

Attachments



Carbon Accounting Report 2021

SpareBank 1 SMN

The purpose of carbon accounting is to provide an overview of the organization's greenhouse gas (GHG) emissions, which is an integrated part of the Sparebank 1 SMN Group's overarching climate strategy¹. Carbon accounting is an important tool in identifying and implementing tangible actions to reduce both direct and indirect GHG emissions. An annual carbon accounting report enables the organization to benchmark GHG-emissions, including performance indicators (KPI's), and evaluate the effect of its actions over time.

The report covers the total GHG emissions of SpareBank 1 SMN in 2021.

The input data used in the carbon accounting report stems from both internal and external sources, which are converted into CO₂-equivalents (CO₂e) according to the GWP-values in IPCC AR5². The report is prepared in accordance with «GHG Protocol Corporate Accounting and Reporting Standard» and the GHG-protocol's scope 3-standard «The Corporate Value Chain (Scope 3) Accounting and Reporting Standard». The GHG-protocol is the preferred reporting standard because of its wide application and international recognition, ensuring truthful, comparable and understandable reporting.

1) <https://www.sparebank1.no/en/smn/about-us/sustainability/sustainability-library.html>

2) https://ghgprotocol.org/sites/default/files/ghgp/Global-Warming-Potential-Values%20%28Feb%2016%202016%29_1.pdf

Annual GHG Emissions

Emission source (<i>numbers in tCO₂e</i>)	2021	2020
Energy consumption	668,87	885,06
Scope 2	668,87	885,06
Purchased goods and services	7 995,19	7 919,78
Capital goods	579,16	682,23
Transportation and distribution	260,26	367,34
Waste generated in operations	36,38	22,78
Business travel ³	488,24	593,39
Upstream emissions	9 359,23	9 585,52
Scope 3	9 359,23	9 585,52
Total GHG emissions	10 028,10	10 470,59

SpareBank 1 SMN's GHG emissions totaled 10 028,10 ton CO₂-equivalents (tCO₂e) in 2021. This is a reduction of 4,23 % compared to 2020.

The GHG emissions had the following distribution:

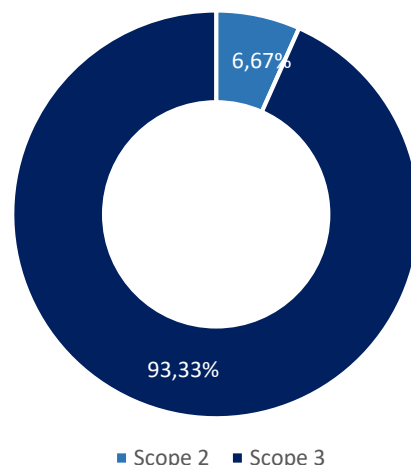
Scope 2: 6,67 % (668,87 tCO₂e)

Scope 3: 93,33 % (9 359,23 tCO₂e)

The organization employed 646 full-time equivalents during 2021. This constitutes an emission of 15,52 tCO₂e per full-time equivalent. Compared to 2020, where employment was 660 full-time equivalents, emissions are reduced by 0,34 tCO₂e per full-time equivalent.

Scope 2:

Scope 2 consists in its entirety of energy consumption, including electricity and heating, in SpareBank 1 SMN's offices. The emissions related to energy consumption amounted to 668,87 tCO₂e in 2021, a reduction of 24,43 % compared to 2020. The reduced emissions are partly explained by energy efficiency improvements at the headquarter offices in Søndre



3) Costs related to the organization's vehicles is included in *business travel*.
See «Application of the GHG protocol».

Gate 4-10 which SpareBank 1 SMN rents from EC Dahls Eiendom AS, and other offices owned by SpareBank 1 SMN.

The GHG emissions in scope 2 are calculated based on sectoral emission data with a two-year time lag⁴, meaning emissions in 2021 are calculated based on emission data from 2019, and emissions in 2020 are based on emission data from 2018. If emissions in 2021 had been calculated based on emission data from 2018, scope 2 would have amounted to 678,88 tCO₂e, an increase of 1,5 %.

Scope 3:

Purchased goods and services constitutes the majority of Sparebank 1 SMN's GHG emissions in 2021 (7 995,19 tCO₂e). The GHG emissions in this category are related to marketing, labor costs, IT-operations and equipment, sponsorship and rent/maintenance of SpareBank 1 SMN's offices and premises. This is an increase of 0,95 % compared to 2020.

SpareBank 1 SMN has *capital goods* in terms of fixed installations in its offices, properties, furniture and other types of office equipment, software and machinery. The GHG emissions related to consumption (e.g. deterioration, obsolescence) of fixed capital amounts to 579,16 tCO₂e. This is a reduction of 15,11 % compared to 2020.

GHG emissions related to *transportation and distribution* includes value-transport (transportation of cash to ATM's), as well as postage and freight of miscellaneous goods (260,26 tCO₂e). Compared to 2020 this is a reduction of 29,15 %, mainly explained by the reduction in transportation of cash.

The GHG emissions from *waste generated in operations* includes all forms of waste management (residual waste, paper, glass, plastic) in Sparebank 1 SMN's offices (36,38 tCO₂e). Compared to 2020, this is an increase of 59,72 %.

Business travels includes flights and distance-based allowance to employees for work-related travel using privately owned vehicles (488,24 tCO₂e). This is a reduction of 17,72 % compared to 2020, and is a result of reduced traveling during the Covid-19 pandemic, as well as a change in the group's travel policy.

