Attachments

SpareBank 1 SMN

Climate accounts

Reporting year 2023

The Group's climate efforts

Green transition of Mid-Norway
Mid-Norway is an attractive place for both businesses and people, and it should remain so for a long time to come. Therefore, sustainable development of our region is crucial when describing our social responsibility. This means being an active and visible driver for the green transition of Mid-Norway and promoting responsible business practices.

For us, this entails more than just minimizing our own environmental impact. The financial industry has limited direct emissions, and our influence on climate through day-to-day operations mostly originates from emissions related to office operations, energy consumption, and business travel. While it is important for us to reduce our emissions from day-to-day operations, we recognise that our most significant contribution lies in how we influence our suppliers and customers in a more sustainable direction.

Our climate ambitions
In 2022, the board adopted an ambition to achieve net-zero emissions by 2050. To help us reach net-zero, we have established transition plans for various sectors in our loan portfolios. Alongside the net-zero ambition, these transition plans will significantly impact how we finance these sectors going forward.

In 2023, we further strengthened this effort. We launched net-zero transition plans for fishery and the commercial property sector, and in August, the board decided that SpareBank 1 SMN shall develop emission reduction targets according to the Science Based Targets initiative (SBTi). SBTi is a global initiative that assists companies in setting science-based targets to reduce greenhouse gas (GHG) emissions in line with the Paris Agreement. This means that over the next two years, SpareBank 1 SMN will develop both short-term and long-term targets, along with corresponding action plans to achieve our net-zero ambition. Furthermore, we commit to publicly disclose our emission targets, reduction plans, and overall progress in line with the Paris Agreement.

A robust and transparent climate account is a crucial tool in achieving our climate ambitions. To reach our goals, it is essential to map, measure, and manage our GHG emissions. This involves calculating the impact of all our economic activities at a detailed level so that we and our stakeholders can understand our influence and what contributes to it.

It is important to emphasize that we are making progress in our GHG emission reductions, but we still have a way to go to reach our final targets. We have taken significant steps in reporting GHG emissions since we compiled our first climate accounts in 2019. In 2022, we were among the banks that included emissions from the loan portfolio – known as financed emissions. We consider these emissions crucial in our efforts towards the green transition of Mid-Norway, and in 2023, a project group was established to ensure that our ambitions and transition plans align with the Paris Agreement.

Handling of uncertainty in the underlying data
When working with climate accounting, we face several challenges, especially related to data quality and uncertainty in the data. One area in which we have paid special attention to is the availability of reliable and up-to-date data. Most of our upstream and downstream emissions consists of secondary data. Calculation methodologies and standards are constantly evolving, which can lead to inconsistency in how emissions are calculated and reported over time. Changes in the data quality of emission factors can result in changes in reported emissions, despite no changes in economic activity. This affects the reliability of the climate accounting as a measuring tool, and it is something we prioritize highly. For the climate accounting to be an effective management tool, we must ensure that reported changes in emissions mainly reflect real climate actions and actual improvements rather than changes in methodology or external factors.

Comparability with previous years
In 2023, we were required to revise our reported GHG inventory for the previous year (2022) and our base year (2019). Changes in methodological assumptions and underlying data in emission factors related to our upstream indirect emissions were so material that we had to recalculate previous years with updated assumptions to ensure better comparability. We are aware of these challenges and uncertainties in our climate accounting, and it is a prioritized area that we are working to improve for 2024.

Collaborations
In 2023, we continued our collaboration with SpareBank 1 Regnskapshuset SMN AS and Asplan Viak AS in compiling the climate accounts. We believe that the combination of local expertise and familiarity with SpareBank 1 SMN, coupled with international knowledge, has positively contributed to the development of the climate accounts.

Climate accounting principles

General principles and organizational boundaries

The climate accounts adhere to the standards, recommendations, and guidelines provided by the GHG Protocol. This includes the GHG Protocol Corporate Accounting and Reporting Standard, GHG Protocol Scope 2 Guidance, and The Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

In line with the GHG Protocol, we categorize our GHG emissions into three overarching categories, commonly referred to as scopes. We define these as:

- **Scope 1**: Direct emissions from sources that we own or control, which release greenhouse gases into the atmosphere through combustion or direct emissions. Relevant emission sources may include emissions from owned vehicles.
- **Scope 2:** Indirect emissions from the production of purchased electricity, district heating, and cooling that we use in our offices.
- **Scope 3:** Indirect emissions occurring in our value chain that we cause through our procurement and/or sale of goods and services. This may include emissions from the production of purchased goods and services such as IT and office equipment, business travel by employees and financed emissions.

Additionally, the terms upstream and downstream are used to describe indirect emissions caused respectively before us in the value chain (procurement) and after us in the value chain (financed emissions).

Scope and organizational boundaries
The climate accounts are prepared based on collected energy and accounting data from SpareBank 1 SMN.[1]

Within the boundary of the GHG Protocol, the organisation's responsibility areas for GHG emissions are defined through organisational boundaries.

These specify which emissions an organisation is accountable for and include direct emissions from sources owned or controlled by the organisation, as well as indirect emissions from sources outside the organisation's control.

The choice of organisational boundaries affects which emissions are included in the reporting and how they are reported. Companies can choose between “equity share” or differing “control methods”. The equity share method includes emissions from operations that the organisation owns, regardless of whether it has operational control over them, while the control approach includes emissions from operations that the organisation either has operational or financial control over, regardless of ownership.

When compiling our climate accounts, we use operational control. This method defines which of the companies' assets and their respective emissions should be included in the climate accounting, and subsequently where they fall within the various scopes. By using this method, we include emissions from activities that SpareBank 1 has operational control over.

Data sources and calculation methods
For the climate accounts to serve as a valuable management tool and to provide stakeholders with the best possible information about our climate efforts, we rely on a complete climate account. We use multiple data sources and various calculation methods to ensure an accurate picture of our emissions.

In line with the GHG Protocol, we rely on two main types of data: primary and secondary data. Primary data includes activity and/or emissions data collected directly from the parent, subsidiaries or the supply chain. In our climate accounts, we consider primary data as quantified data from our activities, such as fuel or energy consumption, combined with emissions factors as specific as possible.

Secondary data consists of all other estimated or calculated data. This could include estimated electricity consumption at locations where we do not have exact readings, or emission calculations based on costs.

[1] From May 1st, 2023, SpareBank 1 SMN and SpareBank 1 Søre Sunnmøre were merged. From this date onwards, SpareBank 1 Søre Sunnmøre was also included in the data collection for SpareBank 1 SMN. GHG-emissions that occurred from January 1st, 2023, to April 30th, 2023, as well as for the entire fiscal year 2022, have been calculated on a pro forma basis. This is in line with our financial reporting and corresponding financial notes.

Our climate accounts are compiled using three calculations methods:

Primary data
Calculation using specific emission factors

- We calculate the climate impact of direct and indirect emissions by converting primary data into emissions using emission factors. For example, we collect meter readings and multiply the kilowatt-hours by an emission factor to estimate our GHG emissions associated with energy consumption.
- Primarily, this method applies to the calculation of indirect energy-related emissions in Scope 2 and the calculation of certain financed emissions in Scope 3. This is the most specific and reliable method for calculating GHG emissions.

Spend-based method
Calculation of secondary data sources using financial data

- When we do not have access to primary data, we rely on secondary data sources. For our indirect upstream emissions, we use Klimakost, a scientifically grounded emission model developed by Asplan Viak AS. The model estimates the climate footprint associated with operating costs and is particularly useful for estimating our Scope 3 emissions related to day-to-day operations.
- Klimakost, an Environmentally Extended Input-Output Analysis (EEIOA) model, uses emission statistics from various countries, industries, and sectors, as well as trade between them, to estimate the climate footprint per unit of currency spent on different goods and services. Although this method provides an overview of which types of purchases and activities have the greatest climate impact, it is not able to disaggregate emissions to individual products or suppliers.

  For this reason, this method is best suited for identifying the main sources (hotspots) of our emissions, allowing us to focus on the most significant emission drivers using primary data.

Partnership for Carbon Accounting Financials (PCAF)
Calculation of financed emissions using secondary and primary data sources

- The majority of our GHG emissions is in our downstream value chain. At the end of 2021, we became a member of the Partnership for Carbon Accounting Financials (PCAF), a global collaboration among financial institutions to harmonize estimation, measurement, and disclosure of GHG emissions associated with their loan portfolios.
- We base our estimation of GHG emissions in our loan portfolios on the PCAF methodology, as well as Finance Norway’s updated guidance on PCAF and financed emissions.

SpareBank 1 SMN

Climate accounting principles

Material changes

There are four significant changes affecting the climate accounting for 2023. These changes require a retroactive adjustment of previous years' climate accounting to ensure comparability between the base year, the previous year, and this year's reporting.

Merger with SpareBank 1 Søre Sunnmøre
On 1st of May 2023, SpareBank 1 SMN and SpareBank 1 Søre Sunnmøre were merged. The GHG calculations from both banks are reported collectively from the 1st of May 2023.

Upstream GHG emissions from January 1st, 2023, to April 30th, 2023, and for the entire fiscal year 2022 were calculated on a pro forma basis to establish a comparison basis for emissions related to day-to-day operations. The GHG emissions presented with pro forma information can be found on the last page of the climate accounts.

The presentation of pro forma information is in line with how the financial reporting and corresponding financial notes are prepared. Downstream emissions or KPI's for SpareBank 1 Søre Sunnmøre are not included in our pro forma calculation.

Changes in Klimakost's emissions factors (Asplan Viak AS)
In compiling this year's climate accounting, we observed a reduction in emissions compared to the climate accounts in 2022. The reduction could not be explained by reduced economic activity or more climate-efficient upstream or downstream operations. Additionally, we merged with SpareBank 1 Søre Sunnmøre, which, in isolation, could have potentially led to an increase in emissions.

We realized that the changes were due to updated emission factors for 2023[1]. These updates, which included several minor methodological adjustments and uncertainties in the statistical basis, resulted in a material overall change. The change of previous year's climate accounts resulted in an increase in emissions in 2023, rather than a reduction in emissions.

The change in emission factors was significant to the degree that it rendered the 2023 climate accounts incomparable to previous years without an adjustment using the new set of emissions factors.

Changes in the PCAF method
The methodology for estimating GHG emissions from the loan portfolio has been updated this year to align with Finance Norway's updated 'Guidelines for Calculating Financed Emissions.' The emission factors were updated in the fall of 2023 to a new version of EXIOBASE, without manual adjustments or corrections of outliers. This has resulted in material changes to the emission factors.

We've consulted the updated guidance for the PCAF database and sought advice from Asplan Viak AS to evaluate the emission factors. Based on their feedback and in consultation with other banks in the SpareBank 1 Alliance, we have chosen to switch from Norwegian emission factors to EU factors and corrected some outlier values. Due to these material changes in the measurement method, we've re-estimated the figures for 2022 using the updated measurement method. This ensures the reported changes largely reflect changes in actual GHG emissions, rather than just technical adjustments in the measurement method.

Adjustment of emission factors for electricity
Previous climate accounting utilised two different sources of electricity-related emissions. In Scope 2, a Nordic electricity mix (136g CO_2e/kWh) was used to calculate location-based emissions[2]. Meanwhile, market-based Scope 2 emissions were calculated using a residual mix from the Norwegian Water Resources and Energy Directorate (NVE) (405g CO_2e/kWh)[3]. Simultaneously, we employed a Norwegian consumption mix from NVE for location-based emission factors in our calculation of financed emissions, along with the same residual mix for market-based emissions as for upstream emissions.

