



Sustainability and Society



1. Driving force behind a sustainable future in Northern Norway

As a financial services group, SpareBank 1 Nord-Norge has wide-ranging impacts on the environment and society. The Group has both direct and indirect impacts on stakeholders, the climate, nature, communities, people and human rights. This brings with it a responsibility to protect and reinforce the positive, and minimise the adverse, impacts.

Main priorities for the year just ended:

- Net zero plan with emission trajectories based on the methodology of the Science-Based Target Initiative (SBTi)
- Increased focus on ESG data and technology
- MNOK 200 for the green transition via “Samfunnsløftet”
- Green competences plan for all employees
- Facilitating reporting in line with CSRD
- Due diligence and reporting on compliance with the Transparency Act
- One diversity forum established

200

MNOK

For the green transition via “Samfunnsløftet”

17.5

BNOK

qualified as green portfolio

18.6

BNOK

scored using the Group’s ESG module

516

service providers

Screened in line with the Transparency Act

The world is facing major climate-related changes and greater pressure on natural resources. This not only harms nature and society, it also impacts on global financial stability. This, in combination with climate policy in both Norway and the EU, increased reporting requirements for businesses and society's general movement towards low emissions, will affect SpareBank 1 Nord-Norge's ability to operate profitably in the future. Sustainability and ESG¹ risk are therefore part and parcel of both the Group's business strategy and risk strategy.

In 2023, SpareBank 1 Nord-Norge had two focus areas in relation to sustainability. One involved specifying new ambitions as regards sustainability, and the other

involved understanding and facilitating new reporting requirements imposed by the Corporate Sustainability Reporting Directive (CSRD). This report has been written and certified in line with the Global Reporting Initiative. At the same time, the reporting has been adapted to the CSRD based on the European Sustainability Reporting Standards (ESRS). For SpareBank 1 Nord-Norge, these new reporting standards will determine how we work on and report sustainability information in the future. Therefore, necessary adjustments have been made in 2023 in relation to the Group's double materiality analysis, and more adjustments will be made in 2024 in order to be ready for reporting for the 2024 financial year.

Governing documents

- Business strategy
- Risk strategy
- Sustainability policy
- The path to net zero 2040 (the Group's transition plan)

Disclosures

GRI 2-2, 2-3, 2-6, 2-12, 2-13, 2-17,
2-23, 2-24, 2-25, 2-28, 2-29, 3-1, 3-2

SNN 1

ESRS 2 BP-1, SBM-2, SBM-3, IRO-1

Link to the UN's Sustainable Development Goals:
5, 8, 13, 14, 17

1.1 Strategy

Sustainability is one of the four guiding principles in SpareBank 1 Nord-Norge's business strategy, and the risk strategy also contains its own ESG risk-related targets. Both strategies will steer the Group's work, and both are revised by the Board and Group Management annually.

SpareBank 1 Nord-Norge's materiality assessment indicates that the largest impact the Group has is associated with its lending activities. This is based on the Group's core business being lending to people and businesses in the market area of Northern Norway. Here, the impact on climate and social conditions can be positive in the form of stricter requirements being stipulated for customers in relation to important ESG conditions and this in turn having an impact on the risk profile and pricing. The impact can also be adverse in

the form of the Group funding high-emission activities or activities that result in other harm to the environment, climate or society. The risks associated with this are described later in a specific chapter on climate-related risk (TCFD). As a significant buyer of goods and services, the Group also has both positive and adverse impacts on human rights and labour rights through the choices it makes and the requirements it stipulates.

The opportunities associated with the Group's impact on ESG are expressed through SpareBank 1 Nord-Norge's ambition for sustainability:

As the largest² financial player in Northern Norway, SpareBank 1 Nord-Norge aims to be a driving force behind a sustainable future in the north.

¹ Environment, social and governance (ESG)

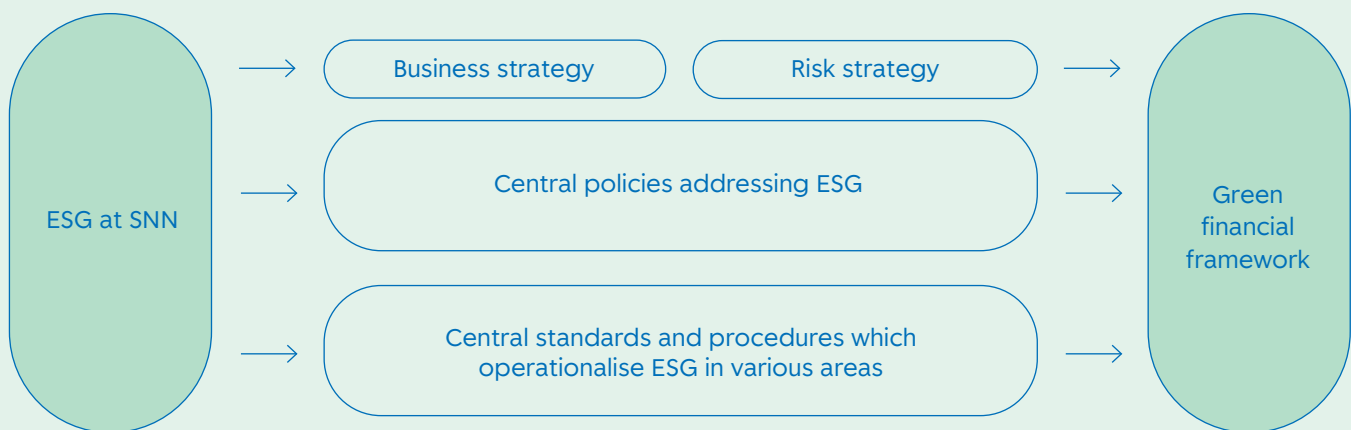
² The Group is the largest financial services group registered in Northern Norway, measured in terms of its number of employees (973) and number of local branches (15)

1.2 Management of ESG work

The Chief Communications Officer has overall responsibility for this area. At the same time, all chief officers and EVPs have a responsibility to integrate sustainability into their professional units. This is stipulated in the Group's corporate governance system, governing documents and core processes. ESG goal attainment is reported to Group Management every quarter, and ESG risk is reported to the Board with the same frequency.

The sustainability policy defines the overarching principles for the Group's work in this area. The policy is operationalised through a number of governing docu-

ments in key areas and revised annually by the Board. The sustainability policy applies to the SpareBank 1 Nord-Norge Group, i.e. the Board, Group Management, all employees, consultants, partners, agents and others on contracts who are involved in the Group's operations. The policy applies to all parts of the business, which also includes activities and areas that have been outsourced. Training in applying the policy is included in the Group's competences plan for sustainability, employee policies via the SNN Code of Conduct, and the work on internal safety rounds.



ESG-team: The Group has established an interdisciplinary team led by the head of Treasury. The team meets once a quarter, and its main task is to qualify green assets in line with the green product and financing framework. It also updates and develops the relevant frameworks.

Structure and reporting: This sustainability report is based on the principles in the Global Reporting Initiative (GRI) standard. The report has been developed in line with the GRI 2021 standard. Climate-related risk is reported on in line with the reporting framework developed by the Task Force on Climate-Related Financial Disclosures (TCFD). The Group also reports annually to the Eco-Lighthouse, Climate Partner, Women in Finance and the UN Global Compact. From the 2024 financial year onwards, the Group will report in line with the CSRD via the ESRS.

The sustainability report mainly covers just SpareBank 1 Nord-Norge, not subsidiaries or other companies. The exception is chapter 4. Own workforce where the reporting covers SpareBank 1 Nord-Norge and its subsidiaries SpareBank 1 Finans Nord-Norge AS, EiendomsMegler 1 Nord-Norge AS and SpareBank 1 Regnskapshuset Nord-Norge AS. In addition, chapter 3.4 EU taxonomy has been reported in line with Regulation (EU) No 575/2013 (2), chapter 2, and the green portfolio discussed in chapter 3.3 includes both SpareBank 1 Nord-Norge and SpareBank 1 Finans Nord-Norge AS. The report had been assured by KPMG with a moderate degree of assurance. In such a level of assurance, the auditor's conclusion is given in negative form by stating that no matters have been identified that give reason to believe that the information about the matter is not in accordance with the specified criteria.

Contact details: For questions concerning the sustainability report, please contact Ragnhild Dalheim Eriksen rde@snn.no or call 02244 (only in Norway).

1.3 Sustainability goals for 2024

SpareBank 1 Nord-Norge's sustainability ambitions are defined in the sustainability policy. It has three overarching ambitions that the Group is working towards:



An attractive and inclusive region

Aiming to contribute to positive migration to the region by 2030



Green transition of Northern Norway

Aiming for net zero in the loan portfolio by 2040



The ocean in Arctic regions

with the aim that 70 per cent of the maritime industry portfolio will qualify for green financing by 2030¹

The Group has set itself the following tactical goals for 2024:

- We will recruit and retain active customers
- We will strengthen our position in ocean industries
- We will achieve net zero by 2040 1:16
- We will improve the employee experience

The goals are operationalised through the Group's corporate governance system and goal attainment is reported every quarter to the Group CEO. A more detailed account of KPIs and sustainability goal attainment in 2023 is provided in the other chapters of this annual report.

SpareBank 1 Nord-Norge's work on sustainability is based on a number of initiatives and principles for responsible business that enable the Group to comply with regulatory guidelines in this area and conduct its activities in line with recognised principles, such as the precautionary principle. The sustainability initiatives SpareBank 1 Nord-Norge is a signatory to and reports in line with are shown below:



Global Compact:

SpareBank 1 Nord-Norge has signed up to the UN Global Compact initiative, the world's largest initiative for corporate social responsibility in business.



Women in Finance Charter:

SpareBank 1 Nord-Norge has signed up to the initiative as a *funding partner*.



PCAF:

Member of the Partnership for Carbon Accounting Financials (PCAF) since 2023. Used to calculate emissions in the loan portfolio.



Eco-lighthouse:

SpareBank 1 Nord-Norge's head office is Eco-Lighthouse certified in line with the head office model and all of its financial centres are Eco-Lighthouse certified.



KLIMAPARTNERE

Klimapartner:

SpareBank 1 Nord-Norge is a member of Klimapartner Nordland, Troms og Finnmark.

Other collaborative sustainability initiatives:

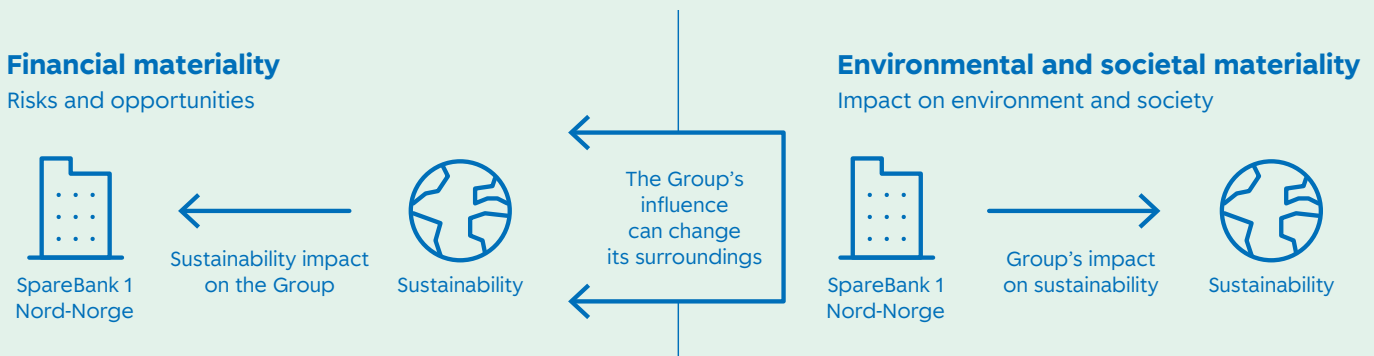
- Member of Skift – business climate leaders
- Partnership with the Zero environmental foundation
- Finance Norway

¹ IN line with to the Group's green framework

1.4 Materiality assessment – revised in 2023

SpareBank 1 Nord-Norge can have a significant impact on people and business thanks to both its size and the social role played by savings banks in local communities. Therefore, numerous topics will be material for the Group, both from a financial perspective and from an environmental and social perspective. The Group uses a double materiality assessment to determine which material topics to prioritise.

Double materiality assessments are designed to indicate which areas related to the climate, nature and society the Group impacts and how the climate, nature and society impacts the Group from a financial perspective. The principle of materiality is key here. It means that some sustainability topics are deemed to have a greater priority than others. The analysis enables the Group to better concentrate its efforts on areas where it has the greatest impact, and to better assess the financial consequences this may have for the Group.



The figure illustrates the principle of “double materiality” as described in the CSRD. The Group’s first materiality analysis was presented in 2018. The analysis has been revised three times since then.

The materiality assessment has been developed based on a stakeholder analysis that included extensive interviews and data collection from customers, employees and managers in the Group. It has been supplemented with other analyses such as impact analyses, competitor analyses, expectations barometers and megatrends in the financial services industry. The final material topics were determined based on an

internal assessment in a workshop involving 19 specialists. The material topics were input into an assessment matrix based on a scale of 1-3, where business impact and business value were rated as low (1), moderate (2) or high (3). The results in 2022 were a materiality assessment that contained 15 material topics.

1.4.1 MATERIAL TOPICS 2023

In 2023, SpareBank 1 Nord-Norge revised the materiality assessment from 2022. This was primarily done because the previous version produced too many material topics, which made measuring and following up the results difficult. Another important reason for revising it was to adapt the Group's sustainability work to new reporting requirements for the area pursuant to the CSRD from 2024 onwards. See below for a description of how the materiality assessment was revised such that it resulted in five material topics in 2023 rather than 15. This revision does not mean that the previous topics are no longer important; they will continue to form part of the Group's work on sustainability and be priorities in this area. The mate-

riality analysis was revised based on data collection from responsible professional environments, as well as discussions in internal reporting working groups consisting of key professional environments for ESG. Four of the five material topics are linked to the new reporting standards in ESRS. The fifth material topic, "green transition", was chosen based on the insights work in the materiality analysis in 2022, which indicated a need for faster transition in Northern Norway.

The final materiality assessment was approved by the Group CEO and Group Management in November 2023. The new material topics and their correlation with the previous materiality analysis are shown in the table below:

	Material topics 2022	Revised material topics 2023
E	Climate-related and nature-related risk Carbon footprint in operations and financing	Climate change
	Green transition skills Understanding of climate change in the Arctic ESG technology Collaborations and networks	Green transition
S	Working environment	Own workforce
	Local value creation Social products and services Demographic risk	Affected Communities
G	Anti-money laundering Data security and privacy Ethical banking Risk management Accountability and transparency in the supply chain	Business conduct

Topics eliminated from revised materiality analysis in 2023:

Risk management¹

A summary of the past year's work on the topics is provided in the respective chapters later on in this annual report. A more detailed description of how the materiality analysis was conducted can be found in the [sustainability library at snn.no](https://snn.no/sustainability-library).

In 2024, SpareBank 1 Nord-Norge will review the materiality analysis again in relation to the requirements of the CSRD/ESRS.

¹ As a topic, risk management is an integral component of every area of operations and is performed based on the Group's risk strategy. It is reported on extensively elsewhere in this annual report and is regarded as being covered by the Group to the extent that it is not necessary to include it as a separate material topic in the work on sustainability

1.4.2 THE GROUP'S KEY STAKEHOLDERS

Stakeholder engagement and mapping are important elements of what materiality assessments are based on. Society is also a key stakeholder for a savings bank, and the Group has extensive contact with various social

actors throughout the year. The stakeholder analysis can be read in full in the appendices to the annual report. SpareBank 1 Nord-Norge's key stakeholders in its sustainability work are shown in the figure below:



1.4.3 IMPACT ANALYSIS

An impact analysis has been developed as part of the work on the materiality analyses. It was based on the Principles for Responsible Banking (PRB) tool, Portfolio Analysis Tool for Banks. This indicates where the Group has its greatest impact based on its financing activities

in both the retail and the corporate markets. The impact analysis pointed to the following areas in which the Group has particularly positive and adverse impacts:

Areas with particularly adverse impacts:

1. Climate
2. Resource efficiency
3. Inclusive and sustainable economy

Areas with particularly positive impacts:

1. Employees
2. Inclusive and sustainable economy
3. Climate

This analysis supports the Group's prioritised material topics in the new materiality analysis for 2023 and helped to provide a basis for the Group's ambitions

in the area of sustainability. The impact analysis was conducted in 2022.

Material topics for SpareBank 1 Nord-Norge

<p>E</p> <p>ENVIRONMENT</p>	<p>ENVIRONMENTAL AND CLIMATE CONDITIONS</p> <p>Climate change Green transition</p>
<p>S</p> <p>SOCIAL</p>	<p>SOCIETY AND SOCIAL CONDITIONS</p> <p>Own workforce Affected communities</p>
<p>G</p> <p>GOVERNANCE</p>	<p>CORPORATE GOVERNANCE AND BUSINESS</p> <p>Business conduct</p>

MATERIAL TOPIC

2. Climate change

GOALS: NET ZERO EMISSIONS IN THE LOAN PORTFOLIO BY 2040

Why is this material for SpareBank 1 Nord-Norge?

The world is facing major climate-related changes. In addition to harming nature and ecosystems, these will also impact financial stability. The financial services industry is, therefore, increasingly focusing on climate change. Since 1979, global warming has increased [3.8 times faster in Arctic regions than in the rest of the world. This impacts the world in a number of ways, and it also impacts the market area in which SpareBank 1 Nord-Norge operates.](#)

SpareBank 1 Nord-Norge, like other businesses, has a responsibility to act to slow down climate change by reducing the climate-related risk exposure of its operations and those of the Group's customers. The Group has its biggest impact on the climate through its financing process, where analyses of customers' climate-related risk exposure are central. These result in the Group having a significant impact on the climate and environment in Northern Norway. The impact stems from what objects and activities are financed, and the Group's own operations. The impact can be adverse, for example if the Group were to finance high-emission activities or activities that harm nature and biodiversity. By charging different prices, the Group could contribute to wider social disparities if low-income groups fail to get sufficient access to climate incentives. The impact can also be positive, for example if measures are implemented that cut CO₂ emissions and improve energy efficiency in the Group's operations and those of its customers.

Risks and opportunities

[Norges Bank points out in its report that climate change impacts financial stability.](#) SpareBank 1 Nord-Norge is both directly and indirectly, through its customers, exposed to both physical and transition risk that, if not managed properly, will pose a financial risk to the Group, for example when financing assets that fall in value or end up being "stranded". This can in turn impact the Group's access to funding in the capital markets, and the Group's ability to comply with legal requirements and other expectations in the market.

For a financial services group, this risk also presents opportunities to help customers transition through products and advice. This is one of the reasons why SpareBank 1 Nord-Norge has made green transition its own material topic in the Group's materiality analysis.

Actions

The Group has implemented a number of measures designed to manage both positive and adverse impacts stemming from climate change. The most important measures are described later in this chapter. The Group's sustainability ambitions are operationalised through concrete measures that have an impact on the Group's financial planning, prioritisation of strategic and tactical goals, portfolios of products and services, employees, requirements for suppliers and what it expects of them, operational activities, etc. Furthermore, the regulatory framework conditions are expected to change at pace going forward, which will increase the insights and data within climate-related and nature-related risk in the future.

The concrete measures the Group takes to manage climate-related risk are described in a specific chapter on climate-related risk in line with the reporting standard issued by the Task Force on Climate-Related Financial Disclosures (TCFD).

Stakeholder management:

Climate change is a topic in all matters pertaining to credit in excess of MNOK 5 in the corporate market and forms part of the dialogue advisers have with customers. This was a key topic in the Group's work on the double materiality analysis in 2022, and in its revision in 2023. Climate change is also a key topic when working with banks in the SpareBank 1 Alliance, as well as in the contact with the authorities and other social stakeholders. Examples of these include Finance Norway's specialist committee for sustainability in which the Group has a representative.

Evaluation

The Group's strategy for managing climate-related risk will be adapted to the changes that stem from new requirements, expectations and insights related to climate change in the years to come. The most impor-

tant evaluation tool is linked to the ESG module. The analysis of financed emissions and the Group's net zero plan and associated reporting will also be key evaluation tools for the topic going forward.

Every professional group will be responsible for this material topic in the Group. Progress is reported to the Board of Directors via quarterly risk reports.

How the material topic is managed

<p>Policies and guidelines</p> <ul style="list-style-type: none"> • Risk strategy (goals that address ESG) and the Business strategy (overarching level of ambition for ESG) • Policy for credit granting (CM and RM) (what we finance and what ESG risks we need to be careful about) • Standard for granting credit (RM) • Standard for the Innovation Portfolio Board • Policy for portfolio management in the credit area • Policy for liquidity risk • Policy for market risk • Sustainability policy • ICAAP • SNN Code of Conduct • Green Product Framework and Green Financing Framework • Guidelines for sustainable financing • Guidelines on sustainable liquidity management and corporate governance • Framework for risk assessment of new products and processes (NPAP) • The Group's transition plan • Guidelines for sustainable financing 	<p>Disclosures</p> <p>GRI 2-4, 2-12, 2-13, 2-14, 2-17, 2-18, 2-24, 3-3, 305-1, 305-2, 305-3, 305-4</p> <p>ESRS 2 BP-2, GOV-1, GOV-2, GOV-5, SBM-1, SBM-3, IRO-1</p> <p>ESRS E1-2, E1-3, E1-4, E1-6</p> <p>2.2 Carbon emissions in own operations and financing</p> <p>ESRS E1-3 35</p> <p>ESRS E1-6 44, 49</p> <p>Disclosures in the Group's transition plan</p> <p>ESRS E1-1 16 a-b</p> <p>ESRS E1-4 34 a-d</p> <p>Responsible area in the Group:</p> <p>Communication, society and sustainability</p> <p>Credit and risk management</p> <p>Finance and administration</p> <p>Link to SDGs:</p> <p>8, 13, 14</p>
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2.1 Climate-related risk and nature-related risk (TCFD)

SpareBank 1 Nord-Norge is exposed to climate-related risks and opportunities through its activities. Climate-related risk and nature-related risk are integral elements of the Group's risk and capital management.

areas of ESG risk, including corporate social responsibility risk and governance risk, are included as part of the ESG risk reporting in the annual report, related notes and the Pillar 3 report.

SpareBank 1 Nord-Norge reports on climate-related risk using the template issued by the Task Force on Climate-Related Financial Disclosures (TCFD). Other

2.1.1 MANAGEMENT

2.1.1.1 The Board's understanding of climate-related risks and opportunities

The Board of Directors is well acquainted with climate-related risks and opportunities through its ongoing activities, including strategic discussions, updating and approving governing documents, and reviewing various reports from Group Management. The most important overarching governing documents approved by the Board of Directors in which climate-related risk is explicitly assessed include the business strategy, risk strategy and sustainability policy. Furthermore, the Board approves policies in a number of risk areas that also include recommendations and requirements for ESG risk. This is particularly true of the policy on granting credit, policy for portfolio management in the area of credit and liquidity risk policy, which set explicit targets and requirements for climate-related risk.

The Board of Directors receives regular and ad hoc reports that include assessments of the Group's climate-related risk exposure. Such reports keep the Board informed on climate-related matters. The reports are also important tools in the Board of Directors' monitoring and follow-up of the area. The most important reports include:

- **Risk report (quarterly):** The Group's ESG risk exposure is reported as a specific topic in the risk report. ESG reporting includes regulatory changes, the status of internal work and external collaboration, along with the status of risk exposure versus approved risk appetite, including climate-related targets.
- **Compliance report (quarterly):** The compliance risk associated with ESG risk is reported as a specific topic in the risk report.
- **Internal audit report (tertiary):** The internal audit function's report to the Board of Directors includes findings and recommendations from completed internal audit projects. An internal audit of the management and control of ESG risk was considered by the Board of Directors in 1Q23.
- **ICAAP (annual):** The annual assessment of the Group's overall capital requirement and risk exposure includes ESG risk. The Group's climate-related risk exposure is assessed based on climate scenarios for various industries and geographical areas, as well as the climate-related risk in significant industries in the loan portfolio and in the Group's collateral portfolio. Assessments of the Group's exposure to physical risk, nature-related risk and insurance risk here also conducted. In the ICAAP assessment for 2024, the climate scenarios will be stress tested in order to assess how the Group's financial position could be impacted by climate change.

- **The sustainability policy** and associated ambitions in the area were approved by the Board in April 2023 and January 2024.
- **Changes to reporting requirements:** In 4Q23, the audit committee was briefed on the Corporate Sustainability Reporting Directive (CSRD) and the Group's handling of the new reporting requirements that will apply via the Accounting Act from the 2024 accounting year.

The Board of Directors considers climate-related issues when approving larger credit commitments for corporate customers. It is an explicit requirement that the ESG risk related to the commitment and the customer must be assessed in all credit cases. This includes assessing climate-related risk. Furthermore, the Board assesses climate-related issues in connection with significant decisions on outsourcing, investment, acquisitions, disinvestment, etc. by risk assessing the decision concerned in accordance with the Group's risk assessment framework. (NPAP).

ESG is not part of the set of criteria for evaluation by the Board of Directors. It will be introduced in 2024 as part of the adaptations for CSRD and ESRS.

2.1.1.2 Group Management's role in assessing and managing climate-related risks and opportunities

At SpareBank 1 Nord-Norge management and control of all risks, including climate-related risk, is organised in accordance with the three-line model with three lines of defence (3LOD).

First line of defence: The business areas constitute the first line of defence. Managers in the first line of defence are responsible for identifying, managing and reporting on climate-related risk in their business area. Overarching responsibility for ESG as a whole rests with the Chief Communications Officer.