4) <https://www.ssb.no/statbank>

SpareBank 1 SMN has no GHG emissions from *employee commuting* in 2021. In 2020 the organization had a total emission of 1,17 tCO₂e from employee commuting. The emissions related to employee commuting is included in *business travels*.

The GHG emissions in scope 3 are calculated similarly as scope 2; based on sectoral emission data with a two-year time lag. If emissions in 2021 had been calculated based on emission data from 2018, scope 3 emissions would have amounted to 9 060,74 tCO₂e, a reduction of 3,19 %.

Explanation of the applied methodology

Klimakost is a tool used to calculate the direct and indirect climate impact of organizations, companies, projects etc. This tool combines accounting information (and quantities for some inputs) with an emission model estimating total life cycle emissions associated with the various inputs and goods/services consumed.

Klimakost uses a «Environmentally Extended Input-Output Analysis» (EEIOA). EEIOA is relatively generalizing and suited for «top-down»-analysis' to determine which parts of the organization have the highest emission intensity. This enables a screening of the organization's «footprint» with a consistent methodology. The model also enables analysis of an entire nation's «footprint», including import of goods from other countries (so-called multiregional EEIO models).

Since the model include all types of economic activity, it does not suffer the same limitations as other carbon accounting methods. However, this completeness and simplicity comes at the expense of specificity, meaning the evaluation of some actions and trends might require more specific data and methods.

Klimakost has been utilized to prepare carbon accounting reports for a large number of Norwegian municipalities, companies and organizations. Multiple universities and colleges have also used the tool, and a former analysis conducted on behalf of NTNU has been published in an international journal. The underlying models has also been used to calculate the carbon footprint of Norwegian public procurement and the carbon footprint of Norwegian households. See [klimakost.no](https://www.klimakost.no) for more detailed information about the methodology.

Application of the GHG protocol

The Greenhouse Gas Protocol (GHG-protocol) is developed by the «World Resources Institute» (WRI) and «World Business Council for Sustainable Development» (WBCSD)⁵. The carbon accounting report is prepared in accordance with «GHG Protocol Corporate Accounting and Reporting Standard» and «Corporate Value Chain (Scope 3) Accounting and Reporting Standard». The standard includes the following greenhouse gases, all converted into CO₂-equivalents: CO₂, CH₄, N₂O, SF₆, HFK and PFK. The GHG emissions from SpareBank 1 SMN constitutes solely of CO₂.

The standard differentiates between two approaches to calculate an organization's total greenhouse gas emissions: operational control and financial control. Using the operational control-method, the organization account for 100 % of the emissions from operations over which it controls, but not necessarily owns.

As a result, emissions from sources the organization owns but does not control, will not be included in the organizations total GHG emissions (for example in a tenancy where the tenant has mandate to decide measures in the property owned by the organization). This is the case at the organization's main offices in Søndre Gate 4-10 where SpareBank 1 SMN decides energy efficiency improvement-measures in the property owned by EC Dahls Eiendom AS.

Using the financial control-method, the organization account for 100 % of the emissions from operations where the organization has the right to the majority of benefits from the operation, or retains the majority of the risk associated with the operation.

The annual GHG-emissions of SpareBank 1 SMN is disclosed in accordance with the operational control-method. This method defines which assets is to be included in the carbon accounting report, and categorizes emissions in various scopes.

The annual GHG emissions is divided into 3 scopes which consists of both direct and indirect emission sources.

5) <https://ghgprotocol.org/about-us>

Scope 1 disclosure is mandatory, and includes all emissions from assets which the organization controls. This includes combustion of all fossil fuels related to both owned, leased or rented assets. It also includes any direct process emissions from e.g. chemical processes, industrial gases, direct methane emissions etc. All emissions from the organization's vehicles are disclosed combined under scope 3. Because Sparebank 1 SMN's emissions from combustion of fossil fuels are considered immaterial, these emissions are not separated in scope 1.

Scope 2 disclosure is also mandatory, including all indirect emissions related to energy purchased; electricity or heating/cooling. This applies to properties the organization controls, regardless of ownership if operational control is present. In January 2015, the GHG Protocol released new guidelines for calculating emissions from energy consumption. Primarily two methods are used to allocate the GHG emissions created by energy consumption.

Location-based method: The location-based method is based on statistical emissions information related to energy consumption within a defined geographical boundary. Within this geographical boundary, the different energy producers utilize a mix of energy resources, where the use of fossil fuels (coal, oil, gas) result in direct GHG emissions. The emission factors used in Klimakost related to energy and electricity is based on sectoral emissions data with a two-year time lag.

Market-based method: The choice of emissions factor when using this method is determined by whether the business acquires GoOs/RECs or not. When selling GoOs or RECs, the supplier certifies that the electricity is produced exclusively by renewable sources, which has an emission factor of 0 grams per CO₂e per kWh.

In practice, organizations disclosing GHG emissions must highlight both actual emissions from electricity production, as well as market-based emissions related to purchased GoOs/RECs. The purpose of this revised guideline is firstly to show the effect of energy efficiency measures, and secondly to show the effect of purchasing renewable energy through GoOs/RECs. This «dual reporting» highlights the effect of different measures the organization can implement related to energy consumption.

The carbon accounting report of Sparebank 1 SMN discloses the energy consumption related to the location-based method in scope 2, but not the market-based method.

Exclusion of the market-based method is mainly explained by the Klimakost methodology, which solely discloses the location-based method in scope 2. Klimakost was chosen as the preferred methodology because of, among other things, SpareBank 1 SMN not purchasing any GoOs/RECs, and location based-method being the most relevant method to monitor and further improve the organization's energy efficiency measures.

