

A photograph of a man and two children standing in front of stadium seating. The man, in the center, is wearing a blue long-sleeved football jersey with yellow accents on the shoulders and sleeves. His jersey features the 'DIADORA' logo on the left chest, the number '8' in the center, and three sponsor patches: 'Ishavskraft' on the right chest, 'ALTA I.F.' in a shield on the left chest, and 'SpareBank 1 NORD-NORGE' on the bottom left. He has his arms around the shoulders of a young girl on the left and a young boy on the right. Both children are wearing similar blue and yellow football kits. The girl's kit has 'DIADORA' and 'SpareBank 1 NORD-NORGE' on the chest. The boy's kit has 'DIADORA', 'ALTA I.F.', and 'SpareBank 1 NORD-NORGE' on the chest. They are all smiling at the camera. The background consists of rows of red and blue stadium seats.

Corporate social responsibility

Almost NOK 2 billion has been paid out as community dividends to various projects and initiatives in just the last 10 years alone. These funds have gone to support innumerable local activities, diversity, happiness and the further development of Northern Norway. The community dividends amounted to no less than NOK 464 million in 2017.

Sustainability

As a regional bank, SpareBank 1 Nord-Norge's vision is: For Northern Norway. Corporate social responsibility (CSR) is reflected in every part of its operations, with a particular focus on the people, community and environment of Northern Norway.

Sustainability

As an important business actor in Northern Norway, SpareBank 1 Nord-Norge has a special responsibility to focus on sustainability. The Group wishes to be known for its high ethical standards and credibility in its work with customers, suppliers, the authorities and society in general. It is constantly striving to reduce its consumption of resources and become a more environmentally efficient organisation. Much of this is regulated by Norwegian laws and regulations and these form a vital part of the Group's basis for shaping strategy.

In 2017, the Group was focused on developing and communicating a clearer sustainability profile and therefore signed up the UN Global Compact's ten principles concerning human rights, working life, the environment and combating corruption. These will guide the Group's future work CSR work.

As an extension of this, a materiality analysis project was started that will summarise the expectations of the Group's most important stakeholders with respect to ethics and sustainability. The materiality analysis will be completed in 2018 and will be used as a starting point for future CSR strategy work. The priority is to establish a sustainability profile tailored to SpareBank 1 Nord-Norge's operations, business areas and market area.

In 2017, the Group became a partner in Klimapartner Troms, which aims to reinforce the impact of an organisation's environmental awareness and improve knowledge about climate and environmental challenges. The Group's ambition is to ensure that SpareBank 1 Nord-Norge's sustainability work benefits other business in the region.

In 2017, SpareBank 1 Nord-Norge's expanded the range of ethical and green funds customers can choose as savings products.

In addition to the applicable legislation at any given time, SpareBank 1 Nord-Norge works on sustainability through its policies, guidelines, the SNN Code and the Ethics Committee. More information is also available on snn.no.

The environment

SpareBank 1 Nord-Norge continued its work on becoming even more efficient with respect to the environment and saving resources in 2017. This involves, among other things, stipulating requirements for the Group, suppliers and partners. As a regional bank, the Group has a responsibility to help achieve Norway's targets for reducing greenhouse gas emissions. In 2017, the Group set itself a target of reducing its greenhouse gas emissions by 10% in the period 2016-2026. It is also working on making parts of the Group paperless from and including 2020.

SpareBank 1 Nord-Norge is Eco-Lighthouse certified and takes a systematic approach to environmental measures. The goal is to ensure that all employees are mindful of consumption, travel, waste management and energy consumption in general.

In 2017, the Group worked on a number of large projects aimed at establishing new locations in the next few years. These property projects emphasise the use of sustainable materials with a high reuse factor and measures that ensure buildings achieve the best possible energy class.

Digital developments are helping to ensure the Group can continuously offer customers better and more efficient digital solutions. The fact that this reduces the need for employees and customers to travel and the consumption of paper thereby lowering the overall impact on the environment is another positive outcome of this.

SpareBank 1 Nord-Norge produces its own energy and climate accounts. These accounts comply with the international standards set out in the Greenhouse Gas Protocol and ISO 14064-1. The Energy and Climate Accounts for 2017 show total greenhouse gas emissions for SpareBank 1 Nord-Norge of 1,088 tonnes of CO₂ equivalents (tCO₂e). This represents an increase of 18 tCO₂e, or 1.7%. Part of this increase was due to the start-up of a major renovation project at the Group's head office in 2017. This work has also contributed to the generation of a greater quantity of waste than in previous years. Emissions from the Group's business travel were on a par with the level in 2016.