Second line of defence: Risk Management and Compliance constitute the second line of defence. The Chief Risk Officer (CRO) and the head of Compliance are responsible for the work on climate-related risk in the second line of defence. This entails responsibility for:

- Ensuring the Board of Directors establish the risk appetite for this area.
- Ensuring that the management and control of climate-related risk is established in line with the risk appetite.
- Ensuring that compliance with internal guidelines and external requirements, and with expectations related to climate-related risk, are in keeping with the risk appetite adopted by the Board of Directors.

- Periodical reporting to Group Management and the Board of Directors on the Group's exposure to climate-related risk.

Third line of defence: The Group's internal audit function constitutes the third line of defence and reports directly to the Board of Directors, which establishes annual audit plans. The internal audit function conducts annual reviews of various areas related to climate-related risk. In 2023, this included ICAAP, the management and control of ESG risk, and granting credit in the corporate market.

For a more detailed description of the three-line model and the Group's operationalisation of this, please see the Group's Pillar 3 report.

Furthermore, the Group has established an ESG team, a management forum for risk and capital management and an innovation portfolio board in which climate-related risk issues are considered:

- **ESG team:** The ESG team is responsible for approving any objects/commitments that can be qualified in line with the Green Finance Framework (GFF). The team consists of representatives from key disciplines and in 2023 worked on revising the criteria for a new financial framework.
- **Management Forum for Risk and Capital Management (MFRCM):** Addresses the overarching follow-up of the Group's balance sheet management, risk profile, financing, liquidity, financial strength and the Group's compliance with relevant regulatory requirements. The MFRCM deals with, among other things, the ICAAP, risk strategy and risk reporting where climate-related risk is explicitly assessed. The MFRCM comprises the Chief Risk Officer (CRO), Chief Financial Officer (CFO), Executive Vice President Personal Banking, Executive Vice President Corporate Banking and managers from relevant specialist areas.
- **Innovation Portfolio Board:** The Group has established a framework for managing new ideas, both minor initiatives and major innovative business ideas. Initiatives are assessed in relation to climate-related risk where relevant. In 2023, climate-related risks and opportunities were particularly addressed via the following initiatives:
 - Personal follow-up of all existing mortgage customers with homes with an energy rating of A or B. The activity was designed to raise customers awareness of the benefits of owning an energy efficient home, as well as converting existing mortgages into a "green" mortgage (more beneficial loan terms for customers).
 - Preparation of a new customer journey for existing mortgage customers who own potential A or B rated homes, but who have not completed

an energy rating process. The goal is to get the owners to complete an energy rating process and thus be able to qualify for green mortgages.

- Own highlighting of A and B rated homes in real estate prospectuses at EiendomsMegler 1 Nord-Norge, including advantages potential buyers can access by choosing an energy efficient home.
- Revision of environmental loans, such that upgrades of the energy efficiency of homes can be financed through specific environmental loans with more favourable terms than traditional mortgages.
- Activities designed to increase the ESG competence of advisers and corporate customers, and the requirements set for different industries.
- Launch activities for green corporate loans for commercial real estate, including meetings with relevant customers.
- Started work on ESG classifying corporate customers.
- The Executive Vice President Innovation and Business Development, Chief Risk Officer (CRO), Chief Financial Officer (CFO), Executive Vice President Personal Banking, Executive Vice President Corporate Banking are permanent representatives on the Innovation Portfolio Board. Other executive directors participate in relevant matters.

Group Management as a whole is familiar with climate-related risks and opportunities through Group Management's work, including strategic discussions, approving goals and ambitions, preparing governing documents, reviewing various reports, etc. In 2023, this applied in particular to:

- **Sustainable business:** In 2022, Group Management launched the strategic initiative "Sustainable Business" with the goal of developing a sustainable business model that simultaneously looks at the business potential sustainability facilitates. The final report was submitted to Group Management in 1Q23.
- **Corporate Sustainability Reporting Directive (CSRD):** In 3Q23, Group Management established a project that is looking at the new ESG reporting requirements proposed for the Accounting Act from the 2024 accounting year onwards. The project conducted a GAP analysis of the reporting requirements versus current reporting in the area.
- **ESG competence:** An ESG competence plan for groupwide ESG training was presented to Group Management in 3Q23 and approved.

- **Tactical goals 2023:** In 2023, the Group's climate goals were operationalised through the "Green transition in practice" tactical goal. The climate goals were further operationalised in each executive director's area of responsibility through concrete interim goals, the status of goal attainment and ongoing reporting to Group Management in the Group's governance system. See the section 2.1.4 Metrics and Targets for further details.
- **Transition Plan – net zero 2040:** In 4Q23, Group Management was presented with, and approved the "2023 transition plan towards net zero". This included an analysis of financed emissions and goals for emission trajectories and the periods up to 2030 and 2040.

2.1.2 STRATEGY

2.1.2.1 Climate-related risks and opportunities identified by the Group in the short, medium and long term

ESG risk is an extensive risk area, and it is assessed both as a specific type of risk and as an underlying risk driver for other types of risk. Both risks and opportunities are also assessed qualitatively and quantitatively in the short term (next 12 months), medium term (up to 5 years ahead) and long term (more than 5 years ahead). Key risks and opportunities in the Group are identified by assessing, for example:

- Which industries the Group should or should not finance?
- Which objects the Group should or should not finance?
- Which products the Group should or should not offer?
- Which industries are struggling with the transition in Northern Norway
- Which markets and types of securities the Group should or should not be exposed to?
- Real estate portfolio exposure to physical risk
- ESG score for the Group's corporate portfolio during 2023

Climate-related risks and opportunities in material areas for the Group's business conduct are presented in the following.

Scoring ESG risk upon granting credit in the corporate portfolio

The requirements and expectations of regulatory authorities and other stakeholders in relation to the quantification of ESG risk increased in 2023. The Group has a number of important incentives for credit rating corporate customers based on non-financial information as well:

- Stricter requirements concerning precision and level of detail in regulatory reporting.
- Achieving a more precise risk picture of customers.
- Pointing out opportunities and threats in the business strategy based on the current portfolio.
- Accessing green funding.
- Contributing to the green transition in the region.

ESG module

What did the ESG module identify in 2023?

In 2023, the Bank adopted the new ESG module for granting credit in the corporate market. The module's structure and architecture can be briefly summarised as follows:

- Specific physical, transition, corporate social responsibility and governance risk scores for customers
- Inherent industry risk to reflect the fact that industries have different starting points.
- Questions that can contribute to good ranking have a greater weighting in the ESG score, while other questions have a lower weighting.
- 12 different industry-specific modules ensure that the customer's score is based on the relevant industry's specific challenges and opportunities.

The customer's ESG risk should always be assessed when granting credit. This requirement is set out in the Group's policy for credit granting. Risk classification must also be carried out using the ESG module for all corporate customers with exposures in excess of MNOK 5. In 2023, a separate KPI was established to increase the focus on integrating the model into the organisation. In 2023, the module was used to score 375 customers with a total volume of BNOK 18.6. This represents 34 per cent of the total corporate portfolio with loan exposure in excess of MNOK 5. A summary of the results is presented in the table below. This shows that 25 per cent of customers were scored as low risk, 58 per cent as moderate risk and 17 per cent as high risk.

The fisheries and commercial buildings sectors have significant volumes that have been scored using the model and stand out negatively in relation to transition risk. A number of fisheries customers get low scores on questions related to the share of turnover that is Marine

Stewardship Council (MSC) certified and on investments in new vessel technology. As far as commercial buildings were concerned, scores were mainly pulled down by a lack of energy ratings and a lack of environmental certifications.

RESULTS FROM ESG SCORING 2023

SECTOR	NO. OF CUSTOMERS SCORED	VOLUME (MNOK)	AVERAGE SCORE (0-10)
Housing co-operatives	13	197	5.1
Real estate project	33	1 897	5.5
Fisheries	32	2 771	3.6
Aquaculture (marine)	10	2 099	7.3
Land-based farming	1	204	6.4
Industry and others	84	3 214	6.1
Electricity generation (renewables)	4	577	7.1
Agriculture	16	1A	5.6
Machines and construction contractors	21	581	4.7
Commercial real estate	149	4 810	4.5
Shipping	9	1 458	6.5
Transport	3	797	5.5
Total	375	18 605	5.1

OVERALL QUANTIFICATION OF SCORES

RISK LEVEL	NUMBER OF CORPORATE CUSTOMERS	VOLUME (BNOK)	AVERAGE SCORE (0-10)
Low	94	8 124	7.2
Moderate	219	9 302	4.9
High	62	1 179	2.8
Total	375	18 605	5.1

Thanks to the ESG module, the Group is now in the process of achieving a representative sample of customers within some industries. This can in turn be used in the future work on mapping opportunities and threats in the respective sectors. The customers' ESG module scores will also be incorporated into the ESG risk stress testing framework in the upcoming ICAAP process. This could help the Group in its work on, for example:

- Identifying significant concentrations of credit exposure to carbon-related assets.
- Identifying any geographic concentrations of physical risk.
- Identifying which industries the Group needs to intensify its work in relation to in order to contribute to the transition.
- Downgrade any financial security assets with specific ESG risk.
- Identifying the Group's resilience in different ESG scenarios.
- Implementing measures in governing documents in order to manage and transition customers with a particularly high ESG risk.

Further enhancement of the ESG module in 2023

Over the course of the year, the Competence Centre for Credit Models (CCCM) and the SpareBank 1 Alliance made necessary adjustments to the ESG module based on feedback from corporate market advisers and validation of the model. The main changes made in 2023 were as follows:

- Updated all the questions in the module related to social conditions in order to improve its user friendliness in relation to the smallest customers.
- Created Land-based farming and Oil services as separate sector modules.
- Implemented benchmarking functionality internally and across the banks.
- The front-page of the model now has its own interactive dashboard that helps advisers maintain control of their portfolio and validity logic in cases.

Focus on further work in 2024

In 2024, CCCM and the alliance banks will continue to develop new sector modules, as well as adapt and change questions so that the ESG module always has relevant questions and good ranking ability. Furthermore, both internal supporting documents and training programmes for the module will be developed further in the coming year. This should ensure both increased competence in the use of the module and make answering questions in the module as objective as possible.

Loan portfolio

General information

The Group's core business is lending to retail and corporate customers, secured with collateral. The policy for credit granting approved by the Board of Directors states that the Group should not finance businesses or purposes that have a high risk of causing serious environmental harm. This applies to both the retail and corporate markets. The Group's assets can be exposed to loss of value as a result of ESG risk inflicting financial and non-financial loss. This is true of, for example, physical risk due to climate change in the region, as well as transition risk resulting from the transition to a zero emission society through the revised building directive.

Emission-intensive industries

The Group reports financed emissions using PCAF's methodology, as well as Finance Norway's guide for calculating financed emissions (also see the chapter in the annual report on financed emissions). The highest emissions in the portfolio are from the following industries: Agriculture and forestry, Transport and Fisheries and aquaculture. The sectors with the highest carbon intensity are: Agriculture and forestry and Transport. The Group does not provide financing for fossil energy production and therefore has no exposure to that industry. The analysis of financed emissions provides a basis for the Group's preparation of a transition plan towards net zero in 2040. The Group also has relatively low exposure to emission-intensive sectors such as Shipping and Agriculture. This mitigates the risk of direct exposure to emission-intensive sectors.

Residential and commercial real estate

Mortgages and loans to the segment Sale and operation of real estate sector account for the largest proportion of the Group's loan portfolio. As far as climate-related risk assessments are concerned, loans secured by real estate are of particular relevance for the Group. The key climate-risk drivers in relation to real estate in a short, medium and long-term time horizon are considered to be:

- A building's standard, including age, technical standard, energy rating, heating efficiency and environmental certification.
- Geographical location, including in areas particularly vulnerable to rising sea levels, floods and avalanches/slides of some kind.
- Changing preferences among buyers and tenants.

The EU's revised Energy Performance of Buildings Directive (EPBD) was adopted in March 2023 with the aim of improving the energy efficiency of the building stock in the EU. There is considerable uncertainty regarding incorporation of the new building directive into Norwegian law. The Group's risk assessments indicate that overall ESG risk in the residential mortgage portfolio is Low for all ESG risk parameters in the short term, although it increases to Low to moderate in a medium and long-term time perspective. This is due to

expectations of increasing extreme weather events, as well as higher transition risk resulting from the building directive affecting house prices.

In the commercial real estate portfolio, the overall ESG risk is assessed as Low to moderate in the short term, although it increases to Moderate in a medium and long-term perspective. This is due to expectations of increasing extreme weather events and that companies will have to take additional measures to adapt to new demands, new technology or preference changes.

Real estate portfolio’s exposure to physical risk

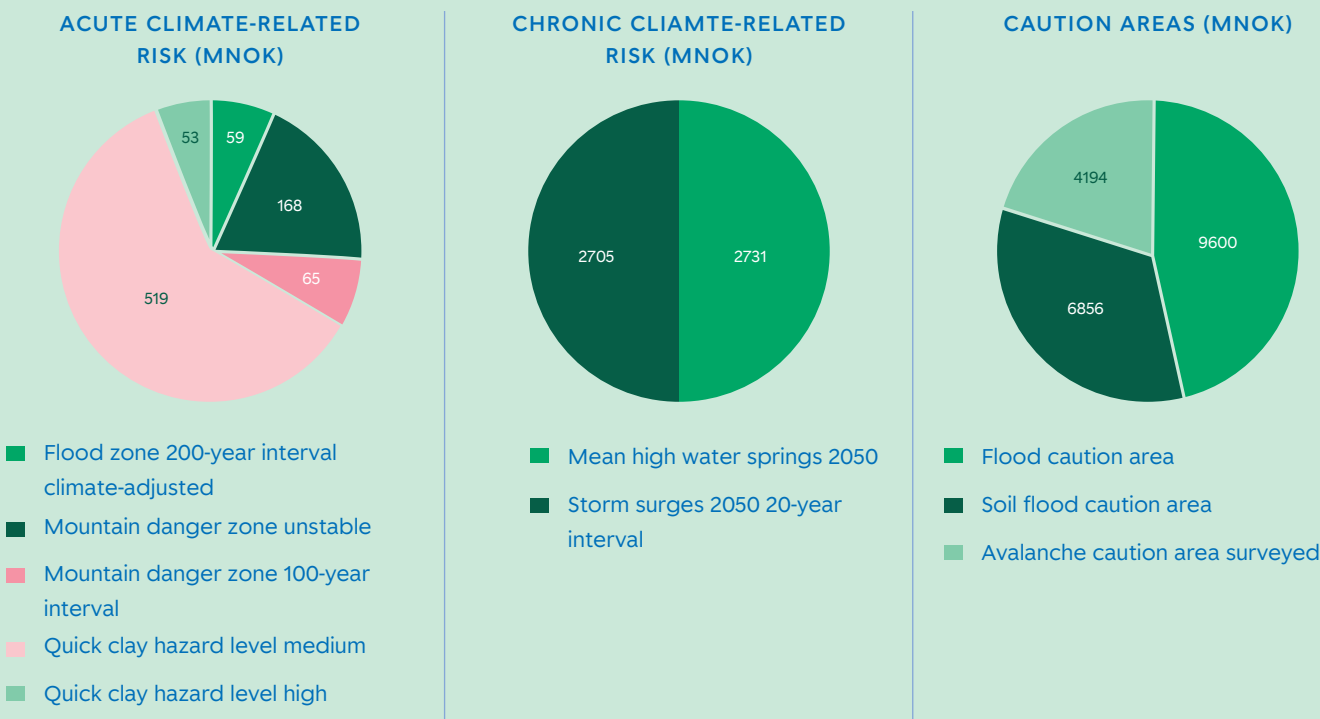
However, good assessments of the Group’s risk exposure from a long-term perspective face challenges in relation to data access and data quality, and uncertainty as regards predicting outcomes in the longer term. Northern Norway is characterised by hilly terrain and coastal communities and is therefore particularly exposed to rising sea levels and storm surges. In 2023, the Group gained access to map data from the Norwegian Water Resources and Energy Directorate (NVE) and Norkart, which Eiendomsverdi has linked to residential and commercial real estate at an object level.

In connection with the risk mapping, the Group has created data points for all mortgage objects with collateral, including real estate transferred to SpareBank 1 Boligkreditt or SpareBank 1 Næringskreditt, with the assigned loan balance and hits at different risk levels and physical risk scenarios. The map layers identify the risk of storm surges, sea level rise, floods, rockslides/mountain slides, as well as quick clay slides. Map data has also been extracted with a link to the Bank’s real estate portfolio that identifies areas of special caution for land flooding and avalanches. The main risk types are further categorised into acute risk and chronic risk. The various map layers and scenarios are explained and described on NVE’s website (“[Om kart og kartlegging](#)”).

([av naturfare - NVE](#)”). Objects may have hits on multiple layers of maps, and some objects may, therefore, be exposed to multiple types of risk.

The analyses show that the Group has low exposure within acute climate-related risk, low to moderate exposure within chronic climate-related risk and moderate exposure within areas of special caution. The objects whose market value could fall as a result of chronic and acute risks will need to be assessed in the future work on climate-related risk. The use of map data in credit granting processes will become a key element of customer advice in order to reduce the risk of stranded assets in the future.

Damage from natural disasters is initially covered by insurance, although in some cases it may be reduced. Buildings that are identified as having higher nature-related risk may also see a large fall in market value. The Group is indirectly exposed to damage from natural disasters through its ownership of SpareBank 1-Gruppen, and directly exposed through falls in market values. The insurance portfolios in Fremtind, which are 65 per cent owned by SpareBank 1-Gruppen, are considered relatively well diversified thanks to a large number of customers and insurance policies being taken out in different geographical areas and in several different products. However, natural disasters are a type of concentration risk in relation to non-life insurance to which Fremtind is exposed. In Norway, this exposure is limited through participation in the Norwegian Natural Perils Pool. The Group has identified balance sheet exposure in the real estate portfolio related to acute climate-related risk, chronic climate-related risk and areas of special caution. The balance sheet exposure for each type of underlying risk is shown in the figure below.



Acute climate-related risk

Acute climate-related risk is the risk of damage or loss as a result of extreme weather events such as storms, floods, landslides and droughts. Such events could be intensified by climate change and have adverse impacts on nature, society and the economy. In order to mitigate acute climate-related risk, it is important to map the vulnerability of different sectors, regions and businesses, and take measures that increase resilience and preparedness. Acute climate-related risk comprises many different types of risk, which have different probabilities of occurring and differing severities of consequences if events do occur.

Analyses of the key map layers within acute physical risk show that the Group's mortgage objects have a combined exposure of MNOK 863 in 2023. This represents just 0.8 per cent of the loan balance sheet for all collateral objects to which the Group has exposure. Geographic exposure to flood zones and quick clay is concentrated on Tromsø and Alta. Danger zones for mountains are located in exposed parts of Nord-Troms.

Chronic climate-related risk

Chronic climate-related risk is the risk of damage or loss resulting from long-term changes in climate, which could impact nature, society and the economy. Higher sea temperatures and melting glaciers increase the risk of rising sea levels along the Norwegian coast, which in turn can threaten coastal areas, islands, cities and infrastructure with flooding, erosion and saltwater penetration.

Analyses of the key map layers within chronic physical risk show that the Group's collateral objects have a combined lending exposure of BNOK 5.4 at the end of 2023. This accounts for 4.7 per cent of the total loan balance sheet for the collateral objects to which the Group has exposure. Geographic exposure is concentrated on Tromsø, Sortland, Alta and several coastal municipalities and islands in Nordland.

Due diligence

Analyses of map layers that have undergone due diligence show that the Group's collateral objects had a combined exposure of BNOK 20.7 in 2023. This accounts for 18 per cent of the loan balance sheet for all collateral objects to which the group has exposure. Map layers that have undergone due diligence indicate that the areas may be exposed to different types of risk, although which level of risk has not been defined. Maps that undergo due diligence are suitable for rough drafts for assessing land-use planning and risk analyses but not for detailed development or flood protection according to NVE.

Ocean industries

Ocean industries constitute the second largest group of industries in the Group's corporate market portfolio.

Ocean industries are crucial for the region with respect to employment, value creation and exports. The Group has identified a number of physical risks with a variety of impacts on the various parts of the value chain. Changed weather conditions and ecosystems, changes in fish health due to higher sea temperatures and potential reductions in areas for wild-caught due to new industries such as offshore wind and ocean aquaculture are considered material risks. Furthermore, potential has been identified within the circular economy, particularly in relation to mitigating nature-related risk in the production of fish feed. Ocean industries will have major investment needs in the future, and the Group has identified opportunities for providing financing and expertise as important tools in contributing to the transition to more climate-friendly operation. It is very positive for both investment and industry earnings that coastal fishing for cod and haddock were MSC certified again at the end of 2023. The Marine Stewardship Council (MSC) mark is an ecolabel for fish and seafood products. The mark guarantees that the product comes from sustainable fishing and could result in increased market value for fisheries.

Electric cars

Norway's goal is, as set out in the National Transport Plan (NTP), for all new cars to be zero emission vehicles from 2025. The Group has identified an opportunity to promote this development through financing cars, and its goal is for the proportion of financed electric cars to at least match the Norwegian authorities' planned development in this area. An additional benefit is expected to be a lower risk of stranded assets due to the reduction in the proportion of fossil fuel cars.

Securities funds

The SpareBank 1 Alliance offers securities funds to customers that are managed by Odin Forvaltning AS. Odin Forvaltning AS is a subsidiary of SpareBank 1 Forvaltning, which is owned by the SpareBank 1 Alliance and the Norwegian Confederation of Trade Unions (LO). The framework for Odin's funds for sustainable investments consists of three parts:

- **Integration:** This means that sustainability is a natural element of analyses, discussions and decisions related to investment choices and fund management.
- **Active ownership:** Odin, through dialogue and using its voting rights at general meetings, encourages companies to improve in the area of sustainability.
- **Exclusion and observation:** Odin opts out of certain companies due to their actions and/or the products and services they offer.

Odin strives to comply with the expectations and requirements set by the various SpareBank 1 banks in terms of corporate social responsibility and sustainability.

Other funds offered on SpareBank 1 Nord-Norge's platform are labelled based on ESG screening performed by a neutral third party (Position Green). For a more detailed description, see 3.5 Sustainable savings products.

Liquidity portfolio

The Group's liquidity management and corporate governance comply with the Group's guidelines on sustainable liquidity management and corporate governance, which state the following goals:

- Integrate ESG risk into investment mandates and liquidity strategy
- Contribute to a greener securities market.
- Integrate climate-related risk into internal stress tests and financial forecasts.

The Group has set targets for the minimum share of capital that should be invested in securities/companies that actively address ESG, including: green bonds, sustainability bonds, blue bonds, social bonds, etc. Qualifying securities must comply with the guidelines published by the International Capital Market Association (ICMA) in the «Green Bond Principles», «Social Bond Principles» and «Sustainability Bond Guidelines» or be marked as EU Green Bond Standard.

Through the Green Finance Framework (GFF), the Group is actively working on qualifying and financing of the Group's documented green balance sheet. The Group also stipulates ESG requirements for companies it invests in, and non-compliance with such requirements results in negative exclusion.

The climate-related risk associated with the Group's financial assets is considered low since they are mainly invested in bonds from Norwegian mortgage credit institutions, as well as the Norwegian state and municipalities. No significant changes in the medium to long term are anticipated in the climate-related risk exposure of the Bank's financial assets.

Own operations

SpareBank 1 Nord-Norge is environmentally certified. This applies to the head office in Tromsø and all the other financial centres in Northern Norway. Furthermore, the Group has set itself an emissions target of cutting its own greenhouse gas emissions by 5 per cent per year from the benchmark year 2016 to 2026. At the end of 2023, the Group's greenhouse gas emissions

had increased by 14 per cent since 2022. The increase was due to more travel activity in 2023. Meanwhile, the overall reduction in own emissions is 55 per cent since measurements started in 2016.

2.1.2.2 Description of the impact of climate-related risks and opportunities on business operations, strategy and financial planning

The Group's strategy, financial planning and operations are impacted by both external and internal factors. Climate-related risk is a key external factor that is taken into account in the preparation of the business strategy, risk strategy, other governing documents and operational activities.

The Group's impact on its surroundings, and the surroundings' impact on the Group, have steered the Group's materiality analysis and strategic sustainability ambitions for the coming years. The Group's sustainability ambitions are operationalised through concrete measures that in turn have an impact on the Group's financial planning, prioritisation of strategic and tactical goals, portfolios of products and services, employees, requirements for suppliers and what it expects of them, operational activities, etc. Furthermore, the regulatory framework conditions are expected to change at pace going forward, which is expected to increase the insights and data within climate-related and nature-related risks in the future. The Group's strategies, and via these the Group's operations, will be adapted to new requirements, expectations and insights.

Loan portfolio

Residential and commercial real estate

The Group has identified challenges related to a low proportion of energy ratings for residential and commercial real estate and poor compliance with energy certification requirements among developers. The lack of energy ratings impacts the Group's ability to provide green financing, classify loans for residential and commercial real estate in line with the Green Financing Framework (GFF), classify homes that are green pursuant to article 8 of the Taxonomy Regulation, estimate the correct risk in the collateral portfolio and incentivise borrowers and property owners to choose green solutions. The Group therefore established a goal of increasing the proportion of energy rated residential and commercial real estate in 2023 and the following year. These goals were operationalised by the Group through amended guidelines and requirements in the governing documents for granting credit. The Bank also took an active approach to the industry, including developers, appraisers and others, given that the lack of energy ratings cannot be solved without their help.

