework was established in 2019, and Sparebanken Sør Boligkreditt AS completed its first green bond financing in the autumn of the same year. Subsequently, we have also issued senior debt under the same framework. The bond framework was revised in Q1 2022, and the EU taxonomy definition of sustainable residential and commercial properties is largely taken into account in this revised version.



* Bonds under the Green and Sustainability Bond Framework are divided into covered bonds (NOK 10,231 million) and senior debt (NOK 2,000 million).

The Group’s long-term financing plan entails facilitating further issuances under the Group’s Green and Sustainability Bond Framework.

10.5 Investments made by fund managers in fund products distributed by the bank

We do not engage in fund management ourselves but distribute fund products through Norne Securities. Through our partly owned product company Norne Securities, we distribute funds from reputable fund managers affiliated with UNEP FI PRI (UN Principles for Responsible Investment), and comply with the investment principles of UNEP FI PRI.

We require Norne Securities to distribute funds that comply with the bank’s “Policy for responsible investment and responsible securities trading”. Norne Securities has confirmed that all distributed funds

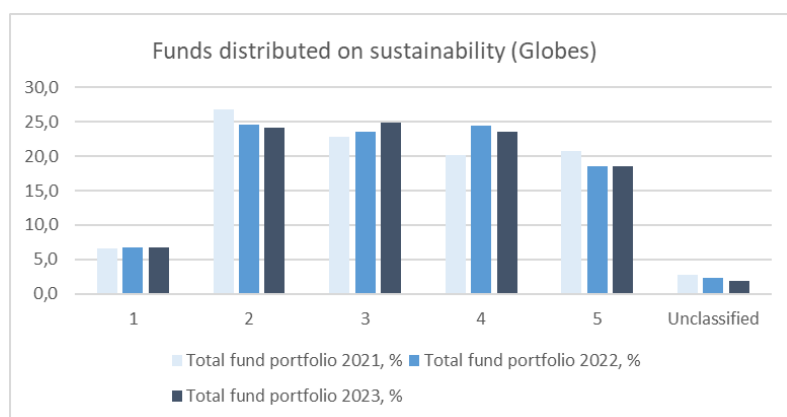
comply with our policy. We have Product Management procedures for the handling and approval of fund products. In the event of changes in service offerings, there is increased emphasis on principles for sustainable investments, and in 2020, ESG was added to the bank's product approval procedure. When expanding external funds, there is a strong focus on sustainable alternatives.

As of 31 December 2023, the fund products we distribute through Norne Securities have the following classification in terms of sustainability:

Funds distributed on sustainability	Number of globes					Unclassified
	1	2	3	4	5	
Funds, number, %	17	25	35	34	7	22

* Five globes are given to funds that are among the top 10% in their fund category, and one globe is given to funds that are among the weakest 10% in their fund category, based on Morningstar's definition.

The portfolio (MNOK) of funds in % distributed by us as of 31 December 2023, broken down by sustainability based on the number of globes (classification of sustainability), is shown in the figure below.



* Five globes are given to funds that are among the top 10% in their fund category, and one globe is given to funds that are among the weakest 10% in their fund category, based on Morningstar's definition.

There has been stable development in the proportion of sustainable funds (with the most globes).

11 RESPONSIBLE PROCUREMENT

11.1 General information

Responsible procurement entails attending to social conditions, good corporate governance and the climate and nature in procurement processes and the selection of suppliers and partners.


The requirements for protecting labour and human rights (social conditions) have been further strengthened through the Norwegian Transparency Act, which entered into force on 1 July 2022. The Act requires the bank to conduct due diligence assessments of its supply chains and partners.

The bank's policy is to cooperate with the suppliers and partners that take ESG seriously. The procurement of products, services and goods is an important and necessary part of the bank's activities.

Sparebanken Sør aims to enter into cooperation with suppliers and partners who have competitive prices, but who also meet ESG requirements and, in cooperation with the bank, can develop in a positive direction in relation to ESG.

Responsible procurement is an area in which the bank can have a positive actual and potential impact on customers, the bank and society. The positive impact will primarily take place by following ESG requirements, while also further developing the positive impact in important ESG areas. If the bank does not focus on ESG in its procurements, it will have a negative impact. Both the positive and negative impacts are greatest for society, but also represent risks and opportunities for suppliers, partners and the bank.

Information table

Topic	Comments
	<p>Key focus areas:</p> <ul style="list-style-type: none"> • Safeguard and not violate recognised labour and human rights • Reduce risk related to corporate governance • Reduce the negative impact on the climate and nature • Stimulate climate friendly and environmentally friendly products, reuse and recycling • Collaborate to achieve the targets
Governing documents	Policy for responsible procurement, Guidelines for responsible procurement, Risk assessment procedure for procurement of new products and systems, Procurement procedure
UN Global Compact Principles	2: We will support and respect recognised labour and human rights 7: We will support a precautionary approach to environmental challenges 8: We will undertake initiatives to promote greater environmental responsibility 9: We will encourage the development of environmentally friendly technology 10: We will combat all forms of corruption
UNEP PRB Principles	2: Increase positive impact and reduce negative impact on ESG as a result of activities, products and services 3: Work proactively with customers to create sustainable business 4: Proactively consult, involve and enter into collaboration agreements with relevant stakeholders to achieve society's goals 5: Implement management tools and a responsible banking culture, and set goals that are related to areas in which we have the greatest impact
Finance Norway's Principles	1: Contribute to innovation and change in other sectors
GRI indicators	308-1, 308-2, 414-1, 414-2
Sør indicators	KPI H1, KPI H2, KPI H3, KPI H4, KPI H5, KPI H6, KPI H7, KPI H8, KPI H9, KPI H10
Implemented measures	Continued work on the Norwegian Transparency Act, including integrated labour and human rights in the bank's risk analysis system for new suppliers.
Results of measures	More focus and expertise on labour and human rights in procurement processes.
Planned measures	Continue operationalisation of ESG and the Norwegian Transparency Act in procurement processes and follow-up.
Responsible division	Corporate Staff Division, Business Development Division (KM)

KPIs and goal attainment

KPI	Description	Unit	Goal	Time	2021	2022	2023	Goal attainment
KPI H1	Suppliers > 1 NOK mill. are risk assessed	% volume				78,3	80,7	
KPI H2	Have good management systems for labour and human rights	% volume				79,8	77,5	
KPI H3	Low risk of violations of labour and human rights	% volume				39,5	37,0	
KPI H4	Moderate risk of violations of labour and human rights	% volume				59,4	60,3	
KPI H5	High risk of violations of labour and human rights	% volume				1,1	2,6	
KPI H6	Suppliers who have reported violations of labor and human rights	Number	0			2	0	✓
KPI H7	Have good management systems for corporate governance	% volume				85,8	85,7	
KPI H8	Low risk related to corporate governance	% volume				94,3	94,0	
KPI H9	Have good management systems for climate and nature	% volume				91,0	90,7	
KPI H10	Low risk related to climate and nature	% volume				37,9	35,2	

* The unit "% volume" is to be understood as % of suppliers > NOK one million that have been risk assessed in the individual category

11.2 Suppliers and partners

11.2.1 Introduction

The bank has assessed the risk related to labour and human rights (the Norwegian Transparency Act), corporate governance and the climate and nature of its suppliers and partners.

The table below shows the scope of procurement from suppliers and partners:

SUPPLIERS AND BUSINESS PARTNERS			
Procurements from suppliers and partners	NOK million	%	Number
Annual procurements, NOK mill.	553	100	1.400
Suppliers with annual procurements > NOK 1 mill.	446	80,7	51
Suppliers with annual procurements < NOK 1 mill.	107	19,3	1.341

The suppliers are mainly Norwegian suppliers within the following industries:

- IT, data, communications and computer systems
- Insurance
- Energy
- Banking systems
- Consultants and lawyers
- Product and system suppliers

These account for approximately 80% of the bank's total procurements, of which the IT, data, communications and computer systems category accounts for by far the largest proportion. Our suppliers and partners are mostly large, professional Norwegian companies, plus some global companies that have good systems and limited risk. The biggest risk is subcontractors.

Risk analysis, suppliers	NOK million	%	Number
Suppliers with annual procurements > NOK 1 mill.	446	100	51
Risk analysis, suppliers > NOK 1 mill.	446	100	51
No risk analysis, suppliers > NOK 1 mill.	0	0	
Suppliers with risk analysis conducted > NOK 1 mill., in % of annual procurements		100	

The analysis of suppliers covers approximately 80% of the bank's total procurements.

The risk for suppliers with which the bank has a procurement volume of less than NOK one million is considered to be low.

The risk assessments are based on dialogue with suppliers and partners, feedback from questionnaires, knowledge and other information about suppliers and partners.

The results of the risk analysis are included in the sections below.

11.3 Labour and human rights (the Norwegian Transparency Act)

11.3.1 Introduction

This section deals with how the bank addresses labour and human rights at its suppliers and partners. This Sustainability Report includes a brief summary of our work with the Norwegian Transparency Act. A full report can be found on our website at <https://www.sor.no/felles/om-sparebanken-sor/about/social-responsibility/norwegian-transparency-act/>

Our website also contains more detailed information about governing documents and the bank's work with the Norwegian Transparency Act.

The most important elements of the Norwegian Transparency Act are:

- Section 4 Duty to carry out due diligence
- Section 5 Duty to account for due diligence
- Section 6 Right to information

11.3.2 Risk analysis and due diligence assessments

The bank has carried out a risk analysis (due diligence) of selected conventions relating to labour and human rights.

The table below shows the results of the analysis.

RISK ANALYSIS LABOUR AND HUMAN RIGHTS			
Misc. information from the risk analysis of labour and human rights (L&H)	Number of suppliers		
	Yes	Partly	No
The supplier has governing documents for L&H	45	2	4
The supplier has management systems for L&H, e.g. ISO 45001	29		22
The supplier has performance goals for L&H	34		17
The supplier states they have had violations of L&H	0	0	51
The supplier has foreign subcontractors	30		21
The supplier states they have mapped L&H risk at subcontractors	5	15	10
The supplier states subcontractors have had violations of L&H	0		51

The results confirm that, overall, our suppliers have good systems and procedures in place for following up labour and human rights. Our major suppliers are also covered by the Norwegian Transparency Act. None of our suppliers have stated that their subcontractors have had any violations of labour and human rights in 2023.

The greatest risk of violations of labour and human rights is considered to rest with subcontractors in vulnerable countries.

The figure below shows suppliers and partners' assessed risk of violations of labour and human rights.



* Number of suppliers with deliveries > NOK one million

Based on an overall assessment, our suppliers and partners have a low or medium risk of violations of labour and human rights.

There are two suppliers that we have assessed as high risk. This risk is primarily related to the geographical location of products and subcontractors.

The labour and humans rights work forms the basis of a risk-based approach. It must also be pointed out that there are some suppliers for whom our procurements are so small compared to national and/or especially global procurements that we have very little or no influence. It is therefore important to focus this work on suppliers and partners so that we have the opportunity to make a positive influence.

11.3.3 Follow-up and measures

Thus far, no violations of labour and human rights have been uncovered that require special follow-up and measures in 2023.

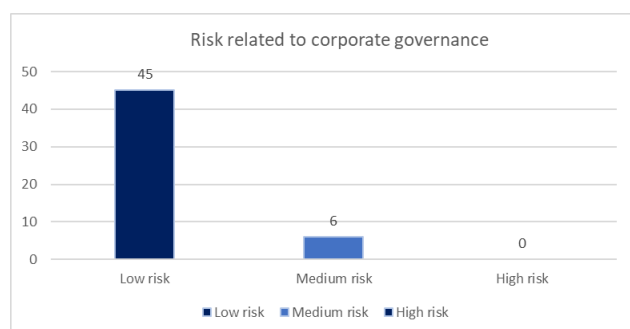
Work with the Norwegian Transparency Act is taking place on an ongoing basis, and follow-up and measures will also be assessed on an ongoing basis, e.g. after a thorough review of analyses, see point 10.3.3.

11.4 Corporate governance

Results of the risk analysis.

RISK ANALYSIS CORPORATE GOVERNANCE			
Corporate governance	Number of suppliers		
	Yes	Partly	No
The supplier has governing documents	35	10	6
The supplier has management systems, e.g. ISO 9001	30		13
The supplier has performance goals	34		17
The supplier has foreign subcontractors	30		21

Most of the bank's major suppliers have management systems, governing documents and targets.



* Number of suppliers with deliveries > NOK one million

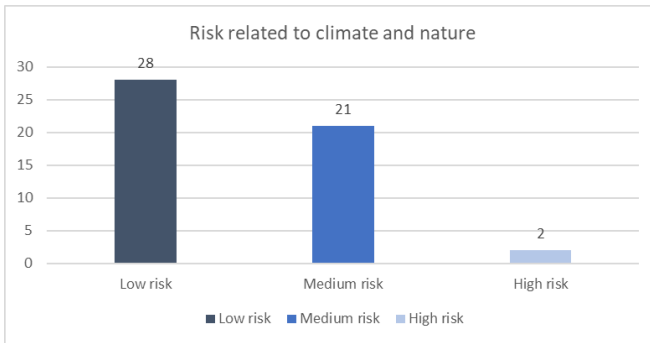
Risk associated with corporate governance is considered low.

11.5 Climate and nature

Results of the risk analysis.

RISK ANALYSIS CLIMATE AND NATURE			
Climate and nature	Number of suppliers		
	Yes	Partly	No
The supplier has governing documents	41	2	8
The supplier has management systems, e.g. Eco-Lighthouse, ISO 14001	38	0	13
The supplier has performance goals	38		13
The supplier has foreign subcontractors	30		21

Most of the bank's major suppliers have management systems, governing documents and targets. There is reason to assume that the targets are primarily related to the reduction of own greenhouse gas emissions and, to a lesser extent, indirect greenhouse gas emissions and nature.



* Number of suppliers with deliveries > NOK one million

Risks related to climate and nature are assessed as low/medium.

However, quantification of risk with regard to geography, product range and use of raw materials is highly uncertain, especially among subcontractors. The real risk may be greater than that stated by suppliers. One measure in the future will be to try to better assess the risk related to the climate and nature in cooperation with suppliers and partners, as well as to follow up relevant and specific targets.

The risk analyses for the climate and nature must be regarded as general, as they are based on limited information.