For the climate accounting for year 2023, we have chosen to use the same factor set from NVE in Scope 2 for both upstream and downstream. This applies to both location-based and market-based electricity-related emissions, specifically the Norwegian consumption mix (19g CO_2e/kWh) and the European residual mix (502g CO_2e/kWh)[3,4]. We retroactively applied the NVE factors to the Scope 2 calculations for 2019 and 2022 to ensure comparability across reporting years.

[1] The updates included adjustments to the emission factors, such as revised global warming potentials (GWPs) for greenhouse gases, redistribution of emissions in some Norwegian sectors, and changes in intensities based on new economic data. Intensities for 2022 and 2023 are adjusted with the consumer price index, which entails uncertainties. There is a delay in the availability of statistics, which does not align with financial reporting years. This means that the 2023 emission factors are influenced by macroeconomic conditions from 2021, where the global pandemic likely explains deviations in reported emissions from several industry sectors.
[2] NS3720 - estimated average for EU mix
[3] Norges vassdrags- og energidirektorat (NVE): Varedeklarasjon for strømleverandører
[4] Norges vassdrags- og energidirektorat (NVE): Klimadeklarasjon for fysisk levert strøm

SpareBank 1 SMN

GHG emissions (day-to-day operations)

Reporting year 2023

About the results
Our total estimated upstream GHG emissions[1] amounted to 14 744 tCO_2e in 2023. compared to 13 967 tCO_2e in 2022. This represents an increase of 6%.

During the same period, the increase in the Group's turnover exceeded the estimated increase in emissions from day-to-day operations. Additionally, SpareBank 1 Søre Sunnmøre was merged in as of May 1st, 2023.

It is likely that the absolute increase in emissions is due to increased activity following the change of previous year's figures.

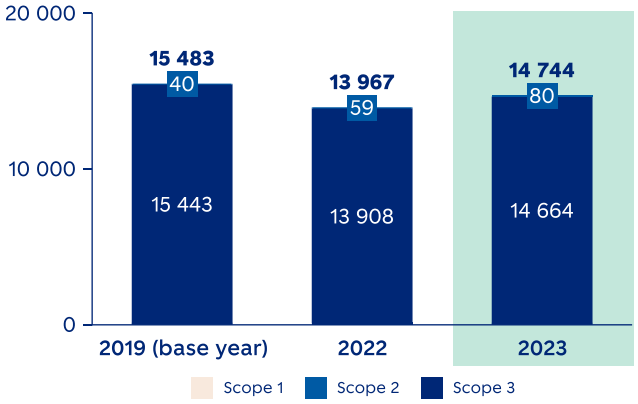
- **Scope 1**
  We do not report any emissions in Scope 1. Direct emissions from sources that we own, or control are limited for us to emissions from owned vehicles. Any emissions from owned vehicles are estimated based on cost and are categorized under business travel in Scope 3.

- **Scope 2**
  Indirect GHG emissions associated with the consumption of purchased energy, including electricity, district heating, and cooling in our office premises in Mid-Norway, Sunnmøre, and Oslo.

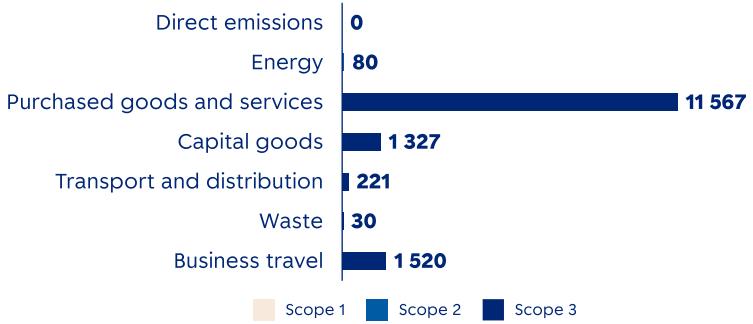
  Our total estimated energy consumption in 2023 was 3,542 MWh. Compared to 2022, this represents an increase of 16%. This consists of a share of district heating (14%) and a share of electricity (86%).

- **Scope 3**
  The majority (99%) of our upstream emissions are associated with indirect emissions from day-to-day operations. The largest contributors come from IT-related services, travel expenses, depreciation of capital goods, premises, marketing and media, as well as other operational agreements.

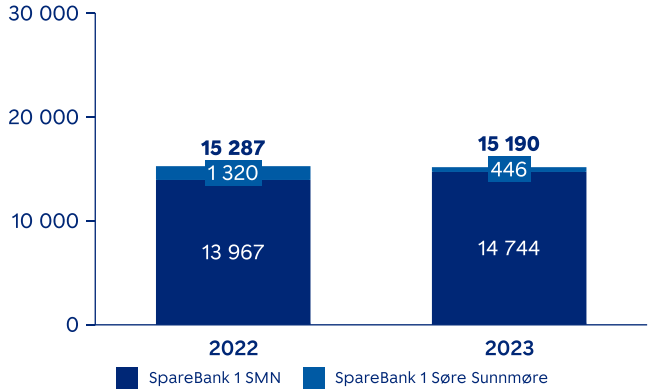
Total GHG emissions (day-to-day operations)
CO_2-equivalents (tonnes)



Distribution of GHG-emissions (day-to-day operations)
CO_2-equivalents (tonnes)



Pro forma calculation (day-to-day operations)
SpareBank 1 SMN after merger[2]
CO_2-equivalents (tonnes)



[1] The results shows total estimated , location-based GHG emissions. Total market-based upstream GHG emissions amounted to 15 878 tCO_2e in 2023, compared to 14 865 tCO_2e in 2022.
[2] GHG emissions in SpareBank 1 Søre Sunnmøre between 01.01.23 – 30.04.23, and for the financial year 2022, is calculated on a pro forma basis.

Financed emissions

Reporting year 2023

About the results
Our estimates still indicate that GHG emissions in the loan portfolio are concentrated on a small number of sectors, and account for a limited share of our loan volume.

The graph below shows that four industries contribute as much as 85% of the greenhouse gas emission, yet only account for a mere 13% of the banks loans. These industries are agriculture and forestry (60%), shipping and offshore (11%), transport and other services (8%) and fishery (7%).

GHG emissions have risen by 8%, which is less than the increase in lending. The increase in lending is attributable to the merger with SpareBank 1 Søre Sunnmøre, inflation and growth in financial assets. In the case of agriculture, activity-based emissions have increased since we have financed more of the commodities produced. For fishery, emissions are reduced due to a reduction in lending volume and fewer financed vessels.

- **Fishery**
  For the fishery portfolio we have for several years collected data on ship fuel consumption of our largest customers. The figures are used to estimate GHG emissions of relatively good quality from the fishery portfolio. This portfolio has the best data quality in the analysis. However, the data source has a one-year time-lag, and ship fuel consumption for 2022 is used to estimate the customer's emission intensity for 2023. Where a customer's financing has risen from 2022 to 2023, estimated emissions have risen correspondingly.

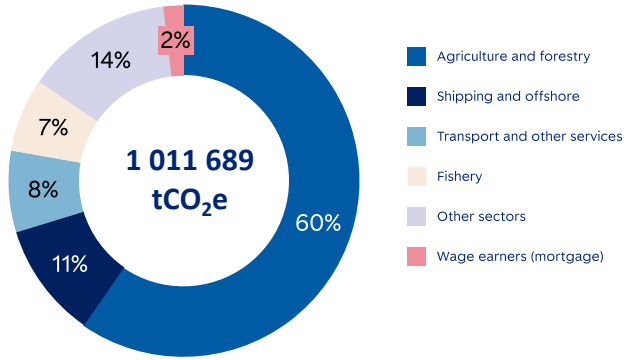
- **Wage earners (residental mortgage loans)**
  In the case of the residential mortgage portfolio, estimated GHG emissions are delivered by Eiendomsverdi AS, and prepared by Simenergi AS. GHG emissions are estimated using emission factors based on a physical production mix with an emission of 19 grammes of CO_2e per kWh. We have also presented estimated greenhouse gas emissions based on a European residual mix, of 502 grammes of CO_2e per kWh.

- **Property management**
  Greenhouse gas emissions from financed commercial property are estimated by retrieving information on each individual building, i.e. property type, usable floor space and energy label, where this exists. Information about the building is then combined with PCAF emission factors, either per square metre or per building.

- **Agriculture and forestry**
  In the climate accounts for 2022, estimated GHG emissions from agriculture were estimated based on emission factors from Asplan Viak which were in turn linked to information at individual farm level from the agricultural production register. The register provides an overview of livestock numbers, production and area managed.

  In the present report the emission factors are replaced with numbers provided by Finance Norway's guidelines, the so-called PLATON factors. This yielded a 50 per cent increase in emissions, but the increase is compensated for by the fact that farms with no activity recorded in the agricultural production register are now estimated as "dwellings". These "dwellings" now have a lot lower emissions than they previously had based on using the factor-based method.

Distribution of financed emissions
CO_2-equivalents (tonnes)



Results and KPI's GHG emissions

Reporting year 2023

Total GHG emissions CO_2-equivalents (tonnes)	2019 Base year	2022 Previous year	2023 Reporting year	Change Previous year	Change Base year
Scope 1 GHG emissions (tCO2e)					
Total net Scope 1 GHG emissions	-	-	-	0 %	0 %
Scope 2 GHG emissions (tCO2e)					
Total net location based[1]	40	59	80	36 %	98 %
Total net market-based[2]	939	957	1 214	27 %	29 %
Scope 3 GHG emissions (tCO2e)					
Total net upstream Scope 3	15 443	13 908	14 664	5 %	-5 %
Purchased goods and services	11 279	11 056	11 567	5 %	3 %
Capital goods	1 416	1 217	1 327	9 %	-6 %
Transport and distribution	624	248	221	-11 %	-65 %
Waste generated in operations	37	20	30	52 %	-18 %
Business travels	2 087	1 367	1 520	11 %	-27 %
Total net downstream Scope 3	-	934 982	1 011 689	8 %	-
Financed emissions	-	934 982	1 011 689	8 %	-
Agriculture and forestry	-	517 847	603 450	17 %	-
Fishery	-	96 122	69 027	-28 %	-
Aquaculture	-	17 584	13 785	-22 %	-
Manufacturing and mining	-	50 424	61 931	23 %	-
Consutrction, power and water supply	-	14 453	19 463	35 %	-
Wholesale and retail trade, hotels and restaurants	-	24 880	28 499	15 %	-
Shipping and offshore	-	118 228	107 439	-9 %	-
Property management	-	3 347	4 453	33 %	-
Business services	-	4 713	5 903	25 %	-
Transport and other services	-	68 844	75 896	10 %	-
Public administration	-	1	3	285 %	-
Other sectors	-	2 973	2 728	-8 %	-
Wage earners (retail loans)	-	15 566	19 113	23 %	-
Total GHG emissions (tCO2e)					
Total GHG emissions (location-based)	-	948 949	1 026 434	8 %	-
Total GHG emissions (market-based)	-	949 847	1 027 567	8 %	-
Energy consumption (MWh)					
Net consumption electricity	2 371	2 385	3 058	28 %	29 %
Net consumption heating[3]	-	301	484	61 %	-

[1] Location-based GHG emissions stemming from consumption of electricity is calculated using NVE's emissions factor for physically delivered energy (19 g CO_2e/kWh).
[2] Market-based GHG emissions from consumption of eletricity is calculated using two different emissions factors. For guarantees of origin (GoO's) we've calculated 0 g CO_2e/kWh. For market-based GHG emissions where GoO's isn't used we've used NVE's factor for european residual mix (502 g CO_2e/kWh).
[3] Emissions from consumption of heating is calculated with an emissions factor of 45,1 g CO_2e/kWh. This applies to both location-based and market-based Scope 2-emissions.