The reasoning is further based on geographical boundaries. SpareBank 1 SMN's offices are located in the middle of Norway, meaning Sparebank 1 SMN's offices are generally consuming electricity from the same grids and suppliers. This further proves the location-based method to be most relevant for SpareBank 1 SMN.

Scope 3 disclosure is voluntary, and includes all indirect emissions from purchased goods and services. This includes emissions indirectly related to the organization's activities, not controlled by the company. Scope 3 is further divided into two main categories: upstream and downstream emissions. Upstream emissions are indirect emissions related to purchased goods and services. Downstream emissions are indirect emissions related to selling goods and services. SpareBank 1 SMN's registered scope 3-emissions are exclusively upstream. Calculation of Sparebank 1 SMN's downstream emissions is an ongoing process.

As most of Sparebank 1 SMN's emissions are indirect and therefore disclosed in scope 3, SpareBank 1 SMN chose to include scope 3 disclosure as a part of the annual GHG emissions, even though this is voluntary. This is done to make the carbon accounting report useful as a decision-making tool both for Sparebank 1 SMN's management and external stakeholders.

Carbon Accounting Report 2021

The SpareBank 1 SMN Group

The purpose behind carbon accounting is to provide an overview of the organization's greenhouse gas (GHG) emissions, which is an integrated part of the Sparebank 1 SMN-group's overarching climate strategy¹. Carbon accounting is an important tool in identifying and implementing tangible actions to reduce both direct and indirect GHG emissions. An annual carbon accounting report enables the organization to benchmark GHG-emissions, including performance indicators (KPI's), and evaluate the effect of its actions over time.

The report covers the total GHG emissions of the SpareBank 1 SMN Group in 2021.

The input data used in the carbon accounting report stems from both internal and external sources, which are converted into CO₂-equivalents (CO₂e) according to the GWP-values in IPCC AR5². The report is prepared in accordance with «GHG Protocol Corporate Accounting and Reporting Standard» and the GHG-protocol's scope 3-standard «The Corporate Value Chain (Scope 3) Accounting and Reporting Standard». The GHG-protocol is the preferred reporting standard because of its wide application and international recognition, ensuring truthful, comparable and understandable reporting.

1) <https://www.sparebank1.no/en/smn/about-us/sustainability/sustainability-library.html>

2) https://ghgprotocol.org/sites/default/files/ghgp/Global-Warming-Potential-Values%20%28Feb%2016%202016%29_1.pdf

Consolidated Annual GHG Emissions

The group's annual GHG emissions are based on Klimakost³ combined with financial data from Eiendomsmeidler 1 Midt-Norge AS, SpareBank 1 Regnskapshuset SMN AS, SpareBank 1 Finans Midt-Norge AS, SpareBank 1 Markets AS and SpareBank 1 SMN. The remaining subsidiaries and affiliated companies are not consolidated as they are considered immaterial, and the challenges related to providing reliable data.

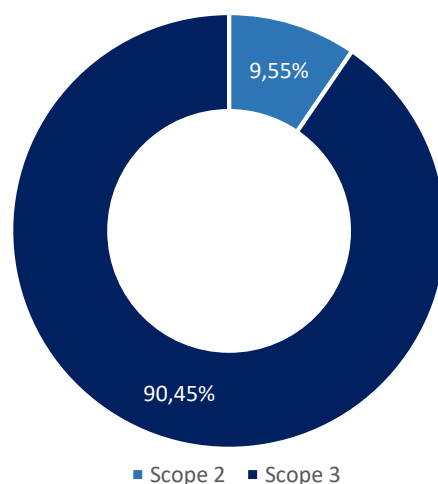
Emission source (numbers in tCO ₂ e)	2021	2020
Energy consumption	1 180,95	1 641,69
Scope 2	1 180,95	1 641,69
Purchased goods and services	9 330,04	9 061,77
Capital goods	602,84	703,65
Transportation and distribution	314,51	420,62
Waste generated in operations	28,75	6,66
Business travel ⁴	907,56	1 029,37
Upstream emissions	11 183,71	11 222,06
Scope 3	11 183,71	11 222,06
Total GHG emissions after eliminations	12 364,66	12 863,74

In the consolidated annual GHG emissions, a total of 667,11 tCO₂e is eliminated. The SpareBank 1 SMN Group's GHG emissions totaled 12 364,66 ton CO₂-equivalents (tCO₂e) in 2021. This is a reduction of 3,88 % compared to 2020.

The GHG emissions had the following distribution:

Scope 2: 9,55 % (1 180,95 tCO₂e)

Scope 3: 90,45 % (11 183,71 tCO₂e)



3) See «Explanation of the applied methodology».

4) Costs related to the group's vehicles is included in *business travel*. See «Application of the GHG protocol».

The SpareBank 1 SMN group employed 1 478 full-time equivalents during 2021. This constitutes an emission of 8,37 tCO₂e per full-time equivalent. Compared to 2020, where employment was 1 552 full-time equivalents, emissions are increased by 0,08 tCO₂e per full-time equivalent⁵.

Scope 2:

Scope 2 consists in its entirety of energy consumption, including electricity and heating, in the SpareBank 1 SMN group's offices. The emissions related to energy consumption amounted to 1 180,95 tCO₂e in 2021, a reduction of 28,07 % compared to 2020. The reduced emissions are explained by energy efficiency improvements at the group's owned and rented offices. Among other locations, the group's headquarters in Søndre Gate 4-10, rented from EC Dahls Eiendom AS, where the majority of the group's employees are located.