The Group has identified opportunities to contribute to the green transition, and at the same time reduce the climate-related risk in its mortgage portfolio, by offering «green products» to retail customers. The products «green mortgages» (for homes with an energy rating of A or B) and «environmental loans» are important tools for reducing climate-related risk in the mortgage portfolio and incentivising customers to choose environmentally friendly solutions through better pricing. Furthermore, as a general rule, the Group does not finance residential properties that lack an energy certificate, and the Group is cautious about financing residential properties with a poor energy rating. The Bank is cautious about financing homes that is exposed to physical climate-related risk and must refrain from financing objects exposed to high climate-related risk where insurance coverage is not possible.

Within the area of commercial real estate, the Group has established «green business loans» which offer better prices for financing commercial real estate that meets specific criteria for energy ratings, environmental certification and construction year. The «building renovation» corporate loan was introduced as a new green product in 2023 and has been adapted to the requirements of the EU Taxonomy. To qualify, a building must migrate upwards by at least two energy ratings following the renovation work or be able to point to a 30 per cent improvement in energy efficiency. The Group is also cautious when it comes to financing commercial property where an energy rating is either lacking or poor.

Ocean industries

Ocean industries are very important for Northern Norway and thus also for SpareBank 1 Nord-Norge. The industries face both transition risk and physical risk, and as the region's financial services group our product and service portfolio must fit and meet the needs of these industries. This also means that we need to increase advisers' expertise on risks and opportunities in ocean industries. Increasing competence in this area is included, as previously mentioned, as a concrete initiative from the Portfolio Board for Innovation in 2023.

Securities funds

The increasing awareness of both governments and customers is resulting in a clear move towards products that are less of a threat to the environment and society. MiFID II requirements were updated, and the Norwegian Sustainable Finance Act entered into force in 2023. Measures have been taken to meet these requirements and inform customers about sustainability risk considerations before they make investment choices.

Liquidity portfolio

Green frameworks are regularly updated in line with changes in market standards, the Taxonomy and

best practice. Substantial changes are expected in the medium term to the Taxonomy requirements and reporting of the Bank's green balance sheet.

2.1.2.3 Potential impact of different scenarios on business operations, strategy and financial planning, including a 2°C scenario

The Internal Capital Adequacy Assessment Process (ICAAP) assesses the Group's overall risk exposure and capital requirements, including climate-related risk. In 2023, overarching assessments were made of climate-related risk in the Group's loan portfolio for individual sectors, collateral objects and in relation to various scenario projections of sea level rise, storm surges and landslides/avalanches. As previously mentioned, the analyses indicate that the risk is relatively low in the short and medium term but rises somewhat in a long-term perspective.

Stress testing of ESG risk

The SpareBank 1 Alliance, together with CCCM, worked on implementing ESG risk-related stress testing in the existing framework for the IFRS9 model for loan losses. ESG stress testing is designed to identify customers and industries that could, in various ESG scenarios, see an increase in expected loan losses, and thus the customers and industries that the Bank should focus more on in relation to ESG in the future. This will help strengthen the Bank's objective assessments of the impact of climate-related risk on loss provisions in the IFRS 9 model. The methodological approaches and applied scenarios are still in a testing phase and will be refined over the next few years. The model will be used in the preparations for the upcoming ICAAP in 2024.

The model is based on the Network of Central Banks and Supervisors for Greening the Financial System (NGFS), climate research and scenarios. NGFS is a network of central banks and regulatory authorities that are working for a greener financial system. The scenarios developed by NGFS are designed to provide a common starting point for calculating climate-related risk in the financial system. The national level NGFS scenarios selected were as follows:

Base case: The «current policies» scenario assumes that current policies are stuck with, leading to high physical risk because no more ambitious measures are introduced. It entails only current political measures being implemented and can result in challenges related to climate change and subsequent impacts on the environment and society. The scenario also assumes property prices will fall. In this scenario, it is important to

assess the long-term consequences and take appropriate action to mitigate the risk. This scenario assumes a temperature rise of 2.9°C.

Best case: The «best outcome» scenario is similar to the base case, ref. above, but includes no fall in house prices or other collateral assets. In this scenario, a temperature rise of 2.9°C is expected, in line with the base case.

Fragmented world: This scenario assumes that climate policies will diverge and be delayed. Countries with net zero goals will only partially achieve them (80 per cent of the goal), while the other countries will follow current policies. In this scenario, a temperature rise of 2.3°C is expected.

Further adjustments are expected to be made in 2024 to calibrate the NGFS scenarios to the Norwegian macro, as well as a result of any guidance from Finanstilsynet (the Financial Supervisory Authority of Norway) and the European Banking Authority (EBA). The ESG risk stress testing model will also be enhanced with inherent sector risk and customer scores from the ESG model. Customer scores will impact risk parameters at the customer and portfolio level. The Group may use the stress testing results to manage and control ESG risk, ref. the discussion concerning the ESG module above.

2.1.3 RISK MANAGEMENT

2.1.3.1 The institution's processes for identifying, assessing and managing climate-related risks and the integration of these processes into its overall risk management

Climate-related risk must, like other risks to which the Group is exposed, be covered as an integral part of the Group's overall risk management and internal control processes. This means that climate-related risk must be covered as an integral part of all elements of the Group's operations, including key governing documents, processes and systems. Climate-related risk is identified, assessed, managed, monitored and reported in accordance with the Group's internal risk management and internal control policies.

The business strategy and risk strategy constitute the overarching governing documents that determine direction in the Group's governance toolbox. The Group's business strategy sets out the Group's strategic business goals, and the Group's risk strategy sets out the risk the Group is willing to accept («risk appetite») to achieve the strategic business goals. The Group has set the following goals and risk appetite in relation to climate-related risk:

Business strategy:

- Sustainability is one of the four guiding principles for the Group's business strategy.
- «Sustainable business» was one of the three strategic initiatives for 2022-2023.
- «We will implement the green transition in practice» and «We will strengthen our position in ocean industries» were two of the four tactical goals for 2023.

New **tactical goals** for 2024 are described in 1.3 Sustainability goals for 2024.

Risk strategy: The Board of Directors has decided that the Group's risk appetite within ESG is low to moderate. The risk appetite is further operationalised through multiple quantitative measures for climate-related risk, corporate governance risk and corporate social responsibility risk. In the risk strategy for 2024, the area of ESG has been developed further with a particularly increased focus on, and level of ambition for, the real estate, aquaculture and fisheries portfolios. The defined risk appetite in relation to concentration risk within these individual industries is affected by the requirements for ESG scoring, etc. See 2.1.4 Metrics and targets for a more detailed description.

The strategic business goals and risk appetite in the area of climate-related risk are operationalised by the following governing documents:

- **Sustainability ambitions:** See the descriptions in 1.1 Strategy and 1.3 Sustainability goals for 2024.
- **Sustainability policy:** See the descriptions in 1.2 Management of ESG work and 1.3 Sustainability goals for 2024.
- **Code of conduct:** See the [SNN Code of Conduct](#)
- **Granting credit and portfolio management:** The Group's core business is lending, and the policies for granting credit and portfolio management are set out in the governing documents for the retail market and for the corporate market. The Group does not finance purposes or projects that represent a high risk of environmental harm, including fossil fuel based energy generation and must be cautious with respect to financing homes that lack or have a poor energy rating (for further details see above). Furthermore, there are industry-related requirements for climate-related risk assessments.
- **Liquidity management:** ESG considerations in relation to financing are set out in the liquidity risk policy. The goal is to increase the proportion of green financing. Furthermore, additional targets and requirements for the area have been operationalised through [guidelines for corporate social responsibility and sustainability in liquidity management].

Climate-related risk is identified and assessed at different levels, and as part of various risk management and internal control processes:

- **Double materiality assessment:** See the description of the materiality analysis in 1.4 Materiality analysis – revised in 2023.
- **EU Taxonomy:** See 3.4 EU Taxonomy.
- **Green Product Framework (GPF):** The Green Product Framework allows the Group to identify the green commitments that are already on the Group's balance sheet and also highlights new commitments that could meet the requirements. Standardised products have been established that meet the framework's requirements for loans.
- **Green Financing Framework (GFF):** The Green Financing Framework enables the Group to utilise green assets.
- **ICAAP:** The Internal Capital Adequacy Assessment Process (ICAAP) assesses the Group's overall risk exposure and capital requirements. This includes future capital requirements for climate-related risk. The Group's climate-related risk exposure is assessed based on climate scenarios for various industries and locations, as well as the climate-related risk in significant industries in the loan portfolio and in the Group's collateral portfolio.
- **Risk strategy:** As part of determining the Group's risk appetite, analyses and assessments are conducted of all material risks, including climate-related risk. The analyses are generally conducted based on short, medium and long time horizons.
- **Risk assessments:** In line with the Group's risk assessment framework, all material decisions, including strategic decisions, investment decisions, product development, etc., must be risk assessed such that all relevant risks are identified, assessed and managed. The risk areas that must be assessed include both initiative-independent and dependent areas. ESG risk, including an explicit assessment of climate-related risk, is included in the mandatory initiative-independent assessment.
- **Continuous monitoring and reporting:** Reports are regularly submitted to the Board of Directors and Group Management that explicitly assess the Group's exposure to, and management of, climate-related risk. See 2.1.1 Management above for a more detailed description of what the various reports focus on.

2.1.4 METRICS AND TARGETS

2.1.4.1 Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.

Climate-related threats and opportunities are assessed at different levels and through different processes across the Group, see 2.1.3 Risk management.

2.1.4.2 Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.

In its climate report, the Group reports on Scope 1, Scope 2 and Scope 3 greenhouse gas emissions from our operations. The Group reports on emissions in line with the GHG Protocol. See 2.2 Carbon emissions in own operations and financing.

2.1.4.3 Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.

As mentioned above, the Group has identified a number of climate-related risks and opportunities, and has adapted its business strategy, risk strategy and other relevant governing documents to address these factors. Furthermore, this has been operationalised through the sustainability ambitions and specific targets related to the most material areas.

The risk strategy and liquidity risk policy for 2023 established the following climate-related risk measures:

- Proportion of energy rated residential real estate
- Proportion of energy rated commercial real estate
- Proportion of eligible loans under the Green Financing Framework (GFF)
- Proportion of financed first-time registered electric cars
- Proportion of the corporate portfolio scored in the ESG module
- Proportion of the liquidity portfolio allocated to securities that actively address ESG

The risk strategy for 2024 expands on this with further climate-related risk targets concerning:

- Proportion of positive migration within the best energy ratings
- ESG requirements for parts of concentration risk limits for individual industries

2.2 Carbon emissions in own operations and financing

SpareBank 1 Nord-Norge's ambitions in the area of sustainability require the Group to have a good overview of the emissions it is responsible for in its own operations and through financing. High emissions are associated with adverse impacts on the climate and also result in higher transition risk for both the Bank and customers in the green transition. This year, the Group is reporting in line with the GHG Protocol on Scope 1, Scope 2 and Scope 3 emissions, including financed emissions in the loan portfolio.

What was achieved in 2023?

SpareBank 1 Nord-Norge reported estimated emissions in the loan portfolio for the first time in 2021. In the past year, the Group has focused on improving the quality of this reporting and covering a larger proportion of the loan portfolio. Financed emissions account for more than 99 per cent of the Group's total emissions and are therefore an essential factor for the Group's ambition concerning net zero in 2040. The Group has also approved its first transition plan for net zero with milestones in the periods up to 2030 and 2040. The plan is based on the methods of the Science Based Targets Initiative (SBTi). This is to ensure the transition plan is in line with the ambitions of the Paris Agreement. The transition plan has not been evaluated by SBTi. Consideration will be given to doing this in 2024.

2.2.1 FINANCED EMISSIONS

The analysis of financed emissions for 2023 includes emission calculations for retail market housing. There has also been a focus on improving the quality of reporting on financed emissions within commercial real estate, agriculture and aquaculture. The analysis is based on the methodology of the Partnership for Carbon Accounting Financials (PCAF) as well as Finance Norway's guide to calculating financed emissions. The new guide from Finance Norway provides supplementary methods to the PCAF standard that are more specifically targeted at Norwegian actors.

2.2.1.1 Method for calculating emissions

Emissions are calculated based on available data and corresponding methods in the PCAF standard for calculating financed emissions. The analysis uses emissions data combined with loan balances, public accounting figures and EVIC¹ to estimate the financed CO₂ emissions per industry. Where self-reported emissions from customers are available, these are also included in the analysis.

PCAF's methodology is based on the quality of the data available. Data quality is scored from 1 to 5, where a score of 1 is for the highest quality data and 5 is for the lowest. A data quality score of 1 corresponds to an institution's actual, certified climate report. A non-certified climate report corresponds to a data quality score of 2. A data quality score of 3 is for calculations based on activity factors, such as the number of animals on a farm. A data quality score of 4 or 5 is used for data based on industry average emissions, i.e. a template approach. The table below shows the data quality used as a basis for calculations for the various industries.

PCAF's method is based on a company being financed by either equity or foreign capital. The degree of emissions accruing to each individual actor is its proportion of the company's total financing. The PCAF standard specifies a number of data sources and methods for calculating financed emissions. Reinforcing the analysis with better data and methods is key to understanding the impacts and risks associated with the Group's lending activities. A robust emission analysis is an important tool for reporting, calculating risk, correct pricing and management aimed at achieving the Group's ambition of net zero in the loan portfolio by 2040. A more detailed description of the method for calculating financed emissions can be found in the Group's plan for net zero by 2040.

¹ EVIC: company value including cash

ESTIMATED CARBON EMISSIONS FROM THE CORPORATE PORTFOLIO							
INDUSTRY	DATA QUALITY	LENDING	SCOPE 1	SCOPE 2	SCOPE 3	TOTAL	INTENSITY (SCOPE 1+2)
Real estate	4.22	16.784.304.321	3.364	3.845	24.106	31.315	0.43
Financial institutions, insurance and investment firms	4.08	10.419.661.022	866	514	4.546	5.926	0.13
Fisheries and aquaculture	4.14	9.901.514.567	221.678	47.134	172.476	441.289	27.15
Manufacturing	4.03	1.649.515.236	33.772	8.734	67.359	109.866	25.77
Agriculture and forestry	4.88	105.512.160	21.527	938	5.443	27.908	212.91
Agriculture	3.00	1.258.830.057	-	-	-	64.949	51.59
Power and water supply, building and construction	4.07	3.074.591.870	14.210	1.427	44.962	60.599	5.09
Public administration	5.00	379.554.709	230	71	1.735	2.036	0.79
Service providers	4.53	3.029.029.153	5.696	2.453	29.604	37.752	2.69
Transport	4.23	2.415.531.608	58.343	1.246	75.173	134.762	24.67
VWholesale and retail trade, hotels and restaurants	4.29	1.998.285.932	10.895	5.185	45.313	61.393	8.05
Residential (RM)	3.10	45.007.055.317	-	7.258	-	7.258	0.16
Total	3.66	96.023.385.953	370.580	78.804	470.719	985.053	4.68

Provisos for this analysis:

- The quality of financed emissions calculations varies greatly based on the methods and available data.
- A company's assigned industry code may not always describe the actual activities of the company.
- Adequate public accounting figures are not available for all companies/industries.
- This analysis cannot be compared with previous analyses of financed emissions as the methods have changed.
- The accounting data used is for company accounts from the Brønnøysund Register Centre.
- Where it has been possible to distinguish between a market-based and a location-based electricity mix, we have used a location-based factor for CO₂e per kWh.

SpareBank 1 Nord-Norge's net zero plan has been based on the Science Based Targets Initiative's methods and recommendations on setting emission reduction pathways towards zero emissions. This was done to ensure that the net zero reduction targets are in line with the Paris Agreement. The methodology is

based on how emissions cuts must be made already in the period up to 2030. A more detailed description of the Group's transition plan is available in SpareBank 1 Nord-Norge's net zero emissions plan 2040 in the [sustainability library at snn.no](https://snn.no/sustainability-library).

2.2.1.2 Industry emissions

Retail market portfolio – residential

2023 is the first year for which the Group has calculated emissions for the residential portfolio. This resulted in a major improvement in calculated financed emissions since large parts of SpareBank 1 Nord-Norge's portfolio consist of retail market mortgages, and these constitute the largest class of assets in the portfolio. The emissions are estimated at 7 258 tCO₂e with an intensity of 3.77 kgCO₂e per m². The Group will strive to ensure that emissions develop in line with the zero emission plan.

Financed emissions, market-based [tCO ₂ e]	191 774
Financed emissions, location-based [tCO ₂ e]	7 258
Carbon intensity [tCO ₂ e/MNOK]	0.16
Carbon intensity [kgCO ₂ e/M ²]	3.77

The table shows financed emissions based on both a market-based and a location-based electricity mix. Reporting using the location-based mix is standard. This is also used as the basis for emission intensities.

Corporate market

The PCAF database was updated with new emissions factors in 2023. This resulted in significant changes in the Group's financed emissions. It is important to note that this difference in emissions was driven by changes in the database and not by the portfolio's composition.

Agriculture and forestry, including the column for agriculture, are among the most carbon-intensive industries in the portfolio with total emissions in Scope 1 and Scope 2 of 87 413 tCO₂e. The table distinguishes between "Agriculture" and "Agriculture and forestry". The "Agriculture" column shows financed emissions from active agricultural customers, calculated using input factors that score PCAF data quality 3. Customers in the "Agriculture and forestry" category are those calculated using data with a data quality score of 4 or 5. This is described in detail in the net zero emissions plan.

"Fisheries and aquaculture" is the category with the highest emissions in this year's analysis, with emissions of 268 812 tCO₂e in Scope 1 and Scope 2. This is a marked increase compared with 52 139 tCO₂e in 2022. While the Group has increased its lending volume to "Fisheries and aquaculture", the change in emissions was driven by the updating of PCAF's database of emission factors in 2023.

2.2.2 EMISSIONS FROM OWN OPERATIONS

SpareBank 1 Nord-Norge has reported emissions from its own operations since 2016. Reporting is based on emissions distributed by three scopes:

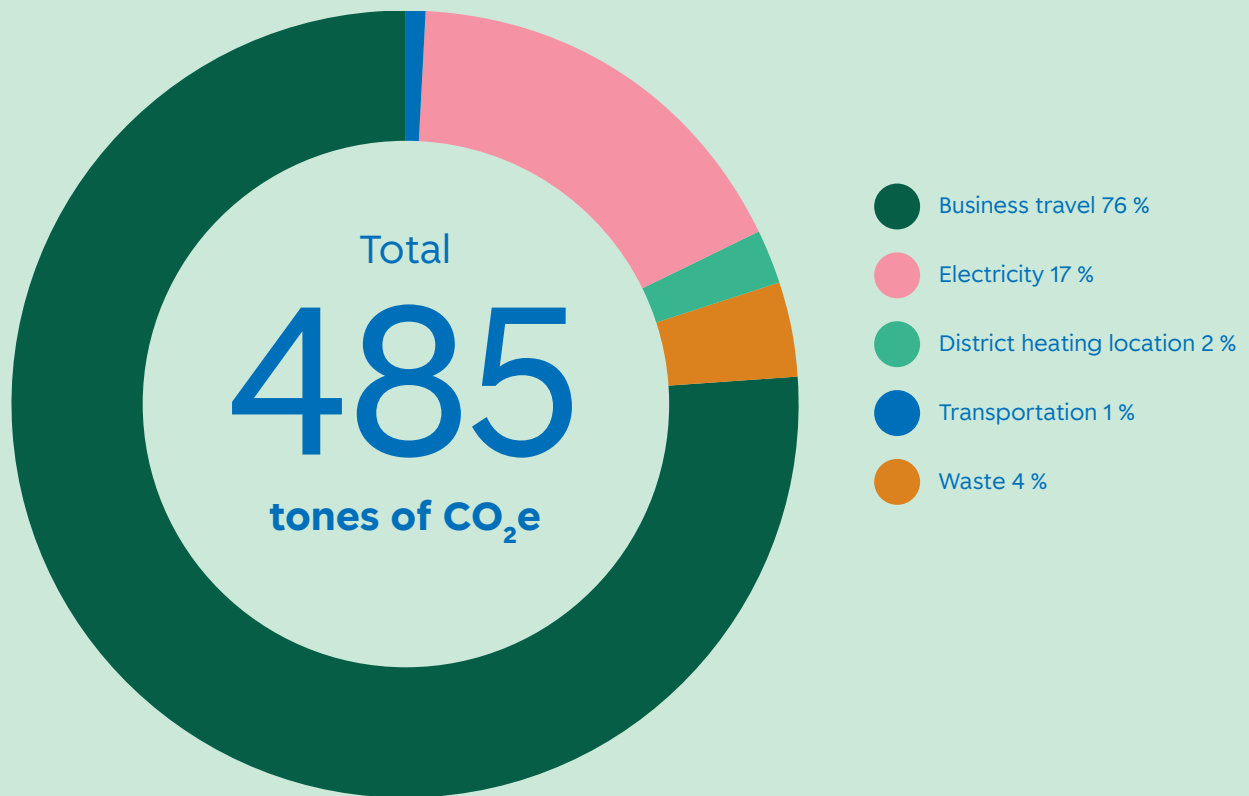
- Scope 1: Transport in the form of three company cars shared between Bodø and Tromsø
- Scope 2: Electricity and district heating consumed in buildings we own and lease
- Scope 3: Flights, mileage allowances and waste

In 2023, SpareBank 1 Nord-Norge generated total greenhouse gas emissions of 484.8 tCO₂e. This is an increase of 59.4 tCO₂e, equivalent to 14 per cent, compared with 2022. One important reason for the increase in emissions was an increase in the business travel category, which has risen by 15.2 per cent since the year before.

For further information, see the table below and the full climate report in Appendix 3. In the work on the transition plan for net zero, a new target for cuts in emissions has been set in line with science based targets. The reporting and follow-up of cuts in emissions in our own operations will be developed further in 2024.

CATEGORY	UNIT	2023
Scope 1 total	tCO ₂ e	4.6
Scope 2 total with location-based electricity calculations	tCO ₂ e	92.8
Scope 2 total with market-based electricity calculations	tCO ₂ e	11.4
Scopes 1+2+3 total with location-based electricity calculations	tCO ₂ e	484.8
Scopes 1+2+3 total with market-based electricity calculations	tCO ₂ e	403.3

An incorrect total was reported for Scope 3 emissions in the climate report for 2022. The reported figure was: 289 700. The error was due to a manual typo. The correct consumption was 2 979 693. This has been corrected in the new climate report published in the sustainability library at snn.no.



MATERIAL TOPIC

3. Green transition

GOAL: NET ZERO BY 2040 IN THE LOAN PORTFOLIO

Why is this material for SpareBank 1 Nord-Norge?

SpareBank 1 Nord-Norge has a significant role to play in the green transition. The financial services industry has been called a critical success factor for the EU's policy of becoming a climate neutral continent by 2050. A series of measures have thus been adopted to steer the financial services market and capital in a greener direction, while contributing to a fair transition. These particularly include the EU Taxonomy and the new Corporate Sustainability Reporting Directive (CSRD). SpareBank 1 Nord-Norge is a savings bank that has existed in the region for 187 years, and thus also has a considerable responsibility to help the region understand the changes that are coming and to transition its activities in time. The aim is both to slow down the climate change the world is facing and contribute to the region's continued competitiveness. The Group has significant impacts, and requirements stipulated in connection with lending may contribute to a faster green transition. At the same time, requirements that are too hard to meet could result in some parts of the region being unable to keep up with the transition. In 2022, the Knowledge Bank highlighted this through its article: ("[The green transition, only for the rich?](#)"). Setting transition demands that are too hard may be challenging for customers with older housing stock in the district and challenge both personal and corporate finances in what are [expensive times for many](#).

Risks and opportunities

The surveys conducted, including through SpareBank 1 Nord-Norge's Expectations Barometer, suggest that the business sector in Northern Norway urgently needs

to speed up its transition. The business sector has not taken sufficient account of how climate-related risk will impact it, and this poses a risk to both the business sector and SpareBank 1 Nord-Norge. Ultimately, it could result in the Group ending up with assets in its portfolio that cannot be traded in the future, or that lose value due to, for example, changing market preferences and new climate regulations that bring with them new investment needs. In the long term, if measures are not implemented, this may weaken economic growth in the region and thus also the Group's operations. New requirements related to reporting and the EU Taxonomy are also a risk for the SpareBank 1 Nord-Norge Group since the requirements are comprehensive and demanding for a bank to implement. Proper reporting on the Taxonomy and credible transition plans is important if the Group is to continue to attract competitive capital.

This risk also presents opportunities for the Group through contributing to the green transition stipulating requirements for customers, offering competitive capital and using the Group's social role to have positive impacts. This is the background for the Group's ambitions in this area.

Actions

The Group has implemented a number of measures designed to manage both positive and adverse impacts stemming from the green transition. See also 2.1 Climate-related risk and nature-related risk (TCFD), which describes actions and goal attainment in more detail.

Stakeholder management:

In the financing process, all customers wanting loans in excess of MNOK 5 will need to provide detailed information about their own transition plans. This will also be a topic in the dialogue with investors and the capital markets. Furthermore, the green transition will be an extensive topic in the social dialogue SpareBank 1 Nord-Norge has via, among others, the Knowledge Bank, Agenda Nord-Norge and other conferences in which SpareBank 1 Nord-Norge is involved. It is also an important internal topic for the Group's employees, Board of Directors and Supervisory Board.

Evaluation

The Group's strategy will be adapted to the changes due to new requirements, expectations and insights related to the green transition in the years to come. The most important evaluation tool is a component of the ESG module in which corporate customers are screened in relation to transition plans. Policy documents in the area are revised annually and new ESG requirements are incorporated. Furthermore, the analysis of financed emissions and the Group's net zero plan are key tools for evaluating its own impact on the material topics: Green transition and Climate change. Several specialist units in the Group are responsible for the material topic "Green transition". Reporting to Group Management takes place via several different processes from, among others, Corporate Banking, Retail Banking, Treasury, Samfunnsløftet and Credit and Risk Management.