Key Performance Indicators CO_2-equivalents (tonnes)	2019 Base year	2022 Previous year	2023 Reporting year	Change Previous year	Change Base year
Total turnover (NOK 1000)					
Turnover	6 339 000,0	7 650 000,0	13 131 000,0	72 %	107 %
Emission intensity per turnover (NOK 1000)					
kg CO_2e/NOK 1000 turnover (location-based)	-	140,0	78,2	-44 %	-
kg CO_2e/NOK 1000 turnover (market-based)	-	133,0	78,3	-41 %	-

SpareBank 1 SMN

Results GHG emissions

Reporting year 2023 – including pro forma calculations of SpareBank 1 Søre Sunnmøre

Total GHG emissions CO_2-equivalents (tonnes)	2019 Base year	2022 Previous year	2023 Reporting year	Change Previous year	Change Base year
Scope 1 GHG emissions (tCO2e)					
Total net Scope 1 GHG emissions	-	-	-	0 %	0 %
Scope 2 GHG emissions (tCO2e)					
Total net location based[1]	40	61	81	33 %	100 %
Total net market-based[2]	939	1 009	1 235	22 %	32 %
Scope 3 GHG emissions (tCO2e)					
Total net upstream Scope 3	15 443	15 227	15 110	-1 %	-2 %
Purchased goods and services	11 279	12 032	11 892	-1 %	5 %
Capital goods	1 416	1 365	1 365	0 %	-4 %
Transport and distribution	624	277	228	-18 %	-63 %
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Business travels	2 087	1 532	1 594	4 %	-24 %
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SpareBank 1 SMN

SpareBank 1 SMN

Bank
Eiendom
Regnskap

SpareBank 1 SMN Group

Consolidated climate accounts

Reporting year 2023

Our climate efforts

Green transition of Mid-Norway
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General principles and organizational boundaries

The climate accounts adhere to the standards, recommendations, and guidelines provided by the GHG Protocol. This includes the GHG Protocol Corporate Accounting and Reporting Standard, GHG Protocol Scope 2 Guidance, and The Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

In line with the GHG Protocol, we categorize our GHG emissions into three overarching categories, commonly referred to as scopes. We define these as:

- **Scope 1**: Direct emissions from sources that we own or control, which release greenhouse gases into the atmosphere through combustion or direct emissions. Relevant emission sources may include emissions from owned vehicles.
- **Scope 2:** Indirect emissions from the production of purchased electricity, district heating, and cooling that we use in our offices.
- **Scope 3:** Indirect emissions occurring in our value chain that we cause through our procurement and/or sale of goods and services. This may include emissions from the production of purchased goods and services such as IT and office equipment, business travel by employees and financed emissions.

Additionally, the terms upstream and downstream are used to describe indirect emissions caused respectively before us in the value chain (procurement) and after us in the value chain (financed emissions).

Scope and organizational boundaries
The climate accounts are prepared based on collected energy and accounting data from SpareBank 1 SMN[1], SpareBank 1 Finans Midt-Norge AS, SpareBank 1 Regnskapshuset SMN AS, EiendomsMegler 1 Midt-Norge AS, SpareBank 1 SMN Kvartalet AS, SpareBank 1 Bygget Steinkjer AS, and St. Olavs Plass 1 SMN AS, in addition to SpareBank 1 Markets AS[2]. The climate accounts from all companies form the basis for the consolidated accounts.

Within the boundary of the GHG Protocol, the organisation's responsibility areas for GHG emissions are defined through organisational boundaries. These specify which emissions an organisation is accountable for and include direct emissions from sources owned or controlled by the organisation, as well as indirect emissions from sources outside the organisation's control.

The choice of organisational boundaries affects which emissions are included in the reporting and how they are reported. Companies can choose between “equity share” or differing “control methods”. The equity share method includes emissions from operations that the organisation owns, regardless of whether it has operational control over them, while the control approach includes emissions from operations that the organisation either has operational or financial control over, regardless of ownership.

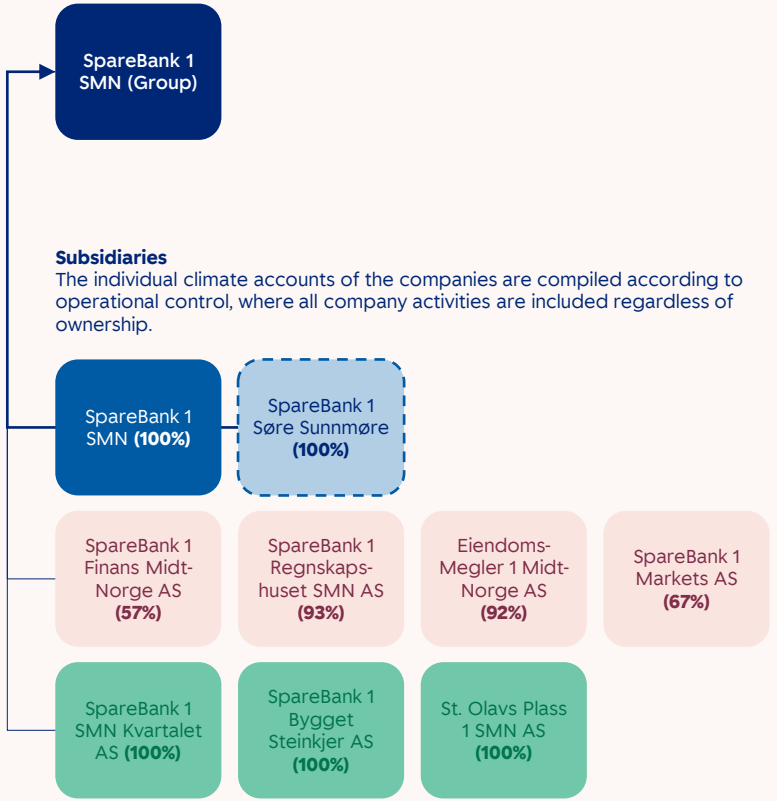
When compiling our consolidated climate accounts, we use both methods:

- **Equity share**: This method is utilised in the consolidation of the climate accounts, so that emissions are included relative to our ownership stake in the respective subsidiary companies.
- **Operational control:** This method is utilised when preparing the climate accounts for the parent and subsidiary companies. This method defines which of the companies' assets and their respective emissions should be included in the climate accounting, and subsequently where they fall within the various scopes. By using this method, we include emissions from activities that SpareBank 1 has operational control over.

[1] From May 1st, 2023, SpareBank 1 SMN and SpareBank 1 Søre Sunnmøre were merged. From this date onwards, SpareBank 1 Søre Sunnmøre was also included in the data collection for SpareBank 1 SMN. GHG-emissions that occurred from January 1st, 2023, to April 30th, 2023, as well as for the entire fiscal year 2022, have been calculated on a pro forma basis. This is in line with our financial reporting and corresponding financial notes.
[2] In June 2022, SpareBank 1 Nord-Norge and SpareBank 1 SR-Bank transferred their capital market businesses to SpareBank 1 Markets AS, in addition to acquiring ownership stakes in the company. This significantly reduced SpareBank 1 SMN's ownership fraction, and SpareBank 1 Markets AS is no longer considered a subsidiary in the Group. The transaction was expected to be completed in March 2023, but was only approved by the FSA in December 2023. Therefore, SpareBank 1 Markets AS is included in the climate accounts as a subsidiary for the entire reporting year 2023.

Organizational boundaries for the Group’s climate accounts

Group level
The’ Group GHG-emissions are consolidated based on the ownership fraction in the subsidiaries (equity share). The ownership fraction is specified for each subsidiary in the figure below.



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Climate accounting principles

Calculation principles

For the climate accounts to serve as a valuable management tool and to provide stakeholders with the best possible information about our climate efforts, we rely on a complete climate account. We use multiple data sources and various calculation methods to ensure an accurate picture of our emissions.

In line with the GHG Protocol, we rely on two main types of data: primary and secondary data. Primary data includes activity and/or emissions data collected directly from the parent, subsidiaries or the supply chain. In our climate account, we consider primary data as quantified data from our activities, such as fuel or energy consumption, combined with emissions factors as specific as possible.

Secondary data consists of all other estimated or calculated data. This could include estimated electricity consumption at locations where we do not have exact readings, or emission calculations based on costs.

We integrate the data sources using multiple calculation methods:

Primary data - calculation using specific emission factors
We calculate the climate impact of direct and indirect emissions by converting primary data into emissions using emission factors. For example, we collect meter readings and multiply the kilowatt-hours by an emission factor to estimate our GHG emissions associated with energy consumption.

Primarily, this method applies to the calculation of indirect energy-related emissions in Scope 2 and the calculation of certain financed emissions in Scope 3. This is the most specific and reliable method for calculating GHG emissions.

Spend-based method – calculation of secondary data sources using financial data
When we do not have access to primary data, we rely on secondary data sources. For our indirect upstream emissions, we use Klimakost, a scientifically grounded emission model developed by Asplan Viak AS. The model estimates the carbon footprint associated with operating costs and is particularly useful for estimating our Scope 3 emissions related to day-to-day operations.

Klimakost, an Environmentally Extended Input-Output Analysis (EEIOA) model, uses emission statistics from various countries, industries, and sectors, as well as trade between them, to estimate the carbon footprint per unit of currency spent on different goods and services. Although this method provides an overview of which types of purchases and activities have the greatest climate impact, it is not able to disaggregate emissions to individual products or suppliers.

For this reason, this method is best suited for identifying the main sources (hotspots) of our emissions, allowing us to focus on the most significant emission drivers using primary data.

Partnership for Carbon Accounting Financials (PCAF) – calculation of financed emissions
The majority of our GHG emissions is in our downstream value chain. At the end of 2021, we became a member of the Partnership for Carbon Accounting Financials (PCAF), a global collaboration among financial institutions to harmonize estimation, measurement, and disclosure of GHG emissions associated with their loan portfolios.

We base our estimation of GHG emissions in our loan portfolios on the PCAF methodology, as well as Finance Norway's updated guidance on PCAF and financed emissions.

Climate accounting principles

Material changes

There are four significant changes affecting the climate accounting for 2023. These changes require a retroactive adjustment of previous years' climate accounting to ensure comparability between the base year, the previous year, and this year's reporting.

Merger with SpareBank 1 Søre Sunnmøre
On 1st of May 2023, SpareBank 1 SMN and SpareBank 1 Søre Sunnmøre were merged. The GHG calculations from both banks are reported collectively from the 1st of May 2023.

Upstream GHG emissions from January 1, 2023, to April 30, 2023, and for the entire fiscal year 2022 were calculated on a pro forma basis to establish a comparison basis for emissions related to day-to-day operations. The GHG emissions presented with pro forma information can be found on the last page of the climate accounts.

The presentation of pro forma information is in line with how the financial reporting and corresponding financial notes are prepared. Downstream emissions or KPI's for SpareBank 1 Søre Sunnmøre are not included in our pro forma calculation.