The GHG emissions in scope 2 are calculated based on sectoral emission data with a two-year time lag⁶, meaning emissions in 2021 are calculated based on emission data from 2019, and emissions in 2020 are based on emission data from 2018. If emissions in 2021 had been calculated based on emission data from 2018, scope 2 would have amounted to 1 198,61 tCO₂e, an increase of 1,5 %.

Scope 3:

Purchased goods and services constitutes the majority of the Sparebank 1 SMN Group's GHG emissions in 2021 (9 330,04 tCO₂e). The GHG emissions are related to marketing and branding of the group in different channels, labor costs, IT-operations and equipment, other operating agreements and rent/maintenance of the SpareBank 1 SMN Group's offices and premises. This is an increase of 2,96 % compared to 2020.

The SpareBank 1 SMN Group has *capital goods* in terms of fixed installations in its offices, properties, furniture and other types of office equipment, software and machinery. The GHG emissions related to consumption (e.g. deterioration, obsolescence) of fixed capital amounts to 602,84 tCO₂e. This is a reduction of 14,33 % compared to 2020.

5) This is the total full-time equivalents of the parent and consolidated subsidiaries.

6) <https://www.ssb.no/statbank>

GHG emissions related to *transportation and distribution* includes value-transport (transportation of cash to ATM's), as well as postage and freight of miscellaneous goods (314,51 tCO₂e). Compared to 2020 this is a reduction of 25,23 %, mainly explained by the reduction in transportation of cash.

The GHG emissions from *waste generated in operations* includes all forms of waste management (residual waste, paper, glass, plastic) in Sparebank 1 SMN's offices (28,75 tCO₂e). The major increase in emissions from waste generated in operations compared to 2020 is a result of the group's colocation-projects conducted in 2021.

Business travels includes flights and distance-based allowance to employees for work-related travel using privately owned vehicles (907,56 tCO₂e). This is a reduction of 11,83 % compared to 2020. This is a result of specific measures implemented across the Sparebank 1 SMN Group. The pandemic has proven that most tasks can be solved by employees working from home. Based on this insight, a new flexible workplace model has been introduced called «den nye arbeidshverdagen». In addition to this, an update to the group's travelling policy and the group's distinctive focus on sustainability has led to a change in the employees' travel behavior which directly affects emissions.

SpareBank 1 SMN has no GHG emissions from *employee commuting* in 2021. In 2020 the organization had a total emission of 1,17 tCO₂e from employee commuting. The emissions generated from employee commuting is included in *business travels*.

The GHG emissions in scope 3 are calculated similarly as scope 2; based on sectoral emission data with a two-year time lag. If emissions in 2021 had been calculated based on emission data from 2018, scope 2 would have amounted to 11 487,08 tCO₂e, an increase of 2,71 %.

Explanation of the applied methodology

Klimakost is a tool used to calculate the direct and indirect climate impact of organizations, companies, projects etc. This tool combines accounting information (and quantities for some inputs) with an emission model estimating total life cycle emissions associated with the various inputs and goods/services consumed.

Klimakost uses a «Environmentally Extended Input-Output Analysis» (EEIOA). EEIOA is relatively generalizing and suited for «top-down»-analysis' to determine which parts of the organization have the highest emission intensity. This enables a screening of the organization's «footprint» with a consistent methodology. The model also enables analysis of an entire nation's «footprint», including import of goods from other countries (so-called multiregional EEIO models).

Since the model include all types of economic activity, it does not suffer the same limitations as other carbon accounting methods. However, this completeness and simplicity comes at the expense of specificity, meaning the evaluation of some actions and trends might require more specific data and methods.

Klimakost has been utilized to prepare carbon accounting reports for a large number of Norwegian municipalities, companies and organizations. Multiple universities and colleges have also used the tool, and a former analysis done on behalf of NTNU has been published in an international journal. The underlying models has also been used to calculate the carbon footprint of Norwegian public procurement and the carbon footprint of Norwegian households. See klimakost.no for more detailed information about the methodology.

Application of the GHG protocol

The Greenhouse Gas Protocol (the GHG protocol) was developed by the «World Resources Institute» (WRI) and «World Business Council for Sustainable Development» (WBCSD)⁷. The carbon accounting report is prepared in accordance with «GHG Protocol Corporate Accounting and Reporting Standard» and «Corporate Value Chain (Scope 3) Accounting and Reporting Standard». The standard includes the following greenhouse gases, all converted into CO₂-equivalents: CO₂, CH₄, N₂O, SF₆, HFK and PFK. The GHG-emissions from the SpareBank 1 SMN Group constitutes solely of CO₂.

The Sparebank 1 SMN Group's annual GHG emissions has been consolidated in accordance with the «equity share»-method with the intent of displaying a complete and truthful picture of the group's GHG emissions. Using the equity share-method means that emissions from the group's parent company is included in full, while emissions from the subsidiaries are included based on the group's stake in the subsidiary.

7) <https://ghgprotocol.org/about-us>

The standard differentiates between two approaches to calculate an organization's total greenhouse gas emissions: operational control and financial control. Using the operational control-method, the organization account for 100 % of the emissions from operations over which it controls, but not necessarily owns.

