

# Principles for Responsible Banking

## Reporting and Self-Assessment Template – Sparebanken Møre march 2022

The table sets out the reporting and self-assessment requirements for signatories of the Principles of Responsible Banking. This is where we provide our response and self-assessment in relation to the principles and provide reference and links to where in our existing reporting and publicly available documents. The **highlighted** element requires limited assurance, see the report performed by KPMG in our annual report for 2021.

Reporting and Self-Assessment Requirements	High-level summary of bank's response (limited assurance required for responses to <b>highlighted</b> items)	Reference(s)/ Link(s) to bank's full response/ relevant information
<b>Principle 1: Alignment</b> We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.		
<p><i>1.1 Describe</i> (high-level) your bank's business model, including the main customer segments served, types of products and services provided, the main sectors and types of activities, and where relevant the technologies financed across the main geographies in which your bank has operations or provides products and services.</p>	<p>Sparebanken Møre is an independent, listed financial services group, which consists of the Parent Bank, the mortgage company Møre Boligkreditt AS, the estate agency Møre Eiendomsmegling AS, and the property company Sparebankeiendom AS.</p> <p>Today Sparebanken Møre is the leading financial services group in Nordvestlandet with 27 branches in Møre og Romsdal. Its head office is in Ålesund. Over many years, the Bank has built up a large expert environment in relation to the retail and corporate markets, as well as the equity, interest rate and currency markets. Together with its subsidiary Møre Eiendomsmegling AS, Sparebanken Møre is a full-service bank for retail customers, businesses and the public sector in Nordvestlandet.</p> <p>Sparebanken Møre offers a full range of financial services within the following areas: Financing, Deposits and investments, Wealth management, Financial advice, Money-transfer services, Currency and interest rate trading, Insurance and Estate agency.</p>	<p>Annual Report 2021 – <a href="#">Board of Directors' Report</a> – section 'Areas of operations and markets' Section "Strategy and Goals" Annual Report – <a href="#">Corporate governance</a> – section 'Operations' Annual Report – "<a href="#">Standing strong as a savings bank</a>"</p> <p>For details about our business areas see Annual Report - <a href="#">Board of Directors Report</a> – section "Business areas"</p>
<p><i>1.2 Describe</i> how your bank has aligned and/or is planning to align its strategy to be consistent with and contribute to society's goals, as expressed in the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.</p>	<p>Sustainability is one of the five strategic priorities in Sparebanken Møre long term strategy. The overarching objective for our sustainability work for this strategy period is "Sparebanken Møre will be a driving force behind sustainable development". The objective has been firmed up through special action plans and measures in all the Bank's sections/ divisions. The work is in an initial phase and there will be a high level of activity within the area throughout the strategy period. Our strategic goals in the area are linked to the UN SDG to be part of the solution in reaching the Paris Climate agreement and working with the principles for responsible banking.</p>	<p>Annual Report – <a href="#">Sustainability and corporate social responsibility</a> – "A driving force behind sustainable development", "<a href="#">Our commitments</a>" and "<a href="#">Strategic targets</a>"</p>
<b>Principle 2: Impact and Target Setting</b>		

We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.

**2.1 Impact Analysis:**

Show that your bank has identified the areas in which it has its most significant (potential) positive and negative impact through an impact analysis that fulfills the following elements:

**a) Scope:** The bank's core business areas, products/services across the main geographies that the bank operates in have been as described under 1.1. have been considered in the scope of the analysis.

**b) Scale of Exposure:** In identifying its areas of most significant impact the bank has considered where its core business/its major activities lie in terms of industries, technologies and geographies.

**c) Context & Relevance:** Your bank has taken into account the most relevant challenges and priorities related to sustainable development in the countries/regions in which it operates.

**d) Scale and intensity/salience of impact:** In identifying its areas of most significant impact, the bank has considered the scale and intensity/salience of the (potential) social, economic and environmental impacts resulting from the bank's activities and provision of products and services.