Changes in Klimakost's emissions factors (Asplan Viak AS)
In compiling this year's climate accounting, we observed a significant reduction in emissions. This reduction could not be explained by reduced economic activity or more climate-efficient upstream or downstream operations. Additionally, we merged with SpareBank 1 Søre Sunnmøre, which, in isolation, could have potentially led to an increase in emissions.

We realized that the changes were due to updated emission factors for 2023[1]. These updates, which included several minor methodological adjustments and uncertainties in the statistical basis, resulted in a material overall change. The change of previous year's climate accounts resulted in a decreased emission reduction in 2023.

The change in emission factors was significant to the degree that it rendered the 2023 climate account incomparable to previous years without an adjustment using the new set of emissions factors.

Changes in the PCAF method
The methodology for estimating GHG emissions from the loan portfolio has been updated this year to align with Finance Norway's updated 'Guidelines for Calculating Financed Emissions.' The emission factors were updated in the fall of 2023 to a new version of EXIOBASE, without manual adjustments or corrections of outliers. This has resulted in material changes to the emission factors.

We've consulted the updated guidance for the PCAF database and sought advice from Asplan Viak AS to evaluate the emission factors. Based on their feedback and in consultation with other banks in the SpareBank 1 Alliance, we have chosen to switch from Norwegian emission factors to EU factors and corrected some outlier values. Due to these material changes in the measurement method, we've re-estimated the figures for 2022 using the updated measurement method. This ensures the reported changes largely reflect changes in actual GHG emissions, rather than just technical adjustments in the measurement method.

Adjustment of emission factors for electricity
Previous climate accounting utilised two different sources of electricity-related emissions. In Scope 2, a Nordic electricity mix (136g CO_2e/kWh) was used to calculate location-based emissions[2]. Meanwhile, market-based Scope 2 emissions were calculated using a residual mix from the Norwegian Water Resources and Energy Directorate (NVE) (405g CO_2e/kWh)[3]. Simultaneously, we employed a Norwegian consumption mix from NVE for location-based emission factors in our calculation of financed emissions, along with the same residual mix for market-based emissions as for upstream emissions.

For the climate accounting for year 2023, we have chosen to use the same factor set from NVE in Scope 2 for both upstream and downstream. This applies to both location-based and market-based electricity-related emissions, specifically the Norwegian consumption mix (19g CO_2e/kWh) and the European residual mix (502g CO_2e/kWh)[3,4]. We retroactively applied the NVE factors to the Scope 2 calculations for 2019 and 2022 to ensure comparability across reporting years.

[1] The updates included adjustments to the emission factors, such as revised global warming potentials (GWPs) for greenhouse gases, redistribution of emissions in some Norwegian sectors, and changes in intensities based on new economic data. Intensities for 2022 and 2023 are adjusted with the consumer price index, which entails uncertainties. There is a delay in the availability of statistics, which does not align with financial reporting years. This means that the 2023 emission factors are influenced by macroeconomic conditions from 2021, where the global pandemic likely explains deviations in reported emissions from several industry sectors.
[2] NS3720 - estimated average for EU mix
[3] Norges vassdrags- og energidirektorat (NVE): Varedeklarasjon for strømleverandører
[4] Norges vassdrags- og energidirektorat (NVE): Klimadeklarasjon for fysisk levert strøm

Consolidated GHG emissions (day-to-day operations)

Reporting year 2023

About the results
Our total estimated upstream GHG emissions[1] amounted to 18 553 tCO_2e in 2023, compared to 19 389 tCO_2e in 2022. This represents a reduction of 4%.

In the same period, the increase in the Group's turnover was greater than the calculated reduction in emissions from day-to-day operations. Additionally, SpareBank 1 Søre Sunnmøre was merged with the Group on the 1st of May 2023.

It is likely that the reduction in emissions is due to a reduction in emission factors rather than a real decrease in our emissions, which likely remained constant during the period.

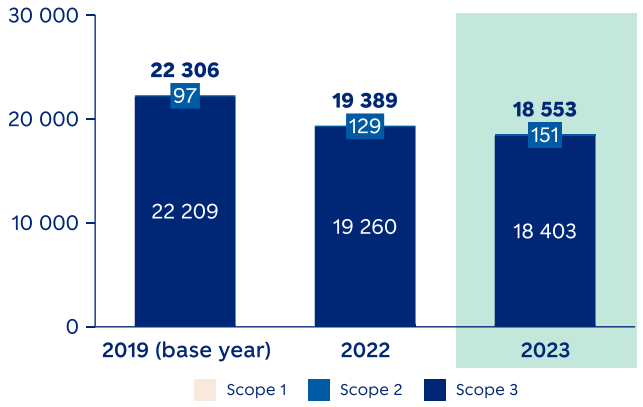
- **Scope 1**
  We do not report any emissions in Scope 1. Direct emissions from sources that we own, or control are limited for us to emissions from owned vehicles. Any emissions from owned vehicles are estimated based on cost and are categorized under business travel in Scope 3.

- **Scope 2**
  Indirect GHG emissions associated with the consumption of purchased energy, including electricity, district heating, and cooling in our office premises in Mid-Norway, Sunnmøre, and Oslo.

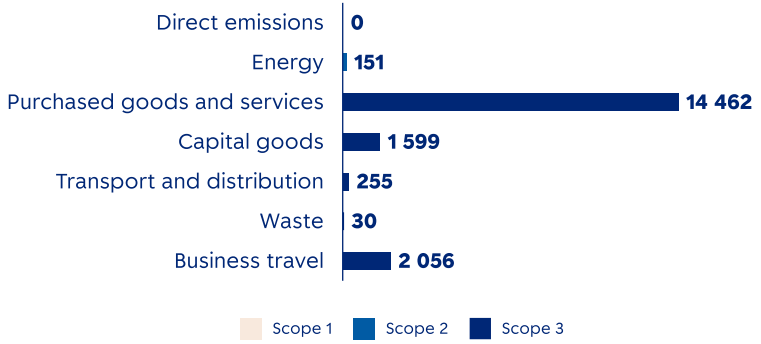
  Our total estimated energy consumption in 2023 was 6,600 MWh. Compared to 2022, this represents an increase of 16%. This consists of a share of district heating (14%) and a share of electricity (86%).

- **Scope 3**
  The majority (99%) of our upstream emissions are associated with indirect emissions from day-to-day operations. The largest contributors come from IT-related services, travel expenses, marketing and media, as well as other operational agreements.

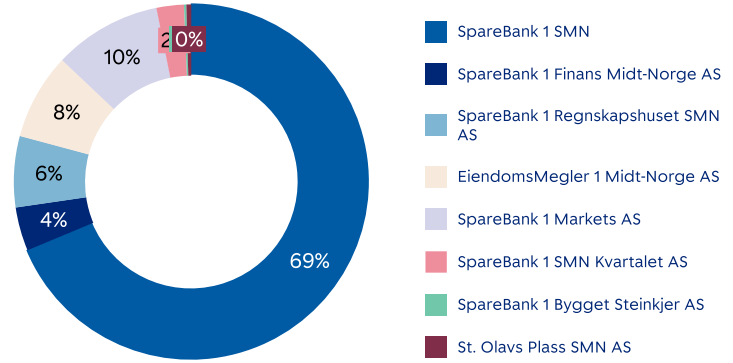
Total GHG emissions (day-to-day operations)
CO_2-equivalents (tonnes)



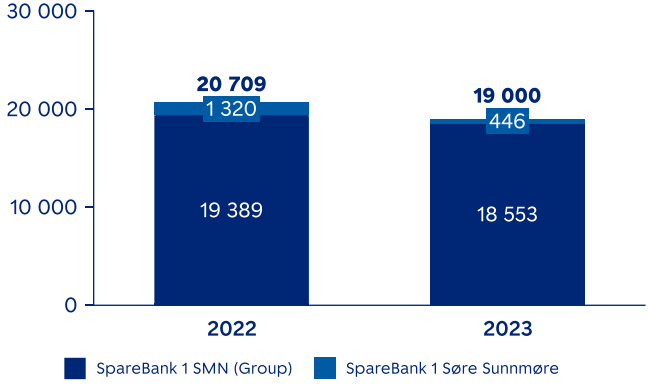
Distribution of GHG-emissions (day-to-day operations)
CO_2-equivalents (tonnes)



Distribution of consolidated GHG-emissions (day-to-day operations)
CO_2-equivalents (tonnes)



Pro forma calculation (day-to-day operations)
SpareBank 1 SMN Group after merger[2]
CO_2-equivalents (tonnes)



[1] The results shows total estimated , location-based GHG emissions. Total market-based upstream GHG emissions amounted to 20 668 tCO_2e in 2023, compared to 21 299 tCO_2e in 2022.
[2] GHG emissions in SpareBank 1 Søre Sunnmøre between 01.01.23 – 30.04.23, and for the financial year 2022, is calculated on a pro forma basis.

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Financed emissions

Reporting year 2023

About the results
Our estimates still indicate that GHG emissions in the loan portfolio are concentrated on a small number of sectors, and account for a limited share of our loan volume.

The graph below shows that four industries contribute as much as 82% of the GHG emissions, yet only account for a mere 13% of our loans. These industries are agriculture and forestry (58%), shipping and offshore (10%), transport and other services (7%) and fishery (7%).

GHG emissions have risen by 8%, which is less than the increase in lending. The increase in lending is attributable to the merger with SpareBank 1 Søre Sunnmøre, inflation and growth in financial assets. In the case of agriculture, activity-based emissions have increased since we have financed more of the commodities produced. For fishery, emissions are reduced due to a reduction in lending volume and fewer financed vessels.

- **Fishery**
  For the fishery portfolio we have for several years collected data on ship fuel consumption of our largest customers. The figures are used to estimate GHG emissions of relatively good quality from the fishery portfolio. This portfolio has the best data quality in the analysis. However, the data source has a one-year lag, and ship fuel consumption for 2022 is used to estimate the customer's emission intensity for 2023. Where a customer's financing has risen from 2022 to 2023, estimated emissions have risen correspondingly.

- **Wage earners (residental mortgage loans)**
  In the case of the residential mortgage portfolio, estimated GHG emissions are delivered by Eiendomsverdi AS, and prepared by Simenergi AS. GHG emissions are estimated using emission factors based on a physical production mix with an emission of 19 grammes of CO_2e per kWh. We have also presented estimated GHG emissions based on a European residual mix, of 502 grammes of CO_2e per kWh.

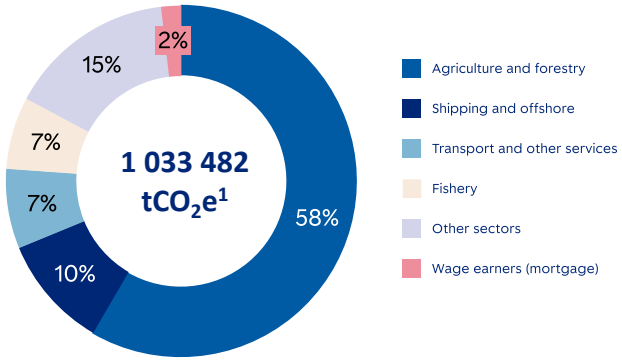
- **Property management**
  GHG emissions from financed commercial property are estimated by retrieving information on each individual building, i.e. property type, usable floor space and energy label, where this exists. Information about the building is then combined with PCAF emission factors, either per square metre or per building.

- **Fossil-fuel vehicles**
  For SpareBank 1 Finans Midt-Norge, GHG emissions are only estimated for NOK 7.7bn of NOK 12.6bn of financing used to finance vehicles with petrol or diesel engines. We have used an average mileage of 12,000 kilometres for all car usage.