As a result, emissions from sources the organization owns but does not control, will not be included in the organizations total GHG emissions (for example in a tenancy where the tenant has mandate to decide measures in the property owned by the organization). This is the case at the group's headquarters in Søndre Gate 4-10 where the parent company (SpareBank 1 SMN) decides energy efficiency improvement-measures in the property owned by EC Dahls Eiendom AS.

Using the financial control-method, the organization account for 100 % of the emissions from operations where the organization has the right to the majority of benefits from the operation, or retains the majority of the risk associated with the operation.

The annual GHG emissions of the consolidated subsidiaries is disclosed in accordance with the operational control-method. This method defines which assets is to be included in the carbon accounting report, and categorizes emissions in various scopes. This is done because a few of the group's subsidiaries own subsidiaries in which the group's subsidiaries control themselves.

The annual GHG emissions is divided into 3 scopes which consists of both direct and indirect emission sources.

Scope 1 disclosure is mandatory, and includes all emissions from assets which the organization controls. This includes combustion of all fossil fuels related to both owned, leased or rented assets. It also includes any direct process emissions from e.g. chemical processes, industrial gases, direct methane emissions etc. All emissions from the Group's vehicles are disclosed combined under scope 3. Because the Sparebank 1 SMN group's emissions from combustion of fossil fuels are considered immaterial, these emissions are not separated in scope 1.

Scope 2 disclosure is also mandatory, including all indirect emissions related to energy purchased; electricity or heating/cooling. This applies to properties the organization controls, regardless of ownership, if operational control is present.

In January 2015, the GHG Protocol released new guidelines for calculating emissions from energy consumption. Primarily two methods are used to allocate the GHG emissions created by energy consumption.

Location-based method: The location-based method is based on statistical emissions information related to energy consumption within a defined geographical boundary. Within this geographic boundary, the different energy producers utilize a mix of energy resources, where the use of fossil fuels (coal, oil, gas) result in direct GHG emissions. The emission factors used in Klimakost related to energy and electricity is based on sectoral emissions data with a two-year time lag.

Market-based method: The choice of emissions factor when using this method is determined by whether the business acquires GoOs/RECs or not. When selling GoOs or RECs, the supplier certifies that the electricity is produced exclusively by renewable sources, which has an emission factor of 0 grams CO₂e per kWh.

In practice, organizations disclosing GHG emissions must highlight both actual emissions from electricity production, as well as market-based emissions related to purchased GoOs/RECs. The purpose of this revised guideline is firstly to show the effect of energy efficiency measures, and secondly to show the effect of purchasing renewable energy through GoOs/RECs. This type of «dual reporting» highlights the effect of different measures the organization can implement related to energy consumption.

The carbon accounting report of the Sparebank 1 SMN Group discloses the energy consumption related to the location-based method in scope 2, but not the market-based method. Exclusion of the market-based method is mainly explained by the Klimakost methodology, which solely discloses the location-based method in scope 2. Klimakost was chosen as the preferred methodology because of, among other things, the group not purchasing any GoOs/RECs, and location based-method being the most relevant method to monitor and further improve the organization's energy efficiency measures.

The reasoning is further based on the group's geographical boundaries. The SpareBank 1 SMN Group's offices are located in the middle of Norway, meaning the group's offices are generally consuming electricity from the same grids and suppliers. This further proves the location-based method to be most relevant for the SpareBank 1 SMN Group.

Scope 3 disclosure is voluntary, and includes all indirect emissions from purchased goods and services. This includes emissions indirectly related to the organization's activities, not controlled by the organization. Scope 3 is further divided into two main categories: upstream and downstream emissions. Upstream emissions are indirect emissions related to purchased goods and services. Downstream emissions are indirect emissions related to selling goods and services. The SpareBank 1 SMN Group's registered scope 3-emissions are exclusively upstream. Calculation of Sparebank 1 SMN's downstream emissions is an ongoing process.

As most of the group's emissions are indirect and therefore disclosed in scope 3, the SpareBank 1 SMN Group chose to include scope 3 disclosure as a part of the consolidated annual GHG emissions, even though this is voluntary. This is done to make the carbon accounting report useful as a decision-making tool both for the group's management and external stakeholders.

GRI Index

The table shows SpareBank 1 SMN's reporting for 2021 with reference to the GRI Standard's core requirements from GRI Standards 2016.