How the material topic is managed

<p>Policies and guidelines:</p> <ul style="list-style-type: none"> • The risk strategy (ESG targets) and business strategy (overarching ESG ambition level) • Policy for market risk • Policy for liquidity risk • Policy for ownership risk • Capital policy • Credit policy • Standard for sustainable finance • Sustainability policy 	<p>Disclosures:</p> <p>GRI 2-12, 2-14, 3-3, 404-2</p> <p>SNN 2, SNN 3, SNN 4</p> <p>ESRS 2 SBM-3</p> <p>ESRS E1-2, E1-3, E1-4</p> <p>Link to SDGs: 13, 14</p>
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3.1 Green transition – corporate market

Responsible financing and ESG assessments in the financing process are the most important tools the Group has for incentivising the corporate market with respect to the green transition. This includes areas where the Group is exposed to climate-related risk as well as other ESG risks, such as breaches of labour and human rights and compliance with the Transparency Act, as well as financial crime and poor corporate governance. The questions asked in ESG assessments affect the customer's risk profile and are an integral part of the customer dialogue and financing process.

What was achieved in 2023?

SpareBank 1 Nord-Norge saw solid growth in the corporate market in 2023 with lending growth of 15.5 per cent. The Group has particularly focused on strength-

ening its position in ocean industries. In the corporate market, ocean industries now account for 35.3 per cent compared with 32.9 per cent in 2022. 42 per cent of newly established limited companies (AS) in the region in 2023 chose SpareBank 1 Nord-Norge as their bank.

One important priority in 2023 was to refine the ESG module and the procedure for its use in the customer dialogue with the corporate market. This is designed to support advisers in their dialogue with the customer and gather the data needed for assessing risk and reporting on the area. In 2023, 375 customers with a total volume of BNOK 18.6 were screened in the ESG module. This represents 34 per cent of the relevant corporate market portfolio with loan exposure in excess of MNOK 5.

3.2 Green transition – retail market

One important priority in 2023 was the work on improving data quality in ESG in terms of the housing and real estate stock. In [its 2022 financial stability report](#), Norges Bank points out that only 22 per cent of Norwegian commercial properties have registered energy certificates. Analyses SpareBank 1 Nord-Norge has conducted of its own portfolio show that the energy rating of private homes is equally poor. This is despite the fact that the Energy Rating Regulation from 2010 stipulate requirements for an energy certificate both when new homes are completed and when homes are sold.

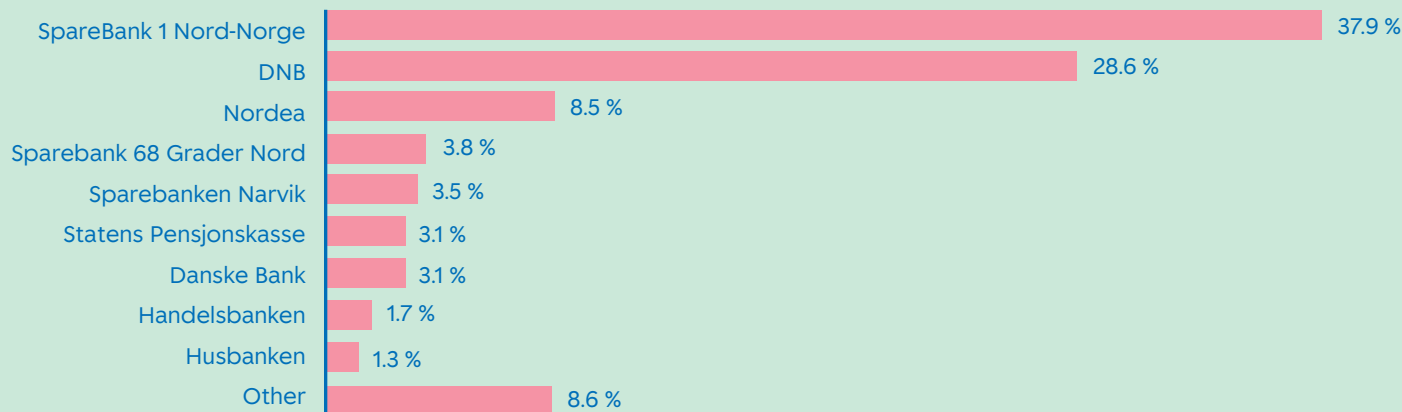
The lack of energy ratings for Norwegian buildings is a challenge that is slowing down the green transition of the building stock because it must be possible to document energy improvements in buildings properly. It also poses a direct risk for customers who have an incorrect energy rating or lack of information about their property, which in turn may have an impact on

leasing and sale. For the Group, there is also the risk that its overview of the energy ratings in its portfolios is incorrect. Documented energy certificates are also required for banks' facilitation of green products and for reporting on the EU Taxonomy. In 2023, SpareBank 1 Nord-Norge prioritised highlighting this in its dialogue with customers and other stakeholders such as Finance Norway, Husbanken, NVE, ENOVA, Huseierne, NEAK and Norsk Takst. The aim was to comply with the Energy Rating Regulation throughout the industry. SpareBank 1 Nord-Norge's risk strategy includes targets that are designed to increase the number of buildings with an approved energy certificate in SpareBank 1 Nord-Norge's portfolios.

What was achieved in 2023?

In 2023, Retail Banking saw lending growth of 3.8 per cent. Its market share of mortgaged homes in its primary market area was 31.1 per cent at the end of December.

Market shares on mortgage loans in Northern Norway excluding Helgeland at the end of 2023



One of the means in the green transition is green loans. These are loans that are linked to an energy rating and loans for environmentally-friendly and energy-saving measures in new and old homes, holiday homes, cottages and commercial properties. The loans provide customers with a favourable interest rate, whether they are building a new home, renovating a home or simply switching to energy sources that have less environmental impact. Green loans have been developed based on the Group's Green Financing Framework, which has been verified by a third party.

- Green corporate loans: 56 granted
- Green mortgages: 1136 granted
- Green first home mortgages: 299 granted
- Green flexi loans: 151 granted

SpareBank 1 Nord-Norge also offers its own loan products with a social profile in both the corporate and retail markets. These are products that facilitate equal opportunities at different economic levels and represent part of the positive impact that the Group can have in the retail market. Some of the social products have been developed in collaboration with LOfavør.

Social products

Products that help young borrowers get on the property ladder:

- Mortgages for young borrowers: 2 188 granted
- First home mortgages: 1 986 granted
- LOfavør mortgages for young borrowers: 3 293 granted
- LOfavør first home loans: 1 968 granted
- Green first home mortgages: 299 granted

Growth loans and growth credits are aimed at innovative or rapidly growing businesses that are creditworthy but lack collateral:

- Growth loans: 6 granted
- Growth credit: 6 granted

State-guaranteed liquidity loans for Covid-19 were launched as a result of the pandemic. The aim was to strengthen the access of small and medium-sized enterprises to liquidity by the state offering risk mitigation for financial institutions via a temporary guarantee scheme.

- Liquidity loans: 84 granted

SpareBank 1 Nord-Norge also offers the loan product LOfavør Forskudd Lønnsgaranti, which can be granted at mortgage rates to customers awaiting payments from the wage guarantee scheme if the company they work for has declared bankruptcy. LOfavør konfliktlån are also offered and can be granted at mortgage rates to customers who end up in long-term employment disputes in connection with trade union wage negotiations.

3.3 Green borrowing and lending

One of SpareBank 1 Nord-Norge's goals for many years has been to contribute to a greener securities market, both nationally and internationally. The Group believes that green financial instruments are an effective means of channelling investment into projects that have demonstrably positive climate impacts and thus help to achieve the SDGs. The Group has been building up a green portfolio based on green frameworks since 2020 and is actively working on qualifying and financing

the Bank's documented green balance sheet. In 2023, the Group worked on a new framework that will be launched in 1Q24. The framework's criteria will to the extent possible match the «Green Bond Principles», «Green Loan Principles», «Guidance on Bonds to Finance the Sustainable Blue Economy» and the EU Taxonomy Delegated Acts (as at June 2023).

Status of green borrowing and lending 2023

GREEN LOANS IN LINE WITH THE GREEN FRAMEWORKS (MNOK)	31.12.2023	31.12.2022
Green homes	7 789	6 786
Green commercial buildings	1 408	3 188
Renewables	1 610	1 325
Clean transport	1 090	936
Sustainable management of natural resources and land use	5 639	3 654
Green homes in SpareBank 1 Boligkreditt	7 773	6 302
GREEN LOANS IN LINE WITH THE GREEN FRAMEWORKS (MNOK)		
Own debt issued, e.g. subordinated loans and hybrid Tier 1 instruments	20.514	20.411
Own green borrowing issued	5.395	3.644
Share of covered bond funding in SpareBank 1 Boligkreditt	44.521	39.449
Share of green covered bond funding in SpareBank 1 Boligkreditt	6.357	4.719

Covered bonds = covered bonds with preferential rights

3.4 EU Taxonomy

The EU Taxonomy is a classification system for defining which economic activities are sustainable based on the EU's six environmental objectives. It represents the very foundation of EU climate policy via the Green Deal. The Disclosure Regulation and Taxonomy Regulation entered into force on 01.01.2023.

SpareBank 1 Nord-Norge is for 2023 reporting in line with the EU Taxonomy for the first time because of how large a proportion of the portfolio is covered by the Taxonomy's criteria.

The reporting has been developed based on the reporting template in Annex VI – Taxonomy Form.

The Taxonomy in brief

The EU Taxonomy is a framework for defining which economic activities are sustainable based on the EU's six environmental objectives. It is designed to increase transparency in the market and help move capital in a more sustainable direction. Nine sectors are currently covered by the Taxonomy. This reporting requirement has been introduced step-by-step in the EU, where initially one reported on how much of the financial operator's activities were covered by the Taxonomy (Taxonomy-eligible). From 2023, financial institutions must report on how much of their business is compliant with the Taxonomy (Taxonomy-aligned).

The financial services industry is expected to present Taxonomy-related information as a green asset ratio (GAR). The reporting obligation under the Taxonomy Regulation applies in the first instance to all banks and insurance companies, as well as listed companies with more than 500 employees and that are considered large enterprises under the EU Accounting Directive. For the 2023 accounting year, the criteria for defining an enterprise as large is that the enterprise has a total balance sheet of more than MNOK 157.12 (MEUR 20) or the enterprise has sales income or more than MNOK 324.24 (MEUR 40). The threshold values are calculated based on the consolidated enterprises' balance sheet and sales income. Amendments to the Accounting Directive have been adopted in the EU with the result that the reporting obligation under the Taxonomy Regulation has been extended to apply to more enterprises. These changes will take effect from the 2024 accounting year when NFRD is replaced by the CSRD.

Covered by the Taxonomy

SpareBank 1 Nord-Norge must disclose what is covered by the Taxonomy on the basis of regulatory consolidation in accordance with Regulation (EU) No 575/2013 (2), chapter 2. As at 31.12.23, the Group has BNOK 91.2 (72.7

per cent) in exposure to economic activities covered by the Taxonomy. The exposure consists of exposure to households with mortgages and electric vehicles. Electric vehicles comply with the requirement for a «substantial contribution» but do not comply with the «do no significant harm» (DNSH) requirement because of pollution from car tyres.

Taxonomy-aligned portfolio 2023

From the reporting year 2023 onwards, the Group must also disclose its GAR. This is designed to disclose the proportion of the Group's assets that meet the Taxonomy's criteria for environmentally sustainable activities (Taxonomy-aligned). The criteria for being Taxonomy-aligned are as follows:

- The customer's economic activity makes a substantial contribution to at least one of the Taxonomy's six environmental objectives.
- The customer's economic activity does no significant harm (DNSH) to any of the other environmental objectives.
- The customer's financial activities meet the minimum social and governance (minimum safeguards) requirements.

The need for detailed customer data makes reporting complex, and the Group must strive to collect even more detailed information about our customers in the coming reporting year. In 2023, we worked on collecting information about energy ratings, emissions and physical risk in the property portfolio. In 2024, this data capture will continue so we can report in line with the stricter reporting requirements of the Taxonomy Regulation, which will increase until 2026, given the current for implementation schedule.

As at 31.12.23, the reporting date, the Group had identified MNOK 5.56 that Taxonomy-aligned with the environmental objective «climate change mitigation». The Taxonomy-aligned volume accounts for 6.1 per cent of Taxonomy-eligible sectors, and 3.1 per cent of the total GAR. In 2023, the Group is only reporting on Taxonomy-aligned activities related to the mortgage portfolio. The Group has identified three customers covered by the reporting obligation in the Non-Financial Reporting Directive, although none of these customers have industry codes in Taxonomy-eligible sectors.

As far as the mortgage portfolio is concerned, the Taxonomy distinguishes between homes built before 2021 and homes built from 2021 onwards. The following calculation methods were used:

- For homes from 2021 onwards, the home must be a nearly zero-emission building (NZEB) – 10 per cent. NZEBs are identified using the methodology developed by Multiconsult, where the energy rating scheme includes technical equipment in the calculation of kWh per m². Only homes with official energy ratings were included in the calculation.
- For homes built in 2020 or earlier, the home must have an energy rating of A or be among the top 15 per cent most energy efficient homes in Norway. The Group has used NVE's proposed threshold values in its identification of the top 15 per cent most energy efficient buildings in Norway.

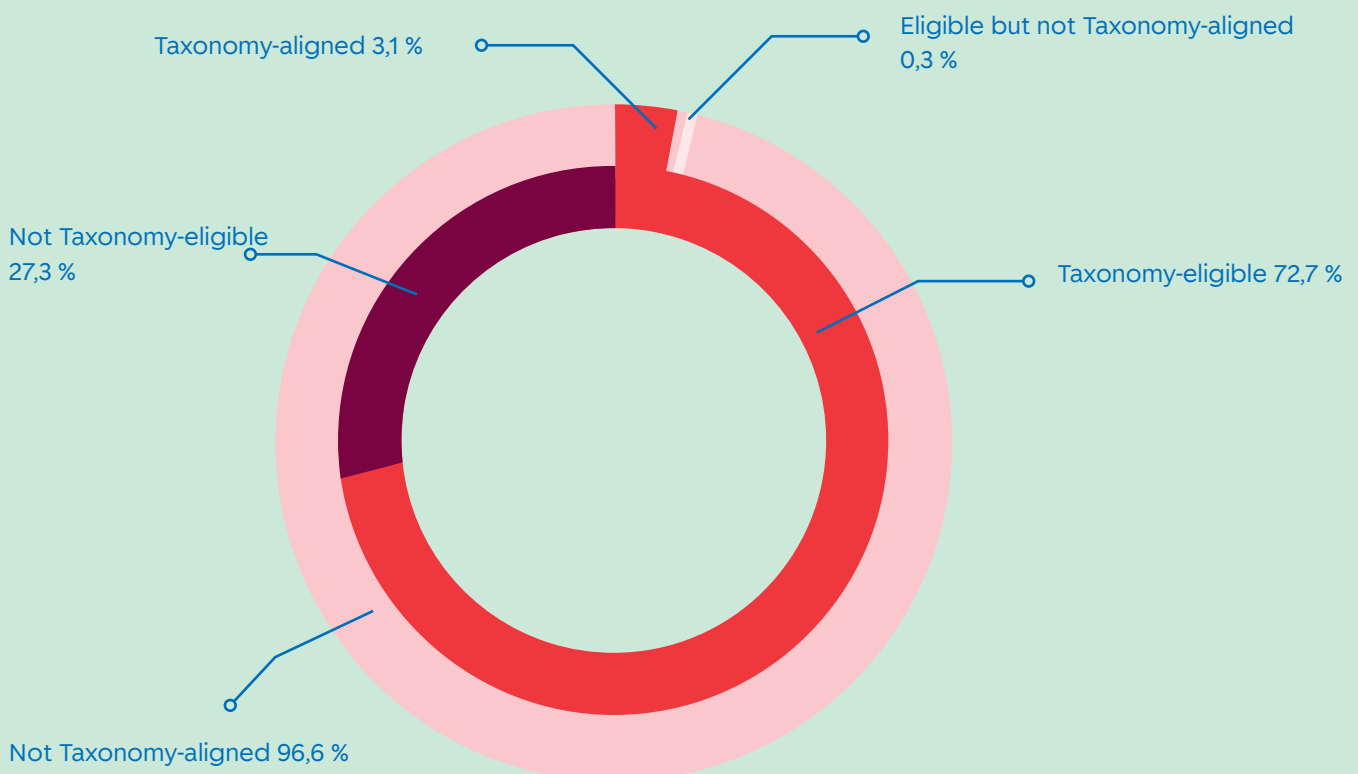
In addition to one for the environmental objective «climate change adaptation», households must also conduct an assessment in relation to DNSH. The Group has identified the physical climate-related risks relevant to the activity using map data from NVE and

Norkart, which has been further linked to the mortgage portfolio at an object level. The Group has used a conservative assessment in which all collateral objects that face one of the following physical risks will be excluded from the reporting of Taxonomy-aligned:

- Sea level rise
- Storm surge
- Flood zone
- Avalanche/landslide
- Mountain/rockslide
- Quick clay

Based on the physical risk results, the Group has excluded MNOK 386 from the reporting on Taxonomy-aligned homes as at 31.12.23. Detailed information about the Bank's reporting in line with the Taxonomy Regulation Annex VI – KPI can be found in Appendix 4.

GAR (Green assets ratio)



3.5 Sustainable savings products

SpareBank 1 Nord-Norge wants to make life easier for customers and give them savings products with the profile they want in terms of both returns and other important factors that are important for customers and society, like ESG. The guidelines for the responsible distribution of securities funds define what is encouraged, expected and required from the managers of securities funds distributed by SpareBank 1. If a manager breaches the requirements and does not change their practices after a dialogue with SpareBank 1, distribution of the securities fund in question will be stopped.

In addition to this, a separate labelling scheme has been developed that will make it easy for customers to orient themselves in relation to a securities fund's ESG profile using the letter codes A-F. To achieve a good ESG score, the funds in question are expected to be active owners and exclude companies and sectors in order to ensure more sustainable development for the company in isolation, but also for society and the environment.

What was achieved in 2023?

As a result of a major ongoing revision process for the labelling scheme in the second half of 2023, the process of obtaining new ESG information from managers for 2023 was postponed. In the future, SpareBank 1 will rely on reporting in line with the Sustainable Finance Disclosure Regulation (SFDR) to a greater extent when making adjustments to the labelling scheme. The new labelling scheme is expected to be phased in during the first half of 2024.

The table below shows the distribution of the grades for 2023 in the labelling scheme. Only one change in grade was made for the funds distributed in 2022. During the year, 10 new funds were included for distribution: four of which scored a grade A and six a grade B. Fund scoring updated annually* The table below shows the distribution of grades.

ESC SCORE	2023	NEW FUNDS 2023
A	12	4
B	178	6
C	17	0
D	4	0
E	0	0
F	1	0
Total	212	
Better score	0	
Worse score	1	
Same score	201	

The vast majority of the securities funds score a grade B. These are securities funds that take an approach to environmental and social conditions that aligns with SpareBank 1's expectations for good ESG funds.

To score a grade A, in addition to meeting all expectations, the fund must be classified as an article 9 fund under the SFDR. These are funds that specifically state that their purpose is sustainability. There has been criticism that too many securities funds have classified themselves too highly under the SFDR, and several securities funds previously classified as article 9 funds have downgraded themselves to article 8 funds. In the revision of the labelling scheme, it is expected that the concentration of B scoring mutual securities will be lower.

In 2023, the proportion of securities funds that state sustainability as their purpose has been expanded (table above). This is partly due to greater customer demand for sustainable funds.

All of the managers of securities distributed by SpareBank 1 state that they have signed the UN Principles for Responsible Investment (PRI) and report on their compliance.

3.6 ESG data and technology

Improved data quality and ESG data availability are a key tool both for the Group's sustainability ambitions and for good risk management and control. New requirements are being stipulated for more accurate reporting on sustainable results, both for the financial services industry and for its customers. The lack of good quality ESG data across the market is currently a challenge that makes measurement, follow-up and reporting difficult. Changes to the Accounting Act from 2024 onwards will also impose significantly stricter requirements for the quality of the data disclosed.

What was achieved in 2023?

SpareBank 1 Nord-Norge and the SpareBank 1 Alliance increased their focus on ESG data in 2023. A special project has assessed the needs and established a vision for ESG data in the alliance. In the Group's local data warehouse, work started on improving data quality and the availability of ESG data. The priority areas have been portfolio emissions and reporting to authorities. This work is still in an early phase, both in SpareBank 1 Nord-Norge and in the market and will therefore require an increased focus in the years to come.

MATERIAL TOPIC

4. Own workforce

GOAL: SPAREBANK 1 NORD-NORGE AIMS TO HAVE ENGAGED EMPLOYEES IN AN INCLUSIVE ORGANISATION

Why is this material for SpareBank 1 Nord-Norge?

SpareBank 1 Nord-Norge recognizes its employees as one of the organisation's most critical contributing factors. Consequently, employees are integrated into one of the three core business strategic goals for the group. To achieve these strategic objectives, a positive work environment and health, safety, and environment (HMS) play crucial roles. A healthy work environment is central to fostering a sustainable organization.

Risks and opportunities

The impact on our workforce is primarily related to our own operations. Negative effects can include stress, high workloads, exclusion, and discrimination. These factors may lead to increased sick leave, high turnover, and challenges in recruiting and attracting new talent. Ultimately, negative impacts on our workforce can influence the overall results of the group. However, SpareBank 1 Nord-Norge is positioned to be an attractive workplace with high engagement, a sense of belonging, and security.

Actions

The Group's HR department carries out several initiatives for its workforce. Some examples are listed below. The work will be described in more detail in the rest of this section.

Specific actions:

- Dynamic work environment survey throughout the year (Winningtemp) and annual safety inspection
- Course and competence measures
- Tripartite cooperation with employee representatives and safety representatives
- Employee conditions and benefits
- Activity programme (SPOR)

Stakeholder management

The HR department maintains an extensive dialogue with various stakeholders, including employees, managers, employee representatives, safety representatives, board members, corporate leadership, and regulatory authorities such as NAV, Arbeidstilsynet, and Finanstilsynet.

Evaluation

The primary evaluation of the workforce occurs through the dynamic work environment survey (Winningtemp), along with managers' follow-up on Winningtemp results and development discussions. Additionally, an annual safety inspection is conducted to assess and implement measures related to the physical work environment. Furthermore, tripartite cooperation, joint committees, employee representatives, and safety services play a central role in the evaluation within this domain.

The responsible party for the significant theme "Own workforce" is the HR department. Reporting to the board and corporate management occurs throughout the year, including in connection with the business strategic goal in this area.

How the material topic is managed

<p>Governing documents:</p> <ul style="list-style-type: none"> • Risk strategy (metrics addressing ESG) and business strategy (overall ESG ambition level) • Nonconformance and notification policy • Remuneration policy • Recruitment policy • The SNN code of ethics • Policy for safety and preparedness • Policy for handling conflicts of interest • Other standards for the HR area • Sustainability policy 	<p>Indicators:</p> <p>GRI 2-7, 2-8, 2-14, 2-23, 2-25, 2-26, 3-3, 205-2, 404-3, 405-1, 416-2</p> <p>ESRS 2 SBM-3</p> <p>ESRS S1-1, S1-2, S1-3, S1-4, S1-6, S1-8, S1-9, S1-11, S1-13</p> <p>Link to the UN’s Sustainable Development Goals: 3, 5</p> <p>Goals:</p> <ul style="list-style-type: none"> • Tactical goal: Reduce staffing vulnerability (turnover between 5 and 12) • Ambassadorship • Work engagement and inclusion • Sickness absence: Following industry level
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4.1 Full-time equivalents (FTEs)

In 2023, there was an increase of 104 (FTEs) for the Group compared to 2022, following the merger of Adwice AS and Flex AS. All employees are based in Northern Norway.

For the Bank, there was an increase of 13 FTEs, EM 1 with 12 FTEs, Regnskapshuset with 8 FTEs (excl. employees from Adwice AS and Flex AS) and SNN Finans 1.8 FTEs.

GROUP (AS AT DECEMBER)	2022	2023
Bank	508	521
EiendomsMegler 1 Nord-Norge	97	109
SpareBank 1 Finans Nord-Norge	38	40
SpareBank 1 Regnskapshuset Nord-Norge	209	217
Adwice AS	–	59
Flex AS	–	10
Group	852	956

Further chapters in Section 4, “Own Workforce,” present statistics excluding employees from Adwice AS and Flex AS, as the business transfer for these was completed on January 1, 2024.

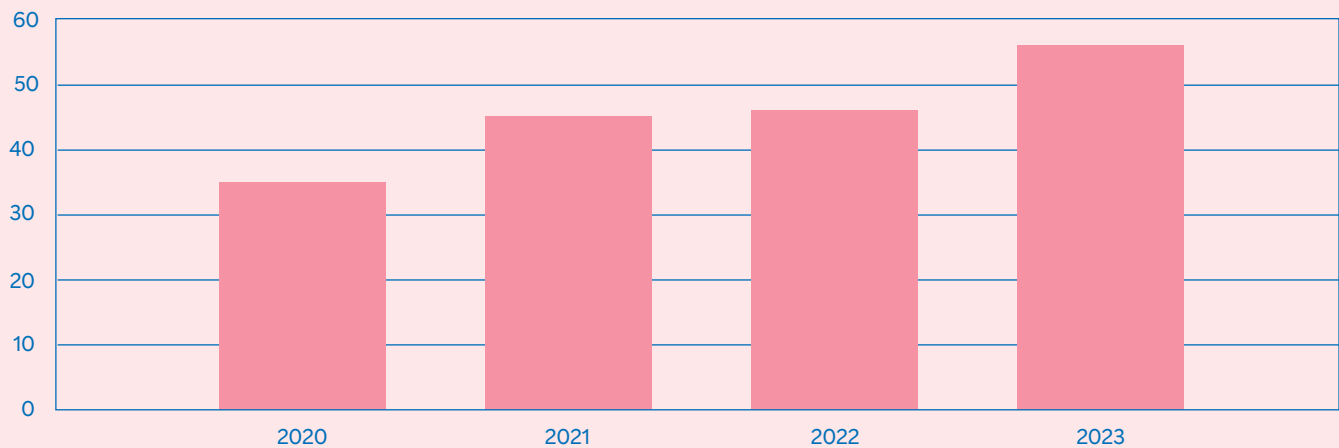
4.2 Temporary employees

The group has 56 temporary employees as of December 2023. While the goal is to minimize the proportion of employees on temporary contracts, it is sometimes necessary due to absences and, in certain cases, for major project implementations.

