

Spar Nord ESG policy



Spar Nord - A responsible and engaged bank

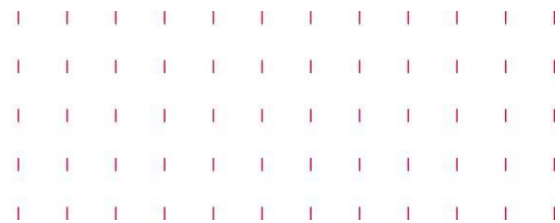
Objective

As a bank, Spar Nord plays a pivotal role in the transition to a sustainable society. We therefore aim to contribute to positive and sustainable economic development in the many local communities in which we operate. Being a responsible and engaged bank is a strategic goal for Spar Nord. This applies not only in relation to our customers, employees, shareholders and suppliers, but also in a social perspective.

Spar Nord has committed to implementing sustainable business practices across all business areas, and to promoting a responsible corporate culture. Therefore, ESG is integral to Spar Nord's operations and the way we run our business.

Spar Nord's ESG work pervades all levels of the organisation and all layers of management, affecting our internal processes and reporting as well as our products and customer-oriented initiatives. Climate and the environment as well as social and governance aspects, also known as ESG, together with sustainability and social responsibility are important indicators for the Bank's strategic work. Spar Nord's policies and guidelines support implementation of various areas of ESG in Spar Nord, including in particular:

- Corporate Governance
- Policy for a sound corporate culture
- Policy for a responsible working environment
- Diversity policy
- Remuneration policy
- Credit policy
- Policy for responsible investment



- Policy for investor relations
- Policy for active ownership
- Policy for product authorisation
- Code of conduct for suppliers
- Environment and climate policy
- Anti-money laundering policy
- Anti-corruption and bribery policy
- Information security policy
- Data ethics policy
- Tax policy

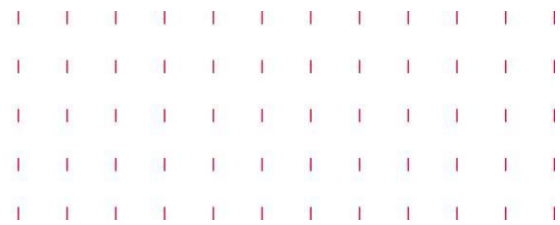
A central part of Spar Nord's sustainability and ESG work is based on Danish and international legislation and is conducted in close collaboration with relevant supervisory authorities. We aim to comply with applicable laws and regulations at all times. We therefore focus strongly on integrity by combating money laundering and ensuring data protection, information security, data ethics and anti-corruption.

In order to support the goal in the Climate Act and the Paris Agreement of climate neutrality by 2050, Spar Nord has committed to the climate partnership for the financial sector and complies with the 20 recommendations issued by the Forum for Sustainable Finance. Spar Nord also collaborates on an ongoing basis with relevant sector communities and sector groups such as National Banks in Denmark (LDB) and Finance Denmark to promote sustainability in the financial sector. We also support sustainable business development through projects under the auspices of the Export and Investment Fund of Denmark (EIFO).

Spar Nord has developed a climate plan and set an ambition to achieve net zero emissions by 2050 at the latest, in line with the Paris Agreement. The bank has also established a series of 2030 reduction targets for our lending and investment activities, as well as for the bank's own operations. Furthermore, the bank has set a number of diversity-supporting targets for the underrepresented gender in leadership positions.

Accession to UN principles

Spar Nord endorses the UN Sustainable Development Goals and, where relevant, supports and applies UN Guiding Principles on Business and Human Rights. In 2020, Spar Nord acceded to the UN Global Compact (UNGC) and the UN Principles for Responsible Investment (UN PRI), and in 2021 also the UN Principles for Responsible Banking (UN PRB). This means the UN goals and principles are the overall benchmark for our initiatives, while our daily work is governed by our business strategy and prioritised through materiality analyses and assessments of the areas where we can make the greatest positive difference.



Five strategic focus areas

Spar Nord's ESG work is concentrated on five strategic focus areas - responsible investment, sustainable financing, governance and compliance, local engagement, and the Bank's own fingerprint.

