

Sustainability guidelines for the corporate market, SpareBank 1 SR-Bank

Corporate market area guidelines

Credit is a core segment for the bank and corporate customers play an important part here. As a bank, we primarily finance small and medium-sized Norwegian companies with operations both in and outside Norway. Our goal is to be a positive contributor, motivator and good sparring partner in order to increase corporate awareness and practices involving sustainability, which include environmental, social and economic factors.

The purpose of the corporate client guidelines is to:

- Provide the bank's corporate consultants with a framework on which to assess a company's approach to sustainability.
- Ensure the bank conducts a comprehensive assessment of whether or not the customer's business model is sustainable.
- Specify the guidelines listed in the document "General sustainability guidelines".
- Help the bank develop and implement more specific guidelines and initiatives for the giving of credit, which take into account global climate challenges.

All employees who have dealings with our corporate clients shall be aware of our principles and guidelines, and annually review them. These determine the type of customers we want to have, our expectations of our customers and the type of business to which we lend money. All corporate clients shall as a matter of course be assessed in accordance with compliance with applicable laws at all times.

Environment

The bank aims to increase the proportion of companies that contribute to higher use of renewable energy. The bank intends to encourage such an increase through green business development.

Our goals:

- Clients with a conscious approach to climate risk and who focus on reducing their impact on the climate and the environment.
- Companies that prevent negative consequences for local areas listed on the UNESCO World Heritage List, wetlands registered in the Ramsar Convention or vulnerable nature/conservation areas registered by the International Union for Conservation of Nature (IUCN).
- Companies that operate in areas of endangered plant and animal species, including animal species listed on the IUCN Red List of Threatened Species and that take into account such species and minimise interventions in nature.
- Companies with proper management of recoverable natural resources.
- Companies with proper operations and interaction with all interest groups in relation to the extraction of non-recoverable natural resources.

We encourage our customers to:

- Establish targets for energy efficiency and reduction of greenhouse gases.
- Work towards reducing pollution and contributing to good routines for waste management and recycling.
- Make use of renewable energy where appropriate.

We do not provide loans to businesses that:

- Are involved in the extraction of or energy production based on coal or that can in some way be associated with nuclear power.

- Make use of timber from enterprises engaged in illegal logging, selling illegally felled timber or timber from deforestation, and/or destroying tropical rainforests, removing primary forests or protected forests (High Conservation Value Forests).

Society

We expect our customers to:

- Treat people in accordance with recognised international norms.
- Respect the United Nations Declaration of Human Rights and Workers' Rights and ensure compliance with these.
- Respect the ILO's eight fundamental conventions, which make up a minimum of rights to be respected in the workplace. These are divided into the four main categories; the effective abolition of child labour, freedom of association and the effective recognition of the right to collective bargaining, the elimination of discrimination in respect of employment and occupation and the elimination of all forms of forced or compulsory labour.
- Safeguard human rights in war and/or conflicts.

We do not provide loans to companies that:

- In any way are involved in the development, testing, production, storage or transportation of controversial weapons or components exclusively intended for controversial weapons including cluster munitions, anti-personnel mines, nuclear weapons, chemical weapons and biological weapons.
- Are involved in the manufacture of tobacco products or components explicitly intended for such products.
- Are involved in the production of pornographic material.

Corporate governance

The bank has strict routines for combating money laundering and hidden ownership. The bank also aims to encourage corporate clients to have good routines for sustainable choices.

We expect our customers to:

- Receive information about our sustainability guidelines and become familiar with our expectations and the incentives in these.
- Have zero tolerance for corruption and economic crime within their own operations and in companies with which they do business.
- Contribute to full transparency relating to suspected corruption and help investigate such issues.
- Have active corporate governance where they have positions of ownership.
- Document follow-up of issues that do not meet our expectations and incentives in our sustainability guidelines.

We do not provide loans to companies that:

Have not fulfilled our documentation requirements in relation to the authentic holder of rights and the source of funds in documentation for new customer accounts.

Our follow-up of expectations/incentives/guides to reject loan applications

Our expectations and incentives in these guidelines are communicated to our customers by means of publication on the bank's web site and by distributing information to customers in connection with the creation of new customer relationships and/or when processing applications for financing.

If we become aware that any of our customers are in breach of our expectations/incentives, we will enter into dialogue with the customer to attempt to bring about improvement. If this follow-up does

not result in improvements, we will lay down clear conditions for any continued relationship with the customer. In extreme cases, the bank may consider terminating the customer relationship. The guidelines for rejecting loan applications are followed up specifically when assessing financing applications.