12 CLIMATE AND NATURE




12.1 General information

Climate and nature-related challenges constitute some of the greatest risks to both society and us as a bank. At the same time, these challenges also represent great opportunities. Climate and nature are the topics that our business activities negatively impact the most, but they are also areas in which the bank can make the most positive impact. It is particularly in the business areas of Lending, Investments and Financing, as well as Procurements, in which we have a major indirect influence on both negative and positive impacts in relation to greenhouse gas emissions and nature in the form of biodiversity, use of natural resources and natural areas.

We follow up these topics with relevant measures to enhance the positive impact and reduce the negative impact. Short and long-term KPIs have been established in order to monitor and measure results and develop measures for key indicators.

We have governing documents, policies and guidelines that show what requirements we set and how we work with this topic in relevant business areas.

Information table

Topic	Comments
  	<p>Key focus areas:</p> <ul style="list-style-type: none"> Greenhouse gas emissions Biodiversity Use of natural resources Pollution of the air, water and oceans Circular economy
Governing documents	Sustainability Strategy, Policy for Climate and Nature, Eco-Lighthouse certification guidelines, TCFD report
UN Global Compact Principles	7: We will support a precautionary approach to environmental challenges 8: We will undertake initiatives to promote greater environmental responsibility

UNEP PRB Principles	7: We will support a precautionary approach to environmental challenges
Finance Norway's Principles	1: Adapt the business strategy to the UN Sustainable Development Goals and the Paris Agreement 2: Increase positive impact and reduce negative impact on ESG as a result of activities, products and services. Establish and publish specific goals in areas that have the greatest effect
GRI indicators	302-1, 305-1, 305-2, 305-3
Sør indicators	KPI I1, KPI I2, KPI I3, KPI I4, KPI I5, KPI I6, KPI I7, KPI I8, KPI I9, KPI I10, KPI I11
Implemented measures (better description)	Participated in a project under the auspices of Finance Norway to establish a methodology for calculating greenhouse gas emissions from loans based on PCAF. Participated in the Sirkulærøkonomi (Circular Economy) project under the auspices of Finansforbundet and Circular Norway. Prepared TNFD report. Continued skills development related to ESG, including climate and nature in the organisation. Recertification of the head office in accordance with the Eco-Lighthouse certification scheme.
Results of measures	Participated in processes and working groups to establish guidelines for measuring greenhouse gas emissions and work with the circular economy in the Lending and Investments business areas.
Planned measures	Further develop KPIs, goals and measurement methods for the climate and nature. Continue work on TCFD and TNFD. Climate transition plans. Skills development. Work more on baseline and emissions trajectory for greenhouse gas emissions Lending and Investments.
Responsible division	Corporate Staff Division

KPIs and goal attainment

KPI	Description	Unit	Goal	Time	2021	2022	2023	Goal attainment
KPI I1	Greenhouse-gas emissions, own activities	tonnes CO2			254,4	232,2	253,5	
KPI I2	Reduction in greenhouse-gas emissions, own activities	%	55	2030	50,4	54,7	50,6	
KPI E3	Energy intensity, own activities	kWh/m ²	0 (NZE)	2050	233	203	213	
KPI I4	Total greenhouse-gas emissions, Lending	tonnes CO2	0 (NZE)	2050			238.214	
KPI I5	Reduction in greenhouse-gas emissions, Lending	%	40	2030	NA	NA	0 %	
KPI I6	Reduction in greenhouse-gas emissions, Lending	tonnes CO2	238.214	2050	NA	NA	0	
KPI I7	Total greenhouse-gas emissions, Investments	tonnes CO2	0 (NZE)	2050	NA	NA	NA	
KPI I8	Reduction in greenhouse-gas emissions, Investments	%	40	2030	NA	NA	NA	
KPI I9	Reduction in greenhouse-gas emissions, Investments	tonnes CO2	0 (NZE)	2050	NA	NA	NA	

* Figures for greenhouse gas emissions from investments are not provided, as work to establish a baseline is ongoing.

12.2 Climate

12.2.1 Climate – impact from own activities

Our greenhouse gas emissions and our negative impact on nature from our own activities are very limited. We follow up issues related to climate and nature through an environmental management system, and we



are **Miljøfyrtårn** Eco-Lighthouse certified, based on the head office model and the new criteria for the finance sector.

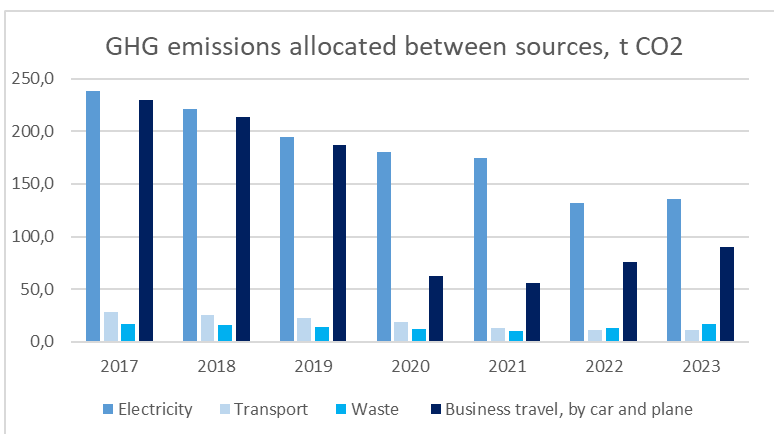
The table below shows our status and development in terms of resource consumption and greenhouse gas emissions based on the GHG protocol:

Greenhouse-gas emissions	2021	2022	2023
Greenhouse-gas emissions Scope 1, tonnes of CO ₂ e	13,6	11,3	10,9
Greenhouse-gas emissions Scope 2, tonnes of CO ₂ e	174,8	131,8	136,0
Greenhouse-gas emissions Scope 3, tonnes of CO ₂ e	66,0	89,1	106,6
Total greenhouse-gas emissions, tonnes of CO ₂ e	254,4	232,2	253,5
FTEs	597	601	621
Greenhouse-gas emissions per employee	0,43	0,39	0,41
Heated area, m ²	26.769	26.564	24.539
Energy consumption, 1,000 kWh per year	6.250	5.384	5.218
Energy intensity, kWh per m ²	233	203	213

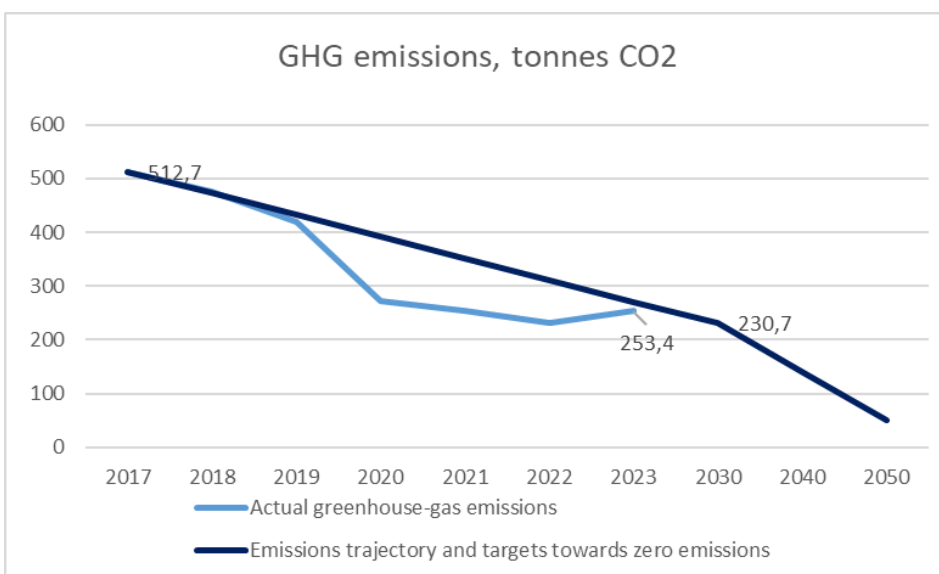
* All subsidiaries and companies in which Sparebanken Sør has dominant ownership interests are included in the carbon accounting report.

Our greenhouse gas emissions show a marginal increase from 2022 to 2023.

Breakdown of greenhouse gas emissions:



Our greenhouse gas emissions are primarily related to energy consumption and travel. From 2022 to 2023, emissions associated with energy use and travel increased slightly. We have set ourselves the target of reducing our greenhouse gas emissions by 55% by 2030 and achieving net-zero emissions by 2050. The figure below shows the trend in greenhouse gas emissions, as well as an illustration of the trajectory of emissions.



Baseline in 2017

The results show that we are close to achieving our target of reduced emissions of 55% (equivalent to 230.7 tonnes of CO2) by 2030.

For more information on the carbon accounting report, see

<https://www.sor.no/felles/om-sparebanken-sor/about/social-responsibility/sustainability-reports/>

12.2.2 Climate – impact from our business areas

We will work to help our customers, suppliers and partners reduce their impact on the climate.

We are particularly able to make the greatest influence in the following business areas:

- Lending: Increase the proportion of sustainable loans and reduce the proportion of loans with a strong negative impact on the climate. This especially applies to corporate customers.
- Investment: Increase the proportion of investments in sustainable activities and enterprises and reduce the proportion of investments in enterprises with a negative impact on the climate.
- The bank will also make use of the Green and Sustainability Bond Framework for the issuance of sustainable bonds.

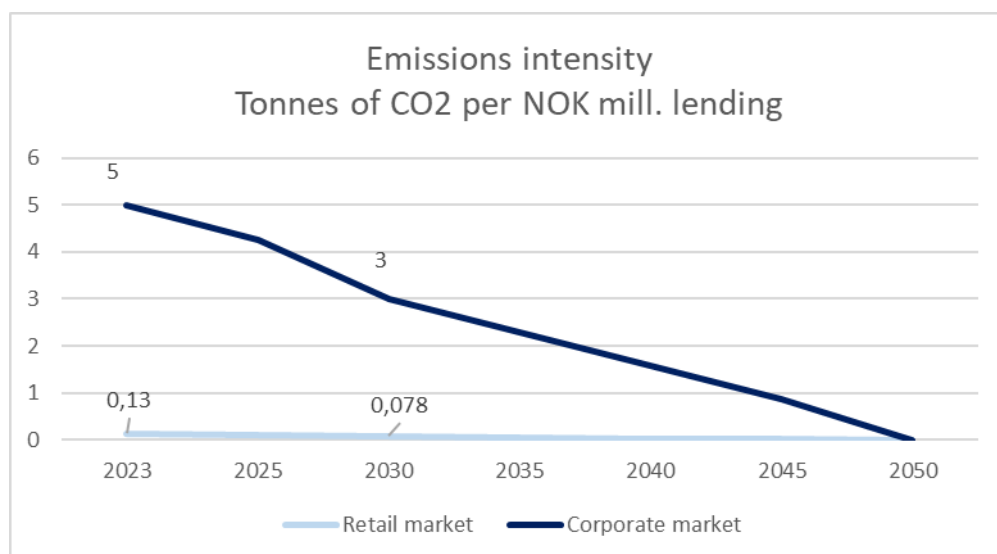
The use of technology, digitalisation and sustainable products that are closely linked to the business areas mentioned above are the key factors in our contribution to sustainable development.

Measures and guidelines for operationalising climate-related risks and opportunities in the business areas are described in more detail under the topics in this report and in the TCFD report.

For the lending portfolio, we have set a target of reducing greenhouse gas emissions by 40% by 2030, with net-zero emissions by 2050. Starting from 2022, this means an annual reduction in greenhouse gas emissions of 5% per year to achieve a reduction of 40% by 2030.

The method for measuring the reduction of greenhouse gas emissions in the lending portfolio is based on the Science-Based Target Initiative (SBTI), where we set requirements for reducing the emission intensity of the various portfolios with short and long-term goals.

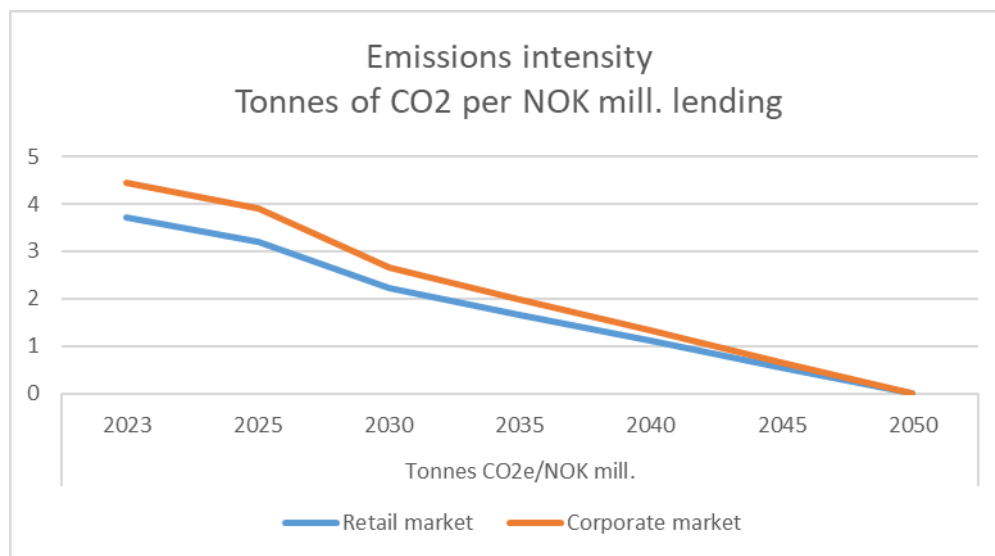
The figure below illustrates the emissions trajectory for achieving our targets:



Estimated trajectory of reductions in emissions intensity for the lending portfolio

The calculations of greenhouse gas emissions are based on guidance from Finance Norway for home mortgages, and the “sale and operation of real estate” category in the corporate market. We have used PCAF (Partnership for Carbon Accounting Financials) data and a method based on balance to calculate greenhouse gas emissions from other customers in the corporate market (see section 9.3). There is considerable uncertainty associated with establishing a correct reference point for greenhouse gas emissions (known as the baseline). The baseline in 2023 was therefore adjusted as a consequence of improvements in data and methods.

Based on the guidance from Finance Norway for mortgages and commercial real estate (“sale and operation of real estate”), we have calculated the climate intensity in kg CO2 equivalents per m2 of financed area, as shown in the figure below.



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

TCFD is a recognised method of climate reporting. Below is a brief summary of the structure and key points of the TCFD report.