(your bank should have engaged with relevant stakeholders to help inform your analysis under elements c) and d))

Show that building on this analysis, the bank has

- Identified and disclosed its areas of most significant (potential) positive and negative impact
- Identified strategic business opportunities in relation to the increase of positive impacts / reduction of negative impacts

a) **Scope:** Our plan for integrating sustainability into our business strategy is based on several workshops with top management, working groups in the bank, and a survey with all employees and our materiality analysis. Furthermore, we have through dialogue with relevant stakeholders identified areas of interest. We have started work on our impact analysis, and this work will be finalized by the end of 2022. This will provide us with a deeper knowledge on our positive and negative impact.

b) The conducted materiality analysis included all of the bank's activities. So far, our work and our materiality analysis show that we have the biggest potential to increase positive impact and reduce negative impact by setting requirements for our customers and suppliers. Furthermore, that our support to the community focuses on projects that have positive impact or/ and decreases the negative impact. The impact analysis will go deeper into the possibilities in the customer- and supplier aspect. Our activities are in Norway, and most of them in the Møre og Romsdal region.

c) We are in the process of doing more thorough sector analysis on the different branches in our region with regards to our corporate and business banking, thus giving us a ESG score on corporate clients. These will provide important input to our impact analysis, and enabling us to better identify the social, economical and environmental impacts from our activities

d) The work with the materiality analysis so far helped us identify a total of ten SDGs, of which five are defined as main goals for Sparebanken Møre. Based on our SDGs and materiality analysis we have defined 14 strategic goals. Our strategic goals are divided into the categories 1) our self, 2) customers and suppliers and 3) society. The strategic goals are connected to targets to be fulfilled by the end of 2025.

In this work internal stakeholders from all levels and parts of the organisation have been involved, included top management and Board of directors. In addition, we have sought input from different external stakeholders as described in our stakeholder engagement.

Annual Report – Sustainability and corporate social responsibility, section - "[Stakeholder engagement and materiality analysis](#)", - "[Our commitments](#)" - "[Strategic targets](#)" - "[Material topics](#)"

**Please provide your bank's conclusion/ statement if it has fulfilled the requirements regarding impact analysis**

We have conducted a materiality analysis and have started work with the impact analysis, to identify the significant impacts, both positive and negative, with our customers, suppliers and society. The finalized impact analysis and a planned new materiality analysis conducted in the second half of 2022 will impact our strategic goals. Finally, we need to consider if any part of our portfolio needs further deep dives to clarify our possible impact. This is an ongoing process that needs our constant attention.