Human rights

SpareBank 1 Nord-Norge respects fundamental human rights and all conventions ratified in Norwegian law such as the Universal Declaration of Human Rights, the ILO's core conventions, the UN Convention against Corruption and the UN's environmental conventions. These cover the fundamental rights of all people and are regulated by national and international legislation. The requirements this involves apply to all operations in SpareBank 1 Nord-Norge, to the Group's suppliers and when granting credit.

Category	Explanation	2015	2016	2017	Change in % compared to last year
<i>Transport</i>					-
Diesel (B5)		10.5	10.5	16.9	60.9%
Gasoline		4.6	4.6	11.1	142.4%
Scope 1 Emissions		15.0	15.0	27.9	85.6%
<i>District heating/cooling Nordic loc.</i>					-
District heating Norwegian mix		22.0	6.2	6.5	5.1%
<i>Electricity *</i>					-
Electricity Nordic mix		653.1	420.5	327.5	-22.1%
Scope 2 Emissions		675.1	426.7	334.0	-21.7%
<i>Flights</i>					-
Flights continental		91.6	22.6	125.3	454.5%
Flights intercontinental		17.1	35.7	14.0	-60.9%
Fights Nordic		504.8	465.4	482.5	3.7%
<i>Waste</i>					-
Glass, recycling		-		-	-
Hazardous waste, recycling			-	0.1	52.9%
Metal recycling		0.1			-
Organic, recycling		0.1	0.4	0.5	18.5%
Paper, recycling		0.9	0.4	0.7	87.1%
Special waste	Plane glass		0.1		-100.0%
Residual waste, combustion		6.8	28.9	39.7	37.5%
EE waste, recycling		0.1			-
<i>Business trips</i>					-
Km remuneration car (NO)		84.6	74.9	63.1	-15.8%
Scope 3 Emissions		706.0	628.3	725.8	15.5%
Total		1 396.2	1 070.0	1 087.7	1.7%
Percent change			-23.4%	1.7%	
* Alternative calculation of emissions from electricity (Market-based method)		2 990.1	2 169.9	2 166.6	
Percent change			-27.4%	-0.2%	

Scope 1

Transport: Actual consumption of fossil fuel by the Group's vehicles (owned, leased and rented). The consumption of diesel (B5) and petrol in 2017 accounts for emissions corresponding to 28 tCO₂e. This is an increase of 2.6% compared with the year before.

Scope 2

Electricity: Measured consumption of electricity in owned or leased premises/buildings. The table shows greenhouse gas emissions from electricity calculated using the location-based emissions factor Nordic Mix. The emissions from electricity consumption were reduced by 22% compared with 2016. Please note that the emissions factor Nordic Mix has been reduced by 7% since 2016.

The tables in this report present electricity using a market-based factor. Since SpareBank 1 Nord-Norge did not buy guarantees of origin for the electricity it consumed in 2017, the Nordic Residual Mix factor has been used. In 2017, the emissions from electricity consumption amounted to 2,166.6 tCO₂e using a market-based factor.

District heating: Consumption of district heating in owned/leased buildings. Total emissions from district heating increased by 5% due to the increased consumption of district heating and amounted to 6.5 tCO₂e in 2017.

Scope 3

Air travel: Measured person kilometres (pkm) travelled per region. Emissions from air travel correspond to 622 tCO₂e and accounted for 57% of total emissions in 2017.

Km allowance: In 2017, allowances were granted for 438,000 km. This corresponds to emissions of 63 tCO₂e, which represents a reduction of 16% compared with 2016.

Waste: Reported waste in kg by various waste fractions, as well as treatment method (recycled, energy recovered, or landfill). Waste accounted for emissions of 41 tCO₂e in 2017 or 4% of total greenhouse gas emissions. Emissions increased by 11.2 tCO₂e from 2016 to 2017. Emissions associated with glass waste were under 0.1 tCO₂e. This is a relatively small amount and only marked by a line in the table.