GRI indicator	Name of indicator	Reply/Source
General information		
Organisational profile		
102-1	Name of the organisation	SpareBank 1 SMN
102-2	Activities, brands, products, and services	Annual report - Organisation of SpareBank 1 SMN
102-3	Location of headquarters	Trondheim, Norway
102-4	Location of operations	Norway
102-5	Ownership and legal form	Savings bank based on equity certificates
102-6	Markets served	Mid Norway
102-7	Scale of organisation	Annual report - Organisation of SpareBank 1 SMN, People and organisation
102-8	Information on employees and other workers	Annual report - People and organisation
102-9	Supply chain	Annual report - Sustainability in property and procurement
102-10	Significant changes to the organisation and its supply chain	No significant changes
102-11	Precautionary Principle or approach	Annual report - Corporate Governance
102-12	External initiatives	Webpage smn.no/about us/sustainability/strategy for sustainability
102-13	Membership of associations	Annual report - Stakeholders and memberships
Strategy		
102-14	Statement from senior decision maker	Annual report - Statement by the group CEO
Ethics and integrity		
102-16	Values, standards, principles and norms	Annual report - People and organisation
Governance		
102-18	Governance structure	Annual report - Corporate governance
Stakeholder dialogue		
102-40	List of stakeholder groups	Webpage smn.no/about us/sustainability/stakeholder analysis
102-41	Collective bargaining agreements	Annual report - People and organisation
102-42	Identifying and selecting stakeholders	Webpage smn.no/about us/sustainability/stakeholder dialogue at SpareBank 1 SMN
102-43	Approach to stakeholder engagement	Webpage smn.no/about us/sustainability/stakeholder dialogue at SpareBank 1 SMN
102-44	Key topics and concerns raised	Webpage smn.no/about us/sustainability/stakeholder dialogue at SpareBank 1 SMN
Reporting Practice		
102-45	Entities included in the consolidated financial statements	Annual report - This is SpareBank 1 SMN
102-46	Defining report content and topic boundaries	Webpage smn.no/about us/sustainability/the group's impact analysis
102-47	List of material topics	Webpage smn.no/about us/sustainability/materiality analysis
102-48	Restatements of information	The group has revised its method for calculating total greenhouse gas emissions. An environmentally extended input-output analysis (the Klimakost model) is used to measure emissions from the group's own operations, and the PCAF framework is used to measure emissions from the group's loan and investment portfolio. Annual report - SpareBank 1's energy and climate account
102-49	Changes in reporting	No changes were made in the group's materiality analysis in 2021
102-50	Reporting period	Financial year 2021
102-51	Date of previous report	4 March 2021
102-52	Reporting cycle	Annual
102-53	Contact point	Jan-Eilert Nilsen

102-54	Claims of reporting in accordance with the GRI Standards	Core requirements
102-55	GRI content index	GRI Index
102-56	External assurance	Shown in the auditor's report. PwC

SPECIFIC INFORMATION

Driver of the green transition

Green transition of own operations

103-1	Explanation of the material topic and its boundary	Webpage smn.no/about us/sustainability/energy and climate account
103-2	The management approach and its components	Webpage smn.no/about us/sustainability/energy and climate account
103-3	Evaluation of the management approach	Webpage smn.no/about us/sustainability/energy and climate account
305-1	Direct GHG emissions (Scope 1)	Webpage smn.no/about us/sustainability/energy and climate account
305-2	Indirect GHG emissions (Scope 2)	Webpage smn.no/about us/sustainability/energy and climate account
305-3	Other indirect GHG emissions (Scope 3)	Webpage smn.no/about us/sustainability/energy and climate account

Stimulating green transition

103-1	Explanation of the material topic and its boundary	Annual report/Corporate banking Annual report/Retail banking
103-2	The management approach and its components	Annual report/Corporate banking Annual report/Retail banking
103-3	Evaluation of the management approach	Annual report/Corporate banking Annual report/Retail banking
FS8	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose	Retail market: loans under today's product hierarchy in VA report Green construction loans: NOK 58,100,000 Green mortgages: NOK 937,000,000 Green loans for energy initiatives: NOK 9,300,000 Loans under green bonds: Retail market: NOK 19,457,605,606 Corporate market and Finans: NOK 10,585,000,000
GRI-FS10	Percentage and number of companies in the institution's portfolio with which the reporting organisation has interacted on environmental issues	As at 31.12.2021, ESG assessment of clients with an exposure of NOK 50m or more had been conducted in the following industries: Fisheries: 12 clients representing 53% of the portfolio Property Rental: 23 clients representing 52% of the portfolio Offshore: 1 client representing 2% of the portfolio
MRKT-1	Number of companies / volume of transactions arranged within renewable energy / with a green profile in investment banking and debt capital (Markets)	Investment banking NOK 8,562,000,000 12 issues lead managed at 12 companies within renewable energy / with a green profile Debt capital NOK 6,916,000,000 6 issues lead managed at 5 companies within renewable energy / with a green profile

Competence boost for companies and own clients

103-1	Explanation of the material topic and its boundary	Annual report/Community dividend
103-2	The management approach and its components	Annual report/Community dividend
103-3	Evaluation of the management approach	Annual report/Community dividend
SMN-3	Competence programs for sustainability	Annual report/Community dividend Annual report - People and organisation https://www.sparebank1.no/nb/smn/about-us/community-dividend/support-for-green-transition.html

Partner for the inclusive development of society

Competence development for own employees

103-1	Explanation of the material topic and its boundary	Annual report – People and organisation
103-2	The management approach and its components	The competence portal 'Utsikt' administers courses and training programmes, and enables retrieval of reports on completed courses
103-3	Evaluation of the management approach	The competence portal is developed in cooperation with the system provider as and when the organisation changes and new skills and modes of learning are introduced
404-2	Programs for upgrading employee skills and transition assistance programs	Annual report – People and organisation

Diversity and equal opportunity

103-1	Explanation of the material topic and its boundary	Annual report - People and organisation
103-2	The management approach and its components	Annual report - People and organisation
103-3	Evaluation of the management approach	Annual report - People and organisation
405-1	Diversity of governance bodies and employees	Annual report - People and organisation
405-2	Ratio of basic salary and remuneration of women to men	Annual report - People and organisation
406-1	Incidents of discrimination and corrective actions taken	Annual report - People and organisation

Strengthening social rights in products and services

103-1	Explanation of the material topic and its Boundary	Annual report/Responsible credit practices - Corporate Banking
103-2	The management approach and its components	Annual report/Responsible credit practices - Corporate Banking
103-3	Evaluation of the management approach	Annual report/Responsible credit practices - Corporate Banking
FS10	Percentage and number of companies held in the institution's portfolio with which the reporting organisation as interacted on social issues	38 clients (40 cases). 100% of clients with approved construction loans above NOK 10m. Additional to this are clients listed under GRI-FS10