<p><b>2.2 Target Setting</b>  <i>Show</i> that the bank has set and published a minimum of two <b>Specific, Measurable</b> (can be qualitative or quantitative), <b>Achievable, Relevant</b> and <b>Time-bound (SMART)</b> targets, which address at least two of the identified “areas of most significant impact”, resulting from the bank’s activities and provision of products and services.</p> <p><i>Show</i> that these targets are linked to and drive alignment with and greater contribution to appropriate Sustainable Development Goals, the goals of the Paris Agreement, and other relevant international, national or regional frameworks. The bank should have identified a baseline (assessed against a particular year) and have set targets against this baseline.</p> <p><i>Show</i> that the bank has analysed and acknowledged significant (potential) negative impacts of the set targets on other dimensions of the SDG/climate change/society’s goals and that it has set out relevant actions to mitigate those as far as feasible to maximize the net positive impact of the set targets.</p>	<p>During 2021 the bank both further intensified and structured its work on sustainability. The banks sustainability committee has continued its work throughout the year and constitutes sustainability managers for all relevant fields. The UN SDGs, the Paris Agreement and UN PRB together with Finance Norway’s Roadmap for Green Competitiveness in the Financial Sector are still important guidance for our work.</p> <p>In the work with our sustainability strategy the materiality analysis helped us identify a total of ten SDGs, of which five are defined as main goals for Sparebanken Møre. These are number 8, 9, 11, 12 and 17. Based on our chosen SDGs and conducted materiality analysis we have set 14 strategic goals. Our strategic goals are divided into the categories 1) our self, 2) customers and suppliers and 3) society.</p> <p>The 14 strategic goals are connected to targets to be fulfilled no later than end of 2025, some of them are SMART targets, while others are expressed as ambitions. An updated version of the strategy and targets were approved by the corporate management and the Board at the end of 2021.</p> <p>The goals are broken down in action points to be completed through 2022 to assure that we move in the right direction and achieve the strategic goals according to our overall strategy. If the ongoing process with our impact analysis and other work shows that we need to adjust some of our goals, we will do the necessary corrections in our yearly strategy and goal revision.</p>	<p>See targets for each category in Annual Report – Sustainability and corporate social responsibility, section - <a href="#">“Strategic targets”</a></p>
<p><b>Please provide your bank’s conclusion/ statement if its has fulfilled the requirements regarding target setting</b>  We have set targets corresponding to our identified areas as discovered through our materiality analysis, divided into three categories. Once our impact analysis is final, we will if necessary make adjustments in the strategic goals.</p>		
<p><b>2.3 Plans for Target Implementation and Monitoring</b>  <i>Show</i> that your bank has defined actions and milestones to meet the set targets.</p> <p><i>Show</i> that your bank has put in place the means to measure and monitor progress against the set targets. Definitions of key performance indicators, any changes in these definitions, and any rebasing of baselines should be transparent.</p>	<p>Based on the Bank’s goal of being a driving force behind sustainable development, our chosen SDGs, the conducted materiality analysis and selected materiality topics Sparebanken Møre has set 14 strategic goals for its work on sustainability. The goals cover areas within the environment, society and governing factors.</p> <p>The Board is responsible for establishing guidelines and strategies for the Bank’s sustainability work, while the CEO is responsible for implementing the strategies. In 2020 the Bank established a dedicated sustainability committee which consists of ten representatives of various areas in the Bank, the committee conducted monthly meetings throughout 2021 to share competence, discuss matters and make sure the correct actions are on point. The committee is responsible for the preparation and follow-up of the Bank’s sustainability strategy, implementation of PRB requirements and reports regularly to the executive management group and the board</p>	<p>See targets for each category in Annual Report – Sustainability and corporate social responsibility, section - <a href="#">“Strategic targets”</a></p> <p>See integration to strategy, reporting standards and organisation in Annual report – Sustainability and Corporate social responsibility, section <a href="#">“A driving force for sustainable development”</a></p>

	<p>The strategic goals are broken down to specific actions for each division and sections in the Bank to ensure implementation. The members of the executive group are responsible to ensure progress within their respective areas.</p> <p>The sustainability committee reviews progress of the action points every other month and ensure that necessary actions are taken to reach the Bank's PRB requirement and strategic targets.</p> <p>As we move forward and increase our knowledge and experience regarding our sustainability work, we will adjust our strategic goals in accordance with SMART targets.</p>	
<p><b>Please provide your bank's conclusion/ statement if it has fulfilled the requirements regarding plans for Target Implementation and Monitoring.</b>  The executive group members are responsible to ensure that the long-term plan is integrated into all business divisions and sections. The sustainability committee monitors implementation of the targets.</p>		
<p><b>2.4 Progress on Implementing Targets</b></p> <p><u>For each target separately:</u></p> <p>Show that your bank has implemented the actions it had previously defined to meet the set target.</p> <p><b>Or explain</b> why actions could not be implemented / needed to be changed and how your bank is adapting its plan to meet its set target.</p> <p>Report on your bank's progress over the last 12 months (up to 18 months in your first reporting after becoming a signatory) towards achieving each of the set targets and the impact your progress resulted in. (where feasible and appropriate, banks should include quantitative disclosures)</p>	<p>Since we signed the Principles for Responsible Banking in October 2019, we have conducted workshops, stakeholder dialogue and a materiality analysis. In addition, we have started work on our impact analysis and other related impact projects.</p> <p>We have incorporated sustainability into the group strategy and established a sustainability strategy, and committee with managers in all areas of the Bank. Furthermore, we have launched competence programs on sustainability/ ESG matters for all employees. We have launched products to give incensements for customers to act in a more sustainable matter, and we have increased knowledge for all of the bank's employees.</p> <p>Our 14 goals related to sustainability matters and our sustainability strategy are publicly disclosed in our annual report and available on sbm.no. We will report on our progress within these goals yearly in our PRB-reporting and self-assessment.</p>	<p>See targets for each category in Annual Report – Sustainability and corporate social responsibility, section - "<a href="#">Strategic targets</a>"</p>
<p><b>Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Progress on Implementing Targets</b>  The 14 strategic goals are connected to targets to be fulfilled no later than end of 2025, nevertheless by the end of 2021 we see a positive development in all 14 goals.</p>		
<p><b>Principle 3: Clients and Customers</b>  We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.</p>		
<p>3.1 Provide an overview of the policies and practices your bank has in place and/or is planning to put in place to promote responsible relationships with its customers. This should include high-level information on any programmes and actions implemented (and/or planned), their scale and, where possible, the results thereof.</p>	<p>Our code of conduct and CSR policy, together with our sustainability strategy, defines the high-level principles that guide our business, how we treat our customers, cooperate with our suppliers and conduct expected from the Banks employees. How we meet our customers is also defined in other procedures, policies and guidelines to ensure compliance with laws and regulation.</p> <p>In the chapter "material topics" in the Annual report, part on Sustainability and Corporate Social Responsibility, we have described why each topic is important, measures implemented in 2021 and their results, planned measures , measurement</p>	<p>See our description of material topics and the key governing documents for each topic. Available in our annual report – Sustainability and corporate social responsibility, section "<a href="#">Material topics</a>"</p> <p><a href="#">Code of conduct and CSR Sustainability strategy</a></p>