- **Agriculture and forestry**
  In the climate accounts for 2022, estimated GHG emissions from agriculture were estimated based on emission factors from Asplan Viak which were in turn linked to information at individual farm level from the agricultural production register. The register provides an overview of livestock numbers, production and area managed.

  In the present report the emission factors are replaced with numbers provided by Finance Norway's guidelines, the so-called PLATON factors. This yielded a 50 per cent increase in emissions, but the increase is compensated for by the fact that farms with no activity recorded in the agricultural production register are now estimated as "dwellings". These "dwellings" now have a lot lower emissions than they previously had based on using the factor-based method.

Distribution of financed emissions
CO_2-equivalents (tonnes)



[1] The results deviate from the results presented in the paragraph «Greenhouse gas emissions from the Group's loan portfolios» in the annual report. The deviation is due to differing consolidation methods, and amounts to 16 778 tCO$_2$e (1 – ownership fraction SpareBank 1 Finans Midt-Norge AS).

Results and KPI's GHG emissions

Reporting year 2023

Total consolidated GHG emissions CO_2-equivalents (tonnes)	2019 Base year	2022 Previous year	2023 Reporting year	Change Previous year	Change Base year
Scope 1 GHG emissions (tCO2e)					
Total net Scope 1 GHG emissions	-	-	-	0 %	0 %
Scope 2 GHG emissions (tCO2e)					
Total net location based[1]	97	129	151	17 %	56 %
Total net market-based[2]	2 260	2 040	2 266	11 %	0 %
Scope 3 GHG emissions (tCO2e)					
Total net upstream Scope 3	22 209	19 260	18 403	-4 %	-17 %
Purchased goods and services	15 814	15 143	14 462	-4 %	-9 %
Capital goods	1 990	1 637	1 599	-2 %	-20 %
Transport and distribution	713	285	255	-11 %	-64 %
Waste generated in operations	23	24	30	24 %	31 %
Business travels	3 669	2 170	2 056	-5 %	-44 %
Total net downstream Scope 3	-	958 990	1 033 482	8 %	-
Financed emissions	-	958 990	1 033 482	8 %	-
Agriculture and forestry	-	517 847	603 450	17 %	-
Fishery	-	96 122	69 027	-28 %	-
Aquaculture	-	17 584	13 785	-22 %	-
Manufacturing and mining	-	50 424	61 931	23 %	-
Consutrction, power and water supply	-	14 453	19 463	35 %	-
Wholesale and retail trade, hotels and restaurants	-	24 880	28 499	15 %	-
Shipping and offshore	-	118 228	107 439	-9 %	-
Property management	-	3 347	4 453	33 %	-
Business services	-	4 713	5 903	25 %	-
Transport and other services	-	68 844	75 896	10 %	-
Public administration	-	1	3	285 %	-
Other sectors	-	2 973	2 728	-8 %	-
Wage earners (retail loans)	-	15 566	19 113	23 %	-
Loan/leasing - fossil cars	-	24 009	21 792	-9 %	-
Total GHG emissions (tCO2e)					
Total GHG emissions (location-based)	-	978 379	1 052 035	8 %	-
Total GHG emissions (market-based)	-	980 290	1 054 150	8 %	-
Energy consumption (MWh)					
Net consumption electricity	5 707	5 028	5 657	13 %	-1 %
Net consumption heating[3]	-	678	943	39 %	-

[1] Location-based GHG emissions stemming from consumption of electricity is calculated using NVE's emissions factor for physically delivered energy (19 g CO_2e/kWh).
[2] Market-based GHG emissions from consumption of eletricity is calculated using two different emissions factors. For guarantees of origin (GoO's) we've calculated 0 g CO_2e/kWh. For market-based GHG emissions where GoO's isn't used we've used NVE's factor for european residual mix (502 g CO_2e/kWh).
[3] Emissions from consumption of heating is calculated with an emissions factor of 45,1 g CO_2e/kWh. This applies to both location-based and market-based Scope 2-emissions.

Key performance indicators CO_2-equivalents (tonnes)	2019 Base year	2022 Previous year	2023 Reporting year	Change Previous year	Change Base year
Total turnover (NOK 1000)					
Turnover	4 599 365,3	5 635 675,4	15 448 102,5	174 %	236 %
Emission intensity per turnover (NOK 1000)					
kg CO_2e/NOK 1000 turnover (location-based)	-	188,2	68,1	-64 %	-
kg CO_2e/NOK 1000 turnover (market-based)	-	188,5	68,2	-64 %	-

[1] Turnover is a result of the parent company and subsidiary revenues multiplied by the ownership fraction. Internal transactions are **not** eliminated in this figure, and the number is not directly transferable to the consolidated financial statements.

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Results GHG emissions

Reporting year 2023 – including pro forma calculations of SpareBank 1 Søre Sunnmøre

Total consolidated GHG emissions CO_2-equivalents (tonnes)	2019 Base year	2022 Previous year	2023 Reporting year	Change Previous year	Change Base year
Scope 1 GHG emissions (tCO2e)					
Total net Scope 1 GHG emissions	-	-	-	0 %	0 %
Scope 2 GHG emissions (tCO2e)					
Total net location based[1]	97	131	152	16 %	56 %
Total net market-based[2]	2 260	2 092	2 287	9 %	1 %
Scope 3 GHG emissions (tCO2e)					
Total net upstream Scope 3	22 209	20 578	18 848	-8 %	-15 %
Purchased goods and services	15 814	16 119	14 787	-8 %	-6 %
Capital goods	1 990	1 785	1 637	-8 %	-18 %
Transport and distribution	713	314	262	-16 %	-63 %
Waste generated in operations	23	24	30	24 %	31 %
Business travels	3 669	2 336	2 131	-9 %	-42 %
Total net downstream Scope 3	-	958 990	1 033 482	8 %	-
Financed emissions	-	958 990	1 033 482	8 %	-
Agriculture and forestry	-	517 847	603 450	17 %	-
Fishery	-	96 122	69 027	-28 %	-
Aquaculture	-	17 584	13 785	-22 %	-
Manufacturing and mining	-	50 424	61 931	23 %	-
Consutrction, power and water supply	-	14 453	19 463	35 %	-
Wholesale and retail trade, hotels and restaurants	-	24 880	28 499	15 %	-
Shipping and offshore	-	118 228	107 439	-9 %	-
Property management	-	3 347	4 453	33 %	-
Business services	-	4 713	5 903	25 %	-
Transport and other services	-	68 844	75 896	10 %	-
Public administration	-	1	3	285 %	-
Other sectors	-	2 973	2 728	-8 %	-
Wage earners (retail loans)	-	15 566	19 113	23 %	-
Loan/leasing - fossil cars	-	24 009	21 792	-9 %	-
Total GHG emissions (tCO2e)					
Total GHG emissions (location-based)	-	979 699	1 052 482	7 %	-
Total GHG emissions (market-based)	-	981 660	1 055 520	8 %	-
Energy consumption (MWh)					
Net consumption electricity	5 707	5 132	5 699	11 %	0 %
Net consumption heating[3]	-	678	943	39 %	-

[1] Location-based GHG emissions stemming from consumption of electricity is calculated using NVE's emissions factor for physically delivered energy (19 g CO_2e/kWh).
[2] Market-based GHG emissions from consumption of eletricity is calculated using two different emissions factors. For guarantees of origin (GoO's) we've calculated 0 g CO_2e/kWh. For market-based GHG emissions where GoO's isn't used we've used NVE's factor for european residual mix (502 g CO_2e/kWh).
[3] Emissions from consumption of heating is calculated with an emissions factor of 45,1 g CO_2e/kWh. This applies to both location-based and market-based Scope 2-emissions.

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GRI Index

The table shows SpareBank 1 SMN's reporting for 2023 with reference to the GRI Universal Standards 2021.

GRI-indicator	Indicator - name	Indicator - description	Response in annual report	Source
GENERAL INFORMATION				
Organizational profile				
2-1	Organizational details	Name of the organization	SpareBank 1 SMN	
2-1	Organizational details	Location of the organization's headquarters	Søndre Gate 4, 7011 TRONDHEIM	
2-1	Organizational details	The organization's countries of operations	Norway	
2-1	Detaljer om organisasjonen	Ownership and legal form	SpareBank 1 SMN's organizatonal set-up	
2-6	Activities and workers	Activities, product and services provided by the organization	This is SpareBank 1 SMN Subsidiaries	
2-6	Activities and workers	Beskrivelse av de bransje og marked organisasjonen opererer i	This is SpareBank 1 SMN Subsidiaries	
2-6	Activities and workers	Sector(s) in which the organization is active	This is SpareBank 1 SMN SpareBank 1 SMN's organizational set-up People and organisation	
2-6	Activities and workers	Description of the organization's supply chain	Stimulating responsible resource use in our own value and supplier chains	Website: Guidelines for sustainability in procurement
2-6	Activities and workers	Significant changes in sector(s) which the organization is active and other relevant business relationships compared to the previous reporting period	Important events in 2023	
2-7	Employees	Total number of employees (permanent and temporary) and a breakdown by gender and region	People and organization Staffing	
2-8	Workers who are not employees	Total number of workers who are not employees and whose work is controlled by the organization	People and organization Organization Staffing	
2-23	Policy Commitments	Policy commitments for responsible business conduct and respect of human rights	Corporate governance	
2-28	Membership associations	Industry associations, other memberships associations, and national or international advocacy organization in which it participates in a significant role	Sustainability and corporate social responsibility Our obligations	See attachment: SpareBank 1 SMN's memberships
Strategy, policies and practices				
2-22	Statement on sustainable development strategy	Statement from the highest governance body or most senior executive of the organization about the relevance of sustainable development and its strategy for contributing to this	Sustainability and corporate social responsibility	Sustainability is an integral part of our group strategy and is incorporated into all business lines and support functions including day-to-day operations, customer offering and distribution of community dividend.
2-23	Policy Commitments	Describe the organization's values, principals, standards and norms of behavior	People and organisation	Website: Sustainability policy

2-24	Embedding policy commitments	Describe how policies for responsible business conduct are embedded in the organzation's activities and business relationships	Stimulating responsible resource use in our own value and supplier chains	Website: Sustainability policy
2-25	Processes to remediate negative impacts	Describe the organization's commitments and approach has for remedation of negative impacts it has directly or indirectly caused or contributed to	Stimulating responsible resource use in our own value and supplier chains	Webpage: Group Impact Analysis 2022
2-26	Mechanisms for seeking advice and raising concerns	Mechanisms for individuals to seek advice on implementing the organization's policies and practices for responsible business conduct, and raise concerns about the organization's business conduct	People and organisation Organization	Webiste: Whistleblowing procedure
2-27	Compliance with laws and regulation	Total number of significant instances of non-compliance with laws and regulations during the reporting period, and instance where fines or non-monetary fines were incurred	Corporate governance - point 1	Zero violations, zero fines.