The proportion of temporary employees has varied in recent years, with the extent and employment percentage ranging from 10 per cent to 100 per cent

positions. The total share of temporary employees in 2023 was 5.7% of the workforce, compared to 4.9% in 2022, 4.8% in 2021, 3.7% in 2020, and 6.6% in 2019. This increase is attributed to heightened project activity and the introduction of new internship or trainee programs. Additionally, there is a trend where male employees on parental leave are increasingly replaced by temporary positions more frequently than in the past.

Number of temporary employees Group as of December



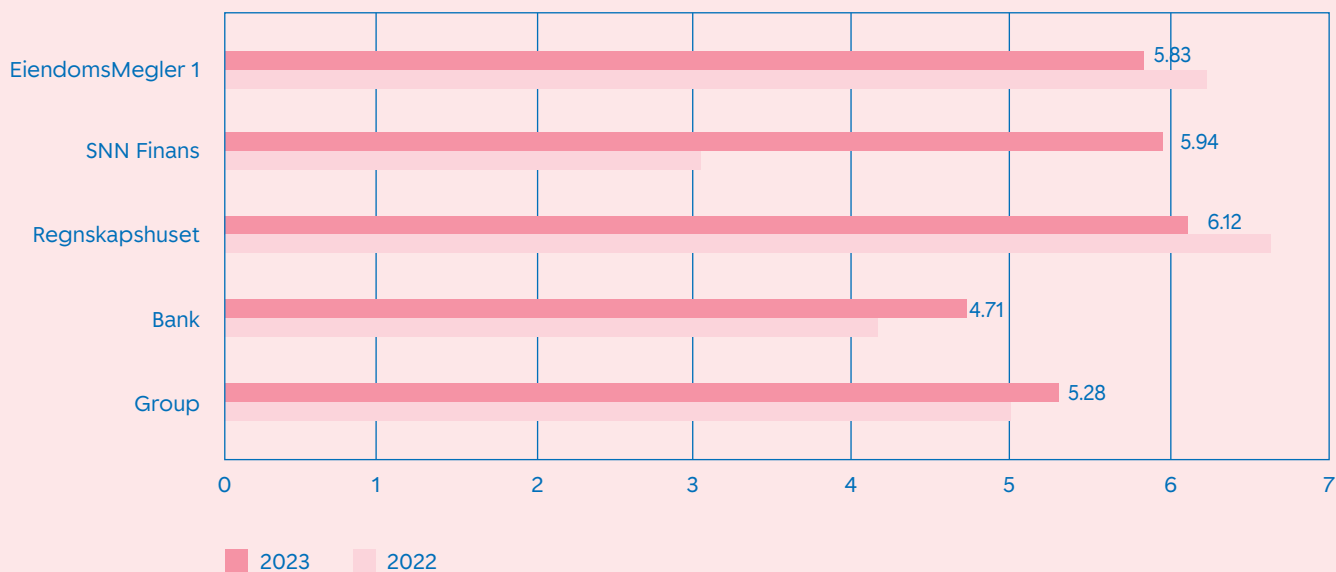
Work is not carried out at SpareBank 1 Nord-Norge by workers who are not employed. Work performed by external actors is formalized in service agreements.

4.3 Sickness absence

The total sickness absence in the group reached 5.28% in 2023. This is slightly higher than the 4.99% recorded in 2022. The sickness absence distribution is as follows: 1.08% is due to self-reported absence, while 4.20% is due to doctor-certified absence.

The company-specific distribution of absence shows that the bank (+0.57) and SNN Finans (+2.91) have increased their sickness absence from 2022 to 2023. On the other hand, Regnskapshuset (-0.50) and Eiendoms-Megler 1 (-0.40) have reduced their sickness absence during the same period.

Sickness absence per company 2022–2023



In a gender perspective, sickness absence follows national and historical trends, where women at the group level have a higher sickness absence rate (7.61%) compared to men (2.73%). Factors such as illness related to pregnancy contribute to this difference in sickness absence for women.

In an age perspective, sickness absence reveals that the age groups 30–39 (6.81%) and those over 59 (5.77%) have the highest sickness absence rates within the group. The lowest sickness absence is observed in the 40–49 age group (4.41%).

4.4 Turnover

SpareBank 1 Nord-Norge uses two categories to employees who leave their positions: *Turnover (voluntary resignation)* and *Turnover (total)*. *Turnover (voluntary resignation)* pertains to those who have left the group due to their own resignation, while *Turnover (total)* encompasses all employees, regardless of the reason for termination.

106 employees in the group left their positions in 2023, resulting in a total turnover of 11.4%. This figure includes those who retired or left due to other reasons, such as death. 92 employees resigned voluntarily, contributing to a turnover rate of 9.9% within the group.

Termination of employment in 2023 was due to regular resignations, retirement, termination agreements, business transfers, or death.

Below is a breakdown of reasons for terminations in 2023:

CAUSE	BANK	SNN FINANS	EM1	RH
Voluntary resignation	44	3	11	34
Retirement	2			
Agreements				1
Business transfers	10			
Death			1	
Total	56	3	12	35

4.5 Gender distribution

At the end of 2023, the group's employees consist of more women (53 per cent) than men (47 per cent). Through the group's recruitment policy, SpareBank 1 Nord-Norge is committed to actively, purposefully, and systematically working to promote equality, diversity, and prevent discrimination.

From the UN's Sustainable Development Goals, SpareBank 1 Nord-Norge has committed to the following regarding gender equality:

- SpareBank 1 Nord-Norge aims at at least 40 per cent women in management positions.
- SpareBank 1 Nord-Norge shall increase female representation in key functions and senior roles.
- Unjustified pay differences between genders shall not occur.
- SpareBank 1 Nord-Norge shall actively foster diversity within the workplace.

SpareBank 1 Nord-Norge has an ambition of achieving a minimum 40 percent female representation in leadership. This goal has been realized both in the board and in the subsidiary boards. Regarding the gender balance among leaders with personnel responsibilities, there are still more men in leadership positions. However, over the past three years, the group has successfully increased the proportion of women to over 40 percent. Increasing female representation among leaders has been a long-standing priority for the organization, and it is gratifying that the group has met this objective.



MANAGEMENT IN SPAREBANK 1 NORD-NORGE	2022		2023	
	NUMBER	W – M*	NUMBER	W – M*
Group management	8	3 – 5	8	3 – 5
Other management (bank)	60	21 – 39	64	22 – 42
EiendomsMegler 1 Nord-Norge	20	6 – 14	25	8 – 17
SpareBank 1 Finans Nord-Norge	6	4 – 2	6	4 – 2
SpareBank 1 Regnskapshuset Nord-Norge	26	16 – 10	35	22 – 13
Total	120	50 – 70	138	59 – 79
Percentage distribution	100	42% – 58%	100	43% – 57%

*Distribution women and men

4.6 Age distribution

The average age in the group at the end of 2023 is 42.9 years, and the curve has experienced a slight decline since 2019. The age range spans from 20 to 74 years.

AVERAGE AGE	2019	2020	2021	2022	2023
Bank	44.2	43.6	42.6	42.6	42.9
EiendomsMegler 1 Nord-Norge	38.7	39.7	39.8	40.4	39.9
SpareBank 1 Finans Nord-Norge	40.2	41.3	40.7	40.8	38.8
SpareBank 1 Regnskapshuset Nord-Norge	45.1	45.5	45.7	45.2	45.4
Group	43.7	43.5	43	42.9	42.9

4.7 Salary and remuneration

The company conducts an annual salary adjustment process for fixed salaries. In 2023, the process was postponed to the fall due to disruptions in central negotiations. The salary adjustment consists of a centrally negotiated addition and a local addition allocated by the company. A separate assessment round was conducted, taking into account key competencies or individual employees/demographic groups who were underpaid.

The group only provides variable compensation for a limited number of positions within the organisation. Here are examples on variable compensations:

- Individual bonus schemes for investment advisors
- Commission-based salary EM 1
- One-time compensation
- Emergency preparedness allowance
- Function-specific supplement

Employees in the company are covered by SpareBank

1 Nord-Norge's pension scheme. All employees in the organization have disability pensions in case of permanent illness, as well as insurance coverage for accidents and death.

Employee loans are one of the most attractive employee benefits offered by the company, and over 1,400 employees and retirees have home loans with the bank. Additionally, the company provides a voluntary savings program for purchasing equity certificates for all permanent employees.

In 2022, the board decided to introduce a profit-sharing scheme for all permanent employees upon achieving the company's predetermined targets. However, no profit-sharing was paid out in 2023.

The organizational membership rate within the company was 58 per cent as of December 2023, which is slightly higher than in December 2022. A high organizational membership rate ensures efficient and effective processes within the organization.

4.8 Party cooperation

The company's primary collaboration forum between employers, employee representatives, and safety services is the Joint Committee. The Joint Committee serves as both a work environment committee and a cooperation committee, handling matters at the corporate level in accordance with the Main Agreement, Central Agreement, Company Agreement, Working Environment Act, the bank's guidelines, and other provisions. The Joint Committee adheres to a fixed meeting structure, convening nine meetings per year. Additionally, employee representatives and safety delegates are involved in processes related to significant reorganizations and changes, following the standard for restructuring.

The Appointments Committee at SpareBank 1 Nord-Norge is responsible for filling vacant positions and determining salaries, typically within the salary scale. It also serves as an advisory body for position categorization. The committee comprises representatives from both management and employees.

Regarding the banking and financial operations within the group, they are associated with central industry and trade union agreements through the Main Agreement and the Central Agreement with Finance Norway. Other subsidiaries have their own collective agreements with the Finance Sector Union.

4.9 Health, safety and environment (HSE)

An active and engaging work environment contributes to increased well-being and motivation among employees.

From the UN's Sustainable Development Goals, SpareBank 1 Nord-Norge has committed to the following regarding good health:

- SpareBank 1 Nord-Norge aims to promote an active lifestyle for its employees
- SpareBank 1 Nord-Norge aims to facilitate a healthy and varied diet at the workplace.
- SpareBank 1 Nord-Norge has zero tolerance for the use of alcohol during work hours.

According to the Working Environment Act, employers are required to systematically assess and develop the work environment within the company. In 2023, the

company implemented pulse surveys for continuous assessment and intervention regarding the psychosocial work environment. Additionally, the company conducted annual digital/physical safety rounds to assess and address the physical work environment. Both the chief safety representative and local safety representatives at each location actively contribute to the group's HSE efforts.

According to the Working Environment Act, employers are required to assess measures to inspire physical activity in the workforce, as has been done in the group the last 10 years through the concept SNN Spor. The financial industry largely has a sedentary workday, and SNN Spor thus also contributes to a health-sustainable everyday life. Over 80 per cent of the group's employees participated in SNN Spor in 2023!



4.10 Notifications and unwanted incidents

The group has established standards for reporting critical matters and unwanted incidents. Additionally, a separate procedure has been established for handling employer notifications, aiming to create process predictability for all involved parties.

In a healthy work environment, there should be a low threshold for reporting critical matters. The group has a clear expectation that its culture should be characterized by openness and ample space for expression. To facilitate this, the group has established both internal and external channels for reporting, along with monitoring activities and data analysis. As a general rule, employees should report internally to their immediate supervisor, but they can also use external channels or notify public authorities.

In some cases, reports may also be made to the media or the general public. For notifications related to money laundering or other financial crimes, the designated recipient is the anti-money laundering officer.

No notifications were received through the external reporting channel in 2023.

A total of 18 incidents were reported in the BETR deviation system for the HR area in 2023. Below is an overview of the themes for the incidents reported in 2023.

- Data quality and data management
- Errors and mistakes
- HSE
- Policy or guidelines violations

4.11 Employee development

4.11.1 GENERAL COMPETENCE MEASURES

In 2023, SpareBank 1 Nord-Norge digitized the development dialogue for the entire group and also implemented quarterly follow-up conversations. 81.19 per cent of all employees in the group completed development discussions with their managers in 2023.

In 2023, the group adopted the competence plan for sustainability, and competence development related to various sustainability topics has been carried out and planned for all target groups within the group for 2023 and 2024. Additionally, an internal course on the SNN code, the group's ethical framework, was produced. All employees underwent training in five ethics cases as part of a nano-learning course.

In 2023, all employees in the group completed the Data Basics course at SpareBank 1. Additionally, all employees were offered the opportunity to take a course to use Bing Chat (Microsoft Copilot). By the end of the year, 30 percent of the employees had already incorporated AI technology into their daily work routines.

15 employees received scholarships for postgraduate and further education through the company's scholarship program.

The bank's financial advisors participated in the Advisory Value Sales development program during the first half of the year. The program focused on understanding customer needs and provided training on various customer cases. Additionally, many financial advisors completed courses in crisis management and challenging customer behavior as part of their HSE training.

Project Managers in Innovation and Business Development underwent a course in project management, which combined classroom learning with online e-learning components.

Additionally, introduction days for new employees were conducted in March and September, and the SNN Leadership Day for new leaders took place in February. All new leaders participate in the development program called «New as a Leader».

COURSE	NUMBER*	COMPLETION RATE
Anti-money laundering for advisors and managers without direct customer contact	133	84.7%
Privacy in SpareBank 1	125	79.6%
Sustainable finance	138	79.3%
Anti-money laundering case 1 Conflicts of interest	761	87.7%
Anti-money laundering case 2 Sanctions	543	88.5%
Anti-money laundering case 3 Owners and ownership structures	108	95.6%
Anti-money laundering case 4 Sustainability	122	97.6%
Anti-money laundering case 5 Why is this important?	769	81.5%
Anti-money laundering case 6 International transactions	73	70.2%
Anti-money laundering case 7 Trends	19	95%

* The reason for varying completion rates for the courses is that they target different employee groups.

4.11.2 AUTHORISATIONS

The financial industry has established authorisation programs for advisors in both the retail market and the corporate market. These programs aim to ensure essential knowledge, skills, and attitudes among advisors. The authorisations are largely based on regulatory requirements, providing us with confidence that customer advisors possess the necessary and up-to-date expertise. Authorisation is a prerequisite for providing advice to clients. In the retail market, annual authorisations and approvals are conducted and maintained across various subject areas.

At the end of 2023, the number of approved employees within each scheme in the retail market is distributed as follows:

AUTHORISATION	NUMBER OF EMPLOYEES
Credit	122
Property insurance	120
Personal insurance	121
Savings and investment	18
Information providers within savings and investment	97

At the end of 2023, the number of approved employees within each scheme in the corporate market is distributed as follows:

AUTHORISATION	NUMBER OF EMPLOYEES
Property insurance	6
Personal insurance	8

Several employees are currently in progress to become fully authorized in one or more of the schemes, so the number is expected to increase next year.

MATERIAL TOPIC

5. Affected communities

GOAL: CONTRIBUTE TO POSITIVE MIGRATION FLOW BY 2030

Why is this material for SpareBank 1 Nord-Norge?

Northern Norway is the company's market area, and its development is closely intertwined with the overall development of the corporation. Additionally, the ownership model of SpareBank 1 Nord-Norge ensures that a significant portion of the social dividend is directed toward community development in the northern region. The funds reinvested in the local communities have a substantial impact, making local communities essential for SpareBank 1 Nord-Norge. In 2022, the total social dividend amounted to MNOK 959, with MNOK 459 allocated to various areas under the Samfunnsløftet initiative in 2023. With such substantial resources available for distribution, the corporation significantly influences the local communities in Northern Norway. This impact extends across several sectors, with the four most prominent being culture, sports, environment/sustainability, and business development. However, some applications may also have negative implications, necessitating responsible management. An example of this could be applications for projects that have a significant adverse impact on nature and climate.

Risks and opportunities

The savings bank model and the Samfunnsløftet strategy fundamentally represent an opportunity for the corporation and the northern region. Through available capital and the application-based programs, the corporation contributes annually to the realization of several hundred projects. SpareBank 1 Nord-Norge believes that this model strengthens the northern region, and when things go well for the region, it also benefits the corporation. However, there is a risk that the corporation's allocations may have unintended adverse effects.

Actions

In recent years, Samfunnsløftet has established a robust organizational structure and effective management of its resources. They have implemented several measures to enhance positive impact and mitigate any potential negative effects. Here are some specific initiatives, with further details available in the dedicated section on Samfunnsløftet:

- *Nå grønner vi på (Let's Go Green)*: This program includes various application-based schemes aimed

at energy efficiency, transition, and reduction in greenhouse gas emissions for the northern region.

- *1000jobs*: Designed to encourage more businesses to offer summer jobs, providing young individuals with opportunities to explore careers in the north.
- *The Whale* received MNOK 50 to establish the spectacular attraction on Andøya.
- MNOK 50 allocated to various projects associated with Bodø2024, the year when Bodø will be the European Capital of Culture.
- Rigorous processing procedures are in place to minimize the risk of negative impact on society, climate, and the environment. Specialized expertise is sought when necessary.

Stakeholder management

Samfunnsløftet engages in extensive dialogue with the community through case processing, events, and other interactions. Additionally, the Knowledge Bank for Northern Norway serves as a central source of information about the region. An essential priority is maintaining a robust stakeholder dialogue with key actors across various sectors. These include sports associations, Talent Norway, Zero, and business associations.

Evaluation

After each application round, an evaluation is conducted. Additionally, the Knowledge Bank for Northern Norway carries out annual surveys, such as the National Sustainability Survey and Barometer X. In 2024, the entire Samfunnsløftet initiative will be evaluated by an external actor, based on its inception in 2018 up to 2024. This evaluation will serve as the basis for any potential revision of the strategy.

The responsibility for the significance of "Affected communities" applies to various parts of the corporation. In this initial year, the responsibility lies with the unit for communication, community, and sustainability. Annual reporting is submitted to the board in connection with the allocation of community funds for Samfunnsløftet. In 2024, the corporation will continue to refine the distribution of responsibilities across multiple functional units concerning this material topic.

How the material topic is managed

<p>Governing documents:</p> <ul style="list-style-type: none"> • Risk Strategy (ESG metrics) and Business Strategy (overall ESG ambitions) • Samfunnsløftet Strategy • Procedure for Samfunnsløftet Case Processing • Sustainability Policy 	<p>Indicators:</p> <p>GRI 3-3 SNN 1 ESRS 2 SBM-3 ESRS S3-1, S3-2, S3-3, S3-4, S3-5</p> <p>Goals:</p> <p>Green Transition: A growing number of companies consider sustainability work to be strategically important to a high or very high degree (baseline 2023: 54 percent).</p> <p>Link to the UN's Sustainable Development Goals: 1-17</p>
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MATERIAL TOPIC

6. Business conduct

GOAL: SPAREBANK 1 NORD-NORGE IS COMMITTED TO ACTIVELY COMBAT ALL FORMS OF ECONOMIC CRIME, INCLUDING MONEY LAUNDERING AND FINANCING OF TERRORISM

Why is this material for SpareBank 1 Nord-Norge?

Economic crime, including money laundering, undermines the integrity of the economic system in any society. The financial industry plays a crucial role because its central infrastructure can be exploited for criminal purposes. SpareBank 1 Nord-Norge actively works to prevent, uncover, and report transactions related to money laundering or terrorist activities. Money laundering conceals the origin of proceeds from criminal acts by integrating them into the legitimate economy, making them appear legitimate. These proceeds can stem from activities such as human trafficking, arms smuggling, or digital fraud. As a result of its efforts, the corporation can prevent economic crime, enhance local value creation, and contribute to the observance of workers' and human rights.

SpareBank 1 Nord-Norge wields significant influence through its business management plans and procedures. Non-compliance with regulatory requirements and ethical standards would lead to increased costs and missed business opportunities. The corporation also aims for customers and the community to perceive SpareBank 1 Nord-Norge as a credible and secure financial institution.

Risks and opportunities

Non-compliance with regulatory requirements and ethical standards can result in losses, sanctions, reputational risks, and, in extreme cases, may impact the corporation's financial services license. Consequently, the corporation has stringent procedures and systems across all business operations to manage these risks. However, it remains true that the corporation's customers are annually exposed to digital fraud and attempted scams. The corporation aims to be a secure and trustworthy financial institution for individuals and businesses in the region, with a high priority on customer protection.

Actions

SpareBank 1 Nord-Norge actively follows up on combating money laundering and preventing economic crime in all business relationships. Efforts are made to prevent, detect, and report transactions related to criminal activities. Within SpareBank 1 Nord-Norge, services or advice will not be provided to customers with the intention of tax evasion, money laundering, terrorist financing, or any other form of economic crime. Both the provider and recipient of such services can be subject to penalties. The corporation has its own system in place to identify and report incidents.

Specific actions:

- Quarterly reporting to the Board
- Customer relationship control (KYC – Know Your Customer)
- Screening of business relationships for CM Customers > 5 MNOK through ESG Module
- Training: Provide anti-money laundering training for employees and line management without direct customer contact
- Work closely with relevant authorities to uncover and combat economic crime
- Due diligence assessments and reporting on compliance with transparency regulations

Stakeholder management

Business conduct is a topic in all credit cases and is part of the dialogue with all customers. The corporation also collaborates with the broader financial industry and authorities to prevent economic crime. This includes both uncovering economic crime or violations of laws and regulations that our business partners are subject to, as well as developing expertise and experience in new fraud methods. Knowledge sharing with authorities is a significant part of the corporation's goal to combat economic crime.

Evaluation

Minimum annual updates of inherent risk, associated risk-reducing measures, and residual risk with any additional actions. The Group's business management work is reported to the board quarterly.

The responsibility for the materiality 'Business Conduct' belongs to several business units. The board is responsible for deciding the Group's policy on anti-money laundering and counter-terrorism financing, according to the Anti-Money Laundering Act § 8 (4), and approves the Group's risk analysis for anti-money laundering and counter-terrorism financing.

The topic is reported quarterly to the board in connection with risk reporting, compliance reporting, and through first-line reporting from the Innovation and Business Development unit. The statement on due diligence assessments in accordance with the Transparency Act is adopted by the board annually.

All employees at SpareBank 1 Nord-Norge are responsible for ensuring that daily operations are conducted in accordance with applicable laws and regulations. This means that employees are responsible for adhering to laws and regulations, including procedures and guidelines mentioned in the table below.

How the material topic is managed

<p>Governing documents:</p> <ul style="list-style-type: none"> • Risk Strategy (ESG metrics) and Business Strategy (overall ESG ambitions) • Policy for Anti-Money Laundering and Terror Financing • Sustainability Policy • Procurement Standard • Guidelines for Sustainability in Procurement <p>Responsible area within the Group: Finance Innovation and Business Development Procurement group in SpareBank 1 Utvikling</p>	<p>Indicators:</p> <p>GRI 2-14, 2-16, 2-23, 2-25, 3-3, 205-2, 205-3, 418-1</p> <p>ESRS 2 SBM-3</p> <p>ESRS G1-1, G1-3, G1-4</p> <p>Link to the UN's Sustainable Development Goals: 13.3, 16.4</p>
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6.1 Combating financial crime

In addition to its efforts to prevent financial crime and anti-money laundering, the ethical and responsible conduct of the Group's operations is a top priority for SpareBank 1 Nord-Norge. Ethical banking and anti-corruption are included in the training of all employees and are described in more detail in the Group's own ethics manual, the "SNN Code of Conduct". All employees have received training in the Group's procedures through introductory courses for new employees and mandatory e-learning. This also applies to the members of the Board of Directors. The Group has its own whistleblowing channels, both internal and external, that can be used to report nonconformance or unacceptable conditions. The external whistleblowing channel is administered by an independent third party who advises the Group on handling them and ensuring anonymity for whistleblowers.

The focus on data security and privacy is key in all operations and is worked closely on with both subsidiaries and the SpareBank 1 Alliance to ensure the greatest possible security. The overall objective of security work in SpareBank 1 Nord-Norge AS is through a systematic and risk-based approach to:

- Protect the health and lives of employees, customers and visitors.
- Secure SpareBank 1 Nord-Norge's assets and reputation, as well as the information that is processed.
- Ensure that authorities, customers, employees and partners have confidence that information is properly processed.
- Ensure that the security work supports the at any given time applicable business and risk strategy.
- Ensure secure and stable operations.
- Ensure that the Group complies at all times with the requirements for security work of the applicable laws and regulations, including to protect the privacy of our customers and employees.

What was achieved in 2023?

In 2023, the Group implemented a number of measures to ensure that employees understand and have expertise in data security and privacy. For further information on competence, see the chapter on the Group's own workforce. The status of the Group's compliance with the regulations, including any non-conformities, is reported to the Board of Directors and Group Management every quarter. The Group also takes a proactive approach to fraud prevention and organised several events in autumn 2023 to teach people in the region how to avoid being scammed.