	and evaluation, the responsible units and key governing documents.	
<p>3.2 Describe how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities. This should include information on actions planned/implemented, products and services developed, and, where possible, the impacts achieved.</p>	<p>We have started educating our employees on sustainability and ESG-matters, and several more courses are planned. We have courses for all employees and more specially designed courses for customer-facing employees.</p> <p>We have incorporating ESG-scoring in our corporate lending, and will evaluate the score annually.</p> <p>We have launched several sustainability products related to climate issues in 2021 in addition to our existing products with social profile.</p> <p>We have supported projects and research related to sustainability matters in orders to increase knowledge and support decisions.</p>	<p>See our description of how we work in the section 'material topics' available in our annual report – Sustainability and corporate social responsibility, section "<a href="#">Material topics</a>"</p>
<p><b>Principle 4: Stakeholders</b>  <b>We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.</b></p>		
<p>4.1 Describe which stakeholders (or groups/types of stakeholders) your bank has consulted, engaged, collaborated or partnered with for the purpose of implementing these Principles and improving your bank's impacts. This should include a high-level overview of how your bank has identified relevant stakeholders and what issues were addressed/results achieved.</p>	<p>When conducting our materiality analysis and identifying relevant stakeholders, we worked closely with internal stakeholders from all levels and areas of the organisation. We had workshops across the organisation and with the executive group. We also engage in dialogue with a large number of external stakeholders as described in the stakeholder engagement section in our annual report/ sustainability and corporate social responsibility report. A new materiality analysis according to the updated GRI will be conducted in 2022.</p>	<p>See our description available in our annual report – Sustainability and corporate social responsibility, section "<a href="#">Stakeholder engagement and materiality analysis</a>"</p>
<p><b>Principle 5: Governance &amp; Culture</b>  <b>We will implement our commitment to these Principles through effective governance and a culture of responsible banking</b></p>		
<p>5.1 Describe the relevant governance structures, policies and procedures your bank has in place/is planning to put in place to manage significant positive and negative (potential) impacts and support effective implementation of the Principles.</p>	<p>During 2021 the bank both further intensified and structured its work on sustainability through the Bank's sustainability committee.</p> <p>The sustainability committee has a joint responsibility for the preparation and follow-up of the bank's overall sustainability strategy. The committee holds monthly meetings to discuss current issues, exchange information and coordinate measures and further work.</p> <p>The individual members of the executive group are responsible for ensuring that principles, goals and measures are known and systematically followed up in their division / section of the Bank.</p> <p>The CEO is responsible for the Bank's sustainability work.</p>	<p>See our description available in our annual report – Sustainability and corporate social responsibility, section "<a href="#">A driving force behind sustainable development</a>"</p> <p><a href="#">Sustainability strategy – organisation.</a></p>
<p>5.2 Describe the initiatives and measures your bank has implemented or is planning to implement to foster a culture of responsible banking among its employees. This should include a high-level overview of capacity building, inclusion in remuneration structures and performance management and leadership communication, amongst others.</p>	<p>One of our leading focus areas in the Group strategy is being a leading force to sustainable development. 14 goals are defined, and all sections and areas of the bank are obliged to work towards this by implementing action points. An important part of this work is educating and involving all employees in the sustainability work, and several educational programmes, webinars and e-learning courses have been and will be rolled out going forward.</p>	<p>See our description available in our annual report – Sustainability and corporate social responsibility, section "<a href="#">Expertise and restructuring</a>"</p>