Governance

2-9	Governance structure and composition	Governance structure, including commitees of the highest governance body that are responsible for decision-making on and overseeing the management of the organization's impacts on the economy, environment, and people.	Corporate governance	
2-10	Nomination and selection of the highest governance body	Criteria used for nominating and selecting highest governances body members, including whether and how views of stakeholders, diversity, independence and competencies relevant to the impacts of the organization are considered.	Corporate governance - point 7	
2-11	Chair of the highest governance body	Describe whether the chair of the highest governance body is also a senior executive of the organization, and if so, explain their function, the reasons of such an arrangement and how conflicts of interested are prevented and mitigated.	Corporate governance - point 8	
2-12	Role of the highest gonvernance body in overseeing the management of impacts	Describe the role of the highest governance body and its senior executives in developing, approving and updating the organization's purpose, values, mission statement, strategies, policies and goals related to sustainable development.	Ensuring long-term profitability and competitiveness Climate risk- and opportunities	
2-12	Role of the highest gonvernance body in overseeing the management of impacts	Describe the role of the highest governance body in overseeing the organizations's due diligence and other processes to identify and manage the organization's impact of the economy, environment, and people		Webpage: Stakeholder dialogue
2-13	Delegation of responsibility for managing impacts	Describe how the highest governance body delegates responsibilities for managing the organization's impacts on economy, environment and people.	Ensuring long-term profitability and competitiveness Climate risk- and opportunities	
2-14	Role of the highest governance body in sustainability reporting	If the highest governance body is responsible reviewing and approving the reported information, describe the process.	Corporate governance	Nettside: Representantskapets oppgaver
2-15	Conflict of interest	Processes meant to prevent and mitigate conflicts of interest in the highest governance body.	Corporate governance - point 9	

2-16	Communcation of critical concerns	Whether and how critical concerns are communicated to the highest governance body, and the nature and number of critical concerns reported during the reporting period.	Corporate governance - point 10	
2-17	Collective knowledge of the highest governance body	Measures taken to advance the collective knowledge, skills, and experience of the highest governance body on sustainable development.	Ensuring long-term profitability and competitiveness Climate risk- and opportunities	Website: Sustainability policy
2-18	Evaluation of the performance of the highest governance body	Independent and internal processes to evaluate the performance of the highest governance body in overseeing the management of the organization's impact on the economy, environment and people. Describe actions taken in response to the evaluations.	Corporate governance - point 9	
2-19	Remuneration policies	Remuneration policies for members of the highest governance body and senior executives, and how the remuneration policies for relate to their objectives and performance in relation to the management of the organization's impacts on the economy, environmen	Corporate governance	Webpage: Remuneration and emoluments to senior personell
2-20	Process to determine remuneration	Process for designing its remuneration policies and for determining remuneration	Corporate governance	Webpage: Remuneration and emoluments to senior personell
2-21	Annual total compensation ratio	Ratio of the annual total compensation for the organization's highest-paid individual to the median annual total compensation for all employees (excluding the highest-paid individual), represented as amount and percentage	Corporate governance	Webpage: Remuneration and emoluments to senior personell
2-30	Collective bargaining agreements	Percentage of total employees covered by collective bargaining agreements	People and organisation Staffing	

Stakeholder engagement

2-21	Approach to stakeholder engagement	The categories of stakeholders the organization engages with	-	Webpage: Stakeholder dialogue
2-29	Approach to stakeholder engagement	Description of how the organization identifies stakeholders	-	Webpage: Stakeholder dialogue
2-29	Approach to stakeholder engagement	Approach to engaging with stakeholders, and how often the organization includes different stakeholders	-	Webpage: Stakeholder dialogue

Reporting practices

2-2a	Entities included in the organization's sustainability reporting	Entities included in its sustainability reporting	SpareBank 1 SMN, SpareBank 1 Regnskapshuset SMN AS, EiendomsMegler 1 Midt-Norge AS, SpareBank 1 Finans Midt-Norge AS, SpareBank 1 Markets AS, SpareBank 1 SMN Invest AS.	
2-2b	Entities included in the organization's sustainability reporting	Specify the differences between the list of entities included in its financial reporting and the list included in its sustainability reporting	No differences	
2-2c	Entities included in the organization's sustainability reporting	Explain the approach used for consolidating information	Material subsidaries are included in the annual report See "Important events in 2022".	

2-3	Reporting period, frequency and contact point	Reporting period for, and the frequency of, the organization's sustainability reporting, publication date and contact point for questions about the report	Date of publishing: 29.02.2024 Reporting period: 2023 Reporting frequency: Yearly Contact point: Jan-Eilert Nilsen	E-mail: jan-eilert.nilsen@smn.no
2-4	Restatements of information	Report restatements of information from previous reporting periods		Webpage: Climate accounting report 2023
2-5	External assurance	External assurance of the organization's sustainability report	Auditor's report	Website: Auditor's report
3-1a	Process to determine material topics	Describe the process the organization has followed to determine its material topics	Global Reporting Initiative 2021.	Webpage: Group Materiality Analysis 2022
3-1b	Stakeholders whose views have informed the process of determining material topics	Specify the stakeholders and experts whose views have informed the process of determining its material topics		Webpage: Stakeholder dialogue
3-2	List of materials topics	List the organzation's material topics	Our sustainability work Our focal areas	Webpage: Group Materiality Analysis 2022
3-2	List of materials topics	Report changes to the list of material topics compared to the previous reporting period	Our sustainability work Our focal areas	Webpage: Group Materiality Analysis 2022

SPECIFIC INFORMATION

Focal area 1: Responsible lending and investments

1.1 Preventing and combating economic crime and corruption

3-3	Management of material topics	Description and definition of material topics	Preventing and combating economic crime and corruption	Webpage: Group Materiality Analysis 2022
3-3	Management of material topics	Description of policies regarding the material topics	Preventing and combating economic crime and corruption	Webpage: Group Materiality Analysis 2022
3-3	Management of material topics	Evaluation of policies and commitments regarding material topics	Preventing and combating economic crime and corruption	Webpage: Group Materiality Analysis 2022
404-2a	Program for upgrading employee skills	Share of managers and employees who have completed e-learning courses in AML and anti-terrorist financing	Target 2023: 100 % Result 2023: 97 % Target 2024: 100 %	
SMN-1	N/A	Losses due to fraud	Target 2023: < 10.000.000 NOK Result 2023: 15.660.000 NOK Target 2024: < 22.500.000 NOK	

1.2 Ensuring long-term profitability and competitiveness

3-3	Management of material topics	Description and definition of material topics	Ensuring long-term profitability and competitiveness	Webpage: Group Materiality Analysis 2022
3-3	Management of material topics	Description of policies regarding the material topics	Ensuring long-term profitability and competitiveness	Webpage: Group Materiality Analysis 2022
3-3	Management of material topics	Evaluation of policies and commitments regarding material topics	Ensuring long-term profitability and competitiveness	Webpage: Group Materiality Analysis 2022
FS8	N/A	Corporate loan volumes with ESG-score	Target 2023: 75 % Result 2023: 87 % Target 2024: 90 %	
FS8	N/A	Retail loan volumes with ESG-score	Target 2023: 20 % Result 2023: 0 % Target 2024: 20 %	
FS8	N/A	Share of loans that meets the requirements of green bonds	Target 2023: Under development Result 2023: 19.1 % Target 2024: Under development	

1.3 Reducing the carbon footprint in loan portfolios

3-3	Management of material topics	Description and definition of material topics	Reducing the carbon footprint in loan portfolios	Webpage: Group Materiality Analysis 2022
3-3	Management of material topics	Description of policies regarding the material topics	Reducing the carbon footprint in loan portfolios	Webpage: Group Materiality Analysis 2022
3-3	Management of material topics	Evaluation of policies and commitments regarding material topics	Reducing the carbon footprint in loan portfolios	Webpage: Group Materiality Analysis 2022
305-1	Direct (Scope 1) GHG emissions	Direct (Scope 1) GHG emissions	Reducing the carbon footprint in loan portfolios	Webpage: Climate accounting report 2023
305-2	Energy indirect (Scope 2) GHG emissions	Energy indirect (Scope 2) GHG emissions	Reducing the carbon footprint in loan portfolios	Webpage: Climate accounting report 2023
305-3	Other indirect (Scope 3) GHG emissions	Other indirect (Scope 3) GHG emissions	Reducing the carbon footprint in loan portfolios	Webpage: Climate accounting report 2023
305-5	Reduction of GHG emissions	Total CO2 emissions from loan portfolios	Target 2023: 1.000 (1000 tCO2e) Result 2023: 1.034 (1000 tCO2e) Target 2024: SBTi	Webpage: Climate accounting report 2023

1.4 Stimulating green transition for customers

3-3	Management of material topics	Description and definition of material topics	Stimulating green transition for retail customers and corporate customers	Webpage: Group Materiality Analysis 2022
3-3	Management of material topics	Description of policies regarding the material topics	Stimulating green transition for retail customers and corporate customers	Webpage: Group Materiality Analysis 2022
3-3	Management of material topics	Evaluation of policies and commitments regarding material topics	Stimulating green transition for retail customers and corporate customers	Webpage: Group Materiality Analysis 2022
SMN-3	N/A	Share of homes in loan portfolios with energy rating	Target 2023: 90 % Result 2023: 42 % Target 2024: 70 %	
SMN-3	N/A	Share of commercial properties in corporate loan portfolio (>1.000m2) with energy rating	Target 2023: 75 % Result 2023: 21 % Target 2024: 90 % of new exposures	

Focal area 2: Advisory services and customer offering

2.1 Expanding the commercial offering of climate-friendly and social products and services

3-3	Management of material topics	Description and definition of material topics	Expanding the commercial offering of climate-friendly and social products and services	Webpage: Group Materiality Analysis 2022
3-3	Management of material topics	Description of policies regarding the material topics	Expanding the commercial offering of climate-friendly and social products and services	Webpage: Group Materiality Analysis 2022
3-3	Management of material topics	Evaluation of policies and commitments regarding material topics	Expanding the commercial offering of climate-friendly and social products and services	Webpage: Group Materiality Analysis 2022
FS8	N/A	Sales volume of products and services with an environmental benefit	Overall target 2023: 2.000.000.000 NOK Overall result 2023: 2.516.000.000 NOK Overall target 2024: 3.000.000.000 NOK	
FS7	N/A	Sales volume of products and services with a social benefit		

2.2 Strengthening role-based competence-enhancing programmes with a focus on ESG for our own staff

3-3	Management of material topics	Description and definition of material topics	Strengthening role-based competence-enhancing programmes with a focus on ESG for our own staff	Webpage: Group Materiality Analysis 2022
3-3	Management of material topics	Description of policies regarding the material topics	Strengthening role-based competence-enhancing programmes with a focus on ESG for our own staff	Webpage: Group Materiality Analysis 2022
3-3	Management of material topics	Evaluation of policies and commitments regarding material topics	Strengthening role-based competence-enhancing programmes with a focus on ESG for our own staff	Webpage: Group Materiality Analysis 2022
SMN-2	N/A	Category-score for sustainability in Winningtemp	Target 2023: 7,4 Result 2023: 7,3 Target 2024: 8	

2.3 Maintaining ethical standards

3-3	Management of material topics	Description and definition of material topics	Maintaining ethical standards	Webpage: Group Materiality Analysis 2022
3-3	Management of material topics	Description of policies regarding the material topics	Maintaining ethical standards	Webpage: Group Materiality Analysis 2022
3-3	Management of material topics	Evaluation of policies and commitments regarding material topics	Maintaining ethical standards	Webpage: Group Materiality Analysis 2022
404-2a	Program for upgrading employee skills	Share of managers and employees who have completed e-learning course in ethics	Target 2023: 100 % Result 2023: 94 % Target 2024: 100 %	
404-2b	Program for upgrading employee skills	Assistance for employees who intendes to retire, resigning or change work tasks	Frequency of employees resigning, retiring or changing work tasks doesn't occur beyond what is pervieced as normal, and assistance to such transiations are not described in further detail	