Other statuses in 2023

- Total external complaints considered by the Norwegian Data Protection Authority: 0
- Number of internally registered breaches of personal data security: 69, of which seven were reported to the Data Protection Authority. All breaches were handled in accordance with the procedure for personal data breaches.
- 1 149 cases related to digital fraud in 2023 compared with 768 in 2022.
- Nine anti-fraud events were organised in 2023 and were open to anyone who wanted to learn more about this topic.
- No internally registered corruption-related cases in 2023.
- No critical incidents were reported to the Board of Directors in 2023.

6.2 Supply chain follow-up

SpareBank 1 Nord-Norge makes a substantial volume of purchases, both regionally and nationally. Sustainable purchasing is about, among other things, the suppliers' awareness of their supply chain and the work they do to reduce adverse impacts on the environment, social conditions and ethical business conduct.

By, for example, requiring suppliers and business associates to have sustainability guidelines and to convert these into action, SpareBank 1 Nord-Norge is using its purchasing power to encourage suppliers to work more sustainably. In the past year, the Group particularly focused on risk assessments related to human and labour rights violations in line with the Transparency Act.

The Group generally makes purchases in two ways. Either through direct purchases by SpareBank 1 Nord-Norge, or on behalf of the SpareBank 1 Alliance through the jointly owned SpareBank 1 Utvikling. In both cases, a common purchasing policy must be complied with that describes requirements for suppliers and business associates in relation to the environment, social conditions such as human and labour rights, and ethical business conduct.

6.2.1 PURCHASES MADE VIA THE ALLIANCE

SpareBank 1 banks operate the alliance in which SpareBank 1 Utvikling is central to their work on sustainable purchasing on behalf of the alliance. The majority of significant purchases for SpareBank 1 Nord-Norge are thus made via SpareBank 1 Utvikling (Alliance Purchasing Department). SpareBank 1 Nord-Norge and the other SpareBank 1 banks oversee the work done by the Alliance Purchasing Department, both in the form of input on its strategy but also in the form of direct supplier follow-up.

The Alliance Purchasing Department has systematically worked on supplier follow-up in relation to sustainability since 2019, when it started conducting risk-based surveys of its then 249 existing suppliers. Since 2019, the Alliance Purchasing Department's supplier follow-up in relation to sustainability has been based on the OECD's due diligence guidelines. The OECD's guidelines provide the foundation for the Transparency Act and the duty to report on due diligence.

Based on the risk-based mapping of 249 existing suppliers, 12 suppliers were prioritised in 2022 and followed up in more detail in relation to compliance with the Transparency Act. In 2023, two of the suppliers mentioned above were subject to further follow up, including a larger IT hardware provider and a larger IT service provider.

6.2.2 LOCAL PURCHASES IN SPAREBANK 1 NORD-NORGE

At the same time as most significant purchases are made via the alliance, SpareBank 1 Nord-Norge also has a large supplier base not covered by the Alliance Purchasing Department. Therefore, "local" suppliers and business associates are also mapped in order to assess their sustainability risk. SpareBank 1 Nord-Norge has been working systematically on the Transparency Act since 2021.

Although the Transparency Act entered into force in 2022, we are conscious of the fact that this is still an area under development. This particularly applies to the methodological approach for risk assessments, as well as the follow-up of suppliers and business associates. As a large institution, with a large supplier base, mapping all connections can also be challenging. It is a goal in itself that sustainability assessments should be conducted as early as possible in the purchasing process. The Group has therefore given weight to, among other things, ensuring that standard terms are used in all of the agreements concluded. In order to become a supplier or business associate of SpareBank 1 Nord-Norge, a company must take a conscious approach to sustainability risk and business conduct in its own operations and supply chain. Accordingly, when concluding a contract, SpareBank 1's requirements for suppliers regarding sustainability and business conduct must be included. This is defined in more detail in a standard appendix.

The appendix ensures that SpareBank 1 Nord-Norge can require suppliers and business associates to document how sustainability risks are identified and managed in their own operations and supply chain, which includes due diligence. This is an important part of ensuring that suppliers and business associates take a conscious approach to sustainability risk and that they operate in accordance with applicable laws and regulations, and do not violate human or labour rights in their deliveries to the Group. The Group believes that this is an important contribution to ensuring there is a focus on the area and reinforcing positive impacts

in the value chain by identifying potential violations of labour and human rights, or other harm to the environment and climate.

What was achieved in 2023?

Pursuant to the Transparency Act, enterprises must conduct risk-based due diligence in line with the OECD Guidelines for Multinational Enterprises. Steps have also been taken to make the risk assessment process more structured. Because the Group has a large supplier base and the law emphasises a risk-based approach, the Group has chosen to look at companies with deliveries equal to or above TNOK 100. If a supplier or business associate has made deliveries for more than or equal to TNOK 100 (from 2021 to 2023) it is included in a further risk assessment. In these circumstances, the following criteria are then assessed in more detail:

- Category
- Country
- Previously identified risk

The list of regions with a high risk of violations of fundamental human rights issued by the Norwegian Agency for Public and Financial Management (DFØ), the «High Risk List», is used to identify and assess risk based on category. If a supplier or business associate is in one of these categories, a further individual assessment is made.

After an overarching risk assessment has been conducted, relevant suppliers and business associates are followed up via a further individual assessment. In this individual assessment, the environment and ethical business conduct are included in addition to social conditions. Based on the information obtained, the suppliers and business associates are assessed using a risk matrix that places them in a risk class (1-3), where:

- Class 1 indicates a low risk: No immediate follow-up required
- Class 2 indicates a moderate risk: Further assessment required
- Class 3 indicates a high risk: Further assessment required

Findings in 2023

Of the total 516 suppliers and business associates mapped for the Parent Bank, around 235 indicate a higher risk class based on the above risk assessment process.

The Group acknowledges that conducting an in-depth analysis of all of these companies is demanding. Nevertheless, it turns out that many of the companies that appear to have an elevated risk based on, for example, categorisation, often appear less risky upon closer examination. For example, these could be companies that are categorised within the ICT area. Upon closer examination of the company, it is often a matter of a system purchase from a company located in Norway with few employees and subcontractors. Therefore, the Group will also develop this process going forward in order to ensure even better precision in areas that should be followed up more closely.

SpareBank 1 Nord-Norge has maintained an ongoing dialogue with some companies whose industry is considered particularly vulnerable. The dialogue has generally been satisfactory, while at the same time it is a challenge that the follow-up has basically consisted of self-reporting from the supplier. The Group will focus more on other stakeholder groups in the future. In addition, the risk assessment will be reviewed regularly, and further follow-up will be performed based on this. At the same time, the Group will continue to focus on stipulating expectations in relation to accountability and due diligence in all agreements. SpareBank 1 Nord-Norge wants to be a driving force for sustainable transition on the supplier side as well. A full report on the Group's work on the Transparency Act can be found in the [sustainability library](#) at [sustainability library](#). A new report will be published by 30.06.24.



Appendices

GRI INDEX

STAKEHOLDER ANALYSIS 2023

CARBON ACCOUNTING FOR OWN OPERATIONS

ANNEX VI TAXONOMY REPORTING

The appendices can be found at the very end of the annual report



Trainees in Northern Norway: For the first time, all trainee programs in Northern Norway were consolidated in 2023. In collaboration with Trainee Salten and other trainee programs, SpareBank 1 Nord-Norge organized a dedicated day prior to the conference Agenda Nord-Norge in Bodø.

PHOTO: HÅKON STEINMO



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To the Board of Directors of SpareBank1 Nord-Norge

Independent Limited Assurance Report on the Sustainability Report for 2023

Conclusion

We have performed a limited assurance engagement on whether Sparebank1 Nord-Norge's ("The entity") Sustainability Reporting included in The Annual Report under Attachment 1 Global Reporting Index (GRI) for the year ended 31. December 2023 has been prepared in all material respect in accordance with the Sustainability Reporting Guidelines (G4) of the Global Reporting Initiative (GRI).

Based on the procedures performed and the evidence obtained nothing has come to our attention that causes us to believe that the Report is not prepared, in all material respects, in accordance with the criteria of GRI.

Basis for conclusion

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board (IAASB). Our responsibilities under this standard are further described in the "Our responsibilities" section of our report.

We are independent of the Company as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our firm applies International Standard on Quality Management (ISQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, issued by the IAASB. This standard requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Management's responsibility

The Board of Directors and the Managing Director ("management") are responsible for the preparation of the Report, and the information and assertions contained within it, in accordance with the criteria of GRI.

Offices in:

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Statsautoriserede revisorer - medlemmer av Den norske Revisorforening

Oslo	Elverum	Mo i Rana	Tromsø
Alta	Finnsnes	Molde	Trondheim
Arendal	Hamar	Sandefjord	Tynset
Bergen	Haugesund	Stavanger	Ulsteinvik
Bodø/Drammen	Knarvik	Stord	Ålesund
	Kristiansand	Straume	



Management is also responsible for such internal control as management determines is necessary to enable the preparation of a Report that are free from material misstatement, whether due to fraud or error, and for preventing and detecting fraud and for identifying and ensuring that the entity complies with laws and regulations applicable to its activities.

Inherent limitations

Due to the inherent limitations of any internal control, it is possible that errors or misstatements in the information presented in the Report may occur and not be detected. Our engagement is not designed to detect all weaknesses in the internal controls over the preparation of the Report, as the engagement has not been performed continuously throughout the period and the procedures performed were undertaken on a test basis.

Our Responsibility

Our responsibility is to perform a limited assurance engagement and to express a conclusion based on the work performed.

We are responsible for:

- planning and performing the engagement to obtain limited assurance about whether the Report is free from material misstatement, whether due to fraud or error.
- forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- reporting our conclusion to the Board of Directors of Sparebank 1 Nord-Norge

The scope of our limited assurance engagement excludes future events or the achievability of the objectives, targets, and expectations of the entity. The scope also excludes information contained in webpages referred to in the Report unless specified in this limited assurance report.

Procedures performed

We exercised professional judgment and maintained professional skepticism throughout the engagement. We designed and performed our procedures to obtain evidence about the The Sustainability Reporting included in The Annual Report that is sufficient and appropriate to provide a basis for our conclusion.

A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of information presented in the Report, and applying analytical and other evidence gathering procedures, as appropriate. Our procedures selected depend on our understanding of the Report and other engagement circumstances, and our considerations of areas where material misstatements are likely to arise. We performed the following procedures:

- Comparing the information presented in the report to the Global Reporting Initiative (GRI).
- A risk analysis, including a media search, to identify relevant sustainability issues for the entity in the reporting period.
- Inquiries of management to gain an understanding of the entity's processes for determining the material issues for the entity's key stakeholder groups.
- Interviews with senior management and relevant staff at group level and selected business unit



level concerning sustainability strategy and policies for material issues, and the implementation of these across the business.

- Interviews with relevant staff at the corporate and business unit level responsible for providing the information in the Report.
- Reviewing relevant internal and external documentation, on a limited test basis, in order to determine the reliability of the Report.
- Comparing the information presented in the Report to corresponding information in the relevant underlying sources to determine whether all the relevant information contained in such underlying sources has been included in the Report.
- Reading the information presented in the Report to determine whether it is in line with our overall knowledge of, and experience with, the sustainability performance of the entity.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Oslo, 29.02.2024
KPMG AS

Stig-Tore Richardsen
State Authorized Public Accountant

Note: This translation from Norwegian has been prepared for information purposes only.

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"Med min signatur bekrefter jeg alle datoer og innholdet i dette dokument."

Stig Tore Richardsen

Partner

På vegne av: KPMG AS

Serienummer: UN:NO-9578-5999-4-1349114

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Samfunnsløftet in 2023

The regional community owns 53.6 per cent of SpareBank 1 Nord-Norge, and the dividends from this ownership are managed via Samfunnsløftet, the Bank's community dividend fund. Samfunnsløftet is the Group's strategy for how community dividends can help lift Northern Norway, and was conceived based on, among other things, feedback from around 10 000 people in the region in 2018.

Key figures, Samfunnsløftet in 2023

Figures for 2022 and change from the preceding year in brackets..

1 408

projects received support

(1 466 / -4%)

428,3

Million NOK in grants

(NOK 295,1 million / +45%)

2 283

applications were received

(2 769 / -1%)

1 029

Million NOK was applied for in total

(957 mill. kr. / +8%)

The community dividends from 2022 totalled MNOK 959, where MNOK 459 was allocated to the various areas in Samfunnsløftet in 2023.

The foundation Sparebankstiftelsen SpareBank 1 Nord-Norge received the remaining MNOK 500. The foundation's mission is to take the savings bank tradition forward. Long-term saving in the foundation

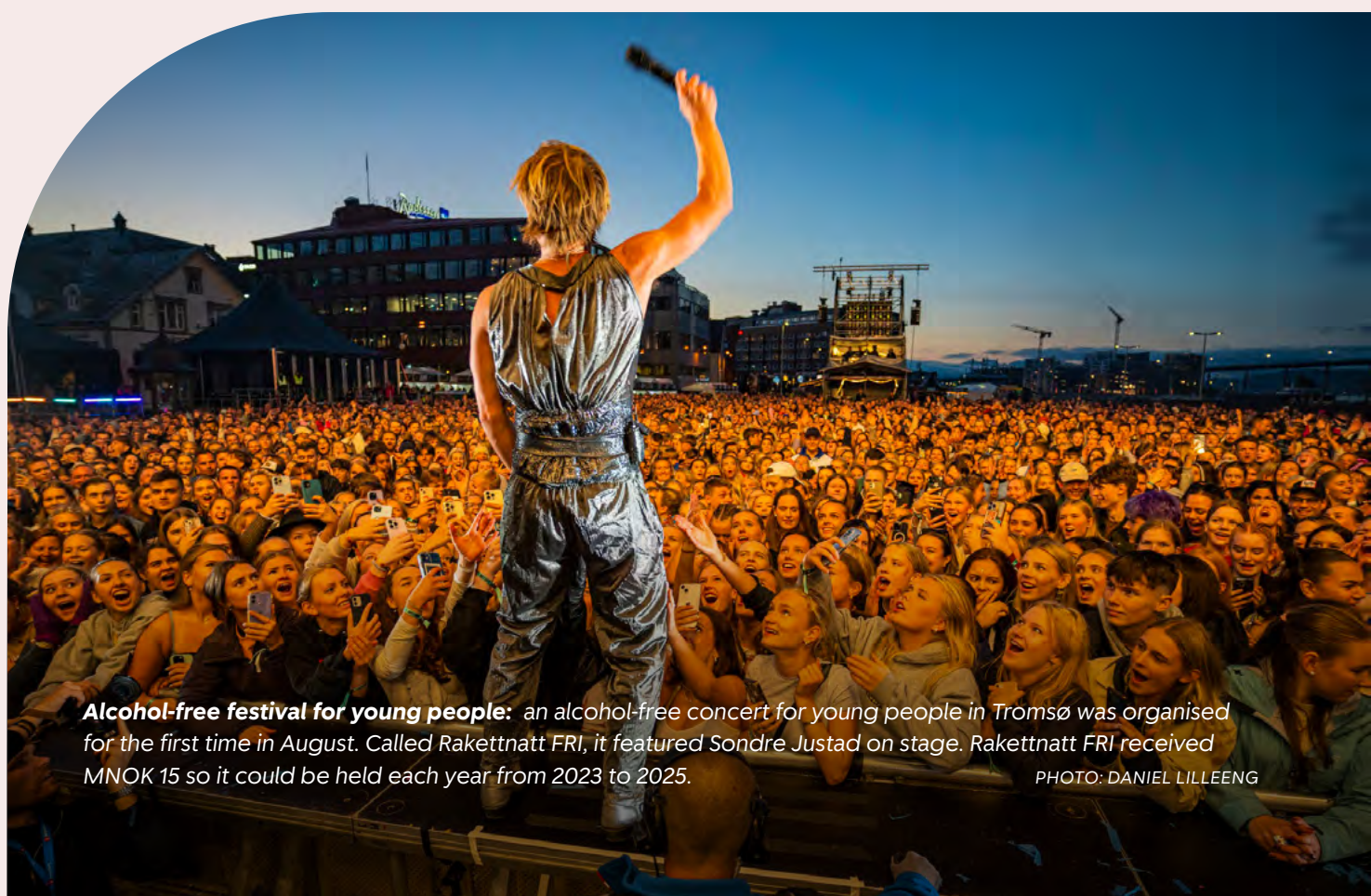
is intended to ensure that the regional community can retain its ownership position should the Bank require more funds from its owners at some point. Without this, the regional community's ownership could be diluted. The foundation is also the Bank's largest northern Norwegian owner, and its surplus also goes to good causes in the north. For further information about the foundation, visit snnstiftelsen.no.

Larger grants

Given the increase in dividends, total grants rose from MNOK 295.5 in 2022 to MNOK 428.3 in 2023. The largest grant for a single project ever was made when The Whale received MNOK 50 to build its spectacular attraction on Andøya. Several major grants were also made to projects linked to Bodø2024, when Bodø will be a European Capital of Culture.

Over the course of the year, 15 grants of around MNOK 10 were made. These included MNOK 15 for

Parkenfestival Bodø for Hjertebank 2024–2026, MNOK 10.5 for Troms Chamber of Commerce for its 3-year transition project "Om:Nord" for northern Norwegian SMEs, MNOK 9.9 for the International Sámi Film Institute for a 3-year Sámi film uplift and MNOK 9.9 for FK Bodø/Glimt's women's football project for 2024–2026. All grants are published on the website samfunnsløftet.snn.no.



Alcohol-free festival for young people: an alcohol-free concert for young people in Tromsø was organised for the first time in August. Called Rakettnatt FRI, it featured Sondre Justad on stage. Rakettnatt FRI received MNOK 15 so it could be held each year from 2023 to 2025.

PHOTO: DANIEL LILLEENG

Grants by strategy area

Samfunnsløftet's strategy is divided into four areas for which grants can be applied:

Arena

Arena accepts applications for facilities for sports, the arts and culture, larger festivals and urban spaces.

387 applications received totalling MNOK 420.2 in 2023

Grants totalling **MNOK 178.5** awarded to 137 projects

Most major applications are received by «Arenaløftet». Besides the major applications mentioned above, some of the larger grants in 2023 are listed below:

- MNOK 4 for Nordreisa Sports Club for a new overpressure hall
- MNOK 4 for Vestlofoten Multipurpose Hall
- MNOK 3.6 for a 3-year hockey project at Narvik Ice Hockey Club
- MNOK 3.6 for children's music festivals in Northern Norway for 3 years
- MNOK 3 for Innstranda Sports Club's biathlon arena
- MNOK 3 for the Prosperastiftelsen foundation to establish a northern Norwegian regional office for 3 years
- MNOK 3 for a new ski lift and snow groomer machine for Sortland Alpine Club
- MNOK 3 for a new stand with changing rooms for Melbo Sports Club
- MNOK 2.5 for Filmfond Nord for scripts, project development and production grants
- MNOK 2.4 for Haikjefte and Haitanna for 2023-25
- MNOK 2.1 for a new children's slope in Skarmoen Alpine Park for Bodø Alpine Club
- MNOK 2.1 in production grants for Nordnorsk Filmsenter
- MNOK 2 for the work on bringing the Alpine World Ski Championships to Narvik in 2029
- MNOK 2 for Vesterålen Bike Park at Stokmarknes Sports Club

Innovation

Innovation contributes to projects that facilitate other people's innovation.

153 applications received totalling **MNOK 87.8** in 2023

Grants totalling **MNOK 37.4** awarded to 70 projects

Samfunnsløftet contributes to a number of early phase and growth phase programmes for entrepreneurs. KUPA's Arctic Accelerator programme is designed to give the year's 10 most promising startups a boost. These are presented every year in June. In 2023, NORCE also received MNOK 6 for the EU project designed to accelerate digital transformation in companies in the north. Earth Observation in Tromsø received a grant of MNOK 6 to establish the Arctic Phi Lab, which will contribute to the development of more companies in the space industry, and Arena Nord Utvikling received a grant of MNOK 3 for defence industrial development.

Samfunnsløftet's artist scholarships were awarded for the first time in 2023. 30 artists from Kirkenes to Sandnessjøen received scholarships worth TNOK 150 each. The scheme has been developed after 2 years of home-based artist-in-residence scholarships, which were launched during the pandemic, and is intended to help boost the arts in the region.

Young People

Young People supports projects that strengthen young people's faith in the future, pride and ties in the region.

Local applications are accepted by Local Communities, while those that target a wider geographical area are accepted by Young People.

512 applications received totalling **MNOK 110.2** in 2023

Grants totalling **MNOK 51.3** awarded to 440 projects

In collaboration with Talent Norway, Samfunnsløftet supports a number of talent programmes in the cultural sector. Various sports also have talent development projects. In 2023, the Northern Norwegian Art Museum received MNOK 3 for a 3-year project. The Art Alliance aims to develop more young, northern Norwegian curators. First Scandinavia received MNOK 2.2 for the European final of the First Lego League, and Olympiatoppen Nord received MNOK 1.8 for a 3-year project designed to develop more top athletes in the north. The focus on gender equality has strengthened over the years, particularly with respect to boosting both the status and finances of women's football.

We proactively try to contribute to inclusion promoting projects in order to boost the faith of various groups in their future. Examples of this include the TNOK 700 grant for «Here I am» for a 3-year project that will create a weekly meeting place for young people from all over the world and the grant for Nordland sports district for its «Sports for All» project.

In 2023, «1000jobber» was carried out for the second time in collaboration with the Confederation of Norwegian Enterprise (NHO) and the Norwegian Confederation of Trade Unions (LO), where the goal is to encourage employers to advertise summer jobs and get more young people to see the career opportunities available in the north. Employers received TNOK 7 per summer job they advertised (maximum support for three summer jobs), and over 1 400 summer jobs were listed on the website 1000jobber.no. A national campaign led traffic to the advertised vacancies. The proportion of young people under 34 who believe working in Northern Norway provides good career opportunities increased from 48 per cent in 2019 to 56 per cent in 2023.

Local Communities

Local Communities wants to contribute to projects large and small that stem from local involvement and are based on a willingness to contribute to local communities through voluntary efforts.

1 112 applications received totalling **MNOK 125.4** in 2023

Grants totalling **MNOK 58.2** awarded to 692 projects

The support here was for local clubs and associations and a wide range of local projects. Samfunnsløftet supports everything from activities for children and young people to local events, strengthening emergency response organisations and organising conferences.

Green transition

As stated in the strategy for Samfunnsløftet, the Board picks an annual theme that is important for the region. In 2023, the Board set aside MNOK 200 of the community dividends for the green transition. During the year, four different support schemes were launched for climate initiatives, with the aim of accelerating the green transition at companies, clubs and associations in the region. These were mapping grants for mapping how businesses and organisations can cut emissions; solar panel grants; green cooperation for climate-friendly collaborative projects; and green events for cutting the emissions of northern Norwegian event organisers.

The project «Om:Nord» received a grant of MNOK 10.5 for a 3-year project, in which around 7 000 northern Norwegian companies will be helped with their transition work under the auspices of the Troms Chamber of Commerce. In 2023, all northern Norwegian companies also gained access to free courses on sustainability through a series of courses from Digital Norway. As part of the development of this work, SpareBank 1 Nord-Norge has a strategic collaboration with the Zero environmental foundation. A number of different players have also contributed input and expertise relating to the green transition.

108 applications received totalling **MNOK 110.2** in 2023

Grants totalling **MNOK 46.6** awarded to 60 projects

UN Sustainable Development Goals

Everyone who applies for support must state to which of the UN SDGs their project primarily contributes. In previous years, applicants have been able to choose multiple goals but in 2023 they could only choose one. Funds were allocated to projects within all the SDGs, with the eight goals below topping the table:



A complete list of the amounts distributed per SDG can be found in graph 4.

Knowledge of the region

Knowledge about and for Northern Norway is important with respect to making good decisions for the future today and is a cornerstone of the Samfunnsløftet strategy. The Knowledge Bank cooperates with a number of different knowledge providers, and a total of MNOK 15.7 was used for this in 2023. All reports are published on kbnn.no.

Throughout the year, a number of different themes were highlighted, including the business sector's infrastructure needs; the power situation in Northern Norway; the energy ratings and energy efficiency of buildings in the public and private sectors; and the willingness to invest in the region. In addition, house-building was also highlighted through an ongoing series of reports. The Expectation Barometer for Northern Norway, Barometer X and the Business Barometer for Northern Norway are published regularly.

During the year, employees of SpareBank 1 Nord-Norge met 3 269 pupils in lower and upper secondary schools and provided lessons in personal finances in collaboration with Young Entrepreneurship. The report «Young

People on Finances and Careers» was launched in 2023 on kbnn.no, where young people themselves relate what they know about the topic.

In 2023, kbnn.no had 45 118 unique users (+10 per cent) and 93 241 page views (-3 per cent). The podcast «Northern Norway in the World» published 36 new episodes during the year, attracting an average of 4 700 listeners. The podcast had a total of 47 guests, of which 45 per cent were women.

Agenda Nord-Norge is carried out in collaboration with NHO and LO. The theme in 2023 was tipping points. Land conflicts, the climate crisis, energy deficits and a warned of health crisis are just some of the factors that affect Northern Norway, Norway as a whole and the world. Challenges can be viewed as an opportunity to rethink. How can leaders facilitate the required innovation, efficiency and action? The aim was to communicate the challenges and opportunities in the region that will be important for development in the future. In 2024, the conference will be held for the 10th time.

The proportion of young people who believe working in Northern Norway provides good career opportunities increased from 48 per cent in 2019 to **56 per cent** in 2023.