Climate is not only about risk; it is also about business opportunities represented by climate-related challenges.

The main climate risks for the bank are:

Transition risks:

These are risks associated with transitioning to a zero-emission society, and involve political and regulatory aspects, technology, markets and reputation. Transition risks involve the ways in which climate-related conditions may impact our business activities.

Physical risks:

Acute risks due to extreme weather conditions leading to hurricanes, floods, etc. Chronic risks are long-term climate changes that affect temperature, sea level, etc. Physical risks involve how climate-related conditions, such as extreme weather, may impact our business activities. Climate-related risks and opportunities will affect the bank’s strategy, business activities and financial development from both a short and long-term perspective.

The four main points are briefly highlighted in the table below:

TCFD	
Corporate governance	The Board has determined that ESG and climate change will be prioritised areas in the strategic plan, and will operationalise these areas in the business areas. It is essential to focus on both climate-related risks and opportunities, and how these affect the business areas and the Bank's financial development. Climate risks encompass the Bank's business activities, but more importantly, climate risks affect the Bank's business model and business areas.
Strategy	Climate is not only about risk, but also about business opportunities. Major climate-related risk factors: <ul style="list-style-type: none"> • Risk of increased default and loss, stranded assets, increased capital requirements, and more expensive financing. • Risk of the loss of reputation and customers, and reduced market shares. Major climate-related opportunities: <ul style="list-style-type: none"> • Increased revenue and cost reductions through new sustainable products, digitalisation, access to new markets and industries for the circular economy, reuse etc. • Better access to, and more reasonably priced, financing and capital, and reduced capital requirements.
Risk management	The risk is highest in the business area of lending, where residential and commercial real estate makes up about 80 per cent of the total portfolio. The Bank has policies with requirements and exclusion criteria in these business areas. ESG with special focus on climate is integrated in credit processes BM. A framework for risk appetite and risk tolerance for ESG and climate risks is being created.
Measures and methods	Sparebanken Sør aims to reduce its own greenhouse-gas emissions by 55 per cent by 2030, and become climate neutral in accordance with the Paris Agreement by 2050. Scenario analyses will be designed to assess whether climate-related risks and opportunities are in accordance with the Bank's strategy, risk appetite and risk limits. Management goals and indicators for climate risk will be further developed on an ongoing basis.

In 2024, we will continue the work of operationalising and further developing the TCFD framework.

12.3 Nature

12.3.1 General

Nature forms the basis for livelihoods at the individual, societal and global level. It provides us with food, water, recreational areas and a sense of belonging and connection to the planet and the world around us. In addition, large parts of our economy are based on resources that nature creates and provides. Loss of nature and biodiversity would therefore have major consequences for our daily lives, the resources we depend on for survival and for value creation in the economy.

How we use nature affects the climate, while climate change affects nature. Climate and nature are closely linked. Promoting biodiversity is therefore an important part of the solution to climate challenges and a prerequisite for achieving the UN Sustainable Development Goals.

The UN Biodiversity Agreement, which was adopted on 19 December 2022, has set global goals for conserving nature, achieving sustainable management and use, and combating the causes of the loss and degradation of ecosystems.

Ecosystems have decreased in size, and the state of such systems on a global level has degraded by 47% in relation to an estimated baseline.

The global economy is dependent on well-functioning nature and ecosystems. The modern global economy affects all parts of the ecosystems. When ecosystems are degraded or – in a worst-case scenario – actually

collapse, the fundamental ecological processes may cease which, in turn, can result in significant economic risk. Around 60% of global economic growth is dependent on deliveries from these ecosystems.

According to the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES), the key drivers for the loss of nature are:

	Drivers for loss of nature	Ecosystem		
		Land	Water	Sea
Pressure on nature	Use of areas, land, water and sea	Scope of use and reduction of land areas and deforestation	Scope of use and reduction in fresh water systems	Scope of use and reduction in marine area
	Use of natural resources	Soil deterioration (reduced production)	Over-consumption (over-consumption)	Over-consumption of marine resources, e.g. fish
		Over-consumption of land resources, e.g. minerals, non-sustainable logging		
	Spread of foreign species	Non-natural species	Non-natural species	Non-natural species
		Random mortality of natural species		
	Pollution	Pollution, soil	Pollution, fresh water	Pollution and plastic in the sea
Climate change	Climate emissions			

Important instruments for reducing loss of nature are regulatory requirements, as well as reuse, sharing and circular economy. For us, this means that there must be requirements for nature in relation to lending, investments and procurement, and we must develop sustainable products in the EU taxonomy's environmental objectives, such as circular economy.

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

TNFD	
Corporate governance	The most important business areas are Lending and Investments. Measures in relation to risks and opportunities must be operationalised in the business areas. The policy and guidelines need further developing. The most important tool is to facilitate sustainable products and services, to meet the needs of customers and society, and to reduce risk in relation to customers' impact and dependence on nature. The circular economy, reuse and sharing will be important tools for ensuring a positive impact on nature.
Strategy	The Board has defined ESG and nature as a prioritised area at a strategic level. Nature is about risk, but also about business opportunities. Important initiatives including skills enhancement, dialogue and cooperation with customers, suppliers and partners on viable solutions for reducing negative impact on nature. Major climate-related risk factors: 1: Risk of increased defaults and losses, increased capital requirements, and more expensive financing due to dependence and impact on nature. 2: Risk of loss of reputation and reduced market shares and earnings due to the failure to adapt to the green transition. Major climate-related opportunities: 1: Increased earnings from sustainable products. 2: Improved access to, and more reasonably priced, financing and equity, and reduced capital requirements for sustainable activity (EU taxonomy). 3: Lower risk in portfolios.

Risk management	<p>The most important nature-related risks are land use, the use of natural resources and climate change. The risk is greatest in the Lending business area in agriculture, real estate and construction, which accounts for approximately 80% of the total portfolio. Climate-related risks in the business areas of investments and financing are also significant. In particular, this applies to access to and the price of financing through sustainable products.</p> <p>The bank has policies containing requirements and exclusion criteria for these business areas. The bank has also integrated an ESG module with special focus on climate into its lending processes for BM. The bank has a framework for green loans and bonds. Work will continue on establishing risk frameworks and general governance goals for ESG and climate risk integrated into our risk management framework.</p>
Targets and methods	<p>Nature is a relatively new and complex field of study. The bank will establish sustainable products within the relevant environmental objectives and activities in accordance with the EU taxonomy.</p> <p>Furthermore, through processes associated with CSRD, the bank will continue to work on how it intends to integrate nature into its business areas.</p> <p>Measures, risk frameworks, KPIs and governance goals for nature-related risks must be integrated into the bank's framework and reporting.</p>

Our TNFD report contains more details about how nature affects our business areas, see <https://www.sor.no/felles/om-sparebanken-sor/about/social-responsibility/sustainability-reports/>
 In 2024, we will continue the work of operationalising and further developing the TNFD framework.

13 APPENDIX 1: GRI Index

GRI 2021 – General disclosures			
GRI	Indicator	Description	Source
Organisation and reporting practice			
2-1	Organisation name, ownership and legal form, location of head office, country in which the business operates.	a. Sparebanken Sør c. Kristiansand d. Norway	b. https://www.sor.no/felles/om-sparebanken-sor/about/social-responsibility/group-corporate-social-responsibility-policy/ Annual report 2023, Note 35
2-2	List all its entities included in the organisation's sustainability reporting. a. list all its entities included in its sustainability reporting; b. if the organisation has audited consolidated financial statements or financial information filed on public record, specify the differences between the list of entities included in its financial reporting and the list included in its sustainability reporting; c. if the organisation consists of multiple entities, explain the approach used for consolidating the information, including: i. whether the approach involves adjustments to information for minority interests; ii. how the approach takes into account mergers, acquisitions, and disposal of entities or parts of entities; iii. whether and how the approach differs across the disclosures in this Standard and across material topics.	a. The Sustainability Report includes Sparebanken Sør (the parent bank) and all subsidiaries (excluding Sørmeglere Holding AS and Sørlandets Forsikringscenter AS) where the bank alone or together with subsidiaries has a controlling influence, normally as a result of an ownership interest of more than 50 per cent. b. The consolidated financial statements include the parent bank and subsidiaries (including Sørmeglere Holding AS and Sørlandets Forsikringscenter AS) where the bank alone or together with subsidiaries has determining influence, normally as a result of an ownership interest of more than 50 per cent. c. The consolidated financial statements include the parent bank and subsidiaries, where the bank alone or together with subsidiaries has determining influence, normally as a result of an ownership interest of more than 50 per cent. The Sustainability Report includes the parent bank and subsidiaries, but Sørmeglere Holding AS and Sørlandets Forsikringscenter AS are only included in the climate accounts. i. No adjustments to minority interests. ii. No mergers or acquisitions in 2022. iii. No differences.	Annual Report 2023, Note 26
2-3	Reporting period, frequency and contact point for questions regarding the report or its content. a. specify the reporting period for, and the frequency of, its sustainability reporting; b. specify the reporting period for its financial reporting and, if it does not align with the period for its sustainability reporting, explain the reason for this; c. report the publication date of the report or reported information; d. specify the contact point for questions about the report or reported information.	a. 01.01.2023–31.12.2023, annually b. 01.01.2023–31.12.2023, annually, plus quarterly financial reporting c. 22.03.2024 d. Even Brage Hardeland, (even.brage.hardeland@sor.no)	
2-4	Report restatements of previous information from previous reports and the reason for the changes. a. report restatements of information made from previous reporting periods and explain: i. the reason for the restatements ii. the effect of the restatements	a. No restatements from previous reports.	
2-5	Practice for external for external verification of the report. a. describe its policy and practice for seeking external assurance, including whether and how the highest governance body and senior executives are involved; b. if the organisation's sustainability reporting has been externally assured: i. provide a link or reference to the external assurance report(s) or assurance statement(s); ii. describe what has been assured and on what basis, including the assurance standards used, the level of assurance obtained, and any limitations of the assurance process; iii. describe the relationship between the organisation and the assurance provider.	a. The Sustainability Report is certified by an auditor. The report is considered and approved together with the annual report by the Board of Directors and the Board of Trustees. b. Certified by an external auditor. ii. Appears in audit report, audit standard ISA E3000. iii. PWC is Sparebanken Sør's auditor.	b. i. and b. ii. Auditor's report: https://www.sor.no/felles/om-sparebanken-sor/about/social-responsibility/sustainability-reports/
Activities and workers			
2-6	Activities, value chain and other business relationships. a. report the sector(s) in which it is active; b. describe its value chain, including: i. the organisation's activities, products, services, and markets served; ii. the organisation's supply chain; iii. the entities downstream from the organisation and their activities; c. report other relevant business relationships; d. describe significant changes in 2-6-a, 2-6-b, and 2-6-c compared to previous reporting periods.	a) Banking and Finance b. ii. Suppliers are mainly Norwegian suppliers, many of which are local and include IT, consultants, office supplies and deliveries in connection with the bank's office buildings. Annual procurements amount to approx. NOK 515 mill. b. iii. The downstream value chain consists mainly of retail and corporate customers in the business areas deposits, lending and other financial products and services. c. The most important business connections are related to IT services and product providers of financial products and services. d) There are no significant changes compared to previous reporting periods.	b. Sustainability Report, Chapter 1 b. i. Annual Report 2023

2-7	<p>Number of employees distributed by gender, region and employment type.</p> <p>a. the total number of employees, and a breakdown of this total by gender and by region;</p> <p>b. report the total number of:</p> <p>i. permanent employees, and a breakdown by gender and by region;</p> <p>ii. temporary employees, and a breakdown by gender and by region;</p> <p>iii. non-guaranteed hours employees, and a breakdown by gender and by region;</p> <p>iv. full-time employees, and a breakdown by gender and by region;</p> <p>v. part-time employees, and a breakdown by gender and by region;</p> <p>c. describe the methodologies and assumptions used to compile the data, including whether the numbers are reported:</p> <p>i. in head count, full-time equivalent (FTE), or using another methodology;</p> <p>ii. at the end of the reporting period, as an average across the reporting period, or using another methodology;</p> <p>d. report contextual information necessary to understand the data reported under a and b;</p> <p>e. describe significant fluctuations in the number of employees during the reporting period and between reporting periods.</p>	<p>All the bank's offices are located in a relatively small geographical area in Norway, and are for reasons of size and geographical location defined as one region.</p> <p>b. iii. 0</p> <p>c. Data is collected from the bank's payroll system, Sinployer, and figures are based on data as at 31.12</p> <p>i. FTEs</p> <p>ii. As at 31.12, i.e. at the end of the reporting period</p> <p>d. The figures are based on permanent employees, i.e. excluding part-time employees and temporary workers. All figures are based on figures as at 31.12.</p> <p>e. There were no significant changes in the number of employees during or between reporting periods.</p>	a., b., b. i., b. ii., b. iv., v. Scorecard section 1.2
2-8	<p>Workers who are not employees.</p> <p>a. report the total number of workers who are not employees and whose work is controlled by the organisation and describe:</p> <p>i. the most common types of worker and their contractual relationship with the organisation;</p> <p>ii. the type of work they perform;</p> <p>b. describe the methodologies and assumptions used to compile the data, including whether the number of workers who are not employees is reported:</p> <p>i. in head count, full-time equivalent (FTE), or using another methodology;</p> <p>ii. at the end of the reporting period, as an average across the reporting period, or using another methodology;</p> <p>c. describe significant fluctuations in the number of workers who are not employees during the reporting period and between reporting periods.</p>	a. 0 Sparebanken Sør has no workers who are not employees according to the GRI definition.	
Governance			
2-9	<p>The organisation's governance structure, including committees of the highest governance body which are responsible for financial, environmental and social issues.</p> <p>a. describe its governance structure, including committees of the highest governance body;</p> <p>b. list the committees of the highest governance body that are responsible for decision-making on and overseeing the management of the organisation's impacts on the economy, environment, and people;</p> <p>c. describe the composition of the highest governance body and its committees by:</p> <p>i. executive and non-executive members;</p> <p>ii. independence;</p> <p>iii. tenure of members on the governance body;</p> <p>iv. number of other significant positions and commitments held by each member, and the nature of the commitments;</p> <p>v. gender;</p> <p>vi. under-represented social groups;</p> <p>vii. competencies relevant to the impacts of the organisation;</p> <p>viii. stakeholder representation.</p>	<p>a. The bank has the following steering committees: Audit Committee, Risk Committee (incl. ESG), Remuneration Committee, Technology Committee</p> <p>b. The Risk Committee and the Audit Committee are responsible for preparing ESG matters for the Board of Directors.</p> <p>c. iii. The maximum period of functioning on the Board in accordance with the Articles of Association is eight years</p> <p>c. vi. Not relevant for 2022</p> <p>c. viii. There are two employee representatives on the Board.</p>	<p>a. https://www.sor.no/globalassets/organisasjon/corporate-governance-sparebanken-sor-.pdf</p> <p>c. https://www.sor.no/felles/om-sparebanken-sor/styre-ledelse-og-organisasjon/</p> <p>i. https://www.sor.no/felles/om-sparebanken-sor/styre-ledelse-og-organisasjon/styret/</p> <p>ii. Annual report 2023</p> <p>iv. https://www.sor.no/felles/om-sparebanken-sor/styre-ledelse-og-organisasjon/mer-om-styret/</p> <p>v. Scorecard, Section 1.2</p> <p>vii. https://www.sor.no/felles/om-sparebanken-sor/styre-ledelse-og-organisasjon/mer-om-styret/</p>
2-10	<p>Nomination and selection of the highest governance body</p> <p>a. describe the nomination and selection processes for the highest governance body and its committees;</p> <p>b. describe the criteria used for nominating and selecting highest governance body members, including whether and how the following are taken into consideration:</p> <p>i. views of stakeholders (including shareholders);</p> <p>ii. diversity;</p> <p>iii. independence;</p> <p>iv. competencies relevant to the impacts of the organisation.</p>	<p>b. iv. When assessing the Board's competence, emphasis is placed on the Board having overall complementary expertise that covers all key aspects of the Group's activities and geography.</p>	<p>a., b., b. i., https://www.sor.no/globalassets/organisasjon/vedteker-sparebanken-sor.pdf</p> <p>b. ii. https://www.sor.no/globalassets/organisasjon/barekraft/board-diversity-policy-sparebanken-sor.pdf</p> <p>b. iii. Annual report 2023</p>
2-11	<p>Chair of the highest governance body</p> <p>a. report whether the chair of the highest governance body is also a senior executive in the organisation;</p> <p>b. if the chair is also a senior executive, explain their function within the organisation's management, the reasons for this arrangement, and how conflicts of interest are prevented and mitigated.</p>	<p>a. The Chair of the highest governance body (Chair Knut Sætre) is not the same person as the CEO (Geir Bergskaug)</p> <p>b. Not relevant</p>	<p>a. https://www.sor.no/felles/om-sparebanken-sor/styre-ledelse-og-organisasjon/</p>