2.4 Complying with requirements and obligations on the processing of personal data

3-3	Management of material topics	Description and definition of material topics	Complying with requirements and obligations on the processing of personal data	Webpage: Group Materiality Analysis 2022
3-3	Management of material topics	Description of policies regarding the material topics	Complying with requirements and obligations on the processing of personal data	Webpage: Group Materiality Analysis 2022
3-3	Management of material topics	Evaluation of policies and commitments regarding material topics	Complying with requirements and obligations on the processing of personal data	Webpage: Group Materiality Analysis 2022
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	No. of documented complaints of breaches of data privacy or loss of customer data	Target 2023: 0 Result 2023: 12 Target 2024: 0	

Focal area 3: Sustainable transition of Mid-Norway

3.1 Stimulating innovation and sustainable economic growth

3-3	Management of material topics	Description and definition of material topics	Stimulating innovation and sustainable economic growth	Webpage: Group Materiality Analysis 2022
3-3	Management of material topics	Description of policies regarding the material topics	Stimulating innovation and sustainable economic growth	Webpage: Group Materiality Analysis 2022
3-3	Management of material topics	Evaluation of policies and commitments regarding material topics	Stimulating innovation and sustainable economic growth	Webpage: Group Materiality Analysis 2022

413-1	Operations with local community engagement, impact assessments, and development programs	No. of participants in meeting places and innovation activities led by SpareBank 1 SMN	Target 2023: 7.000 participants and 250 entrepreneur- and youth enterprises Result 2023: 5.790 participants and 300 entrepreneur- and youth enterprises Target 2024: 6.000 participants and 250 entrepreneur- and youth enterprises	
413-1	Operations with local community engagement, impact assessments, and development programs	No. of participants in competence- and development programmes led by SpareBank 1 SMN	Target 2023: 50-100 Result 2023: 270 Target 2024: 500	

3.2 Helping to strengthen transition efforts in small and medium-size businesses

3-3	Management of material topics	Description and definition of material topics	Helping to strengthen transition efforts in small and medium-size businesses	Webpage: Group Materiality Analysis 2022
3-3	Management of material topics	Description of policies regarding the material topics	Helping to strengthen transition efforts in small and medium-size businesses	Webpage: Group Materiality Analysis 2022
3-3	Management of material topics	Evaluation of policies and commitments regarding material topics	Helping to strengthen transition efforts in small and medium-size businesses	Webpage: Group Materiality Analysis 2022
SMN-3	N/A	Share of large corporate customers with credit engagements who has carbon accounting reports	Target 2023: 25 % Result 2023: 24 % Target 2024: 25 %	

Focal area 4: Sustainable transition in SpareBank 1 SMN

4.1 Stimulating responsible resource use in our own value and supplier chains

3-3	Management of material topics	Description and definition of material topics	Stimulating responsible resource use in our own value and supplier chains	Webpage: Group Materiality Analysis 2022
3-3	Management of material topics	Description of policies regarding the material topics	Stimulating responsible resource use in our own value and supplier chains	Webpage: Group Materiality Analysis 2022
3-3	Management of material topics	Evaluation of policies and commitments regarding material topics	Stimulating responsible resource use in our own value and supplier chains	Webpage: Group Materiality Analysis 2022
SMN-4	N/A	Share of the Group's material procurement (> NOK 100 000) from suppliers with carbon accounting reports	Target 2023: 50 % Result 2023: 68 % Target 2024: 80 %	

4.2 Strengthening data and cybersecurity

3-3	Management of material topics	Description and definition of material topics	Strengthening data and cybersecurity	Webpage: Group Materiality Analysis 2022
3-3	Management of material topics	Description of policies regarding the material topics	Strengthening data and cybersecurity	Webpage: Group Materiality Analysis 2022
3-3	Management of material topics	Evaluation of policies and commitments regarding material topics	Strengthening data and cybersecurity	Webpage: Group Materiality Analysis 2022
404-2a	Program for upgrading employee skills	Share of managers and employees who have completed digital learning courses in cyber security	Target 2023: 100 % Result 2023: 90 % Target 2024: 100 %	

4.3 Promoting diversity, inclusion and equality

3-3	Management of material topics	Description and definition of material topics	Promoting diversity, inclusion and equality	Webpage: Group Materiality Analysis 2022
3-3	Management of material topics	Description of policies regarding the material topics	Promoting diversity, inclusion and equality	Webpage: Group Materiality Analysis 2022
3-3	Management of material topics	Evaluation of policies and commitments regarding material topics	Promoting diversity, inclusion and equality	Webpage: Group Materiality Analysis 2022
SMN-5	N/A	Minimum category-score Winningtemp on diversity, inclusion and equality: 8	Target 2023: I/A Result 2023: I/A Target 2024: I/A	

4.4 Reducing the carbon footprint in day-to-day operations

3-3	Management of material topics	Description and definition of material topics	Reducing the carbon footprint in day-to-day operations	Webpage: Group Materiality Analysis 2022
3-3	Management of material topics	Description of policies regarding the material topics	Reducing the carbon footprint in day-to-day operations	Webpage: Group Materiality Analysis 2022
3-3	Management of material topics	Evaluation of policies and commitments regarding material topics	Reducing the carbon footprint in day-to-day operations	Webpage: Group Materiality Analysis 2022
305-1	Direct (Scope 1) GHG emissions	Direct (Scope 1) GHG emissions	Reducing the carbon footprint in day-to-day operations	Webpage: Climate accounting report 2023
305-2	Energy indirect (Scope 2) GHG emissions	Energy indirect (Scope 2) GHG emissions	Reducing the carbon footprint in day-to-day operations	Webpage: Climate accounting report 2023
305-3	Other indirect (Scope 3) GHG emissions	Other indirect (Scope 3) GHG emissions	Reducing the carbon footprint in day-to-day operations	Webpage: Climate accounting report 2023
305-5	Reduction of GHG emissions	Total CO2 emissions from day-to-day-operations	Target 2023: 16,4 (1000 tCO2e) Result 2023: 18,5 (1000 tCO2e) Target 2024: SBTi	Webpage: Climate accounting report 2023

To the Board of Directors of SpareBank 1 SMN

Independent Practitioner's Assurance Report on the SpareBank 1 SMN's sustainability reporting

We have undertaken a limited assurance engagement in respect of SpareBank 1 SMN's GRI Index for 2023 and of selected key performance indicators for sustainability for the period 1 January 2023 - 31 December 2023 (the Subject Matter), included in SpareBank 1 SMN's annual report for the year 2023.

The identified Subject Matter Information consists of:

SpareBank 1 SMN's GRI index for 2023 is an overview of which sustainability topics SpareBank 1 SMN considers material to its business and which key performance indicators SpareBank 1 SMN uses to measure and report its sustainability performance, together with a reference to where material sustainability information is reported. SpareBank 1 SMN's GRI Index for 2023 is available and included in appendix to SpareBank 1 SMN's annual report for the year 2023. We have examined whether SpareBank 1 SMN has provided a GRI Index for 2023 and whether mandatory disclosures are presented according to the Standards published by the Global Reporting Initiative (www.globalreporting.org/standards) (criteria).

SpareBank 1 SMN has defined key performance indicators for sustainability in the annual report for the year 2023. The quantification of the key performance indicators is determined by topic-specific disclosure requirements from GRI or own definitions specified by the bank and explained in the chapters under "Vårt bærekraftsarbeid" and in the appendix "SpareBank 1 SMN Klimaregnskap" and "SpareBank 1 SMN Konsolidert klimaregnskap" (criteria). For the following key performance indicators for sustainability, we have examined the basis for 2023 and whether the key figures have been calculated, estimated and reported in accordance with the applicable criteria:

- "Resultater 2023" included in "Tabell 1: Fokusområder med tilhørende nøkkeltall" in the chapter "Innledning"
- Performance indicators for 2023 included in "Tabell 16: Bemanning i konsernet" up to and including "Tabell 20: Fordeling type ansettelse og kjønn" in the chapter "Mennesker og organisasjon"
- Column "2023 Rapporteringsår " included in table «Resultat og nøkkeltall klimagassutslipp 2023 Inkludert proformaberegning Søre Sunnmøre" in appendix "SpareBank 1 SMN Klimaregnskap" and in appendix "SpareBank 1 SMN Konsolidert klimaregnskap"

Management's Responsibility

Management is responsible for the preparation of the Subject Matter Information in accordance with the applicable Criteria. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of a Subject Matter Information that is free from material misstatement, whether due to fraud or error.

Quantification of greenhouse gases has an inherent uncertainty due to the fact that the determination of emission factors and values necessary to combine emissions of different gases is based on incomplete scientific knowledge.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), which are based on the basic ethical principles: integrity, objectivity , professional competence and due care, confidentiality and professional behaviour.

We apply the 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,* and accordingly, maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Responsibilities

Our responsibility is to express an opinion on the Subject Matter Information based on the evidence we have obtained. We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 revised – «Assurance Engagements other than Audits or Reviews of Historical Information» and on greenhouse gas emissions, International Standard on Assurance Engagements (ISAE 3410) - "Assurance Engagements on Greenhouse Gas Statements", issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform this engagement to obtain limited assurance about whether the Subject Matter Information is free from material misstatement.

A limited assurance engagement in accordance with ISAE 3000 and ISAE 3410 involves assessing the suitability in the circumstances of management's use of the Criteria as the basis for the preparation of the Subject Matter Information, assessing the risks of material misstatement of the Subject Matter Information whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the Subject Matter Information. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgment and, among others, included:

- Making inquiries of the persons responsible for the Subject Matter;
- Obtaining an understanding of the process for collecting and reporting the Subject Matter Information, including relevant internal controls;
- Performing limited substantive testing on a selective basis of the Subject Matter Information to test whether data had been appropriately measured, recorded, collated and reported;
- Considering the disclosure and presentation of the Subject Matter Information.

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 we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether the Subject Matter Information has been prepared, in all material respects, in accordance with the Criteria

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

Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that:

- Sparebank 1 SMN's GRI Index for 2023 is not, in all material respects, developed and presented in accordance with the requirements of the Standards published by The Global Reporting Initiative; and
- Sparebank 1 SMN's selected key performance indicators are not, in all material aspects, developed, measured and reported in accordance with the definitions and explanations provided in relation to each table containing the key performance indicators in chapters under "Vårt

bærekraftsarbeid” and in appendix “Sparebank 1 SMN Klimaregnskap” and “Sparebank 1 SMN Konsolidert klimaregnskap” .