Sami regions

SpareBank 1 Nord-Norge's market area is part of the Sami regions. The Group wants to have a presence in local Sami communities and be a good bank for Sami businesses and Sami retail customers. The telephone bank and advice are available to customers in the Northern Sami language.

Working conditions

SpareBank 1 Nord-Norge's operations take place in Norway and are subject to Norwegian laws and international conventions ratified in Norwegian law. Taking account of labour rights and fundamental social needs are requirements that apply to all of its operations and to all of its suppliers. The Group promotes equality among its employees, irrespective of gender, orientation, language, ethnicity, national origin, religion and life philosophy.

Responsible management

The Group's direct exposure as an investor is primarily in the Norwegian and Nordic markets, largely the bond markets. Its investment activities comply with Norwegian laws and regulations, which are intended to ensure that the Group does not contribute to violations of human and labour rights, corruption, serious environmental damage or other actions likely to be deemed unethical by the general public.

All of its management must take into account risks associated with the environment, social conditions, human rights and corporate governance (environmental, social and governance risk = ESG risk) as defined by, among other things, the reports of the Government Pension Fund Global.

Direct investments are not made in companies: that are involved in the production of tobacco, pornography, anti-personnel mines or cluster bombs; in which the development and production of key compo-

nents for weapons of mass destruction represents a material part of their operations; or which contribute to serious or systematic violations of human and labour rights such as forced labour, serious environmental damage or corruption.

SpareBank 1 Nord-Norge also offers customers third-party funds. To be included in its product range, the fund provider must satisfy minimum requirements concerning ethics, sustainability, CSR, transparency and good corporate governance.

Suppliers

A special purchasing policy stipulates requirements for the following core areas: human rights, working conditions, the environment and fair operating practices. As a minimum, suppliers must satisfy and comply with local, national and international laws and regulations.

Responsible credit

SpareBank 1 Nord-Norge's market area within granting credit is limited to Northern Norway and Norway, and it does not finance projects or operations abroad. Credit is not provided to companies involved in the production of tobacco, pornography, anti-personnel mines or cluster bombs, or companies that develop or produce key components for weapons of mass destruction. Furthermore, credit is not provided to companies that contribute to serious or systematic violations of human and labour rights such as forced labour, serious environmental damage or corruption, or other activities contrary to the Group's ethical guidelines.

Money laundering and terrorism funding

Financial crime, including laundering the proceeds of crime, represents a serious threat to individuals and structures in the business sector and undermines the legal economy of any society. SpareBank 1 Nord-Norge will comply with legal requirements

and implement measures aimed at combating financial crime and acts of terrorism. One key means in this work is to know your customer and the origin of the money that passes through your systems thanks to good routines and establishing and continuously following up customer relationships.

Attempts may be made to use the Group's infrastructure as a tool in criminal acts. Expertise and knowledge in the organisation must ensure that it meets legal requirements and the expectations of customers, suppliers and society. In addition to training in the regulations, training in ethics and dilemma training are vital.

SpareBank 1 Nord-Norge actively works to prevent, uncover and report transactions involving the proceeds of criminal acts or linked to acts of terrorism, including corruption. In 2017, it started work on developing an anti-corruption programme. This is expected to be completed in 2018.

SpareBank 1 Nord-Norge neither evades tax nor provides services or advice that helps others do so.

Future measures

SpareBank 1 Nord-Norge will maintain a strong focus on CSR. The Group's ambition is to be a leader when it comes to being a sustainable financial institution in Northern Norway.

The following measures are planned for 2018:

1. Complete the materiality analysis
2. Develop a CSR strategy
3. Introduce GRI reporting
4. Increase the focus on financing sustainable projects



In 2017, SpareBank 1 Nord-Norge signed up to the UN Global Compact, which is the world's largest initiative for CSR in business.



SpareBank 1 Nord-Norge is Eco-Lighthouse certified and complies with the certification scheme's obligations.



In 2017, SpareBank 1 Nord-Norge joined Klimapartner Troms together with fifteen other partner companies.

Social responsibility

SpareBank 1 Nord-Norge has a burning commitment to northern Norwegian society. Together with firebrands across the region, SpareBank 1 Nord-Norge has helped to realise hundreds of important projects in Northern Norway with grants from community dividends or collaborations via sponsorship agreements.