2-12	<p>Role of the highest governance body in overseeing the management of impacts.</p> <p>a. describe the role of the highest governance body and of senior executives in developing, approving, and updating the organisation's purpose, value or mission statements, strategies, policies, and goals related to sustainable development;</p> <p>b. describe the role of the highest governance body in overseeing the organisation's due diligence and other processes to identify and manage the organisation's impacts on the economy, environment, and people, including:</p> <p>i. whether and how the highest governance body engages with stakeholders to support these processes;</p> <p>ii. how the highest governance body considers the outcomes of these processes;</p> <p>c. describe the role of the highest governance body in reviewing the effectiveness of the organisation's processes as described in b, and report the frequency of this review.</p>	<p>a. The Board and Group Management are responsible for Sparebanken Sør's governing documents and goals, as well as for operationalising and supervising the bank's sustainability strategies.</p> <p>b. The Board and Group Management are responsible for identifying and managing the Group's impact on ESG areas, including engagement with stakeholders.</p> <p>i. The Board considers and approves stakeholder mapping and material topics. In addition, the Board and Group Management have dialogue with multiple stakeholder groups, but there are no fixed agendas or meeting places.</p> <p>ii. Mapping stakeholders' views is important in connection with the choice of material topics.</p> <p>c. Status and development are followed up through various Board matters as well as quarterly risk reports, the annual Sustainability Report, as well as an annual audit of governing documents.</p>	<p>a., b.</p> <p>https://www.sor.no/globalassets/organisasjon/barekraft/sustainability-strategy-sparebanken-sor.pdf, Section 3, page 6</p>
2-13	<p>Delegation of responsibility for managing impacts.</p> <p>a. describe how the highest governance body delegates responsibility for managing the organisation's impacts on the economy, environment, and people, including:</p> <p>i. whether it has appointed any senior executives with responsibility for the management of impacts;</p> <p>ii. whether it has delegated responsibility for the management of impacts to other employees;</p> <p>b. describe the process and frequency for senior executives or other employees to report back to the highest governance body on the management of the organisation's impacts on the economy, environment, and people.</p>	<p>i. Rolf Søraker, EVP of Corporate Staff, is responsible for the ESG area in Sparebanken Sør</p> <p>ii. Responsibility for managing the influence of relevant material topics is delegated to the EVPs.</p> <p>b. Quarterly Risk Reports, Compliance Reports and Anti-Money Laundering Reports, as well as the annual Sustainability Report.</p>	<p>a.</p> <p>https://www.sor.no/globalassets/organisasjon/barekraft/sustainability-strategy-sparebanken-sor.pdf, page 6</p>
2-14	<p>Role of the highest governance body in sustainability reporting.</p> <p>a. report whether the highest governance body is responsible for reviewing and approving the reported information, including the organisation's material topics, and if so, describe the process for reviewing and approving the information;</p> <p>b. if the highest governance body is not responsible for reviewing and approving the reported information, including the organisation's material topics, explain the reason for this.</p>	<p>a. The Board is responsible for approving the Risk Report and Sustainability Report, including material topics. The process is as follows: the CEO makes recommendations to the Risk Committee, which provides a recommendation to the Board as approver.</p> <p>b. not applicable</p>	
2-15	<p>Conflict of interests.</p> <p>a. describe the processes for the highest governance body to ensure that conflicts of interest are prevented and mitigated;</p> <p>b. report whether conflicts of interest are disclosed to stakeholders, including, at a minimum, conflicts of interest relating to:</p> <p>i. cross-board membership;</p> <p>ii. cross-shareholding with suppliers and other stakeholders;</p> <p>iii. existence of controlling shareholders;</p> <p>iv. related parties, their relationships, transactions, and outstanding balances.</p>	<p>Conflicts of interest are handled by the Corporate Staff Division via HR. HR's goal is to detect and map conflicts of interest, as well as manage these and where applicable implement measures to eliminate, reduce or minimise conflicts of interest.</p> <p>b. i., ii., iii., iv. HR is responsible for following up conflicts of interest and considering how these should be reported and handled on a case-by-case basis. For reasons of confidentiality, any involvement and reporting must be assessed on an ongoing basis. There were four cases of conflicts of interest in 2023, which were minor and which were resolved.</p>	<p>a.</p> <p>https://www.sor.no/globalassets/organisasjon/barekraft/conflict-of-interest-document-sparebanken-sor.pdf</p>
2-16	<p>Communication of critical concerns.</p> <p>a. describe whether and how critical concerns are communicated to the highest governance body;</p> <p>b. report the total number and the nature of critical concerns that were communicated to the highest governance body during the reporting period.</p>	<p>a. Critical concerns in the form of complaints and external and internal notifications are reported to the Board in the quarterly Risk Report.</p> <p>b. There were no reports of concerns of a critical nature.</p>	<p>a.</p> <p>https://www.sor.no/globalassets/organisasjon/barekraft/customer-complaints-procedure-sparebanken-sor.pdf</p> <p>https://www.sor.no/globalassets/organisasjon/barekraft/external-whistleblowing-procedure-sparebanken-sor.pdf</p> <p>https://www.sor.no/globalassets/organisasjon/barekraft/internal-whistleblowing-procedure-sparebanken-sor.pdf</p>
2-17	<p>Collective knowledge of the highest governance body.</p> <p>a. report measures taken to advance the collective knowledge, skills, and experience of the highest governance body on sustainable development.</p>	<p>a. Review of various sustainability topics, policy documents etc. in Board meetings. Board meetings with sustainability topics on the agenda.</p>	

2-18	<p>Evaluation of the performance of the highest governance body.</p> <p>a. describe the processes for evaluating the performance of the highest governance body in overseeing the management of the organisation's impacts on the economy, environment, and people;</p> <p>b. report whether the evaluations are independent or not, and the frequency of the evaluations;</p> <p>c. describe actions taken in response to the evaluations, including changes to the composition of the highest governance body and organisational practices.</p>	<p>a. The Board has an annual self-evaluation including competence mapping, which also includes a self-evaluation related to sustainability</p> <p>b. The reporting is a self-evaluation that is carried out annually</p> <p>c. No special measures or changes in the composition of the highest governing body or the organisation's practices have been implemented as a result of the evaluations.</p>	
2-19	<p>Remuneration policies.</p> <p>a. describe the remuneration policies for members of the highest governance body and senior executives, including:</p> <p>i. fixed pay and variable pay;</p> <p>ii. sign-on bonuses or recruitment incentive payments;</p> <p>iii. termination payments;</p> <p>iv. clawbacks;</p> <p>v. retirement benefits;</p> <p>b. describe how the remuneration policies for members of the highest governance body and senior executives relate to their objectives and performance in relation to the management of the organisation's impacts on the economy, environment, and people.</p>	<p>a.</p> <p>i. There is only a fixed salary and bonus scheme, no variable salaries</p> <p>ii. No signing bonus agreements</p> <p>iii. No severance agreements</p> <p>iv. No guidelines about clawbacks</p> <p>v. All employees have a collective defined contribution pension for wages up to 12 G</p> <p>b. Bonuses are influenced by financial performance. There is no link between salaries and remuneration, and the environment and society</p>	<p>a. https://www.sor.no/globalassets/organisasjon/barekraft/remunerat-ion-policy-sporebanken-sor.pdf</p> <p>a. i. Annual Report 2023</p>
2-20	<p>Process to determine remuneration.</p> <p>a. describe the process for designing its remuneration policies and for determining remuneration, including:</p> <p>i. whether independent highest governance body members or an independent remuneration committee oversees the process for determining remuneration;</p> <p>ii. how the views of stakeholders (including shareholders) regarding remuneration are sought and taken into consideration;</p> <p>iii. whether remuneration consultants are involved in determining remuneration and, if so, whether they are independent of the organisation, its highest governance body and senior executives;</p> <p>b. report the results of votes of stakeholders (including shareholders) on remuneration policies and proposals, if applicable.</p>	<p>a. Guidelines for determining salary and other remuneration to senior executives as well as the Bonus Programme are approved by the Bank's Board of Directors.</p> <p>i. Sparebanken Sør has its own remuneration committee</p> <p>ii. The guidelines for remuneration have been drawn up by the Board of Sparebanken Sør. The guidelines have been adopted by the Board of Trustees. Owners of equity certificates and employees are represented on the Board of Directors and the Board of Trustees.</p> <p>iii. Consultants are not involved in the formulation of payroll and remuneration policy</p> <p>b. N/A</p>	<p>a. i. https://www.sor.no/felles/om-sporebanken-sor/styre-ledelse-og-organisasjon/</p> <p>Annual report 2023</p>
2-21	<p>Annual total compensation ratio.</p> <p>a. report the ratio of the annual total compensation for the organisation's highest-paid individual to the median annual total compensation for all employees (excluding the highest-paid individual);</p> <p>b. report the ratio of the percentage increase in annual total compensation for the organisation's highest-paid individual to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual);</p> <p>c. report contextual information necessary to understand the data and how the data has been compiled.</p>	<p>a. The ratio of the annual compensation for the highest-paid person in the bank to the median salary in the bank is 5.89</p> <p>b. The salary growth of the highest-paid person was 36%, while the median salary increase in the bank was 5.9%, i.e. the highest-paid person received 610% of the salary increase in relation to the median in the bank</p> <p>c. Indicators of salaries are based on the following data:</p> <ul style="list-style-type: none"> - Fixed salary, i.e. excluding bonus - Salary as at 31.12. - Salaries of part-time employees are taken into account in the calculations - Salaries of temporary workers are not taken into account in the calculations 	
Strategy, policy and practice			
2-22	<p>Statement from the CEO on the relevance of sustainability to the organisation and its strategy for addressing sustainability.</p> <p>a. report a statement from the highest governance body or most senior executive of the organisation about the relevance of sustainable development to the organisation and its strategy for contributing to sustainable development.</p>	<p>The bank's mission is to create sustainable growth and development for our region, and sustainability is embedded in and integrated into the bank's overall strategy. We aim to contribute to sustainable development in the region and to be part of the green transition. The challenge moving forward will be to integrate ESG effectively into our business areas, develop and sell sustainable products and services, and issue sustainable bonds in line with market and customer expectations. We have set targets to reduce greenhouse-gas emissions from our lending and investment portfolio by 40 per cent by the end of 2030, and achieve full carbon neutrality by 2050. Our focus on green and sustainable banking, digitalisation and new technology will continue unabated.</p>	<p>a. Annual Report 2023</p>