Trondheim, 29 February 2024
PricewaterhouseCoopers AS

Rune Kenneth S. Lædre
State Authorised Public Accountant

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

SpareBank 1 SMN's memberships

ACI Norge
Agritech Cluster
Arti7 bedriftsnettverk Trondheim
Aukra næringsforum
Den norske advokatforening
Den norske dataforening
Econa
Eiendom Norge
Finans Norge
Finansieringsselskapenes Forening
Fosnavåg shippingklubb
Framtiden i Våre Hender
Framtidslaben Ålesund
Frøya Handelsstand
Frøya nye næringsforening
Frøya Næringsforum
Førde industri- og næringssamskipnad
Haram næring- og innovasjonsforum
Hitra Næringsforening
HR Norge
Hustadvika næringsforum
Håndverkerforeningen i Trondheim
ICC Norge
iKuben Molde
Industrinavet Verdal
Innherred Næringsforening
InnoCamp Steinkjer
KID Næringslivs nettverket
Knytte bedriftsnettverk Trondheim
Kommunikasjonsforeningen
Kristiansund og Nordmøre næringsforum
Kvinner i Finans charteret
Lean forum Midt-Norge
Lean forum Nordvest
Maritimt forum Nordvest
Midsund næringsforum
Miljøfyrtårn
Molde Næringsforum
Molde sentrum
Namdal Næringsforening
Namdalskysten Næringsforening
Namsos næringsforening
NCE Finance Innovation
NCE Finance Innovation
NCE ikuben Molde
Newton-rom (via selskapet First Scandinavia)
NiTr Fosen
NiTr Malvik
NiTr Melhus
NiTr Midtre Gauldal
Nordic arena nettverk Møre AS
Nordic Future Innovation AS
Norges Eiendomsmeglerforbund
Norsk institutt for styremedlemmer
Norsk kommunikasjonsforening
Norsk nettverk for næringseiendom
Norsk Petroleumsforening
Norske Finansanalytikeres Forening
NorwAI
NTNU Partnerskap Innovasjon og verdiskapning
Næringsforeningen i Trondheimsregionen
Næringsforeningen i Værnesregionen
Næringsforeningen i Ålesundsregionen
Næringslivets sikkerhetsråd
Oppdal Næringsforening
Orkland næringsforening
Partnership for Carbon Accounting Financials (PCAF)
ProtoMore Molde
Rauma næringslag
Regnskap Norge
Renergy
Rennebu næringsforening
Romsdal reiseliv
Samarbeidsgruppen Midtbyen Trondheim
Shippingklubben Ålesund
Skift - næringslivets klimaledere
Skogmo Industripark Overhalla
Sparebankforeningen
Startuplab Fintech Industriprogram
Steinkjer næringsforum
Sunndal næringsforening
Surnadal næringsforening
Sykkylven industri- og næringslag
Thams Klyngen Orkanger
todalen.no
Trollheimsporten AS
Trondheim markedsforening
Trondheim Tech Port (Tidligere Technoport)
Trøndelag HR-forum
Trøndersk matfestival
UN Global Compact Norge
UNEPFIs Principles for Responsible Banking
Ungt Entreprenørskap
United Nations (USCH5)
Verdipapirforetakenes forbund
Verdipapirforetakenes forening
Vestnes næringsforum
Vestnes sentrumsforening
Visit Nordmøre og Romsdal
Ørland næringsforum
Ålesund Kunnskapspark

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

		Total environmentally sustainable assets	KPI [1]	KPI [1]	% coverage (over total assets) [2]	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V)
Main KPI	**Green asset ratio (GAR) stock**	**17.087**	**5,7 %**	**5,7 %**	**92,5 %**	**28,12 %**	**7,53 %**

		Total environmentally sustainable activities	KPI [3]	KPI [3]	% coverage (over total assets)	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V)
Additional KPIs	*GAR (flow)*	5.488	1,8 %	1,8 %	12,0 %	N/A	N/A
	Trading book [4]						
	Financial guarantees	0	0	0			
	Assets under management	0	0	0			
	Fees and commissions income [4]						

1) The KPI is based on the total taxonomy-aligned assets in table 1

2) % of assets covered by the KPI over banks'total assets

3) The KPI is based on the total taxonomy-aligned assets in table 4

4) Fees and Commissions and Trading Book KPIs shall only apply starting 2026

Note: cells shaded in black should not be reported for the reporting year 2023

1.Assets for the calculation of GAR

The table provides information on the covered assets for GAR-calculation.

		a	b	c	d	e	f	g	h	i	j	ab	ac	ad	ae	af
		31 December 2023														
			Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				TOTAL (CCM + CCA) [1),2)]				
	NOK millions	Total [gross] carrying amount	Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)								
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
					Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	209.028	180.870	17.087		17.008						180.870	17.087		17.008	
2	**Financial undertakings**	23.472	5.675	79		-						5.675	79			
3	Credit institutions	23.286	5.675	79		-						5.675	79			
4	Loans and advances	5.643	2.702	24		-						2.702	24			
5	Debt securities, including UoP	17.606	2.973	55		#						2.973	55			
6	Equity instruments	36	-	-		#										
7	Other financial corporations	186	-	-	-	#										
8	of which investment firms	-	-	-	-	-										
9	Loans and advances	-	-	-	-	-										
10	Debt securities, including UoP	-	-	-	-	-										
11	Equity instruments	-	-	-		-										
12	of which management companies	186	-	-	-	-										
13	Loans and advances	-	-	-	-	-										
14	Debt securities, including UoP	-	-	-	-	-										
15	Equity instruments	186	-	-		-										
16	of which insurance undertakings	-	-	-	-	-										
17	Loans and advances	-	-	-	-	-										
18	Debt securities, including UoP	-	-	-	-	-										
19	Equity instruments	-	-	-		-										
20	**Non-financial undertakings**	-	-	-	-	-										
21	Loans and advances	-	-	-	-	-										
22	Debt securities, including UoP	-	-	-	-	-										
23	Equity instruments	-	-	-		-										
24	**Households**	184.182	173.971	17.008	-	17.008						173.971	17.008		17.008	
25	of which loans collateralised by residential immovable property	173.808	173.536	17.008	-	17.008						173.536	17.008		17.008	
26	of which building renovation loans	-	-	-	-	-										
27	of which motor vehicle loans	6.726	435	-	-	-						435				
28	**Local governments financing**	1.224	1.224									1.224				
29	Housing financing															
30	Other local government financing	1.224	1.224									1.224				
31	**Collateral obtained by taking possession: residential and commercial immovable properties**															
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	91.263														
33	**Financial and Non-financial undertakings**	80.668														
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	77.856														
35	Loans and advances	69.085														
36	of which loans collateralised by commercial immovable property	42.187														
37	of which building renovation loans															
38	Debt securities	5.177														
39	Equity instruments	3.593														
40	Non-EU country counterparties not subject to NFRD disclosure obligations	2.813														
41	Loans and advances	-														
42	Debt securities	2.488														
43	Equity instruments	168														
44	**Derivatives**	3.976														
45	**On demand interbank loans**	3.746														
46	**Cash and cash-related assets**	25														
47	**Other categories of assets (e.g. Goodwill, commodities**	2.848														
48	**Total GAR assets**	300.141	180.870	20.497		16.491						180.870	17.087		17.008	
49	**Assets not covered for GAR calculation**	24.441														
50	**Central governments and Supranational issuers**	15.800														
51	**Central banks exposure**	1.451														
52	**Trading book**	7.189														
53	**Total assets**	324.582	180.870	20.497	-	16.491						180.870	17.087		17.008	
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations																
54	Financial guarantees															
55	Assets under management															
56	Of which debt securities															
57	Of which equity instruments															

1) Reporting on CCM og CCA for the reporting year 2023

2) Cells shaded in black across the template are not subject for disclosure for the reporting year 2023

2. GAR sector information

The table provides information about the proportion of EU-taxonomy eligible and taxonomy-aligned exposures, broken down by sector towards non-financial corporates (subject to NFRD).
For the reporting year 2023 SpareBank 1 SMN do not have exposures towards non-financial corporates subject to NFRD.

3. GAR KPI stock

The table provides information about proportion of taxonomy-eligible and taxonomy-aligned assets compared to total covered assets.

		a	b	c	d	e	f	g	h	i	aa	ab	ac	ad	ae	af
	% (compared to total covered assets in the denominator)	31 December 2023														
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				TOTAL (CCM + CCA) [1, 2]					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total assets covered [3]
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	59 %	6 %		6 %						59 %	6 %		6 %		9 %
2	**Financial undertakings**	2 %	0 %								2 %	0 %				0 %
3	Credit institutions	2 %	0 %								2 %	0 %				0 %
4	Loans and advances	1 %	0 %								1 %	0 %				0 %
5	Debt securities, including UoP	1 %	0 %								1 %	0 %				0 %
6	Equity instruments															
7	Other financial corporations															
8	of which investment firms															
9	Loans and advances															
10	Debt securities, including UoP															
11	Equity instruments															
12	of which management companies															
13	Loans and advances															
14	Debt securities, including UoP															
15	Equity instruments															
16	of which insurance undertakings															
17	Loans and advances															
18	Debt securities, including UoP															
19	Equity instruments															
20	**Non-financial undertakings**															
21	Loans and advances															
22	Debt securities, including UoP															
23	Equity instruments															
24	**Households**	58 %	6 %		6 %						58 %	6 %		6 %		9 %
25	of which loans collateralised by residential immovable property	58 %	6 %		6 %						58 %	6 %		6 %		9 %
26	of which building renovation loans															
27	of which motor vehicle loans	0 %														
28	**Local governments financing**	0 %									0 %					0 %
29	Housing financing															
30	Other local government financing	0 %									0 %					0 %
31	**Collateral obtained by taking possession: residential and commercial immovable properties**															
32	**Total GAR assets**	59 %	6 %		6 %						59 %	6 %		6 %		9 %

1) Only reporting on CCM og CCA for the reporting year 2023

2) Cells shaded in black across the template are not subject for disclosure for the reporting year 2023

3) Proportion of aligned assets in table 1 over total eligible assets in table 1

4. GAR KPI flow

The table provides information on the flow of new loans (on a net basis) compared to flow of total eligible assets.

		a	b	c	d	e	f	g	h	i	aa	ab	ac	ad	ae	af
		31 December 2023														
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				TOTAL (CCM + CCA) 1), 2)					
% (compared to flow of total eligible assets)		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total new assets covered 3)
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	21 %	22 %		21 %						21 %	22 %		21 %		10 %
2	**Financial undertakings**	30 %	0 %								30 %	0 %				0 %
3	Credit institutions	30 %	0 %								30 %	0 %				0 %
4	Loans and advances															
5	Debt securities, including UoP	58 %	0 %								58 %	0 %				0 %
6	Equity instruments															
7	Other financial corporations															
8	of which investment firms															
9	Loans and advances															
10	Debt securities, including UoP															
11	Equity instruments															
12	of which management companies															
13	Loans and advances															
14	Debt securities, including UoP															
15	Equity instruments															
16	of which insurance undertakings															
17	Loans and advances															
18	Debt securities, including UoP															
19	Equity instruments															
20	**Non-financial undertakings**															
21	Loans and advances															
22	Debt securities, including UoP															
23	Equity instruments															
24	**Households**	21 %	22 %		21 %						21 %	22 %		21 %		10 %
25	of which loans collateralised by residential immovable property	21 %	22 %		21 %						21 %	22 %		21 %		10 %
26	of which building renovation loans															
27	of which motor vehicle loans	18 %									18 %					
28	**Local governments financing**															
29	Housing financing															
30	Other local government financing															
31	**Collateral obtained by taking possession: residential and commercial immovable properties**															
32	**Total GAR assets**	21 %	18 %	#DIV/0!	22 %						21 %	22 %	0 %	21 %		10 %

1) Only reporting on CCM og CCA for the reporting year 2023

2) Cells shaded in black across the template are not subject for disclosure for the reporting year 2023

3) Proportion of new aligned assets over total new eligible assets

5. KPI off-balance sheet exposures

The table provides information about off-balance sheet exposures towards undertakings subject to NFRD.

For the reporting year 2023 SpareBank 1 SMN do not have off-balance sheet exposures towards undertakings subject to NFRD disclosure obligations.

Template 1 - Nuclear and fossil gas related activities

The table provides information about the exposure to 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

Based on the disclosure template 2-5 is omitted due to no reporting information for the reporting year 2023.