Responsible investment

At Spar Nord, we believe that responsibility goes hand in hand with the ambition to generate attractive long-term returns. When Spar Nord makes investments on behalf of customers, i.e. discretionary portfolio management under a power of attorney, we have strong focus on the UN Principles for Responsible Investment (UN PRI), to which the Bank is a signatory. In doing this, we want to integrate focus on sustainability throughout the investment process – both with regard to environmental and social considerations as well as good corporate governance.

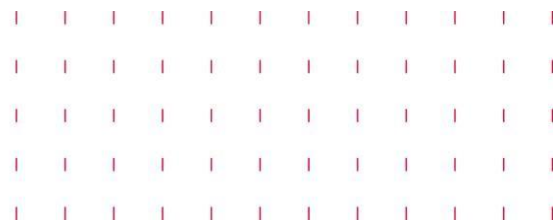
At Spar Nord, we analyse ESG issues before we make investments and draw up investment recommendations. We screen the investment universe for companies that violate international standards and conventions (such as the UN Global Compact) in relation to environmental protection, human rights, labour standards and business ethics. We also have particular focus on companies' ability and willingness to reduce greenhouse gas emissions.

Spar Nord has established a responsible investment committee. The committee regularly evaluates the Bank's policy for responsible investment and sustainability risks. The general approach aims at active ownership, involvement and engagement in order to assert a positive influence on any companies that could do better in their ESG performance.

Spar Nord has an exclusion list that applies for both discretionary investment management for customers and the Bank's proprietary portfolio. Thus, Spar Nord has a general ban on investments in companies involved in production of controversial weapons such as cluster weapons, landmines, chemical and biological weapons and nuclear weapons outside the non-proliferation agreement, as well as companies with more than 5% of their revenues stemming from thermal coal, oil sand and/or Arctic drilling. The exclusion list applies to the Bank's discretionary investment management, as well as Spar Nord's proprietary portfolio.

Spar Nord has collaborated with BEC Financial Technologies and other financial institutions to develop a customer-oriented digital tool called the Digital Investment Guide (DIG), which, in compliance with Mifid II legislation, helps Spar Nord's customers define their own sustainability profile with a view to prioritising ESG issues when making investment decisions.

Spar Nord has set a target for reducing financed emissions from investments in shares and corporate bonds that Spar Nord makes on behalf of its customers. Spar Nord's target is to reduce financed emissions from investments in shares and corporate bonds in the portfolio managed by Spar Nord by 30% in 2025 and 60% by 2030 in relation to a weighted benchmark level for shares and corporate bonds in 2020. Towards realising these goals, there will continue to be climate-impacting investments in the customer portfolio, but we have focus on reducing the climate impacts through, among other things, influencing companies towards a higher level of sustainability.



Sustainable financing

Lending from Spar Nord helps finance a wide range of activities that affect human beings, the environment and local communities: positively as well as negatively. Therefore, we want to enter dialogue with our customers on sustainability and develop and provide financial products that together inspire and motivate our customers towards more sustainable choices. This particularly includes business customers to support their future competitiveness and profitability. Through dialogue and collaboration with our customers, we aim to contribute to reducing the negative impacts of our financing. To benefit our customers and sustainability in society, and to live up to our own ambitions and to the expectations which the market and the authorities have for us.

Spar Nord has launched loan and credit products for financing electric vehicles, home energy improvements, and renewable energy projects for businesses. What these loan products have in common is that they are intended to support the realization of the bank's climate ambitions and help customers in their green transition.

As an element in incorporating the United Nations Principles for Responsible Banking (UN PRB), we report on financed emissions from lending. The ambition over time is to reduce the negative impacts of our financing activities and work on increasing focus on sustainability aspects in our overall product range. Taking outset in the CO₂ model developed by Finance Denmark, in 2021 Spar Nord estimated for the first time financed emissions from lending for private cars and houses, as well as lending to businesses at sector level. The calculations form the basis for Spar Nord's current reduction targets to reduce financed emissions from lending by 20% in 2025 and 50% in 2030 compared with the 2021 baseline. In addition, the bank has set interim targets to reduce financed emissions from lending to private housing by 70% by 2030, and to reduce financed emissions from lending to the transport sector by 30% by 2030 — both targets relative to a 2023 baseline. Finally, the bank has set a goal for 80% of new car financing loans to be for electric vehicles by 2030.