2-23	<p>Policy commitments related to responsible business and human rights.</p> <p>a. describe its policy commitments for responsible business conduct, including: i. the authoritative intergovernmental instruments that the commitments reference;</p> <p>ii. whether the commitments stipulate conducting due diligence; iii. whether the commitments stipulate applying the precautionary principle;</p> <p>iv. whether the commitments stipulate respecting human rights;</p> <p>b. describe its specific policy commitment to respect human rights, including:</p> <p>i. the internationally recognised human rights that the commitment covers;</p> <p>ii. the categories of stakeholders, including at-risk or vulnerable groups, that the organisation gives particular attention to in the commitment;</p> <p>c. provide links to the policy commitments if publicly available, or, if the policy commitments are not publicly available, explain the reason for this;</p> <p>d. report the level at which each of the policy commitments was approved within the organisation, including whether this is the most senior level;</p> <p>e. report the extent to which the policy commitments apply to the organisation's activities and to its business relationships;</p> <p>f. describe how the policy commitments are communicated to workers, business partners, and other relevant parties.</p>	<p>a</p> <p>ii. There are requirements for reporting the status and development of initiatives in connection with the UN Global Compact and UNEP PRB, but there is no requirement for due diligence.</p> <p>iii. The bank has adopted the UN Global Compact's "precautionary" principles.</p> <p>iv. Yes</p> <p>b. ii. Key UN conventions have been selected based on a risk assessment of assessment of suppliers and business activities, but we have not defined vulnerable groups beyond the fact that these are largely safeguarded by the UN conventions in relation to our geographical area and business activities.</p> <p>d. Board of Directors</p> <p>e. Applies to the organisation's activities, suppliers, and business associates</p> <p>f. All our policies are publicly available on our website. The policies are communicated to relevant users internally and externally and stakeholders through internal courses and training, and in dialogue, meetings, lectures with relevant customers/customer groups and stakeholders</p>	<p>a. https://www.sor.no/globalassets/organisasjon/barekraft/responsiblere-lending-policy-sparebanken-sor.pdf</p> <p>https://www.sor.no/globalassets/organisasjon/barekraft/policy-responsible-investment-securities-trading-sparebanken-sor.pdf</p> <p>a., b. i., c. https://www.sor.no/globalassets/organisasjon/barekraft/purchasing-policy-sparebanken-sor.pdf</p> <p>https://www.sor.no/globalassets/organisasjon/barekraft/policy-employee-and-human-rights-sparebanken-sor.pdf</p> <p>https://www.sor.no/globalassets/organisasjon/barekraft/sustainability-strategy-sparebanken-sor.pdf</p> <p>c. https://www.sor.no/felles/om-sparebanken-sor/about/social-responsibility/sustainability-reports/</p>
2-24	<p>Embedding policy commitments.</p> <p>a. describe how it embeds each of its policy commitments for responsible business conduct throughout its activities and business relationships, including:</p> <p>i. how it allocates responsibility to implement the commitments across different levels within the organisation;</p> <p>ii. how it integrates the commitments into organisational strategies, operational policies, and operational procedures;</p> <p>iii. how it implements its commitments with and through its business relationships;</p> <p>iv. training that the organisation provides on implementing the commitments.</p>	<p>a. Policy documents, together with operational guidelines, are reviewed with the respective responsible organisational units and business associates.</p> <p>i. Responsibility for the various topics and business areas lies with the division.</p> <p>ii. The commitments are integrated into respective operational guidelines.</p> <p>iii. The commitments are implemented through customer meetings, questionnaires and dialogue.</p> <p>iv. Internal and external courses, training and digital meetings regarding ESG. Workshops and theme-based training.</p>	<p>a.</p> <p>ii. https://www.sor.no/felles/om-sparebanken-sor/about/social-responsibility/sustainability-reports/</p> <p>iii. https://www.sor.no/globalassets/organisasjon/barekraft/guidelines-for-responsible-purchasing-sparebanken-sor.pdf</p> <p>https://www.sor.no/globalassets/organisasjon/barekraft/guidelines-for-responsible-purchasing-sparebanken-sor.pdf</p>
2-25	<p>Processes to remediate negative impacts.</p> <p>a. describe its commitments to provide for or cooperate in the remediation of negative impacts that the organisation identifies it has caused or contributed to;</p> <p>b. describe its approach to identify and address grievances, including the grievance mechanisms that the organisation has established or participates in;</p> <p>c. describe other processes by which the organisation provides for or cooperates in the remediation of negative impacts that it identifies it has caused or contributed to;</p> <p>d. describe how the stakeholders who are the intended users of the grievance mechanisms are involved in the design, review, operation, and improvement of these mechanisms;</p> <p>e. describe how the organisation tracks the effectiveness of the grievance mechanisms and other remediation processes, and report examples of their effectiveness, including stakeholder feedback.</p>	<p>a. UN Global Compact and UNEP PRB. The Norwegian Transparency Act sets commitments in relation to labour and human rights.</p> <p>c. The Bank has an established system for registering and handling "unwanted incidents". All such incidents are recorded in the Bank's Incident Database and reported quarterly in the risk report to management and the Board of Directors. Measures to reduce or avoid unwanted incidents are included in the Bank's internal control system. Complaints are dealt with centrally by the Bank and any measures and improvements are assessed on the basis of the nature and significance of the complaint. Complaints related to regulatory matters such as data breaches, product information etc. are handled by public complaints bodies such as the Norwegian Data Protection Authority, the Norwegian Financial Services Complaints Board etc.</p> <p>d. Procedures relating to complaints are drawn up by Corporate Staff and adopted by Group Management. The Head of Operational Risk assesses customer complaints and how they should be handled further. There are no other stakeholders involved in customer complaint procedures.</p> <p>e. The complaints procedure is intuitive and is publicly available on the bank's website. Customer Service can be contacted if necessary. Input on complaints procedures in relation to stakeholders is assessed and taken into account, but there has been little input. Complaints are registered in the bank's incident database and are integrated into quarterly risk reports that are submitted to Group Management and the Board. Any key aspects that are important to follow up are integrated into the bank's internal control system.</p>	<p>a. https://www.sor.no/globalassets/organisasjon/barekraft/purchasing-policy-sparebanken-sor.pdf</p> <p>b. https://www.sor.no/globalassets/organisasjon/barekraft/customer-complaints-procedure-sparebanken-sor.pdf</p>

2-26	<p>Mechanisms for seeking advice and raising concerns.</p> <p>a. describe the mechanisms for individuals to:</p> <p>i. seek advice on implementing the organisation's policies and practices for responsible business conduct;</p> <p>ii. raise concerns about the organisation's business conduct.</p>	<p>a. Through dialogue and meetings with the bank, customers, suppliers and partners have the opportunity to seek advice on the implementation of policies and practices for responsible business conduct. All of the bank's ESG policies are publicly available on the bank's website.</p> <p>b. Directly in meetings and phone calls, or through complaints and/or notification procedures.</p>	<p>a. https://www.sor.no/felles/om-sparebanken-sor/about/social-responsibility/sustainability-reports/</p> <p>ii. https://www.sor.no/globalassets/organisasjon/barekraft/customer-complaints-procedure-sparebanken-sor.pdf https://www.sor.no/globalassets/organisasjon/barekraft/external-whistleblowing-procedure-sparebanken-sor.pdf https://www.sor.no/globalassets/organisasjon/barekraft/internal-whistleblowing-procedure-sparebanken-sor.pdf</p>
2-27	<p>Compliance with laws and regulations.</p> <p>a. report the total number of significant instances of non-compliance with laws and regulations during the reporting period, and a breakdown of this total by:</p> <p>i. instances for which fines were incurred;</p> <p>ii. instances for which non-monetary sanctions were incurred;</p> <p>b. report the total number and the monetary value of fines for instances of non-compliance with laws and regulations that were paid during the reporting period, and a breakdown of this total by:</p> <p>i. fines for instances of non-compliance with laws and regulations that occurred in the current reporting period;</p> <p>ii. fines for instances of non-compliance with laws and regulations that occurred in previous reporting periods;</p> <p>c. describe the significant instances of non-compliance;</p> <p>d. describe how it has determined significant instances of non-compliance.</p>	<p>a. 0</p> <p>i. 0</p> <p>ii. 0</p> <p>b. 0</p> <p>i. 0</p> <p>ii. 0</p> <p>c. 0</p> <p>d. Orders, fees for violations of privacy by the Norwegian Data Protection Authority. Lost cases in front of the Norwegian Financial Services Complaints Board. Lost cases related to violations of product and service information. Lost cases related to violations of marketing communications. Fines from the FSA related to money laundering.</p>	
2-28	<p>Membership in industry organisations or other associations, and national/international lobbyist organisations.</p> <p>a. report industry associations, other membership associations, and national or international advocacy organisations in which it participates in a significant role.</p>	<p>Sparebanken Sør is a member of or has endorsed the following organisations' principles with regard to ESG:</p> <ol style="list-style-type: none"> 1. UN Global Compact 2. UNEP Principles for Responsible Banking 3. Finance Norway's Roadmap for green competitiveness in the finance sector 4. Partnership for Carbon Accounting Financials (PCAF) 	
Stakeholder engagement			
2-29	<p>Approach to stakeholder engagement.</p> <p>a. describe its approach to engaging with stakeholders, including:</p> <p>i. the categories of stakeholders it engages with, and how they are identified;</p> <p>ii. the purpose of the stakeholder engagement;</p> <p>iii. how the organisation seeks to ensure meaningful engagement with stakeholders.</p>		<p>a.i., ii., iii. Sustainability Report, Chapter 3</p>
2-30	<p>Percentage of all employees who are covered by collective bargaining agreements.</p> <p>a. report the percentage of total employees covered by collective bargaining agreements;</p> <p>b. for employees not covered by collective bargaining agreements, report whether the organisation determines their working conditions and terms of employment based on collective bargaining agreements that cover its other employees or based on collective bargaining agreements from other organisations.</p>	<p>a. 100%</p> <p>b. Not relevant</p>	

GRI 2021 – Material topics

GRI	Indicator	Comments	Source
3-1	<p>Process to determine material topics.</p> <p>a. describe the process it has followed to determine its material topics, including:</p> <p>i. how it has identified actual and potential, negative and positive impacts on the economy, environment, and people, including impacts on their human rights, across its activities and business relationships;</p> <p>ii. how it has prioritised the impacts for reporting based on their significance;</p> <p>b. specify the stakeholders and experts whose views have informed the process of determining its material topics.</p>	<p>b. Consultants, auditors, brokers, analysts, the Board and owners have provided useful input on material topics.</p>	<p>a. i., ii.</p> <p>Sustainability Report, Chapter 3</p>
3-2	<p>List of material topics.</p> <p>a. list its material topics;</p> <p>b. report changes to the list of material topics compared to the previous reporting period.</p>	<p>b. There were no changes in material topics. Gender equality and diversity as well as the working environment and employee development were separate topics in 2021. They are now part of the topic Labour and human rights, which has received more focus due to the Norwegian Transparency Act.</p>	<p>a. Sustainability Report, Chapter 3</p>
Employee and Human Rights			
3-3	<p>Management of material topics.</p> <p>For each material topic:</p> <p>a. describe the actual and potential, negative and positive impacts on the economy, environment, and people, including impacts on their human rights;</p> <p>b. report whether the organisation is involved with the negative impacts through its activities or as a result of its business relationships, and describe the activities or business relationships;</p> <p>c. describe its policies or commitments regarding the material topic; d. describe actions taken to manage the topic and related impacts, including:</p> <p>i. actions to prevent or mitigate potential negative impacts;</p> <p>ii. actions to address actual negative impacts, including actions to provide for or cooperate in their remediation;</p> <p>iii. actions to manage actual and potential positive impacts; e. report the following information about tracking the effectiveness of the actions taken:</p> <p>i. processes used to track the effectiveness of the actions;</p> <p>ii. goals, targets, and indicators used to evaluate progress;</p> <p>iii. the effectiveness of the actions, including progress toward the goals and targets;</p> <p>iv. lessons learned and how these have been incorporated into the organisation's operational policies and procedures;f. describe how engagement with stakeholders has informed the actions taken in d and e.</p>		<p>Sustainability Report, Sections 3.1 and 2.3</p> <p>https://www.sor.no/globalassets/organisasjon/barekraft/policy-employee-and-human-rights-sporebanken-sor.pdf</p>
401-1	New employee hires and employee turnover.		Scorecard section 1.2
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees.	Part-time employees have the same welfare schemes as full-time employees.	
401-3	Number of employees on parental leave.	All employees returned to the bank after their parental leave.	Scorecard section 1.2
404-1	Average hours of training per year per employee.	The bank does not have data for average training per job category.	Scorecard section 1.2
404-2	Programmes for upgrading employee skills and transition assistance programs.	The bank has no programme for transition to retirement.	Sustainability Report, Section 4.4.3
404-3	Percentage of employees receiving regular performance and career	All employees have a mandatory performance review at least once a	Scorecard section 1.2
405-1	Composition of governing bodies, management and employee categories.		Scorecard section 1.1
405-2	Ratio of basic salary and remuneration of women to men.		Scorecard section 1.1
406-1	Incidents of discrimination and corrective actions taken.	There were no cases of discrimination.	Scorecard section 1.2
Data protection and information security			
3-3	Management of material topics.		<p>Sustainability Report, Section 3.4</p> <p>https://www.sor.no/globalassets/organisasjon/barekraft/privacy-policy-sporebanken-sor.pdf</p>
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data.		Scorecard section 1.3
KPI B1	Orders, fines related to privacy by the Norwegian Data Protection Agency (DPA)	No fines or orders from the Norwegian Data Protection Agency	Sustainability Report, Section 5.1; Scorecard, Section 1.3
KPI B2	Service level agreement (SLA), uptime in % for customer systems.		Sustainability Report, Section 5.1; Scorecard, Section 1.3

Financial crime		
3-3	Management of material topics.	Sustainability Report, Sections 6.1 and 3.3 https://www.sor.no/globalassets/organisasjon/barekraft/policy-anti-corruption-and-bribery-sparebanken-sor.pdf https://www.sor.no/globalassets/organisasjon/barekraft/policy-antikorrupsjon-bestikkelse-sparebanken-sor.pdf https://www.sor.no/globalassets/organisasjon/barekraft/anti-money-laundering-anti-terrorism-financing-policy-sparebanken-sor.pdf
205-3	Confirmed incidents of corruption and actions taken.	No incidents of corruption identified.
KPI C3	Suspicious of money laundering flagged.	Sustainability Report, Section 6.1; Scorecard, Section 1.4
KPI C4	Suspicious of money laundering reported to the National Authority for Investigation and Prosecution of Economic and Environmental Crime (Økokrim).	Sustainability Report, Section 6.1; Scorecard, Section 1.4
Responsible products and services (product information and marketing)		
3-3	Management of material topics.	Sustainability Report, Sections 6.1 and 2.3 https://www.sor.no/globalassets/organisasjon/barekraft/marketing-product-information-policy.pdf
417-2	Incidents of non-compliance concerning product and service information and labelling (Norwegian Financial Services Complaints Board).	There were no cases of complaints, fines or warnings for non-compliance regarding products and services, information and labelling.
417-3	Incidents of non-compliance concerning marketing communications (Norwegian Financial Services Complaints Board).	There were no cases of complaints, fines or warnings regarding non-compliance with communications and marketing.
Responsible and ethical business conduct		
3-3	Management of material topics.	Sustainability Report, Sections 7.1 and 2.3 https://www.sor.no/globalassets/organisasjon/corporate-governance-sparebanken-sor-.pdf https://www.sor.no/felles/om-sparebanken-sor/about/social-responsibility/ethics-and-transparency/
201-1	Direct economic value generated and distributed.	Annual report 2023 Scorecard, Section 2.1
201-2	Financial implications and other risks and opportunities due to climate change.	https://www.sor.no/globalassets/organisasjon/barekraft/2022-tcdf-report-sparebanken-sor.pdf
KPI E1	Customer satisfaction indicator, retail market.	Sustainability Report, Sections 8.1 and 5.5; Scorecard, Section 2.2
KPI E2	Customer satisfaction indicator, corporate market.	Sustainability Report, Sections 8.1 and 8.5; Scorecard, Section 2.2
KPI E3	Complaint cases lost at the Norwegian Financial Services Complaints Board.	Sustainability Report, Chapter 8.3
KPI E4	Whistleblowing cases, internal and external.	Sustainability Report, Chapter 8.4
KPI E5	ESG Rating according to Sustainalytics.	Sparebanken Sør aims to have a low risk in terms of ESG rating. This means a score lower than 20 points on the Sustainalytics rating scale. Sustainability report, Sections 2.3.9 and 8.1