Stimulating innovation and sustainable economic growth

103-1	Explanation of the material topic and its boundary	Annual report/Responsible credit practices - Retail Banking
103-2	The management approach and its components	An overall corporate governance model has been established. A new sustainability strategy has been drawn up and significant improvements made in the document structure both for the group as a whole and for the Retail Banking Division. Sustainability is incorporated as an overall theme of RB credit policy. RB has a sustainability document in place, the same is true for agriculture and for sustainability in investments. In autumn 2021 the first measurement was conducted of greenhouse gas emissions from the loan portfolio of RB and agriculture.
103-3	Evaluation of the management approach	Methodology and classification standards relevant to our economic activities will be put into use as and when enacted in Norwegian legislation. Our internal control system will be developed to assure quality and compliance. Energy labelling of objects via Eiendomsverdi was established in 2021. Measurement of greenhouse gas emissions from the loan portfolio lays the basis for measures to be put in place. Credit procedures are evaluated and adapted in line with new requirements and strengthened due diligence checks on the sources of funds in the lending context.
FS7	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose	First-home mortgages: NOK 18,400,000,000 Safe and secure house purchase: NOK 2,000,000,000
FS14	Measures to improve access to financial services for particularly vulnerable groups	Co-financing (emergency financial assistance and refinancing - a new product). Volume NOK 80,000,000
SMN-1	Digital measures to improve efficiency and sustainable development of products and services	95% of all loan applications at SMN are digital. This provides an annual saving of NOK 9m. 70% of all property settlements are digital. A 60% increase from the previous year. This provides an annual saving of NOK 5m.
MRKT-2	Number of companies / volume of transactions arranged within technology in investment banking and debt capital	Investment banking NOK 26,105,000,000. 17 issues lead-managed at 14 companies within technology

Guide for responsible business culture

Ethical standards

103-1	Explanation of the material topic and its boundary	Annual report - People and organisation
103-2	The management approach and its components	Annual report - People and organisation
103-3	Evaluation of the management approach	Annual report - People and organisation

205-2	Communication and training about anti-corruption policies and procedures	Annual report - People and organisation
-------	--	---

Data- and cybersecurity

103-1	Explanation of the material topic and its boundary	Annual report - Information security, personal data protection
103-2	The management approach and its components	Annual report - Information security, personal data protection
103-3	Evaluation of the management approach	Annual report - Information security, personal data protection
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Annual report - Personal data protection

Standards for purchasing and responsible marketing

103-1	Explanation of the material topic and its boundary	Annual report - Sustainability in property and procurement, Responsible marketing of products and services
103-2	The management approach and its components	Annual report - Sustainability in property and procurement, Responsible marketing of products and services
103-3	Evaluation of the management approach	Annual report - Sustainability in property and procurement, Responsible marketing of products and services
308-1	Percentage of new suppliers that were screened using environmental criteria	No new suppliers were screened in 2021
308-2	Negative environmental impacts in the supply chain and actions taken	Annual report - Sustainability in property and procurement. No new suppliers were excluded in 2021
414-1	Percentage of new suppliers that were screened using social criteria	No new suppliers were screened in 2021
414-2	Negative social impacts in the supply chain and actions taken	Annual report - Sustainability in property and procurement. No new suppliers were excluded in 2021
417-2	Incidents of non-compliance concerning product and service information and labeling	Annual report - Responsible marketing of products and services
417-3	Incidents of non-compliance concerning marketing communications	Annual report - Responsible marketing of products and services

Economic crime and corruption

103-1	Explanation of the material topic and its boundary	Annual report - Prevention of economic crime
103-2	The management approach and its components	Annual report - Prevention of economic crime
103-3	Evaluation of the management approach	Annual report - Prevention of economic crime
SMN-1	Number of transactions flagged as suspicious, investigated and reported	Annual report - Prevention of economic crime
205-3	Confirmed incidents of corruption and actions taken	Annual report - Anti-corruption



To: Board of Directors in SpareBank 1 SMN

Independent statement regarding SpareBank 1 SMN's sustainability reporting

We have examined whether SpareBank 1 SMN has developed GRI Index and measurements and reporting of key performance indicators for sustainability (sustainability reporting) for the calendar year 2021.

SpareBank 1 SMN's GRI Index is an overview of which principles, aspects and indicators from The Global Reporting Initiative guidelines that SpareBank 1 SMN use to measure and report on sustainability; together with a reference to where material sustainability information is reported. SpareBank 1 SMN's GRI Index 2021 is part of SpareBank 1 SMN's annual report for 2021. We have examined whether SpareBank 1 SMN has developed a GRI Index for 2021 and whether disclosures are presented according to the Standards published by The Global Reporting Initiative (www.globalreporting.org/standards) (criteria).

Key performance indicators for sustainability are indicators for sustainability performance that SpareBank 1 SMN's GRI Index refer to, and that SpareBank 1 SMN measure and control. Key performance indicators for sustainability are available and included in SpareBank 1 SMN's annual report 2021. SpareBank 1 SMN has prepared the key performance indicators. We have examined the basis for the measurements, checked the calculations of the measurements, and examined whether key performance indicators are presented according to the Standards published by The Global Reporting Initiative (www.globalreporting.org/standards) (criteria).