30 grants of **TNOK 150** for northern Norwegian artists

MNOK 133.5 was donated to 390 different cultural projects

MNOK 109.1 was donated to 338 sports projects

MNOK 79 will have an impact on the environment and sustainability in the north through 43 different projects

MNOK 8.4 went to 88 outdoor recreation projects

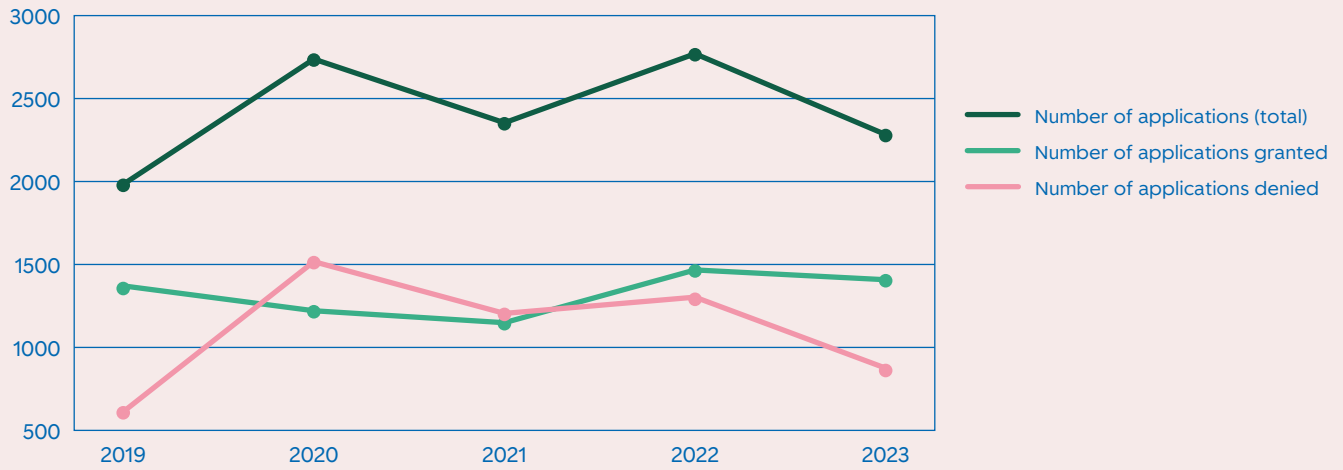
MNOK 6 was donated to 39 humanitarian initiatives

MNOK 11.4 was awarded to 40 different conferences

MNOK 2.7 went to 22 new urban spaces

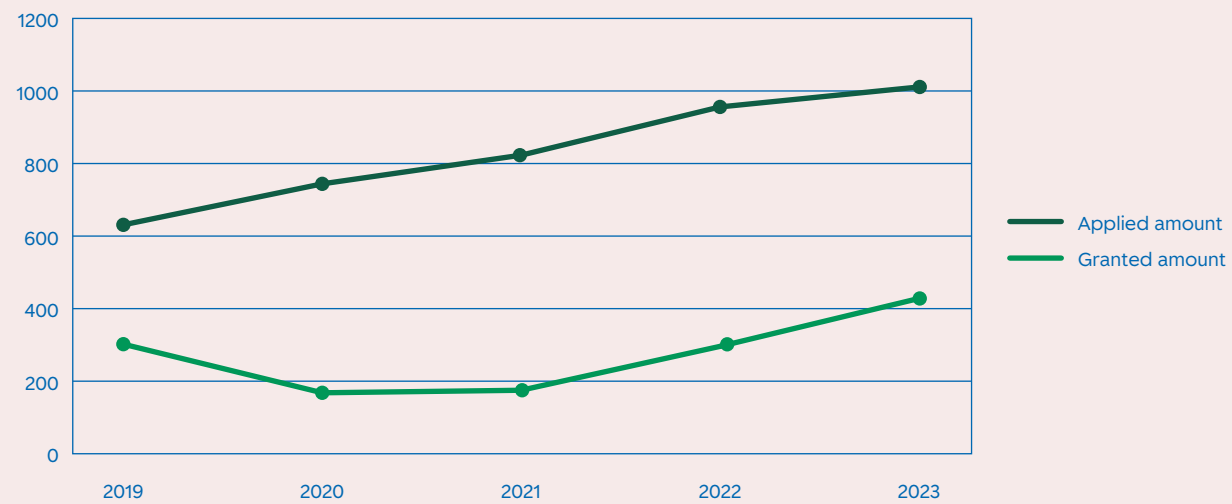
Graph 1:

Number of applications in past 5 years



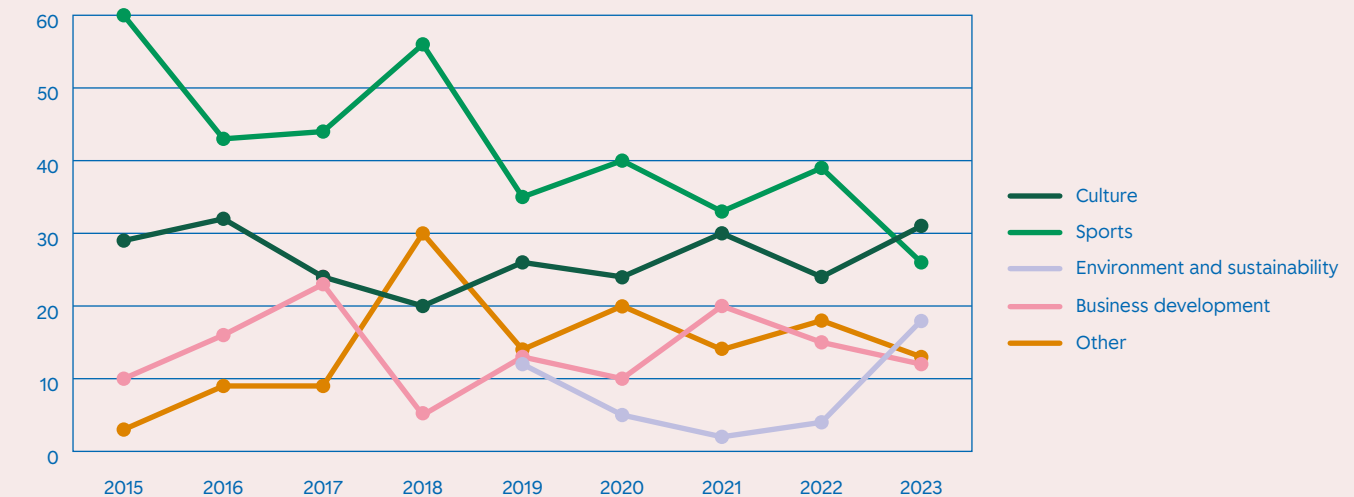
Graph 2:

Amounts applied for and approved in past 5 years



Graph 3:

Distribution per category since 2015



Graph 4:

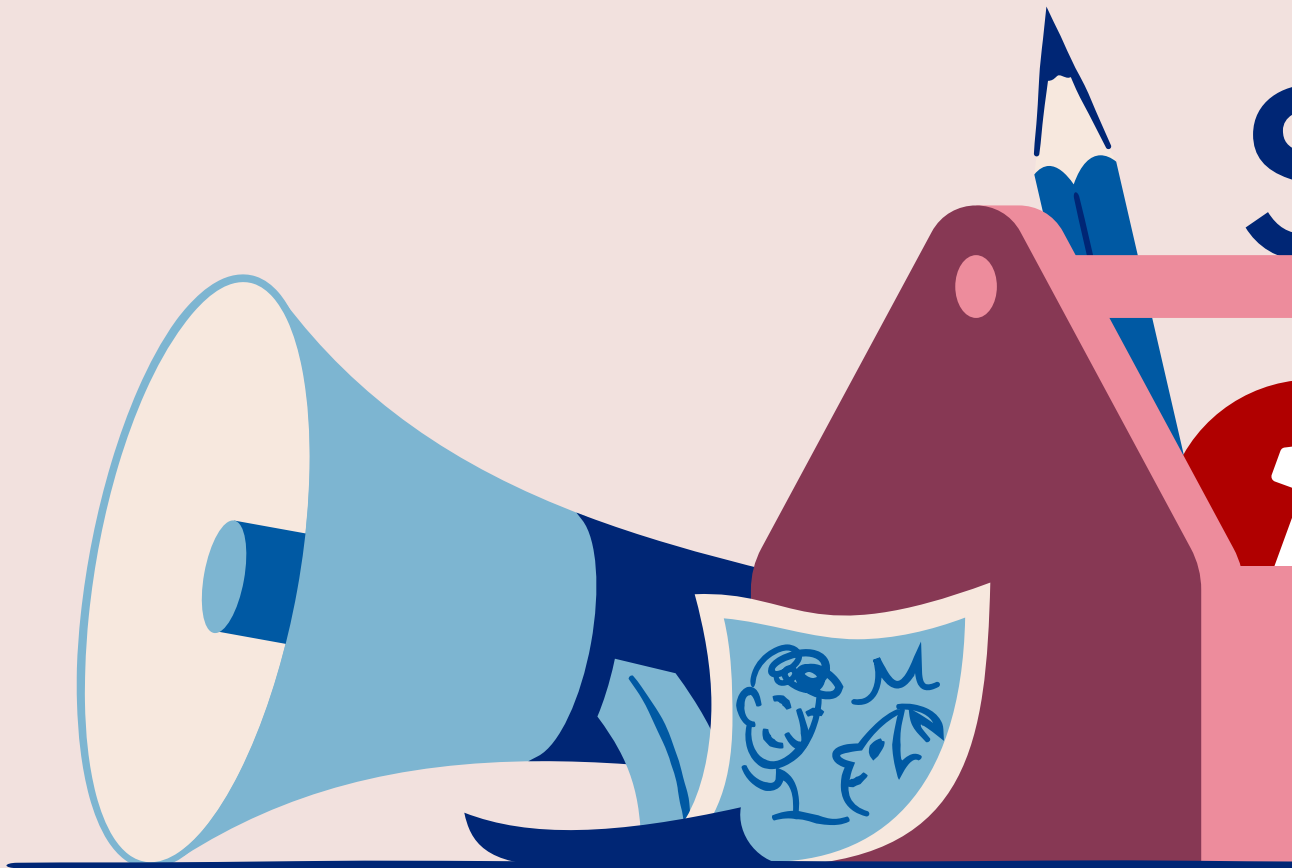
Percentage distribution by amount for UN Sustainable Development Goals

1. Utrydde fattigdom	0 %
2. Utrydde sult	0 %
3. God helse og livskvalitet	19 %
4. God utdanning	2 %
5. Likestilling mellom kjønnene	5 %
6. Rent vann og gode sanitærforhold	0 %
7. Ren energi til alle	1 %
8. Anstendig arbeid og økonomisk vekst	1 %
9. Industri, innovasjon og infrastruktur	7 %
10. Mindre ulikhet	10 %
11. Bærekraftige byer og lokalsamfunn	32 %
12. Ansvarlig forbruk og produksjon	3 %
13. Stoppe klimaendringene	4 %
14. Livet i havet	1 %
15. Livet på land	0 %
16. Fred, rettferdighet og velfungerende institusjoner	0 %
17. Samarbeid for å nå målene	12 %



Talent grants: 12 top talents and 18 developing talents received Samfunnsløftet talent grants in 2023. All of the recipients excel in their field and help to develop and inspire others in the north. An overview of all the recipients is available at snn.no/talent.

FOTO: HÅKON STEINMO



Appendices



APPENDIX 1

GLOBAL REPORTING INDEKS (GRI) FOR SPAREBANK 1 NORD-NORGE 2023

INDICATOR	DESCRIPTION	LOCATION IN THE REPORT	REPORTING DIRECTLY IN THE INDEX																		
3	Reporting level		Sparebank 1 Nord-Norge has reported in accordance with the GRI Standards for the period 01.01.2023–31.12.2023																		
2-1 a	Name of the business		SpareBank 1 Nord-Norge																		
2-1 b	Nature of ownership and legal form		SpareBank 1 Nord-Norge is a savings bank which is 53.6% owned by the North Norwegian community and 46% owned by holders of equity certificates quoted on Oslo Stock Exchange.																		
2-1 c	Location of headquarters		SpareBank 1 Nord-Norge has its head office in Tromsø.																		
2-1 d	Countries of operation		The Group's market area comprises people and businesses in Troms, Finnmark and Nordland																		
2-6 a	The organisation's size and scope	Annual report 2023 – Annual accounts note 11, Note 20 and 35	64.190 Banking services, accounting services, estate agency services and object financing																		
2-6 b	Description of the organisation's supply chain and other business relationships	Note 6 Financial risk management Note 10 Financial institutions - Loans and advances Note 11 Loans	The majority of the group's purchases consist of ICT services. Other significant purchase categories relate to rent, operation of locations, and administrative costs.																		
2-6 c	Relevant business partners	1.3 Sustainability goals for 2024																			
2-6 d	Significant changes in the reporting period in terms of size, structure or ownership		No significant changes in 2023																		
2-7	Total number of employees by type of appointment, employment contract and region, and a breakdown by gender	- Organisation: Organizational changes in 2023 - 4.1 Man-years - 4.5 Gender distribution	<table border="1"> <thead> <tr> <th></th> <th>WOMEN</th> <th>MEN</th> </tr> </thead> <tbody> <tr> <td>Permanent employees (group)</td> <td>489</td> <td>439</td> </tr> <tr> <td>Temporary employees</td> <td>32</td> <td>24</td> </tr> </tbody> </table> <p>Number of employees: 928 (984 incl. temporary)</p> <table border="1"> <thead> <tr> <th></th> <th>WOMEN</th> <th>MEN</th> </tr> </thead> <tbody> <tr> <td>Full time</td> <td>441</td> <td>415</td> </tr> <tr> <td>Part time</td> <td>80</td> <td>48</td> </tr> </tbody> </table>		WOMEN	MEN	Permanent employees (group)	489	439	Temporary employees	32	24		WOMEN	MEN	Full time	441	415	Part time	80	48
	WOMEN	MEN																			
Permanent employees (group)	489	439																			
Temporary employees	32	24																			
	WOMEN	MEN																			
Full time	441	415																			
Part time	80	48																			
2-8	Workers who are not employees	4.2 Temporary employees																			
2-22	Statement from the management	The Board of Directors' Annual Report: Sustainability and Society																			
2-28	Membership of industry associations or other membership associations, and national or international advocacy organisations	Just before 1.4 Materiality assessment																			

INDICATOR	DESCRIPTION	LOCATION IN THE REPORT	REPORTING DIRECTLY IN THE INDEX
2-28	Membership of industry associations or other membership associations, and national or international advocacy organisations	1.3 Sustainability goals for 2024	
Governance			
2-9 a	The organisation's governance structure, including committees	<u>Statement on Corporate governance:</u> - Point 6 of the code of practice - Point 7 of the code of practice - Point 8 of the code of practice	
2-9 b	List the highest authority committees responsible for decisions on economic, environmental and social issues	<u>Statement on Corporate governance:</u> - Point 9 of the code of practice	The board takes into account economic, social and environmental conditions (ESG). Remuneration committee, audit committee, risk committee
2-9 c	Composition of the highest governance body and its committees	<u>Statement on Corporate governance:</u> - Point 8 of the code of practice	iv. Section 9-2 of the Financial Undertakings Act Regulations limits the number of board positions board members can hold. vi. Underrepresented social groups are not part of the set of criteria for board composition given in the Nomination Committee's instructions (point 8) and Policy for diversity on the board of SpareBank 1 Nord-Norge. The representative board consists of equity certificate holders, customers, employees and the county council.
2-10	Nomination and selection of the highest governance body	<u>Statement on Corporate governance:</u> - Point 7 of the code of practice - Point 8 of the code of practice	
2-11	Chair of the highest governance body	<u>Statement on Corporate governance:</u> - Point 7 of the code of practice - Point 8 of the code of practice	The chair of the Board of Directors is independent. The Group CEO is not a member of the Board of Directors. The head of the board of representatives is elected by an independent selection committee.
2-13	Responsibility for the group's ESG impact	- 1.4.3 Impact analysis - 2.1.1 Management	

INDICATOR	DESCRIPTION	LOCATION IN THE REPORT	REPORTING DIRECTLY IN THE INDEX
2-16a	Communication of critical concerns		<p>At SNN the following roles are entitled to report directly to the Board of Directors (in addition to the Group CEO):</p> <ul style="list-style-type: none"> • CRO (Chief Risk Officer) Reports quarterly to the board and has the right to report directly to the board in cases where the board does not receive the necessary information about significant risks via the general reporting, ref. CRR/CRD IV regulation § 38. • Head of compliance Reports quarterly to the board and has direct reporting access and duty to report to the chairman of the board if conditions are discovered that may be in conflict with the group's compliance policy. Furthermore, the Head of Compliance has the right and duty to attend meetings of the board and group management when necessary. In the event of a conflicting opinion relating to compliance-related matters, the Head of Compliance may demand that objections be recorded in the board's minutes. • Anti-money laundering officer Reports quarterly to the board and has direct reporting access and obligation to report to the chairman of the board if conditions are uncovered that may be in conflict with the group's policy for anti-money laundering and terrorist financing.
2-16b	Board of directors' involvement in critical concerns	6.1 Combating financial crime	
2-17	Highest governance body's knowledge about ESG-related matters	<p>- 1. Driving force behind a sustainable future in Northern Norway</p> <p>- 2.1.1.1 The Board's understanding of climate-related risks and opportunities</p>	
2-18	Evaluering av styret	2.1.1.1 The Board's understanding of climate-related risks and opportunities	
2-19	Policy for godtgjørelse	<p><u>Statement on Corporate governance:</u></p> <ul style="list-style-type: none"> - Point 9 of the code of practice - Point 12 of the code of practice 	The company's guidelines on remuneration to senior executives are described in a public document on the company's website.

INDICATOR	DESCRIPTION	LOCATION IN THE REPORT	REPORTING DIRECTLY IN THE INDEX
2-20	Processes to determine remuneration	<p><u>Statement on Corporate governance:</u></p> <ul style="list-style-type: none"> - Point 9 of the code of practice - Point 12 of the code of practice 	<p>2-20 a. The remuneration committee, with representatives from the board, oversees, processes and proposes changes to the company's remuneration work. Annually, the company's practice of remuneration, adjustments to guidelines for remuneration and evaluation of the committee's work are dealt with. Annual reports on remuneration for managers are also circulated for consideration by the supervisory board, which are publicly available on the company's website. The committee also directly supervises other management in the area of risk and compliance. Remuneration practices are assessed annually by an external partner to ensure compliance.</p> <p>2-20 b. The board of representatives voted unanimously for guidelines and a report on remuneration for senior executives.</p>
2-21	Annual total compensation ratio		<p>2-21 a. The ratio of total compensation for the highest paid employees to the median for other employees is 7.03</p> <p>2.21 b. The ratio of the percentage increase in annual total compensation for the highest paid employees to the median percentage increase for other employees is 1.21</p> <p>2.21 c. The ratios are based on personnel reports from January 2022 and 2023.</p> <p>Total compensation is defined as direct compensation which includes contractual annual salary + car allowance.</p> <p>Definition of other employees: all employees on fixed contractual salary.</p>
2-23 a	Policy commitments on responsible business conduct	<ul style="list-style-type: none"> - Policy for sustainability - 1.1 Strategy - 1.3 Sustainability goals for 2024 	Policy for sustainability is built on, among other things, the UN Global Compact's 10 principles. The group's value base and expectations for behavior are described in the SNN code. These management documents apply to all the group's employees, including the board and employees in subsidiaries.
2-23 b	Sustainability policy: Human rights	<ul style="list-style-type: none"> - 1.1 Strategy - 6. Business conduct - 6.2 Supply chain follow-up - 6.2.2 Local purchases in Sparebank 1 Nord-Norge 	The policy on sustainability and corporate social responsibility is available at snn.no with appurtenant guidelines.
2-23 c	Publication of policy	1.2 Management of ESG work	Policy for sustainability can be found on snn.no with accompanying guidelines for sustainability in liquidity management, financing, HR, securities funds, supply chain follow-up.
2-23 d	Approval of policy	1.2 Management of ESG work	The policy is adopted annually by the board

INDICATOR	DESCRIPTION	LOCATION IN THE REPORT	REPORTING DIRECTLY IN THE INDEX
2-23 e	Scope of policy commitments	1.2 Management of ESG work	
2-23 f	Description of how the policy is communicated to employees	- 1.2 Management of ESG work - 4.11.1 General competence measures	Instruction in the policy is included in the Group's training programme
2-24	Implementation of sustainability policy	- 1.2 Management of ESG work - 2.1.1.1 The Board's understanding of climate-related risks and opportunities	
2-25 a	Processes to remediate negative impacts	- 1.1 Strategy - 1.4.3 Impact analysis - 6.2 Supply chain follow-up	Handling of negative impacts is described in the chapters on essentials (2. Climate change, 3. Green transition, 4. Own workforce, 5. Affected communities and 6. Business conduct)
2-25 b	Identification and processing of complaints		Through the group's process for customer complaints, the following have been registered in 2023: 67 customer complaints that have been processed in accordance with routine.
2-25 c	Other processes to remedy negative impacts		Omission in 2023
2-25 d, e	Stakeholder analysis in the development of notification mechanisms	- 4.10 Notifications and unwanted incidents Statement on Corporate governance: - Point 2 of the code of practice	The notification routines have been changed in accordance with CSRD's requirements for reporting on notification mechanisms, applicable in the policy for Anticorruption of December 2023
2-26	Mechanisms for ethical conduct and whistleblowing	4.10 Notifications and unwanted incidents	This is described in the SNN Code (ethical guidelines). See also reporting on GRI 416-2
2-27	Compliance with laws and regulations		No offenses have been registered in 2023 as defined in disclosure 2-27
Stakeholder dialogue			
2-12	The highest governance body's oversight of and involvement in work on sustainability.	- 1.1 Strategy - 2.1.1.1 The Board's understanding of climate-related risks and opportunities - 2.1.1.2 Group Management's role in assessing and managing climate-related risks and opportunities - Under «Evaluation» in the chapters about material topics	The board of representatives is informed about the group's work with sustainability through the annual board of representatives meeting. The board is briefed on the group's work with implementation of the Transparency Act and the annual report in this area .

INDICATOR	DESCRIPTION	LOCATION IN THE REPORT	REPORTING DIRECTLY IN THE INDEX
2-29 a i	Stakeholder groups with which the organisation is in dialogue with, and how they are identified	- 1.4.2 The group's key stakeholders - Appendix 2: Stakeholder analysis 2023	
2-29 a ii.	The purpose of stakeholder dialogue	Appendix 2: Stakeholder analysis 2023	
2-29 a iii.	Ensuring meaningful stakeholder dialogue	Appendix 2: Stakeholder analysis 2023	
2-30	Percentage of employees covered by collective agreements		100% in parent bank, 100% in group.
Reporting practice			
2.2	Entities included in the organisation's sustainability reporting in the annual report	1.2 Management of ESG work	
2-3 a	Reporting period		01.01.2023-31.12.2023 The sustainability report is published annually as part of the annual report
2-3 d	Contact point for queries regarding the report or its content	1.2 Management of ESG work	
2-5	External assurance		The report has been verified for the first time externally by KPMG. The independent attestation statement is included in this report. KPMG has performed its attestation of Sparebank1 Nord-Norge's sustainability report with moderate certainty. The attestation was carried out in accordance with ISAE 3000.
2-4	Restatements of historical data from previous reports	2.2.2 Emissions from own operations	
3-1	Process for determining the Group's most material topics	- 1.4 Materiality assessment – revised in 2023 - Appendix 2: Stakeholder analysis 2023	
3-2	Liste over alle temaer som er identifisert som vesentlige	1.4.1 Material topics 2023	
3-3	Management of material topics	Described in the chapters on essentials (2. Climate change, 3. Green transition, 4. Own workforce, 5. Affected communities and 6. Business conduct)	

INDICATOR	DESCRIPTION	LOCATION IN THE REPORT	REPORTING DIRECTLY IN THE INDEX
Climate change			
305-1, 305-2, 305-3	Carbon footprint in operations scope 1, 2 and 3	Kap 2.2 Carbon emissions in own operations and financing	
305-4	Emissions intensity in the loan portfolio (financed emissions scope 3)		
3-3 a	Impact on the environment, people and the economy	2. Climate change	
3-3 b	Involvement in negative influence	2. Climate change	
3-3 c	Policies	2. Climate change	
3-3 d	Measures	2. Climate change	
3-3 e	Evaluation	2. Climate change	
3-3 f	Stakeholder management	2. Climate change	
Contribute to the green transition			
SNN 1	Use of community funds and investments in solutions that have a positive impact on the climate	- 1. Driving force behind a sustainable future in Northern Norway - 5. Affected communities	Report about samfunnsløftet (this is not part of The Board of Directors' Annual Report)
SNN 2	Number of green borrowing and lending	3.3 Green borrowing and lending	
SNN 3	Proportion and number of companies in the portfolio with which the business has interacted on environmental or social matters.	3.1 Green transition – corporate market	
SNN 4	Proportion of assets subject to positive and negative environmental or social screening	3.5 Sustainable savings products	All funds on our savings platform have undergone ESG screening
404-2 a	Number of employees who have completed ESG training		ESG course: Number of employees who have completed it Energy certificate for private homes: 142 Circular economy: 262 Anti-money laundering - AML update 2023: Case 4. Endurance: 122 Sustainability (basic course for new employees): 154 Sustainable finance (basic course for new employees): 138 Sustainability - new competence requirements (deadline 15.01.24): 353 Sustainability preferences in investment advice: 36 Sustainability in personal insurance: 130 Sustainability in non-life insurance: 139 Sustainability by damage prevention measures and claims settlement: 8 Diversity and inclusion: 42 Sustainability course through Digital Norway: 74

INDICATOR	DESCRIPTION	LOCATION IN THE REPORT	REPORTING DIRECTLY IN THE INDEX
3-3 a	Impact on the environment, people and the economy	- 3. Green transition - 3.1 Green transition – corporate market - 3.2 Green transition – retail market (What was achieved in 2023?)	
3-3 b	Involvement in negative impact	3. Green transition	
3-3 c	Policies	3. Green transition	
3-3 d	Measures	3. Green transition	
3-3 e	Evaluation	3. Green transition	
3-3 f	Stakeholder management	3. Green transition	
Own workforce			
404-3	Share of employees that regularly undergo appraisal and development interviews	4.11.1 General competence measures	
405-1	Diversity in governing bodies and in different employee categories	4.5 Gender distribution	The management of SpareBank 1 Nord-Norge (women-men). The bank's board 9 (5-4).
416-2	Violation of guidelines	4.10 Notifications and unwanted incidents	
3-3 a	Impact on the environment, people and the economy	4. Own workforce	
3-3 b	Involvement in negative impact	4. Own workforce	
3-3 c	Policies	4. Own workforce	
3-3 d	Measures	4. Own workforce	
3-3 e	Evaluation	4. Own workforce	
3-3 f	Stakeholder management	4. Own workforce	
Berørte lokalsamfunn			
3-3 a	Impact on the environment, people and the economy	5. Affected communities	
3-3 b	Involvement in negative impact	5. Affected communities	
3-3 c	Policies	5. Affected communities	
3-3 d	Measures	5. Affected communities	
3-3 e	Evaluation	5. Affected communities	
3-3 f	Stakeholder management	5. Affected communities	

INDICATOR	DESCRIPTION	LOCATION IN THE REPORT	REPORTING DIRECTLY IN THE INDEX
Business conduct			
205-2	Documented training in ethical banking operations and work on anti-money laundering	4.11.1 General competence measures	
205-3 a	Identified corruption events	6.1 Combating financial crime	
205-3 b	Number of incidents where employees were dismissed for corruption		None
205-3 c	Number of incidents where contracts were terminated due to corruption		None
205-3 d	Public court cases concerning corruption		None
418-1	Number of documented complaints relating to breaches of privacy or loss of customer data	6.1 Combating financial crime	
3-3 a	Impact on the environment, people and the economy	6. Business conduct	
3-3 b	Involvement in negative impact	6. Business conduct	
3-3 c	Policies	6. Business conduct	
3-3 d	Measures	6. Business conduct	
3-3 e	Evaluation	6. Business conduct	
3-3 f	Stakeholder management	6. Business conduct	

APPENDIX 2

STAKEHOLDER ANALYSIS 2023

The engagement SpareBank 1 Nord-Norge has with relevant stakeholders over the course of a year is extensive. Stakeholders are defined as follows:
There are two main groups of stakeholders:

(a) impacted stakeholders: individuals or groups whose interests are impacted or could potentially be impacted – positively or adversely – by the activities of the institution, its direct and indirect business associates and its value chain; and

(b) users of ESG information: primary users of general financial reporting (existing and potential investors, lenders and other creditors, including asset managers, credit institutions, insurance firms), and other users of ESG information, including corporate business partners, trade unions and labour market actors, civil society and non-governmental organisations, governments, analysts and academics.