Community dividends

53.6% of SpareBank 1 Nord-Norge is owned by the northern Norwegian society and, as an owner, the region receives the largest share of the dividends. These are called community dividends and are distributed to projects large and small that contribute to value creation and development in and for Northern Norway. SpareBank 1 Nord-Norge is thus helping to lift up the region. In 2017, NOK 100 million will be returned to northern Norwegian society via the SNN-fund.

Sponsorship portfolio

Sponsorship is the commercial part of the Group's corporate social responsibility and forms part of SpareBank 1 Nord-Norge's marketing and brand building. The sponsorship portfolio amounted to NOK 28 million.

Distribution of funds 2017

The SNN-fund | NOK 100 million

Distributed to 526 projects within sports, culture and knowledge

Sponsorships | NOK 28 million

Distributed via 239 agreements with actors within sports, culture and knowledge

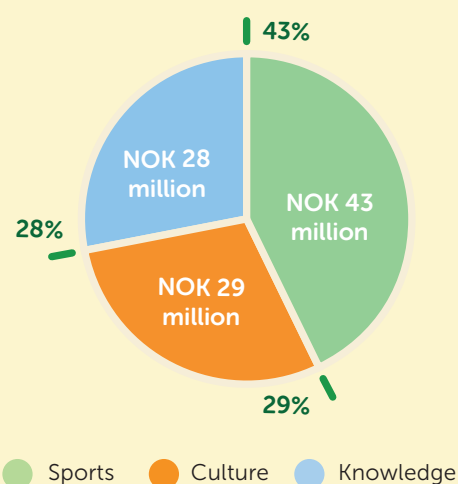
Foundations

SpareBank 1 Nord-Norges
Kulturnæringsstiftelse NOK 13 million

Sparebankstiftelsen
SpareBank 1 Nord-Norge NOK 9,8 million

Allocations from the SNN-fund 2017

NOK 100 million (100%)



Creating a ski festival for young and old

While the international stars took part in the Reistadløpet ski race, the stars of tomorrow tested themselves in the children's ski race Barnas Reistadsprint.

Around 300 children lined up at the start of the the Barnas Reistadsprint one Friday in April in the municipality of Bardu in Troms.

«That's almost 10% of everyone who lives in the municipality, so that must qualify as a public party,» says bank executive Tonje Vik of SpareBank 1 Nord-Norge.

She was at the finish line to hand out medals to the children who completed the 900-metre race in the centre of Setermoen.

«The Barnas Reistadsprint is an informal ski meet that everyone can take part in. SpareBank 1 Nord-Norge is the organiser and its staff do all the work themselves. Everything from rigging up the course to handing out start numbers, medals and squash,» explains the bank executive.

Wanted to create a public party

The children's ski meet was arranged in connection with the Reistadløpet, with the aid of community dividends from SpareBank 1 Nord-Norge, becoming one of the Visma Ski Classics – the world cup for cross-country skiing, which includes the Vasaloppet, Marcialonga and Birkebeinerøppet races in its programme.

«After all, when the biggest stars on the cross-country circuit come to Indre Troms we had to help create a public party. The children's ski race is therefore perfect,» explains Christian Larsen, who is responsible for social engagement in SpareBank 1 Nord-Norge.

Securing recruitment

The Reistadløpet was held for the first time in 1958 and is one of Norway's most tradition-rich ski races. The race was established to commemorate Colonel Ole Reistad. He was a skier and athlete, best known for leading the Norwegian ski patrol to victory at the Olympics in St. Moritz in 1928.

«We think it's great that community dividends from SpareBank 1 Nord-Norge are being used to create a ski festival for both the big and the small arenas. Hopefully some of the participants in the Barnas Reistadsprint will be on the starting line of the Reistadløpet in a few years' time. Given its status as a Ski Classics race, we hope that the Reistadløpet will become even more popular, both here in the north and in the rest of the country; perhaps even outside Norway's borders,» says bank executive Tonje Vik.



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Bank Manager, Tonje Vik





Hoping for more blue northern Norwegian business ideas

In 2017, MABIT was awarded a NOK 3 million grant, spread over 3 years, from community dividends. The hope is to commercialise even more good ideas within blue biotechnology in the north.