Tasks and responsibilities of management

Management is responsible for SpareBank 1 SMN's sustainability reporting and that the reporting is developed in accordance with the Standards published by The Global Reporting Initiative. Their responsibility includes developing, implementing and maintaining internal controls that ensure the reporting of the GRI Index and key performance indicators for sustainability.

Our independence and quality control

We are independent of the company in accordance with applicable laws and regulations and the Code of Ethics for Professional Accountants (IESBA Code) and with the ethical requirements that are relevant to our independent statement, and we have fulfilled our ethical obligations in accordance with these requirements and IESBA Code. We use ISQC 1 - Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements and maintains a comprehensive quality control system including documented policies and procedures of the ethical standards, professional standards and applicable legal and regulatory claim.

The Auditors responsibilities

Our responsibility is to express an opinion on the subject matter based on our control. We have performed our work and will issue our statement with limited assurance in accordance with the



Standard on Assurance Engagements ISAE 3000: “Assurance engagements other than audits or review of historical financial information”.

Our work involves performing procedures to obtain evidence that SpareBank 1 SMN’s sustainability reporting is developed in accordance with the Standards published by The Global Reporting Initiative. The procedures selected depend on our judgement, including assessments of the risks that the sustainability reporting as a whole is free from material misstatement, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the preparation of the subject matter. Therefore, we design procedures that are appropriate to the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control. Our control also includes an assessment of whether the applied criteria are appropriate and an assessment of the overall presentation of the subject matter.

Our controls include meetings with representatives from SpareBank 1 SMN that are responsible for the key areas covered by the sustainability reporting, to evaluate internal controls and procedures related to sustainability reporting; collecting and reviewing relevant information that supports the presentation of key performance indicators; evaluating the completeness and accuracy of the key performance indicators; and controlling the calculations of key performance indicators based on an assessment of the risk that the key performance indicators contain information that is incorrect.

In our opinion, sufficient evidence has been obtained and we consider that our work provides an appropriate basis to form our conclusion.

Conclusion

Based on our control and evidence we have obtained, we have not become aware of circumstances that would give us reason to believe that

SpareBank 1 SMN’s GRI Index is not, in all material respects, developed and presented in accordance with the requirements of the Standards published by The Global Reporting Initiative; and

Key performance indicators for sustainability, for the calendar year 2021 are not, in all material aspects, developed, measured and reported in accordance with the requirements of the Standards published by The Global Reporting Initiative.

Trondheim, 2. March 2022

PricewaterhouseCoopers AS

Rune Kenneth S. Lædre
State authorized public accountant

(This translation from Norwegian has been made for information purposes only)

SpareBank 1 SMN's memberships

ACI Norge	Norsk institutt for styremedlemmer
Arti7 bedriftsnettverk Trondheim	Norsk kommunikasjonsforening
Aukra næringsforum	Norsk nettverk for næringseiendom
Den norske advokatforening	Norsk Petroleumsforening
Den norske dataforening	Norske Finansanalytikeres Forening
Econa	NTNU Partnerskap Innovasjon og verdiskapning
Eiendom Norge	Næringsforeningen i Levanger
European Region of Gastronomy 2022	Næringsforeningen i Trondheimsregionen
Finans Norge	Næringsforeningen i Værnesregionen
Finansieringsselskapenes Forening	Næringsforeningen i Ålesundsregionen
Fosnavåg shippingklubb	Næringslivets sikkerhetsråd
Framtiden i Våre Hender	Oppdal Næringsforening
Framtidslåben Ålesund	Orkland næringsforening
Frøya Handelsstand	Partnership for Carbon Accounting Financials (PCAF)
Frøya nye næringsforening	Rauma næringslag
Frøya Næringsforum	Rennebu næringsforening
Førde industri- og næringsssamskipnad	Regnskap Norge
Haram næring- og innovasjonsforum	Romsdal reiseliv
Hitra Næringsforening	Samarbeidsgruppen Midtbyen Trondheim
HR Norge	Shippingklubben Ålesund
Hustadvika næringsforum	Skift - næringslivets klimaledere
Håndverkerforeningen i Trondheim	Skogmo Industripark Overhalla
ICC Norge	Sparebankforeningen
Impello rapporten Trønderske teknologiselskaper (via Impello)	Steinkjer næringsforum
Industrinavet Verdal	Stjørdal næringsforening
InnoCamp Steinkjer	Sunnal næringsforening
KID Næringslivs nettverket	Surnadal næringsforening
Knytte bedriftsnettverk Trondheim	Sykkylven industri- og næringslag
Kristiansund og Nordmøre næringsforum	Tequity Cluster
Lean forum Midt-Norge	Thams Klyngen Orkanger
Lean forum Nordvest	totalen.no
Levanger Næringsforum	Trollheimsporten AS
Maritimt forum Nordvest	Trondheim markedsforening
Midsund næringsforum	Trondheim Tech Port (Tidligere Technoport)
Molde Næringsforum	Trøndelag HR-forum
Molde sentrum	Trøndersk matfestival
Namdal Næringsforening	Ungt Entreprenørskap
Namdalskysten Næringsforening	United Nations (USCH5)
Namsos næringsforening	Verdal Næringsforum
NCE Finance Innovation	Verdipapirforetakenes forbund
NCE ikuben Molde	Vestnes næringsforum
Newton-rom (via selskapet First Scandinavia)	Vestnes sentrumsforening
NiTr Malvik	Visit Nordmøre og Romsdal
Nordic arena nettverk Møre AS	Ørland næringsforum
Nordic Future Innovation AS	Ålesund Kunnskapsark
Norges Eiendomsmeglerforbund	