Spar Nord ensures accountability in financing by:

- Training our advisors so that they can advise customers on sustainability and the green transition of private residences and businesses, for example
- Integrating sustainability risks in the decision-making basis when granting credit to business customers
- Drawing up targets and actions to reduce financed emissions from lending
- Publishing information regarding ESG risks in the Bank's portfolio of home loans and selected sectors.
- Considering sustainability risks by way of our credit policy and our policy on product authorisation.

Governance and compliance

Spar Nord considers responsible banking, and good corporate governance as fundamental to living up to our corporate social responsibility. Therefore, responsible banking is first and foremost about complying with applicable legislation and regulations at all times.

We want to create attractive working conditions and a healthy and stimulating working environment in which all employees can unfold their professional and personal potential



in the best possible way. It is vital that we are an attractive and stimulating workplace with a healthy culture that permeates the entire Bank. It is also important to Spar Nord that all employees are aware of their individual development and career opportunities, and we consider dialogue and good management as crucial for running a stimulating workplace.

The bank has set a target for the underrepresented gender to constitute at least 33% of the shareholder-elected members of the Board of Directors by 2025. For other management levels, the bank has set a target for the underrepresented gender to make up at least 20% by 2026. Other management levels are defined as the Executive Management and managers with personnel responsibility who report directly to the Executive Management.

Our accession to the UN Global Compact and the wording of our policy for a responsible working environment, our policy for a sound corporate culture and our policy for diversity commit us to respect and comply with the UN Universal Declaration of Human Rights.

Spar Nord respects and supports the employees' freedom of association and recognises their right to collective bargaining. Spar Nord works constantly to create a responsible working environment and the Bank has acceded to, and complies with, the general principles and standards on labour rights recognised by the UN Global Compact and the ILO Declaration on Fundamental Principles and Rights at Work, including the ILO declaration on the right to organise and collective bargaining. Spar Nord carries out banking activities in Denmark, where freedom of association is a constitutional right included in the Danish Constitution, and we recognise, respect and comply with this freedom.

Spar Nord buys goods and services from hundreds of Danish and international suppliers. We therefore require our suppliers to adhere to the Bank's code of conduct, to maintain high environmental standards and to support the UN Sustainable Development Goals and the ten principles of the UN Global Compact.

Security in relation to data as well as IT systems and their use is a prerequisite for Spar Nord's integrity. Similarly, our ongoing efforts against money laundering, terrorist financing and other economic crime are crucial for our credibility. At Spar Nord, we strive to put our customers first, including by ensuring that compliance and observance of legislation in general are integrated in our strategy and business activities. Spar Nord cooperates with sector organisations and relevant authorities to ensure responsible banking and prevent money laundering and financial crime. We also adhere to Finance Denmark's principles of conduct on anti-money laundering and counter-terrorist financing in the Danish financial sector.

Local commitment

Spar Nord's operations rely on a strong local presence and decentralised decision-making powers. Accordingly, we engage with the local communities in which we operate. Through our 61 local branches, we actively participate in local communities and support initiatives as well as associations to benefit local community cohesion. One of the factors that distinguish Spar Nord is that we are part of a larger ecosystem stretching beyond just being a bank. The Bank's employees are an important part of this ecosystem, as they live and work in the local areas in which the Bank operates. Spar Nord has a long-standing tradition of sponsoring small and large local associations and initiatives. We believe we have a particular responsibility to help to develop healthy and sustainable communities.

Spar Nord wants to enhance its position and the local marketplace by giving employees more mandate to make decisions about the areas in which they have direct contact with customers, relationships and communities. This means employees have more opportunity to make a difference through sponsorship agreements where they live and are actively involved.