<p><b>5.3 Governance Structure for Implementation of the Principles</b></p> <p>Show that your bank has a governance structure in place for the implementation of the PRB, including:</p> <p>a) target-setting and actions to achieve targets set</p> <p>b) remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected.</p>	<p>The Bank's sustainability committee is the governance forum for implementing and monitoring the sustainability into our business strategy, including the Principles for Responsible Banking, PRB.</p> <p>The sustainability committee reviews progress of the action points every other month and ensure that necessary actions are taken to reach the Bank's PRB requirement and strategic targets.</p>	<p>See our description available in our annual report – Sustainability and corporate social responsibility, section <a href="#">“A driving force behind sustainable development”</a></p> <p><a href="#">Sustainability strategy</a></p>
<p><b>Please provide your bank's conclusion/ statement if it has fulfilled the requirements regarding Governance Structure for Implementation of the Principles.</b></p> <p>The Bank's sustainability committee is the governance forum for implementing the sustainability into our business strategy, including the Principles for Responsible Banking, PRB.</p>		
<p><b>Principle 6: Transparency &amp; Accountability</b></p> <p><b>We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.</b></p>		
<p><b>6.1 Progress on Implementing the Principles for Responsible Banking</b></p> <p>Show that your bank has progressed on implementing the six Principles over the last 12 months (up to 18 months in your first reporting after becoming a signatory) in addition to the setting and implementation of targets in minimum two areas (see 2.1-2.4).</p> <p>Show that your bank has considered existing and emerging international/regional good practices relevant for the implementation of the six Principles for Responsible Banking. Based on this, it has defined priorities and ambitions to align with good practice.</p> <p>Show that your bank has implemented/is working on implementing changes in existing practices to reflect and be in line with existing and emerging international/regional good practices and has made progress on its implementation of these Principles.</p>	<p>We completed our first materiality analysis in 2020 and we are currently working to finalize our impact analysis. By the end of 2022, a new materiality analysis will be conducted in line with the new GRI standard. We organize our sustainability work through our sustainability committee which consists of members from all parts of the organisation. We have set targets for our sustainability work and as we finalise the impact analysis, we will adjust our goals if necessary. We have established a sustainability strategy, and sustainability has been made a priority focus area in the Bank's group strategy. This ensures that all parts of the organisation will implement and work on sustainability matters, in line with requirements of being a signatory to the PRB. Furthermore we are in the process of becoming lighthouse certificated within the end of 2022.</p> <p>In order to ensure that our reporting on sustainability and CSR is systematic and structured, we report in line with the GRI standard, core option. This also includes reporting on the Groups CO2 emissions in accordance with the Greenhouse Gas protocol Initiative.</p> <p>We are also a partner in the UN Futurelab Norway to promote sustainable development in the region and the country.</p>	<p>See our reporting standards and commitments available in our annual report – Sustainability and corporate social responsibility, section <a href="#">“A driving force behind sustainable development”</a> and section <a href="#">“our commitments”</a></p>
<p><b>Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Progress on Implementing the Principles for Responsible Banking</b></p> <p>The progress of implementing the principles has been good over the last year. We have established a good governing structure and strategy to ensure the further implementing of the PRB.</p>		