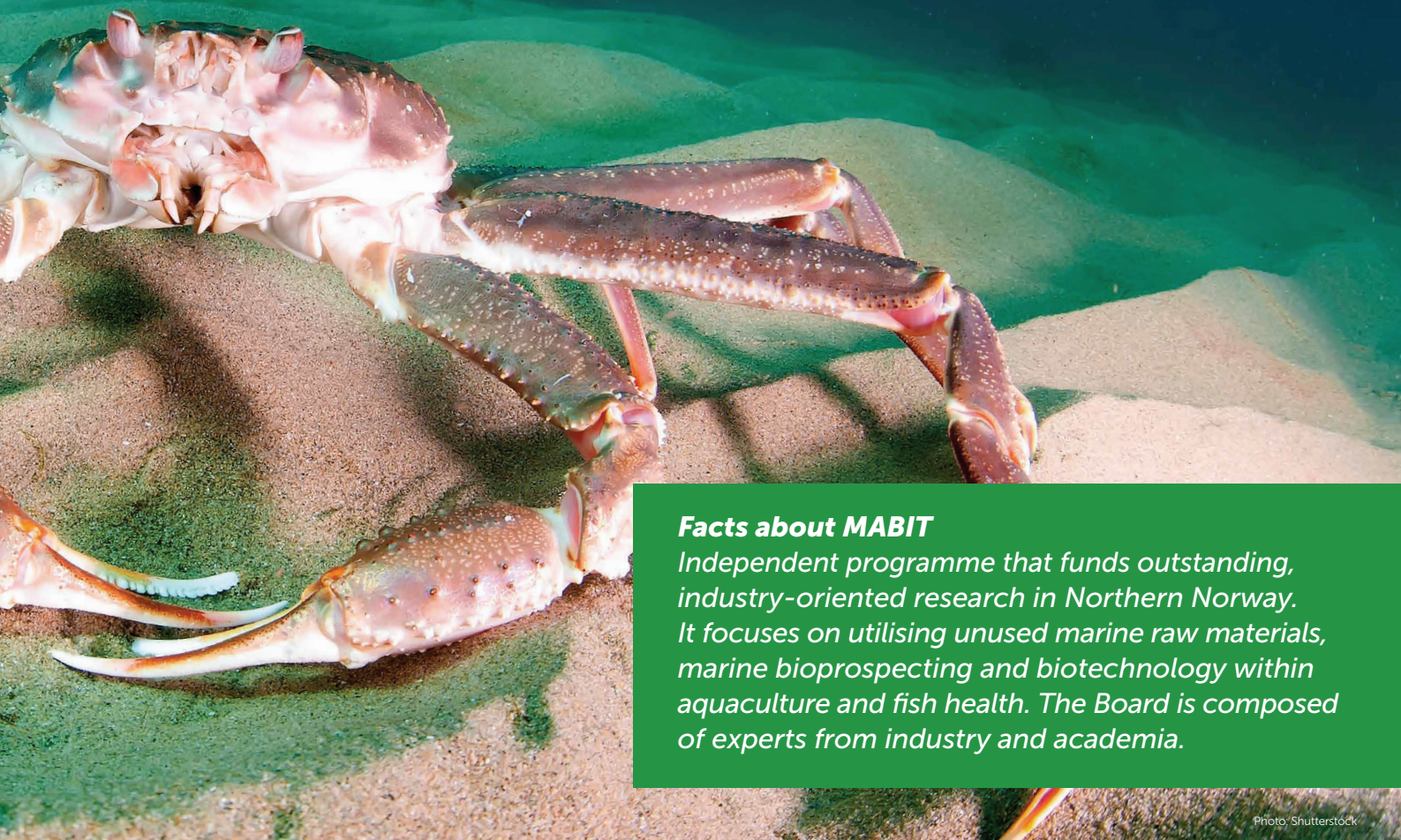
Supporting innovation

MABIT contributes to innovation and value creation within blue biotechnology. The programme provides startup help for good ideas from Northern Norway and focuses on the jobs and value creation being created and remaining in the north. This is a good fit with SpareBank 1 Nord-Norge's vision of focusing on the entire region.

«We contribute funds from community dividends because it is important for Northern Norway to speed up the pace of innovation. Our marine resources and blue biotechnology are part of what

we will live off in the future,» says Stein Vidar Loftås, SpareBank 1 Nord-Norge's communications director.

The support has also helped to release funds from the county authorities of Finnmark and Nordland which, together with Troms County Authority, are contributing a total of NOK 3.45 million to the project. This joint effort means that the startup helpers in MABIT now have even more resources to drawn on.