Specifically, all local branches and departments in the head office have to draw up what we call *The local pledge*, which entails agreeing how each employee is to realise the degree of autonomy arising from the local-bank model. In this way, the Bank helps support local social cohesion and makes local communities a better place to live and do business.

In close cooperation with the Spar Nord Foundation, the Bank provides funding for large and small initiatives every year to enhance communities, locally, regionally and nationally.

The Spar Nord Foundation owns approximately 19% of Spar Nord, and the dividends from this ownership interest are some of the funds that we channel back local communities. We want to continue to strengthen this work because it contributes both economic and human value for society.

Own footprint - climate and the environment

Spar Nord considers climate and environmental impacts as a major challenge for society, and the Bank takes an interest in, and co-responsibility for, tackling this challenge. Our accession to the UN Global Compact forms the framework for our work to reduce our negative impacts on the environment and the climate. Spar Nord strives constantly to implement initiatives to help reduce the Bank's overall greenhouse gas emissions by proactively promoting environmental responsibility and sustainable technologies in relevant areas in the Bank's operations.

To support the bank's ambition of reaching net zero by 2050, targets have been set to reduce greenhouse gas emissions from Scope 1 and 2 by 30% by 2025 and by 50% by 2030, compared to the 2021 baseline of 681 tCO₂e. Additionally, the bank has set a target to reduce Scope 3 emissions from its own operations by 25% by 2030, based on the 2021 baseline of 24,748 tCO₂e.

Spar Nord prioritises responsible and climate-friendly banking operations by:

- Energy-optimised initiatives such as replacement of lighting with LED lighting, power and heating reductions as well as climate and ventilation.
- Purchasing green electricity via a 10-year electricity-purchase agreement.
- Establishing meeting behaviour across the Bank to reduce travelling.
- Establishing waste separation and processes with special focus on recycling.
- Increasing climate-awareness among employees and the surrounding world via awareness-raising initiatives.
- Establishing energy-efficient solutions and activities across the Bank.
- Setting ambitious goals for the Bank's own CO₂ emissions and submitting transparent reports on our consumption through the Green House Gas Protocol.

Responsibility and follow-up

Spar Nord's ESG policy applies for the entire organisation and obligates all employees. The Board of Directors is responsible for preparing and updating the ESG policy and at least once a year the Board considers whether the policy needs to be updated.

Anchored in the core organisation, the day-to-day management of Spar Nord's ESG activities is the responsibility of the individual business areas. The ESG steering group, which meets once every quarter, co-ordinates the individual initiatives and focus areas.

The CEO of Spar Nord is the chair of the ESG steering group, which also consists of directors from relevant areas, including Strategy, ESG, Communication and Marketing, Business Development, Capital Management, HR, Credit, Finance, Risk Management, as well as the local banks. The ESG steering group assesses risks, opportunities, the future development of Spar Nord's actions and concrete new initiatives. The Executive Board informs the Board of Directors about the initiatives at least twice a year. The Board of Directors approves annually the Bank's reporting on ESG-related initiatives.

Spar Nord has established a department for ESG and sustainability to support the Bank's decentralised ESG work by, among other things, securing dialogue and debate across the organisation and by establishing a common thread and common interpretation of legislation, strategy and ambitions throughout the ESG area. The department is responsible for the Bank's reporting on ESG-related initiatives.

Spar Nord has also set up a responsible investment committee and a sustainable financing committee to support decentralised integration of climate-related activities for the Bank's loan portfolio and investment portfolio. The Executive Board is represented in both committees, together with directors from relevant business units. The committees process and recommend specific actions to support cross-organisational progress in the ESG area. The committees are also responsible for maintaining and updating the Bank's exclusion lists on lending and investments.

Reporting on the bank's work with sustainability and corporate social responsibility is carried out annually in connection with the publication of the annual financial statements. Reporting is carried out by Strategy, ESG, and Communication & Marketing in close collaboration with relevant contributors across the Bank, and reporting is approved annually by the Board of Directors. For further information, see Spar Nord's Annual report.

This policy was most recently approved by the Board of Directors on 21 May 2025.