The stakeholders were identified as part of the Group's work on its materiality analysis in 2022 and the revision of this in 2023. Stakeholder engagement comprises a combination of specific points of contact, analyses, events and reports that in total provide SpareBank 1 Nord-Norge with an overall picture of what is important for the main stakeholders and how this should permeate the Group's priorities in its sustainability work going forward. The purpose of stakeholder engagement is to identify material topics that stakeholders are focused on in relation to SpareBank 1 Nord-Norge.

Below is an overview of the main stakeholders and how they influence the material topics.

STAKEHOLDER	POINT OF CONTACT/ DATA COLLECTION	MATERIAL TOPICS	ESG MEASURES
Customers	Meetings with customers Customer events Position measurement Market research	Financing of green transition Local value creation Climate risk Cooperation and networks Fraud/anti-corruption Savings	Material topics chosen: Green transition Development of green products Tactical goal: green transition in practice Talk by Linda Tofteng Eliassen: "Spar mæ" ("Save me") 25 events in 2023
Staff	Winningtemp: Dynamic organisational survey run throughout the year Mapping employee ESG competence Working environment committees in all group companies. Monthly meetings between elected representatives and the Group's HR department.	Competence raising Financing of green transition Local value creation Data security and privacy Working environment, gender equality, involvement in processes	Material topics chosen: Own workforce Corporate Strategic Goals for 2024 Establishment of the diversity forum

STAKEHOLDER	POINT OF CONTACT/ DATA COLLECTION	MATERIAL TOPICS	ESG MEASURES
Northern Norwegian society	Samfunnsløftet maintains an extensive dialogue with society through considering applications, events and other points of contact. Knowledge Bank kbnn.no Events and forums Media	Local value creation Demographic risk Climate change Cooperation and networks Society's need for funds for development.	Material topics chosen Affected communities, green transition and climate change Goal of contributing positively to migration flow by 2030 Focus on attractive communities
Authorities	Various forums and contact with authorities Reporting	Ethical banking and risk management Climate risk Demographic risk Financing of green transition New reporting requirements and directives	Material topics chosen: Business conduct and climate change Greater focus on financial industry reporting requirements
Investors and rating agencies	Investor presentations and meetings Ratings Dialogue with investors and others	Climate risk Financing of green transition Ethical banking and risk management Climate neutrality Taxonomy Climate impact and reporting	Material topics chosen Business conduct, green transition and climate change
Suppliers and partners	Purchasing process Collaborations Events and forums	Local value creation Demographic risk Climate change Cooperation and networks Climate risk Gender equality and diversity Financing of green transition Transparency Act and due diligence Climate action	Material topics chosen: green transition and climate change Increased reporting on ESG Development of support schemes for Samfunnsløftet

APPENDIX 3

CARBON ACCOUNTING FOR OWN OPERATIONS

SPAREBANK 1 NORD-NORGE

Carbon Accounting Report 2023

This report provides an overview of the Group's greenhouse gas (GHG) emissions as an integral component of the Group's climate strategy. Carbon accounting is an important tool for identifying tangible measures for cutting energy consumption and the associated GHG emissions. This annual carbon accounting report enables the Group to benchmark its key performance indicators and evaluate its progress over time. This report covers all registered emissions from SpareBank 1 Nord-Norge.

The input data for carbon accounting comes from both internal and external sources and is converted into tonnes of CO₂ equivalents (tCO₂e). The analysis is based on the international standard «A Corporate Accounting and Reporting Standard» developed by the Greenhouse Gas Protocol Initiative (GHG Protocol). This is the most widely used method worldwide for measuring GHG emissions. The ISO standard 14064-1 is based on it.

Reporting year energy and GHG Emissions					
EMISSION SOURCE	CONSUMPTION	UNIT	ENERGY (MWh)	EMISSION tCO ₂ e	EMISSION FACTOR
Transportation totalt			19.3	4.6	1.0%
Petrol (ES)	1,109.2	liters	10.0	2.5	0.5%
Diesel (NO)	947.2	liters	9.3	2.2	0.4%
Scope 1 total			19.3	4.6	1.0%
Electricity total			2,908,7	81.4	16.8%
Electricity Nordic mix	2,908,736.0	kWh	2,908,7	81.4	16.8%
District heating location total			1,011.1	11.4	2.3%
District heating NO/Tromsø	730,513.0	kWh	730.5	5.4	1.1%
District heating NO/Harstad	280,554.0	kWh	280.6	6.0	1.2%
Scope 2 total			3,919.8	92.8	19.1%
Waste total				18.7	3.9%
Paper waste, recycled	2,141.0	kg			
Industrial waste, incinerated	2,100.0	kg		1.2	0.2%
Organic sludge, recycled	11,880.0	kg		0.3	0.1%
Organic waste, composting	10,340.0	kg		0.1	
Glass waste, recycled	5,480.0	kg		0.1	
Residual waste, incinerated	30,860.0	kg		17.0	3.5%
Total business travel				368.7	76.0%
Flights	356,044.0	kgCO ₂ e		356.0	73.4%
Car allowance (NO)	186,174.5	km		12.7	2.6%
Scope 3 total				387.4	79.9%
Total			3,939.1	474.8	
Kj			14,180,845,752.0		

Market-based emissions in the reporting year		
CATEGORY	UNIT	2023
Electricity Total (Scope 2) with market-based calculations	tCO ₂ e	
Scope 2 Total with market-based electricity calculations	tCO ₂ e	11.4
Scopes 1+2+3 Total with market-based electricity calculations	tCO ₂ e	403.4

The above is a comprehensive summary of GHG emissions from SpareBank 1 Nord-Norge for the reporting year 2023. It shows the extent and Scope 3 categories included, along with the respective emission sources. The table shows consumption data and the associated reporting unit (e.g. kg, litres, kgCO₂e, km), the consumption data converted into energy (MWh) and tCO₂e, and the percentage each emission source represents in the overall carbon accounting. Values below 0.1 are replaced with a line (-) since they are considered too small to be of significance.

Sparebank 1 Nord-Norge's total GHG emissions were 484.8 tCO₂e in 2023. This represents an increase of 59.4 tCO₂e, or 14.0 per cent, compared with 2022. One important reason for the increase in emissions was an increase in the business travel category, which has risen by 15.2 per cent since the year before.

The distribution of GHG emissions in 2023 was as follows:

Scope 1: 1.0% (4.6 tCO₂e)

Scope 2: 19.2% (92.8 tCO₂e)

Scope 3: 79.9% (387.4 tCO₂e)

There were increases in Scope 1, Scope 2 and Scope 3 emissions from 2022 to 2023.

Scope 1

Transport: A total of three company cars are reported for, shared between Bodø and Tromsø, where 947.2 litres of diesel were reported for 2023, which amounts to 2.2 tCO₂e, and 1 109.2 litres of petrol, which amounts to 2.5 tCO₂e. In total, this represents a 2.2 per cent increase in Scope 1 emissions compared with the year before, which corresponds to a 3.5 per cent increase in fuel consumption. It was not possible to obtain petrol consumption data for Bodø, so an assumption was made that the consumption in 2023 was similar to that in 2022.

Scope 2

Electricity: in the main table on the previous page, GHG emissions from electricity are calculated using the location-based emissions factor Nordic Mix. Emissions from electricity account for 81.4 tCO₂e and increased by 5.0 per cent compared with 2022, although electricity consumption fell from 2 979 693 kWh in 2022 to 2 908 736 kWh in 2023. This increase in emissions despite lower consumption was due to a 7.7 per cent increase in the Nordic Mix emissions factor from 2022 to 2023. This in turn was due to the energy mix changing from year to year based on, for example, changes in weather and the environment, which affect availability and price.

Electricity based on a market-based factor is presented on top of this page. The practice of presenting emissions from electricity consumption using two different emissions factors is explained in «Methodology and sources» below Scope 2. SpareBank 1 Nord-Norge purchased guarantees of origin (OG/REC) for all of its electricity consumption in 2023, and thus has no emissions from electricity using the market-based method.

District heating: GHG emissions from district heating are reported for Tromsø and Harstad and in 2023 they amounted to 11.4 tCO₂e, which is an increase of 29.0 per cent from 2022 to 2023. This was due in part to district heating consumption increasing by an average of 9.6 per cent for the two locations, although a significant increase in the emissions factor for district heating in Harstad was also a significant driver behind the increase. The main reason for the increased emissions factor was changes in the methodology for calculating emissions from district heating from 2022 to 2023. Overall, Scope 2 emissions increased by 7.6 per cent compared with 2022.

Scope 3

Flights: Flights generated GHG emissions of 356 tCO₂e and accounted for 73.4 per cent of SpareBank 1 Nord-Norge's total emissions in 2023. This was an increase of 18.3 per cent in km flown compared with 2022, where the round-trip distance travelled between Oslo and Tromsø accounted for 43.4 per cent of total emissions from flights.

Mileage allowance: This activity was included in SpareBank 1 Nord-Norge's carbon accounting report for the first time in 2022, and the total GHG emissions from mileage allowance were 12.7 tCO₂e in 2023. This is an increase in emissions of 13.4 per cent compared with the year before, as well as an increase of 37,065 km in reported km.

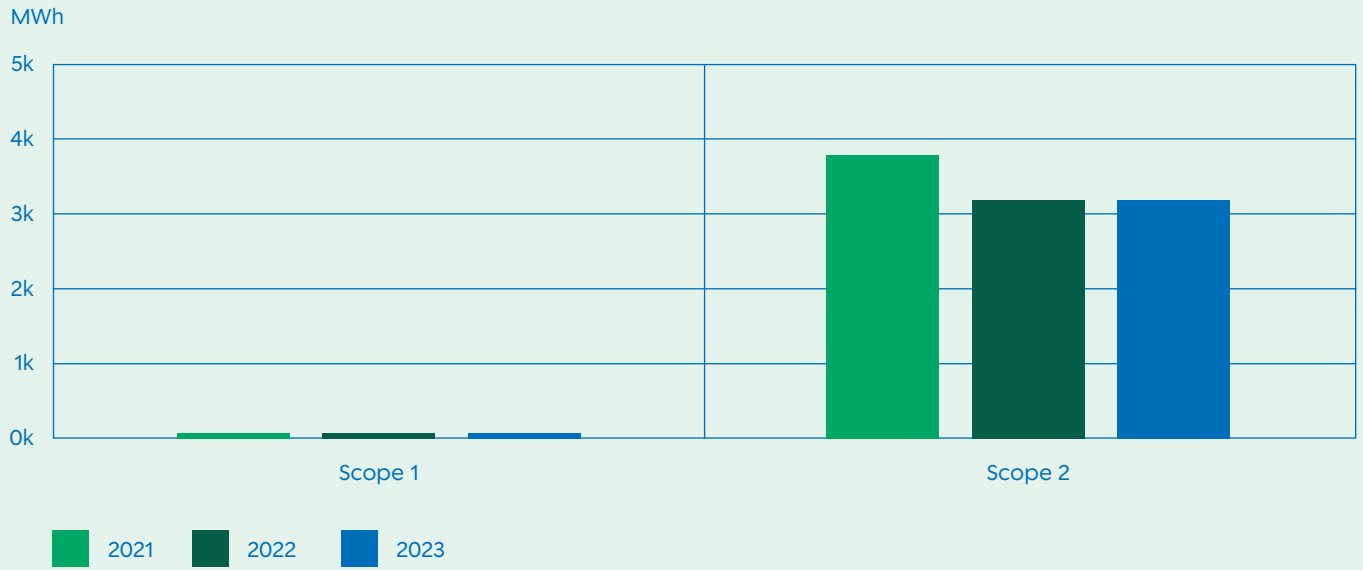
Waste: Total waste emissions amounted to 18.7 tCO₂e in 2023 and increased by 29.1 per cent compared with 2022. This was due to a new waste fraction being reported in 2023 that has not been included before, as well as an increase in the residual waste emissions factor of 9.8 per cent.

In total, Scope 3 emissions increased by 15.8 per cent compared with 2022.

Annual greenhouse gas emissions

EMISSION SOURCE	EXPLANATION	2021	2022	2023	% CHANGE FROM PREVIOUS YEAR
Transport totalt		3.3	4.5	4.6	3.5 %
Petrol		2.8	2.6	-	-100.0 %
Diesel (NO)		0.6	1.8	2.2	17.5 %
Petrol (ES)		-	-	2.5	100.0 %
Scope 1 total		3.3	4.5	4.6	3.5 %
Electricity location-based total		112.3	77.5	81.4	5.1%
Electricity Nordic mix		112.3	77.5	81.4	5.1 %
District heating site total		15.6	8.8	11.4	28.9 %
District heating Nordic mix		15.6	-	-	-
District heating NO/Tromsø		-	6.5	5.4	-17.0 %
District heating NO/Harstad		-	2.3	6.0	158.1 %
Scope 2 total		127.9	86.3	92.8	7.6 %
Waste total		5.3	14.5	18.7	29.1%
Residual waste, incinerated		5.1	14.0	17.0	21.8 %
Paper waste for recycling		0.1	0.1	-	-22.1 %
Organic waste, treated		0.1	0.2	-	-100.0 %
Glass waste for recycling		-	0.1	0.1	39.4 %
Electronic waste for recycling		-	-	-	-
Wood waster for recycling		-	-	-	-
Industrial waste for incineration		-	-	1.2	100.0 %
Organic sludge, anaerob digestion		-	0.2	-	-100.0 %
Organic sludge, recycled		-	-	0.3	100.0 %
Food waste for composting		-	-	0.1	100.0 %
Total business travel		133.3	320.1	368.7	15.2 %
Flights, continental	Europa	2.7			
Flights, continental	Nordic countries	0.4			
Flights, domestic		130.2			
Car allowance (NO)			11.2	12.7	13.2%
Flights			308.9	356.0	15.3%
Scope 3 total		138.6	334.5	387.4	15.8 %
Total		269.8	425.3	484.8	14.0 %
Percentage change		-	57.6 %	14.0 %	

Annual energy consumption (MWh) Scope 1 & 2



Market-based emissions in the reporting year				
CATEGORY	UNIT	2021	2022	2023
Electricity Total (Scope 2) with market-based calculations	tCO ₂ e	-	-	-
Scope 2 Total with market-based electricity calculations	tCO ₂ e	15.6	8.8	11.4
Scopes 1+2+3 Total with market-based electricity calculations	tCO ₂ e	157.5	347.8	403.4
Percentage change		-	120.8%	16.0%

Methodology and sources

The GHG Protocol was developed by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD). The analysis in this report was conducted in line with «A Corporate Accounting and Reporting Standard Revised edition», one of four accounting standards under the GHG Protocol. The standard includes the following GHGs, which are converted into CO₂e: carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF₆), and nitrogen trifluoride (NF₃).

This analysis is based on the operational control aspect, which thus defines which of an organisation's business assets will be included in the carbon accounting, as well as the distribution between the different Scopes. This method distinguishes between operational control and financial control. If the operational control method is used, sources of emissions that the organisation physically controls but does not necessarily own are included. This means that one does not report on sources of emissions that one owns but have no control over (e.g. tenants report their Scope 2 electricity consumption not the landlord).

Carbon accounting is divided into three levels (Scopes) consisting of both direct and indirect sources of emissions.

Scope 1 mandatory reporting includes all emission sources related to business assets where the organisation has operational control. This includes any use of fossil fuels for stationary use or transport needs (owned, rented or leased vehicles, oil boilers, etc.). Furthermore, any direct process emissions (of the six GHGs) are included.

Scope 2 mandatory reporting includes indirect emissions related to purchased energy: electricity or district heating/cooling. This applies, for example, to buildings that you lease and do not necessarily own. The emissions factors used in the CEMAsys for electricity are based on national gross production mixes from the International Energy Agency's statistics (IEA Stat). As far as emissions factors for district heating are concerned, either the actual production mix is used based on the information obtained from the individual manufacturer or the average mix is used based on IEA statistics (see source reference).

The new GHG Protocol (2015) guidelines for calculating emissions from electricity consumption were published in January 2015. These allow two-part reporting of electricity consumption.

In practice, this means that businesses reporting their GHG emissions must illustrate both real GHG emissions derived from the production of electricity and the market-based emissions related to the purchase of guarantees of origin. The change was made in order to, on the one hand, show the effect of energy efficiency and savings measures (physical) and, on the other, show the effect of entering into renewable electricity purchases through a guarantee of origin (market). Thus, the effect of all the measures that a business can implement is illustrated in relation to the consumption of electricity.

Physical perspective (location-based method): This emissions factor is based on actual emissions related to electricity production within a specific area. Within this area, various energy producers use a mix of energy carriers, where the fossil fuel carriers (coal, gas and oil) cause direct GHG emissions. These GHGs are reflected through the emissions factor and thus distributed to each individual consumer.

Market-based perspective: The calculation of the emissions factor is based on whether the company chooses to buy guarantees of origin or not. With the purchase of guarantees of origin, the supplier documents that purchased electricity comes from only renewable sources, which results in an emissions factor of 0 gCO₂e per kWh.

Electricity that is not related to guarantees of origin is assigned an emissions factor based on the production remaining after the renewables share of the guarantees of origin have been sold. This is called the residual mix and is normally significantly higher than the location-based factor.

Scope 3 voluntary reporting covers indirect emissions related to purchased goods or services. These are emissions that can be indirectly linked to the organisation's activities but that take place outside their control (hence indirectly). Typical Scope 3 reporting will include air travel, logistics/transport of goods, waste, consumption of various raw materials, etc.

In general, carbon accounting reports should include enough relevant information for them to be used as a decision support tool for business management. To achieve this, it is important to include those elements that have

In general, a climate statement should include enough relevant information so that it can be used as a decision support tool for the company's management. In order to achieve this, it is important to include the elements that have economic relevance and weight, and with which it is possible to do something.

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The reference list above is not complete, but contains the most important references used in CEMAsys. In addition, there will be a number of local/national sources that may be relevant, depending on which emission factors are used.

APPENDIX 4

ANNEX VI TAXONOMY REPORTING

Taxonomy Regulation Annex VI – KPIs for credit institutions

SpareBank 1 Nord-Norge must publish what is included in the taxonomy based on supervisory consolidation in accordance with regulation (EU) no. 575/2013 (2), chapter 2.

0. Summary of KPIs to be disclosed by credit institutions under Article 8 Taxonomy Regulation

KPI (NOK MILL)		TOTAL ENVIRONMENTALLY SUSTAINABLE ASSETS (MILL. NOK)	% COVERAGE (OVER TOTAL ASSETS)
Main KPI	Green asset ratio (GAR) stock	5 556	3.13 %
Additional KPIs	Amount Taxonomy-eligible in respect of covered assets	91 203	72.7 %
Additional KPIs	Amount Taxonomy-aligned activity of eligible sectors	5 556	6.1 %

1. Assets for the calculation of GAR (Green assets ratio)

Million EUR		Total gross carrying amount	Climate Change Mitigation (CCM)			
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
			Of which environmentally sustainable (Taxonomy-aligned)		Of which specialised lending	Of which transitional
1	GAR - Covered assets in both numerator and denominator					
2	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	125 429	91 203	5 556		
3	Financial corporations	25 555				
4	Credit institutions	21 908				
5	Loans and advances	891				
6	Debt securities, including UoP	19 837				
7	Equity instruments	1 180				
8	Other financial corporations	3 647				
9	of which investment firms					
10	Loans and advances	1 549				
11	Debt securities, including UoP	223				
12	Equity instruments	1 875				
13	of which management companies	139				
14	Loans and advances					
15	Debt securities, including UoP					
16	Equity instruments	139				
17	of which insurance undertakings	3 285				
18	Loans and advances	1 549				
19	Debt securities, including UoP					
20	Equity instruments	1 736				
21	Non-financial corporations	854				
22	NFCs subject to NFRD disclosure obligations	854				
23	Loans and advances	854				
24	Debt securities, including UoP					
25	Equity instruments					
26	Households	99 021	91 203	5 556	0	
27	of which loans collateralised by residential immovable property	90 758	90 758	5 556	0	
28	of which building renovation loans					
29	of which motor vehicle loans	444	444			
30	Local governments financing	0				
31	Collateral obtained by taking possession: residential and commercial immovable properties	0				
32	Other local government financing	0				

Million EUR		Total gross carrying amount	Climate Change Mitigation (CCM)			
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
			Of which environmentally sustainable (Taxonomy-aligned)			
					Of which specialised lending	Of which transitional
33	Other assets excluded from the numerator for GAR calculation (covered in the denominator)	52 142				
34	Non-financial corporations	46 084				
35	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	46 084				
36	Loans and advances	45 594				
37	of which loans collateralised by commercial immovable property					
38	of which building renovation loans					
39	Debt securities	2				
40	Equity instruments	488				
41	Non-EU country counterparties not subject to NFRD disclosure obligations					
42	Loans and advances					
43	Debt securities					
44	Equity instruments					
45	Derivatives	2 866				
46	On demand interbank loans					
47	Cash and cash-related assets	1 527				
48	Other assets (e.g. Goodwill, commodities etc.)	1 665				
49	Total GAR assets	177 571	91 203	5 556		
50	Other assets not covered for GAR calculation					
51	Sovereigns	3 925				
52	Central banks exposure	420				
53	Trading book					
54	Total assets	181 917	91 203	5 556		

3. GAR KPI stock 31.12.23

% (compared to total covered assets in the denominator)		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 specialised lending	Of which transitional	Of which enabling
1	GAR - Covered assets in both numerator and denominator					
2	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	72,7 %	4,4 %		4,4 %	
3	Financial corporations					
4	Credit institutions					
5	Loans and advances					
6	Debt securities, including UoP					
7	Equity instruments					
8	Other financial corporations					
9	of which investment firms					
10	Loans and advances					
11	Debt securities, including UoP					
12	Equity instruments					
13	of which management companies					
14	Loans and advances					
15	Debt securities, including UoP					
16	Equity instruments					
17	of which insurance undertakings					
18	Loans and advances					
19	Debt securities, including UoP					
20	Equity instruments					
21	Non-financial corporations					
22	NFCs subject to NFRD disclosure obligations					
23	Loans and advances					
24	Debt securities, including UoP					
25	Equity instruments					
26	Households	92,1 %	5,6 %		5,6 %	
27	of which loans collateralised by residential immovable property	100 %	6,1 %		6,1 %	
28	of which building renovation loans					
29	of which motor vehicle loans	100 %	0,0 %		0,0 %	
30	Local governments financing					
31	Collateral obtained by taking possession: residential and commercial immovable properties					
32	Other local government financing					

Template 1: Nuclear and fossil gas related activities

ROW	NUCLEAR ENERGY RELATED ACTIVITIES	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
	FOSSIL GAS RELATED ACTIVITIES	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO



Team gathering: In September, the entire Regnskapshuset met for a gathering and team building in beautiful autumn weather in Bodø. PHOTO: HÅKON STEINMO



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