Responsible credit		
3-3	Management of material topics.	Sustainability Report, Sections 9.1 and 3.4 https://www.sor.no/globalassets/organisasjon/barekraft/responsible-lending-policy-sparebanken-sor.pdf
FS8	The monetary value of products and services developed to make an environmental difference.	The monetary value of products and services is related to green home mortgages and green commercial real estate loans. Sustainability report, Sections 9.4 and 9.5; Scorecard, Section 2.3
Responsible investments and financing		
3-3	Management of material topics.	Sustainability Report, Sections 10.1 and 3.3 https://www.sor.no/globalassets/organisasjon/barekraft/policy-responsible-investment-securities-trading-sparebanken-sor.pdf
KPI G1	Green bonds in the liquidity portfolio.	Sustainability Report, Section 10.2; Scorecard section 2.4 and Scorecard Definition
KPI G2	Financing in line with the Green & Sustainability Bond Framework.	Sustainability Report, Section 10.4; Scorecard section 2.4 and Scorecard Definition
Responsible procurement (environmental impact)		
3-3	Management of material topics.	Sustainability Report, Sections 11.1 and 3.3 https://www.sor.no/globalassets/organisasjon/barekraft/policy-ansvarlige-innkjop-sparebanken-sor.pdf
308-1	New suppliers that have been assessed against environmental criteria.	There are 8 new suppliers with annual deliveries of MNOK 13,1, which have been assessed against environmental criteria.
308-2	Negative environmental impacts in the supply chain.	There are three suppliers that are considered to have a high risk of negative impact on climate and nature. No other suppliers or subcontractors have been identified that have a significant negative environmental impact. No suppliers have been excluded due to negative impacts on climate and nature.
414-1	New suppliers that have been assessed against social criteria.	There are 8 new suppliers with annual deliveries of MNOK 13,1, which have been assessed against social criteria.
414-2	Negative social impacts in the supply chain.	There are no suppliers who state that they, or their subcontractors, have violated labour and human rights.
KPI HI	Suppliers > NOK 1 million in annual deliveries that are risk assessed in terms of ESG	80,70 % Sustainability Report, Section 11.1
Climate and nature		
3-3	Management of material topics.	Sustainability Report, Sections 12.1 and 3.3 https://www.sor.no/globalassets/organisasjon/barekraft/policy-klima-miljo-sparebanken-sor.pdf
302-1	Direct energy consumption within the organisation.	Total energy consumption is specified in the climate accounts. Sparebanken Sør consumes energy for its own operations (no sales). The reason why 2017 has been chosen as the baseline for goals for greenhouse-gas reductions is that it is the first year with complete climate data. Sustainability Report, Section 12.2.1
305-1	Direct (Scope 1) GHG emissions	The reason why 2017 has been chosen as the baseline for goals for greenhouse-gas reductions is that it is the first year with complete climate data. There has been no recalculation of climate data since 2017. Climate account Sustainability Report, Section 12.2.1
305-2	Energy indirect (Scope 2) GHG emissions.	
305-3	Other indirect (Scope 3) GHG emissions.	
KPI I2	Reductions in greenhouse-gas emissions, own activities (Baseline 2017).	Sustainability Report, Section 12.1
KPI I5	Reductions in greenhouse-gas emissions, Lending.	We are working to establish a baseline. Sustainability Report, Sections 12.1 and 12.2.2
KPI I8	Reductions in greenhouse-gas emissions, Investments.	We are working to establish a baseline. Sustainability Report, Sections 12.1 and 12.2.2

14 APPENDIX 2: Scorecard

KPI (for definitions, see last page in Scorecard, Appendix 2)	GRI	UNIT	2021	2022	2023	Objective		Ambition
						Goal	Date	
1. SOCIAL CONDITIONS								
1.1 EQUALITY AND DIVERSITY								
Equality report								
Total number of employees		Number	476	502	528			
Number of female employees		Number	230	241	253			
Number of male employees		Number	246	261	275			
FTEs		FTEs	464	485	505			
Women		%	48,3	48,0	48			
Men		%	51,7	52,0	52			
Percentage of employees under 30		%	6,1	8,0	10			
Percentage of employees between 30 and 50		%	42,4	41,6	44			
Percentage of employees over 50		%	51,5	50,4	46			
Full-time women	GRI 102-8	Number	194	206	223			
Full-time men		Number	245	252	259			
Deltidsansatte kvinner		Number	35	35	30			
Part-time women		Number	2	9	16			
Part-time men		Number	37	44	46			
Part-time women		%	7,4	7,0	6			
Part-time men		%	0,4	1,8	3			
Part-time total		Number	7,8	8,8	9			
Temp positions women		Number	3	5	4			
Temp positions men		Number	3	6	4			
Temp positions total		Number	6	11	8			
Percentage of women by position and category								
Percentage of female managers in total		%	38,9	37,3	38,6	40 - 60	2025	
Female managers Level 1 (CEO)		%	0	0	0			
Female managers Level 2 (Group management - Customer division)		%	0	0	0			
Female managers Level 2 (Group management - Staff/Support)	GRI 405-1	%	37,5	33,3	50			
Female managers Level 3 (Division management teams)		%	21,9	33,3	30			
Female managers Level 4/5 (Bank and Assistant bank managers)		%	53,5	42,1	44			
Percentage of women on the Board		%	50,0	50,0	50	40 - 60		
Percentage of female Authorised financial advisers		%	55,0	55,6	55			
Percentage of female Financial advisers		%	42,1	33,3	60			
Percentage of female Business advisers		%	31,4	34,4	50			
Percentage of female Customer service representatives		%	80,0	70,3	61			
Percentage of employees in different positions by age								
Management Level 2 under 30		%		0	0			
Board under 30 years		%		25,0	25			
Board between 30 and 50 years		%		75,0	75			
Board over 50 years		%		0	0			
Management Level 2 between 30 and 50		%		50,0	33,3	50		
Management Level 2 over 50		%		50,0	66,7	50		
Management Level 3 under 30		%		0	0	0		
Management Level 3 between 30 and 50		%		44,0	45,7	45		
Management Level 3 over 50		%		56,0	54,3	56		
Management Level 4/5 under 30		%		0,0	0,0	0		
Management Level 4/5 between 30 and 50		%		43,0	54,4	43		
Management Level 4/5 over 50	GRI 102-8 GRI 405-1	%		60,0	45,6	57		
Authorised financial advisers under 30		Number		2,0	4,0	3		
Authorised financial advisers between 30 and 50		Number		44,0	45,6	46		
Authorised financial advisers over 50		Number		54,0	50,0	51		
Financial advisers under 30		Number		32,0	46,7	33		
Financial advisers between 30 and 50		Number		63,0	53,3	60		
Financial advisers over 50		Number		5,0	0,0	7		
Business advisers under 30		Number		0,0	0,0	3		
Business advisers between 30 and 50		Number		60,0	56,3	58		
Business advisers over 50		Number		40,0	40,6	39		
Customer service representatives under 30		Number		13,0	26,6	43		
Customer service representatives between 30 and 50		Number		13,0	14,1	16		
Customer service representatives over 50		Number		73,0	59,4	41		

KPI	GRI	UNIT	2021	2022	2023	Objective		Ambition
						Goal	Date	
Women's pay compared to men's								
Women		NOK	638.079	663.673	709086			
Men		NOK	742.463	763.425	810536			
Women's average pay compared to men		%	85,9	86,9	87,5	90 - 110	2025	
Women's pay compared to men's, median		%	89,2	87,1	89,0			
Women's median pay		NOK	616.800	629.800	680000			
Men's median pay		NOK	691.648	722.766	764447			
Median pay women and men (New requirement GRI 21)				675.436	716814			
Median pay women and men, excl. CEO (New requirement GRI 21)				675.436	715201			
Average number of female managers compared to male	GRI 405-2	%	91,2	90,3	89,2	90 - 110	2025	
Management level 1 (CEO)		%						
Female managers Level 2 (Group management - Customer division)					0			
Female managers Level 2 (Group management - Staff/Support)		%	87,7	89,8	96,0			
Management level 3		%	104,4	91,3	95,7			
Management level 4		%	92,0	101,0	95,9			
Business adviser		%	95,5	92,0	93,0			
Authorised financial adviser		%	99,4	94,3	96,0			
Customer service representative		%	101,9	110,0	95,0			
1.2 WORKING ENVIRONMENT AND EMPLOYEE DEVELOPMENT								
Employees								
Average age		years	49,1	48,4	47			
Average age recruited		years	36,4	35,5	37			
Average age leaving		years	54,2	49,3	53			
Number of women leaving		Number	17,0	9,0	13			
Number of men leaving		Number	12,0	14,0	23			
Recruited women in total		Number	20,0	23,0	30			
Percentage of recruited women in total		%	42,6	39,0	45			
Percentage of recruited women under 30		%	5,0	34,8	34			
Percentage of recruited women between 30 and 50		%	95,0	60,9	53			
Percentage of recruited women over 50		%	0,0	4,3	13			
Recruited men in total		Number	27,0	36,0	36			
Percentage of recruited men in total		%	57,4	61,0	55			
Percentage of recruited men under 30	GRI 401-1	%	40,7	33,3	27			
Percentage of recruited men between 30 and 50		%	44,5	55,6	64			
Percentage of recruited men over 50		%	14,8	11,1	9			
Recruits with higher education		%	93,7	86,4	82			
Turnover women		%	3,2	1,8	3			
Percentage turnover women under 30		%	17,6	22,2	0			
Percentage turnover women between 30 and 50		%	29,4	22,2	39			
Percentage turnover women over 50		%	53,0	55,6	62			
Turnover men		%	1,7	2,9	5			
Percentage turnover men under 30		%	10,0	7,1	4			
Percentage turnover men between 30 and 50		%	10,0	42,9	39			
Percentage turnover men over 50		%	80,0	50,0	57			
Training								
Average training per woman		hours/year	65	144	243			
Average training per man		hours/year	65	144	243			
Average training per employee (categorised from 2022)		hours/year	65	144	243			
Employees who have had training in Ethics		Number	476	502	276			
Employees who have had training in Ethics		%	100	100	52			
Employees who have had training in Sustainability		Number	476	402	528			
Employees who have had training in Sustainability		%	100	80	100			
Employees who have had training in Data Protection, GDPR		Number	476	502	528			
Employees who have had training in Data Protection, GDPR	GRI 404-1	%	100	100	100			
Employees who have had training in Information Security		Number	476	502	528			
Employees who have had training in Information Security		%	100	100	100			
Employees who have had AML training		Number	386	502	528			
Employees who have had AML training		%	100	100	100			
Managers who have had AML training		Number	90	93	114			
Managers who have had AML training		%	100	100	100			
Managers who received training in HSE		Number	13	13	4			

KPI	GRI	UNIT	2021	2022	2023	Objective Goal	Date	Ambition
Working environment								
Discrimination		Cases	0	0	0			0
Employee satisfaction		Score	NA	85	NA	≥ 80		
Percentage had performance appraisal		%	100	100	100			100
Sick leave absence, total, %		%	3,72	4,59	4			≤ 4,00
Sick leave absence, short, %		%	0,49	0,92	1			
Sick leave absence, medium, %		%	0,69	0,75	1			
Sick leave absence, long, %		%	2,53	2,92	3			
Sick leave for child's illness, women		Days	223	215	181			
Sick leave for child's illness, men		Days	119	155	159			
Parental leave – average number of weeks, women	GRI 401-3	Weeks	19	16	17			
Parental leave – average number of weeks, men	GRI 404-3 GRI 406-1	Weeks	8	8	8			
Number of men entitled to parental leave		Number	12	11	15			
Number of men who took parental leave		Number	12	11	15			
Men who returned to work after leave, after 12 months		Number	12	11	15			
Men who took continuous parental leave		Number	17	8	7			
Number of women entitled to parental leave		Number	11	14	17			
Women who took parental leave		Number	11	14	17			
Women who returned to work after leave, after 12 months		Number	11	14	17			
1.3 DATA PROTECTION AND INFORMATION SECURITY								
Cases reported to the Norwegian Data Protection Authority regarding Orders, fines related to privacy by the Norwegian Data Protection Ag		Number	9	7	19			0
Data protection complaints from external parties		Number	0	0	0			
Data protection complaints from supervisory authorities	GRI 418-1	Number	0	0	0			
Identity leaks, theft and loss of customer data		Number	0	0	0			
Uptime customer solutions, SLA		%	99,77	99,64	100	≥ 99,70		
Serious digital fraud cases against the bank (hacking etc.)		Number	0	0	0			0
1.4 FINANCIAL CRIME								
Internal corruption cases		Number	0	0	0			0
Internal fraud cases	I 205-3	Number	0	0	0			0
Suspicious of money laundering flagged		Number	18.933	20.878	17.092			
Suspicious of money laundering reported to Økokrim		Number	102	161	311			
1.5 RESPONSIBLE PRODUCTS AND SERVICES								
Lost cases, breach of product and service information		Number	0	0	0			0
Lost cases, breach of marketing communications		Number	0	0	0			0
Mobile/online banking, retail market, active unique users > NOK 1,000	GRI 417-2 GRI 417-3	%	74,8	77,0	87			
Online banking, corporate market		%	76,6	95,7	95			
2. CORPORATE GOVERNANCE								
2.1 SOCIETY								
Donations to local community		MNOK	39,2	100,8	152			
Sponsorship agreements		MNOK	12,5	10,9	12			
Tax expenses Group		MNOK	323	332	454			
Wealth tax		MNOK	16	13	34			
Employer's national insurance contributions		MNOK	67	75	89			
Financial tax	GRI 201-1 GRI 203-2	MNOK	19	21	25			
Total taxes and fees		MNOK	425	441	602			
Net salaries/pensions and other benefits		MNOK	606	659	757			
Cash dividend to shareholders		MNOK	125	250	417			
Customer dividends		MNOK		226	417			
Growth capital, retained earnings		MNOK	952	685	597			