Facts about MABIT

Independent programme that funds outstanding, industry-oriented research in Northern Norway. It focuses on utilising unused marine raw materials, marine bioprospecting and biotechnology within aquaculture and fish health. The Board is composed of experts from industry and academia.

Photo: Shutterstock

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The funds are very important for us and for the projects and business development in the north. Now we can realise even more of the good ideas on the drawing board.

MABIT Program Coordinator, Victoria Schjønning

«The funds are very important for us and for the projects and business development in the north. Even more of the good ideas on the drawing board can now be realised,» says MABIT's programme manager, Victoria Schjønning Paulsen.

Getting innovation moving

MABIT supports business-oriented research and is vital when it comes to ensuring that good commercial ideas can get off to a good start with access to capital and leading expertise that would

otherwise be unavailable. The funds allow researchers and industry to test risky ideas on a smaller scale without having to start larger, high-risk projects.

«We need support for projects in the north and within marine biotechnology since we do not have a robust industry sector to lean on. When SpareBank 1 Nord-Norge contributes funds, development speeds up,» says Victoria Schjønning Paulsen.

Hackathon for the Northern Norway of tomorrow

17 socially engaged students were invited to Bodø for a weekend with the aim of coming up with solutions for the labour market of the future in the north.

Would you like to help develop solutions for the future? This is the question we asked the region's students in autumn 2017. 17 of those who answered yes were invited to a weekend of innovation in January at which the hackathon method was employed.

A hackathon is an event where various people meet and work together on one concrete challenge within a given time frame. The method involves working intensively on a problem in groups. At the end of the hackathon, a prototype or proposed solution must be presented. The purpose is not to come up with a final answer but to create ideas and a basis for further development.

"We want to meet the labour force of tomorrow by being close to the educational institutions and students. If the region does well, SpareBank 1 Nord-Norge will do well, and access to enough labour and the right skills are vital for both the region and us. That's why we want to listen to the students," says SpareBank 1 Nord-Norge's HR director, Turid Aspenes.

During this weekend in January in Bodø, the students produced proposals concerning what it would take for the region to be seen as the natural choice in the future. On the Sunday, the groups presented four fantastic ideas for the development of Northern Norway. The prize for the winning group was summer jobs with the Group so they could continue working on their proposal.

“ We want to meet the labour force of tomorrow by being close to the educational institutions and students.

HR Manager at SpareBank 1 Nord-Norge, Turid Aspenes





**OPPORTUNITIES:**

Students Tamara Sisikh and Varvara Alekseeva, CEO Jan-Frode Janson, pro-rector at UiT Wenche Jakobsen and student Jørgen Eiane are pleased students can now apply for funds to develop good business ideas.

Northern Norwegian entrepreneurship fund launched at UiT

2017 was the year we funded a new entrepreneurship fund at UiT, Norway's Arctic university. 15 000 students can now apply for funds to develop their business ideas.

The goal is to establish more student companies and speed up the pace of innovation so that the region can become more competitive in the years ahead. The chief executive Jan-Frode Janson believes the students can find solutions to the challenges.

«The region needs 25 000 employees by 2030 to meet the growth in coming years. In order to become even more competitive in the north, we must cultivate the good ideas and realise them. This will create strong companies that provide us with the necessary competitiveness. It is because of the entrepreneurs at UiT that we can look forward to an exciting future,» says the chief executive.

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CEO, Jan-Frode Janson

Developing app

At the launch in September, he met app developers Jørgen Eiane, Tamara Sisikh and Varvara Alekseeva; three students who have received funds from the entrepreneurship fund to develop their business idea. Their app, Pop-up Adventure, is an augmented-reality entertainment platform and builds further on concepts seen in, for example, Pokémon Go. You have to complete lots of tasks in the app within an hour, such as riddles or puzzles, while walking through a virtual course in a physical world.

Impressed chief executive

Jan-Frode Janson was impressed with the app and the students, who in 2017 came third in the Venture Cup, the national competition for the best business plan.

«These students are my heroes,» he says.

Students from all of the campuses can apply for up to NOK 25 000 each, although it is not as simple as just submitting an application on paper and waiting for approval. They have to present their project to a jury composed of representatives of UiT and SpareBank 1 Nord-Norge, and the best ideas will win through.