KPI	GRI	UNIT	2021	2022	2023	Objective Goal	Date	Ambition
2.2 RESPONSIBLE BUSINESS								
Customer satisfaction indicator, retail market		%	71,5	74,6	72			
Customer satisfaction indicator, corporate market		%	66,6	67,9	65			
Customer satisfaction indicator, retail market		Place no.	11	6	10	Topp 3		
Customer satisfaction indicator, corporate market		Place no.	7	7	7	Topp 3		
Complaint cases reported to Norwegian Financial Services Complaint		Number	9	15	16			
Complaint cases lost at the Norwegian Financial Services Complaints		Number	0	2	1			0
Whistleblowing cases, internal		Number	2	0	3			0
Whistleblowing cases, external		Number	2	2	1			0
ESG Rating, according to Sustainability rating scale, Low risk is ≤ 20		Points	11,7	9,7	11	≤ 20		
2.3 RESPONSIBLE CREDIT								
Green home mortgages		NOK mill.	NA	11.045	14.403			
Green home mortgages, annual growth		%	NA	NA	30,4	≥ 10	Årlig	
Green home mortgages, percentage		%		14,0	18,1	50	2030	
Green loans for commercial real estate		NOK mill.	8.000	4.815	4.833			
Green loans for commercial real estate, annual growth		%	NA	NA	0	≥ 10	Årlig	
Green loans for commercial real estate, percentage		%	30	NA	21,3	50	2030	
2.4 RESPONSIBLE INVESTMENT AND FINANCING								
Financing in line with the Green & Sustainability Bond Framework		NOK mill.	5.102	12.231	12231			
Sustainable bonds, liquidity portfolio		NOK mill.	1.495	3.178	5619	5.500	2024	
Percentage of policy breaches, own investments		NOK mill.	0	0	0			
Percentage of policy breaches, liquidity portfolio		NOK mill.	0	0	0			
Percentage of policy breaches, fund managers		NOK mill.	0	0	0			
2.5 RESPONSIBLE PROCUREMENT								
Total procurements		NOK mill.	447	515	553			
Total procurement suppliers > NOK 1 mill.		NOK mill.	357	428	446			
Total procurement suppliers > NOK 1 mill.		%	79,8	83,2	81			
Suppliers > 1 NOK mill.								
Suppliers that are risk assessed as % of all suppliers		% volume		78,3	80,7			
Have good management systems for labour and human rights		% number		79,8	77,5			
Low risk of violations of labour and human rights		% volume		39,5	37,0			
Moderate risk of violations of labour and human rights		% volume		59,4	60,3			
High risk of violations of labour and human rights		% volume		1,1	2,6			
Violations of labour and human rights		Number		2	0	0		
Have good management systems for corporate governance		% number		85,8	85,7			
Low risk related to corporate governance		% volume		94,3	94,0			
Have good management systems for climate and nature		% number		91,0	90,7			
Low risk related to climate and nature		% volume		37,9	35,2			
3. CLIMATE AND ENVIRONMENT								
Greenhouse-gas emissions, own activities (Baseline 2017)		tonnes CO2	254,4	232,2	253,5			
Reductions in greenhouse-gas emissions, own activities (Baseline 2017)		%	50,4	54,7	50,6	55,0	2030	
Energy intensity, own activities		kWh/m²	233	203,0	213,0	0 (NZE)	2050	
Reduction in greenhouse-gas emissions from lending in 2030, Baselir		%	NA	NA	0 %	40	2030	
Reduction in greenhouse-gas emissions from lending in 2050, Baselir		%	NA	NA	238.214	0 (NZE)	2050	
Reduction in greenhouse-gas emissions from investments in 2030, Baselir		%	NA	NA	NA	40	2030	
Reduction in greenhouse-gas emissions from investments in 2050, Baselir		%	NA	NA	NA	0 (NZE)	2050	
Electric power from renewable energy sources	GRI 305-1 GRI 305-2 GRI 305-3	%	94,0	96,1	94			
Greenhouse-gas emissions Scope 1		tonnes CO2	13,6	11,3	10,9			
Greenhouse-gas emissions Scope 2		tonnes CO2	174,8	131,8	136,0			
Greenhouse-gas emissions Scope 3		tonnes CO2	66,0	89,1	106,6			
Company cars that are electric		%	81	83	84	100	2023	

KPI DEFINITIONS	UNIT	Comments
SOCIAL CONDITIONS		
Percentage of female managers by position		
Percentage of female managers in total		Number of female managers at Management Levels 1 to 4 (CEO, Group Management, Management Teams Divisions, Bank Manager and Asst Bank Manager) in relation to the total number of managers at Levels 1 to 4
Women's pay compared to men's		
Women's pay compared to men's	NOK	Average fixed salary for female permanent employees compared to average fixed salary for male permanent employees
Working environment		
Employee satisfaction	Score	Score based on employee satisfaction in Kantar's survey, where 100 points is the top score
DATA PROTECTION AND INFORMATION SECURITY		
Uptime customer solutions, SLA	%	Availability of the customer-oriented online banking services "Nettbank" (Online bank), "Mobilbank" (Mobile bank) and "Nettbedrift" (Online business), measured as the number of minutes of uptime in relation to the number of minutes per day, in accordance with defined opening hours in SLAs (Service Level Agreements)
Serious digital fraud cases against the bank (hacking etc.)	Number	Fraud cases against the bank of a digital nature that have resulted in significant costs or harm to the bank
CORPORATE GOVERNANCE		
SOCIETY		
Donations and sponsorships to the local community	NOK mill.	Donations and sponsorships to the local community paid out in year of audit
RESPONSIBLE BUSINESS ACTIVITIES		
Customer satisfaction, retail market	%	Rank on EPSI Rating's annual survey of customer satisfaction in the banking industry. The survey gives a total score on customer satisfaction, where 100 is the best score, and scores provide a basis for ranking the banks participating in the survey
Customer satisfaction, corporate market	%	Rank on EPSI Rating's annual survey of customer satisfaction in the banking industry. The survey gives a total score on customer satisfaction, where 100 is the best score, and scores provide a basis for ranking the banks participating in the survey
ESG Rating Sustainalytics	Points	ESG risk according to Sustainalytics' rating scale for ESG risk (sustainability). Limits for risk categories, cf. Sustainability report, Section 1.3.8
RESPONSIBLE CREDIT		
Green home mortgages, percentage	%	Percentage of green home mortgages (balance) according to the allocation report and the bank's Green & Sustainability Bond Framework in % of total home mortgages
Green loans for commercial real estate, percentage	%	Percentage of green loans for commercial real estate (balance) according to the bank's Green & Sustainability Bond Framework in % of total loans for commercial real estate

RESPONSIBLE INVESTMENT AND FINANCING		
Sustainable bonds (issued)	NOK mill.	Value of sustainable bonds issued in accordance with allocation report and the bank's framework for bonds, see Green & Sustainability Bond Framework
Sustainable bonds, liquidity portfolio	NOK mill.	Market value of bonds in the liquidity portfolio that satisfy requirements for green bonds as defined in the bank's financial document. This means that the bond must be 1) Defined as a green bond 2) Marketed as a green bond 3) Covered bond LCR 1&2 or 0 weights in LCR 1a, and 4) Second-party opinion. The liquidity portfolio is the liquidity that banks are required by the authorities to hold for liquidity reasons
Percentage of policy breaches, own investments	NOK mill.	Violation of the bank's Policy for responsible investments and responsible securities trading
Percentage of policy breaches, liquidity portfolio	NOK mill.	As for investments
Percentage of policy breaches, fund managers	NOK mill.	As for investments
RESPONSIBLE PROCUREMENT		
Total procurement suppliers > NOK 1 mill.	NOK mill.	Total procurements from a supplier in the year of audit
Total procurement suppliers > NOK 1 mill.	%	Total procurements from all suppliers with purchases larger than NOK 1 million in % of the bank's total procurements
Proportion of suppliers who have been risk-assessed in terms of ESG	% volume	Share of suppliers who have been risk-assessed in terms of ESG according to the bank's system for risk assessment, measured in purchase volume in the year of audit from suppliers who have been risk-assessed, in % of the bank's total purchases
Suppliers > 1 MNOK who have reported violations of labor and human rights	Number	Number of suppliers with deliveries > 1 million, who have responded to the survey, and who themselves report that they or their subcontractors are/have been in breach of labor and human rights in accordance with the bank's Responsible Procurement Policy
CLIMATE AND NATURE		
Greenhouse-gas emissions, own activities (Baseline 2017)	tonnes CO2	Total greenhouse-gas emissions in CO2 equivalents Scope 1–3 from own activities (i.e. not including Scope 3 from Lending and Investments), in line with the climate accounts prepared in accordance with the GHG protocol
Reduction in greenhouse-gas emissions, own activities	%	Reduction in greenhouse-gas emissions Scope 1–3 from own activities (i.e. not including Scope 3 from Lending and Investments), in accordance with the GHG protocol in relation to the 2017 baseline
Reduction in greenhouse-gas emissions, Lending	%	Ambition to reduce greenhouse-gas emissions Scope 1–2 included in the bank's climate accounts from Lending (i.e. not including Scope 3), based on methods and data used by the bank, measured in relation to the established baseline. The goal is to establish a baseline in 2022, based on data as at 31 December 2021
Reduction in greenhouse-gas emissions, Investments	%	Ambition to reduce greenhouse-gas emissions Scope 1–2 included in the bank's climate accounts from Investments (i.e. not including Scope 3), based on methods and data used by the bank, measured in relation to the established baseline.
Energy intensity	kWh/m ²	This indicator is an expression of energy intensity, i.e. consumption of energy in kWh per m ² heated area
Electric power from renewable energy sources	%	Renewable energy sources are defined as electric power with guarantees of origin

15 APPENDIX 3: ARP action plan (2021–2024)

Area	Description of measures	Purpose of measures	Goal of measures	Status	Responsible for implementation	Long-term results
Embedding	Equality and diversity – recertification as a topic at management and employee gatherings. Regular information on intranet/Workplace throughout the year.	Raise awareness of the bank’s work on equality and diversity among bank employees. Create a better understanding and culture for equality and diversity in the organisation (at all levels). Employees are not sufficiently aware of the Bank’s work on equality and diversity.	Generate pride in the organisation – attractive workplace. Good reputation.	Adopted by KL	HR Manager	No employees have indicated discrimination in the employee survey. Low turnover (less than x%). High degree of satisfaction in the employee survey (better than industry average).
Embedding	New topics for equality and diversity are included in the employee survey (questions on harassment and discrimination are already present).	Raise awareness of the bank’s work on equality and diversity among bank employees. Create a better understanding and culture for equality and diversity in the organisation (at all levels). Employees are not sufficiently aware of the Bank’s work on equality and diversity.	Generate pride in the organisation – attractive workplace. Good reputation.	Adopted by KL	HR Manager	No employees have indicated discrimination in the employee survey. Low turnover (less than x%). High degree of satisfaction in the employee survey (better than industry average).
Embedding	Include equality and diversity as topics in the form used for performance appraisals.	Raise awareness of the bank’s work on equality and diversity among bank employees. Create a better understanding and culture for equality and diversity in the organisation (at all levels). Employees are not sufficiently aware of the Bank’s work on equality and diversity.	Generate pride in the organisation – attractive workplace. Good reputation.	Adopted by KL	HR Manager	No employees have indicated discrimination in the employee survey. Low turnover (less than x%). High degree of satisfaction in the employee survey (better than industry average).
Inclusive workplace	Consider using Quiz from LDO at department meetings in the Bank, or purchase/develop NanoLearning on the subject.	In the 2022 employee survey, none of the employees stated that they had been subject to bullying or harassment.	Prevent bullying, harassment and exclusion. Develop good attitudes and culture.	Adopted by KL	HR Manager	No employees have indicated bullying, harassment or exclusion in the employee survey; no notifications of harassment.
Inclusive workplace	A risk assessment of harassment, sexual harassment and exclusion at work will be conducted.	In the 2022 employee survey, none of the employees stated that they had been subject to bullying or harassment. Does the situation with working from home involve a greater risk of exclusion?	Prevent bullying, harassment and exclusion. Develop good attitudes and culture.	Adopted by KL	Gender Equality Committee	No employees have indicated bullying, harassment or exclusion in the employee survey; no notifications of harassment.
Recruitment	Awareness and special attention to diversity during recruitments to management positions in divisions where one gender is under-represented.	Women are under-represented in management positions in all divisions, apart from the PM division.	The proportion of women in management positions at the Bank should be increased.	Adopted by KL	HR Manager	The percentage of women in management positions should be at least 40% by 2026.

Area	Description of measures	Purpose of measures	Goal of measures	Status	Responsible for implementation	Long-term results
Recruitment	Develop an image database for use in job adverts that reflects diversity.	The Bank wishes to signal diversity through a conscious use of images.	Greater diversity.	Adopted by KL	MR/Marketing Manager	Greater diversity.
Recruitment	Prepare standard texts for use in job adverts.	Research shows that women and men perceive the wording in job adverts differently.	More women as applicants for management positions and IT positions.	Adopted by KL	HR Manager	Greater diversity among qualified applicants to job adverts.
Recruitment	Offer positions in the Bank to individuals with other ethnicities who are in Trainee Sør traineeships.	The Bank has a low proportion of employees from different ethnic backgrounds. The Bank has generally recruited a number of employees from among individuals who were employed in temporary positions.	The proportion of employees with different ethnicities should reflect the proportion in the customer base.	Adopted by KL	HR Manager	Increased diversity among employees; at least 10 new employees with an ethnicity other than Norwegian by 2026.
Recruitment	Offer summer jobs / temp jobs and internships to people with different ethnicities.	The Bank has a low percentage of employees from different ethnic backgrounds. The Bank has generally recruited a number of employees from among individuals who were employed in temporary positions.	The proportion of employees with different ethnicities should reflect the proportion in the customer base.	Adopted by KL	HR Manager	Increased diversity among employees; at least 10 new employees with an ethnicity other than Norwegian by 2026.
Facilitation	Offer work training to people who need it in collaboration with the Norwegian Labour and Welfare Administration	Become a responsible corporate citizen – part of the Bank's sustainability efforts.		Adopted by KL	HR Manager	The Bank should accept people for work training each year.
Full-time culture	Assess unwanted part-time work through the survey.	Part-time employees may be entitled to an increased position percentage when there is a need for more staff.	Reduce the number of part-time positions.	Adopted by KL	HR Manager	Maintain a strong full-time culture.
Life phase	Offer working from home solutions for employees with care responsibilities.	Facilitate options for employees with care responsibilities to combine work and family/private life.	Increase the number of full-time positions at the Bank.	Adopted by KL	HR Manager/managers	Maintain a strong full-time culture.
Life phase	Create a procedure for follow-up of employees who are on leave, including an interview when restarting after finishing leave.	Currently, the type and method of follow-up for employees on leave is hit or miss.	Employees on leave that are starting work again should have a good overview of their opportunities for facilitation at work.	Adopted by KL	HR Manager	Equal career opportunities for men and women.

Area	Description of measures	Purpose of measures	Goal of measures	Status	Responsible for implementation	Long-term results
Life phase	Encourage men who wish to take a longer leave of absence than the statutory paternity leave to do so.	Men only take statutory paternity leave. The Bank would like to contribute to better equal opportunities in society.	Men at the Bank take more than the statutory paternity leave.	Adopted by KL	HR Manager/managers	Equal career opportunities for men and women.
Equal pay	Introduce a regular equal pay allocation during local negotiations.	Based on average wage considerations, men earn more than women in some areas and levels at the Bank. In terms of average wages at the corporate level, inequalities are generally due to the top management levels (Levels 1–3) being mostly men (70/30) and the lowest-paid job categories being mostly made up of women (80/20).	Remove any wage inequalities that may be related to gender, based on the goal of equal pay for equal work.	Adopted by KL	KL / Recruitment committee	More equal pay between women and men.
Equal pay	Assess the different positions in staff environments based on the perspective of equal pay for equal	It is currently difficult to assess positions from an equal-pay perspective. Different job titles and professional areas are difficult to compare.	It should be easier to implement equal-pay assessments.	Adopted by KL	HR Manager	Equal pay for equal work

16 APPENDIX 4: EU Taxonomy Green Asset Ratio Template

Sheet “0. Summary of KPIs to be disclosed by credit institutions under Article 8 of the Taxonomy Regulation”:

0. Summary of KPIs to be disclosed by credit institutions under Article 8 Taxonomy Regulation							
		Total environmentally sustainable assets	KPI****	KPI*****	% coverage (over total assets)	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V)
Main KPI	Green asset ratio (GAR) stock		9,8 %	9,8 %	59,0 %	38,6 %	6,2 %
		Total environmentally sustainable activities	KPI	KPI	% coverage (over total assets)	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V)
Additional KPIs	GAR (flow)		31 %	31 %			
	Trading book*						
	Financial guarantees						
	Assets under management						
	Fees and commissions income**						

* For credit institutions that do not meet the conditions of Article 94(1) of the CRR or the conditions set out in Article 325a(1) of the CRR
 **Fees and commissions income from services other than lending and AuM
 Institutions shall disclose forwardlooking information for this KPIs, including information in terms of targets, together with relevant explanations on the methodology applied.
 *** % of assets covered by the KPI over banks' total assets
 ****based on the Turnover KPI of the counterparty
 *****based on the CapEx KPI of the counterparty, except for lending activities where for general lending Turnover KPI is used
 Note 1: Across the reporting templates: cells shaded in black should not be reported.
 Note 2: Fees and Commissions (sheet 6) and Trading Book (sheet 7) KPIs shall only apply starting 2026. SMEs' inclusion in these KPI will only apply subject to a positive result of an impact assessment.

Overview sheet “1.Assets for the calculation of GAR”:

Relevant excerpt from sheet “1. Assets for the calculation of GAR”:

1.Assets for the calculation of GAR

Million NOK		a	b	c	d	e	f
		Total [gross] carrying amount	Climate Change Mitigation (CCM)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
			Of which environmentally sustainable (Taxonomy-aligned)				
			Of which Use of Proceeds	Of which transitional	Of which enabling		
	GAR - Covered assets in both numerator and denominator	147.648,3	92.925,1	14.469,7			
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation						
2	Financial undertakings						
3	Credit institutions						
4	Loans and advances						
5	Debt securities, including UoP	13.018,0	13.018,0				
6	Equity instruments						
7	Other financial corporations						
8	of which investment firms						
9	Loans and advances						
10	Debt securities, including UoP						
11	Equity instruments						
12	of which management companies						
13	Loans and advances						
14	Debt securities, including UoP						
15	Equity instruments						
16	of which insurance undertakings						
17	Loans and advances						
18	Debt securities, including UoP						
19	Equity instruments						
20	Non-financial undertakings						
21	Loans and advances	316,6	183,6	69,7	69,7		
22	Debt securities, including UoP						
23	Equity instruments						
24	Households						
25	of which loans collateralised by residential immovable property	79.723,5	79.723,5	14.400,0	14.400,0		
26	of which building renovation loans						
27	of which motor vehicle loans						
28	Local governments financing						
29	Housing financing						
30	Other local government financing						
31	Collateral obtained by taking possession: residential and commercial immovable properties						
32	Assets excluded from the numerator for GAR calculation (covered in the denominator)						
33	Financial and Non-financial undertakings						
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations						
35	Loans and advances	46.465,1					
36	of which loans collateralised by commercial immovable property						
37	of which building renovation loans						
38	Debt securities	1.847,7					
39	Equity instruments	1.799,1					
40	Non-EU country counterparties not subject to NFRD disclosure obligations						
41	Loans and advances						
42	Debt securities						
43	Equity instruments						
44	Derivatives	2.001,9					
45	On demand interbank loans						
46	Cash and cash-related assets						
47	Other categories of assets (e.g. Goodwill, commodities)	3.476,5					
48	Total GAR assets						
49	Assets not covered for GAR calculation						
50	Central governments and Supranational issuers	9.124,3					
51	Central banks exposure	603,6					
52	Trading book						
53	Total assets	157.376,1					

Overview sheet “2. GAR sector information”:

2 GAR sector information

Sector	Climate Change		Water		Pollution		Circular economy		Biodiversity		SMEs and other NFC not subject to NFRD		SMEs and other NFC not subject to NFRD	
	Non-financial corporates (Subject to NFRD)	SMEs and other NFC not subject to NFRD	Non-financial corporates (Subject to NFRD)	SMEs and other NFC not subject to NFRD	Non-financial corporates (Subject to NFRD)	SMEs and other NFC not subject to NFRD	Non-financial corporates (Subject to NFRD)	SMEs and other NFC not subject to NFRD	Non-financial corporates (Subject to NFRD)	SMEs and other NFC not subject to NFRD	Non-financial corporates (Subject to NFRD)	SMEs and other NFC not subject to NFRD	Non-financial corporates (Subject to NFRD)	SMEs and other NFC not subject to NFRD
Breakdown by sector - NACE 4 digits level (code and label)	(Gross) carrying amount	(Gross) carrying amount	(Gross) carrying amount	(Gross) carrying amount	(Gross) carrying amount	(Gross) carrying amount	(Gross) carrying amount	(Gross) carrying amount	(Gross) carrying amount	(Gross) carrying amount	(Gross) carrying amount	(Gross) carrying amount	(Gross) carrying amount	(Gross) carrying amount
	Mn NOK	Mn EUR	Mn NOK	Mn EUR	Mn NOK	Mn EUR	Mn NOK	Mn EUR	Mn NOK	Mn EUR	Mn NOK	Mn EUR	Mn NOK	Mn EUR
1,00	68.20	45.465,08												

1 The carrying amount is the carrying amount of the liability or asset, measured at the end of the reporting period. The distribution of the carrying amount is based on the carrying amount of the liability or asset, measured at the end of the reporting period. The distribution of the carrying amount is based on the carrying amount of the liability or asset, measured at the end of the reporting period.

Relevant excerpt from sheet “2. GAR sector information”:

2. GAR sector information

	Breakdown by sector - NACE 4 digits level (code and label)	a	b	c	d
		Climate Change Mitigation (CCM)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount	
	Mn NOK	Of which environmentally sustainable (CCM)	Mn NOK	Of which environmentally sustainable (CCM)	
1,00	68.20	316,59	69,65	45.465,08	4.839,71

Overview sheet “3. GAR KPI stock”:

Relevant excerpt from sheet “ 3. GAR KPI stock”:

3. GAR KPI stock

1. Institution shall disclose in this template the GAR KPIs on stock of loans calculated based on the data disclosed in template 1, on covered assets, and by applying the formulas proposed in this template
2. Information on the GAR (green asset ratio of 'eligible' activities) shall be accompanied with information on the proportion of total assets covered by the GAR
3. Credit institutions can, in addition to the information included in this template, show the proportion of assets funding taxonomy relevant sectors that are environmentally sustainable (Taxonomy-aligned). This information would enrich the information on the KPI on environmentally sustainable assets compared to total covered assets
4. Credit institutions shall duplicate this template for revenue based and CapEx based disclosures

	a	b	c	d	e	Disclosure reference date T			Disclosure reference date T-1			
						Climate Change Mitigation (CCM)			Climate Change Mitigation (CCM)			
						Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
						Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
		Of which Use of Proceeds	Of which transitional	Of which enabling		Of which Use of Proceeds	Of which transitional	Of which enabling				
% (compared to total covered assets in the denominator)												
GAR - Covered assets in both numerator and denominator												
1 Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation												
2 Financial undertakings												
3 Credit institutions												
4 Loans and advances	-	-	-	-	-							
5 Debt securities, including UoP	100,0 %					100 %	100 %					
6 Equity instruments	-	-	-	-	-							
7 Other financial corporations	-	-	-	-	-							
8 of which investment firms	-	-	-	-	-							
9 Loans and advances	-	-	-	-	-							
10 Debt securities, including UoP	-	-	-	-	-							
11 Equity instruments	-	-	-	-	-							
12 of which management companies	-	-	-	-	-							
13 Loans and advances	-	-	-	-	-							
14 Debt securities, including UoP	-	-	-	-	-							
15 Equity instruments	-	-	-	-	-							
16 of which insurance undertakings	-	-	-	-	-							
17 Loans and advances	-	-	-	-	-							
18 Debt securities, including UoP	-	-	-	-	-							
19 Equity instruments	-	-	-	-	-							
20 Non-financial undertakings												
21 Loans and advances	0,4 %	0,2 %	0,2 %									
22 Debt securities, including UoP	-	-	-	-	-							
23 Equity instruments	-	-	-	-	-							
24 Households												
25 of which loans collateralised by residential immovable property	100,0 %	18,1 %	18,1 %			100 %	14 %	14 %				
26 of which building renovation loans	-	-	-	-	-							
27 of which motor vehicle loans	-	-	-	-	-							
28 Local governments financing												
29 Housing financing	-	-	-	-	-							
30 Other local government financing	-	-	-	-	-							
31 Collateral obtained by taking possession: residential and commercial immovable properties												
32 Total GAR assets	62,9 %	9,8 %	9,8 %									

Overview sheet "4. GAR KPI flow":

4. GAR KPI flow

1. Institution shall disclose in this template the GAR KPIs on flow of loans calculated (new loans on a net basis) based on the data disclosed in template 1, on covered assets, and by applying the formulas proposed in this template.
 2. Credit institutions shall duplicate this template for revenue based and CapEx based disclosures.

%	Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)						Pollution (P)	Biodiversity and ecosystems (BIO)	TOTAL (CCM + CCA + WTR + CE + P + BIO)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)							Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	
				Of which Use of Proceeds	Of which enabling	Of which Use of Proceeds	Of which enabling	Of which Use of Proceeds	Of which enabling						Of which Use of Proceeds	Of which enabling
GAR - Covered assets in both numerator and denominator																
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation															
2	Financial undertakings															
3	Credit institutions															
4	Loans and advances															
5	Debt securities, including UoP	-8 %														
6	Equity instruments															
7	Other financial corporations															
8	of which investment firms															
9	Loans and advances															
10	Debt securities, including UoP															
11	Equity instruments															
12	of which management companies															
13	Loans and advances															
14	Debt securities, including UoP															
15	Equity instruments															
16	of which insurance undertakings															
17	Loans and advances															
18	Debt securities, including UoP															
19	Equity instruments															
20	Non-financial undertakings															
21	Loans and advances	100 %	100 %	100 %												
22	Debt securities, including UoP															
23	Equity instruments															
24	Households															
25	of which loans collateralised by residential immovable	1 %	30 %	30 %												
26	of which building renovation loans															
27	of which motor vehicle loans															
28	Local governments financing															
29	Housing financing															
30	Other local government financing															
31	Collateral obtained by taking possession: residential and commercial immovable properties															
32	Total GAR assets															

Relevant excerpt from sheet "4. GAR KPI flow":

4. GAR KPI flow

1. Institution shall disclose in this template the GAR KPIs on flow of loans calculated (new loans on a net basis) based on the data disclosed in template 1, on covered assets, and by applying the formulas proposed in this template
2. Credit institutions shall duplicate this template for revenue based and CapEx based disclosures

		a	b	c	d	e
% (compared to flow of total eligible assets)	Climate Change Mitigation (CCM)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
			Of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator					
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation					
2	Financial undertakings					
3	Credit institutions					
4	Loans and advances					
5	Debt securities, including UoP	-8 %				
6	Equity instruments					
7	Other financial corporations					
8	of which investment firms					
9	Loans and advances					
10	Debt securities, including UoP					
11	Equity instruments					
12	of which management companies					
13	Loans and advances					
14	Debt securities, including UoP					
15	Equity instruments					
16	of which insurance undertakings					
17	Loans and advances					
18	Debt securities, including UoP					
19	Equity instruments					
20	Non-financial undertakings					
21	Loans and advances	100 %	100 %	100 %		
22	Debt securities, including UoP					
23	Equity instruments					
24	Households					
25	of which loans collateralised by residential immovable	1 %	30 %	30 %		
26	of which building renovation loans					
27	of which motor vehicle loans					
28	Local governments financing					
29	Housing financing					
30	Other local government financing					
31	Collateral obtained by taking possession: residential and commercial immovable properties					
32	Total GAR assets					