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Principles for
Responsible Banking

Reporting and Self-Assessment Template

Principles for Responsible Banking



Aurskog Sparebank annual 2022 reporting



Principle 1: Alignment



We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.

Business model

Describe (high-level) your bank's business model, including the main customer segments served, types of products and services provided, the main sectors and types of activities across the main geographies in which your bank operates or provides products and services. Please also quantify the information by disclosing e.g. the distribution of your bank's portfolio (%) in terms of geographies, segments (i.e. by balance sheet and/or off-balance sheet) or by disclosing the number of customers and clients served.

Response

Aurskog Sparebank is a Norwegian, regional savings bank. We have a long and proud history, the bank was funded in 1846. Our market area is Romerike, Indre Østfold and Follo in Viken county, with surrounding areas. The banks' head office is in Aurskog, and we have offices in Bjørkelangen, Årnes, Jessheim and Sørumsand as well. The market area have over time been among the areas with the highest growth on a national basis.

By the end of 2022 the bank has NOK 18 billion in business capital. At the same time, the bank had about 23.400 customers.

Aurskog Sparebanks main activities are ordinary banking activities with loans to, and deposits from, both private retail and corporate customers. Lending to the corporate market accounts for approximately 28 % of total lending and the remaining 72 % to retail market. The sectors operation of property, building and construction, and wholesale trade are the three largest sectors within the corporate market.

The bank are a total supplier of products within financing, savings, and payment services. In addition, we sell products within fund savings and asset management, as well as insurance. We contribute to financial growth and security for private customers and local businesses.

Our operations are built around the core values *local*, *trust* and *competence*. Our strategy is based on stability and long-term perspective, and clear requirements for the ability and willingness to quickly adapt to changing framework conditions.

The bank is organized along five main lines: retail market, corporate market, savings and investment, call centre, finance and governance.

Aurskog Sparebank is a member in The Eika Alliance that consists of about 50 self-owned, local banks.

Links and references

Annual report 2022, page 6-9, 21, 43-45.

<https://www.aurskog-sparebank.no/ombanken/Investor-relations/Aarsrapporte>

Our sustainability reporting is part of our annual reporting, we therefore refer to the annual report .

Strategy alignment

Does your corporate strategy identify and reflect sustainability as strategic priority/ies for your bank?

- Yes
- No

Please describe how your bank has aligned and/or is planning to align its strategy to be consistent with the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.

Does your bank also reference any of the following frameworks or sustainability regulatory reporting requirements in its strategic priorities or policies to implement these?

- UN Guiding Principles on Business and Human Rights
- International Labour Organization fundamental conventions
- UN Global Compact
- UN Declaration on the Rights of Indigenous Peoples
- Any applicable regulatory reporting requirements on environmental risk assessments, e.g. on climate risk - please specify which ones: -----
- Any applicable regulatory reporting requirements on social risk assessments, e.g. on modern slavery - please specify which ones: -----
- None of the above

Response

Sustainability is one of the bank's strategic priorities and is part of our strategy document. Our sustainability strategy shows direction for the bank's work with sustainability. The strategy describes the bank's focus on the UN's sustainability goals and which of the goals that have been highlighted as particularly relevant to our business.

Aurskog Sparebank respects and supports human rights and decent working conditions. We have applied for membership in UN Global Compact.

Links and references

Sustainability strategy page 4. Under "Bærekraftsdokumenter" on our website: <https://www.aurskog-sparebank.no/Baerekraft>

Principle 2: Impact and Target Setting



We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.

2.1 Impact Analysis (Key Step 1)

Show that your bank has performed an impact analysis of its portfolio/s to identify its most significant impact areas and determine priority areas for target-setting. The impact analysis shall be updated regularly¹ and fulfil the following requirements/elements (a-d)²:

a) Scope: What is the scope of your bank's impact analysis? Please describe which parts of the bank's core business areas, products/services across the main geographies that the bank operates in (as described under 1.1) have been considered in the impact analysis. Please also describe which areas have not yet been included, and why.

Response

The analysis starts with which country the bank operating in, Aurskog Sparebank operate exclusively in Norway, in Viken county.

The data basis for the retail market includes which products the customers have in the bank. The products considered include current accounts, savings accounts, mortgages, pension savings, credit cards, fund savings, insurance, and pension savings.

For the corporate market, the analysis consists of indicating the ten largest sectors to which the alliance banks are lending. The main sectors are operation of property, building and construction, wholesale, service provision, and primary industry such as agriculture and forestry.

Links and references

Impact analysis page 3.

<https://www.aurskog-sparebank.no/Baerekraft>

b) Portfolio composition: Has your bank considered the composition of its portfolio (in %) in the analysis? Please provide proportional composition of your portfolio globally and per geographical scope

i) by sectors & industries³ for business, corporate and investment banking portfolios (i.e. sector exposure or industry breakdown in %), and/or

ii) by products & services and by types of customers for consumer and retail banking portfolios.

If your bank has taken another approach to determine the bank's scale of exposure, please elaborate, to show how you have considered where the bank's core business/major activities lie in terms of industries or sectors.

¹ That means that where the initial impact analysis has been carried out in a previous period, the information should be updated accordingly, the scope expanded as well as the quality of the impact analysis improved over time.

² Further guidance can be found in the [Interactive Guidance on impact analysis and target setting](#).

³ 'Key sectors' relative to different impact areas, i.e. those sectors whose positive and negative impacts are particularly strong, are particularly relevant here.

<p><i>Response</i> Yes, in the corporate market. The main sectors are: operation of property 16 %, building and construction 7,1 %, wholesale 1,3 %, service provision 1,5 %, and primary industry such as agriculture and forestry 0,5 %. The other sectors account for only 1,5 % of total lending.</p>	<p><i>Links and references</i> Annual report 2022, page 43-45.</p>
<p>c) Context: What are the main challenges and priorities related to sustainable development in the main countries/regions in which your bank and/or your clients operate?⁴ Please describe how these have been considered, including what stakeholders you have engaged to help inform this element of the impact analysis.</p> <p><i>This step aims to put your bank's portfolio impacts into the context of society's needs.</i></p>	
<p><i>Response</i> From 2022, one of the biggest challenges in our area is high energy prices. In Norway, we have had very low prices for energy, and as a result of the war in Ukraine, among other things, they have increased significantly. We are lucky to have both renewable energy and good access to energy in Norway, but many people and companies struggle with high prices. One solution is to use less energy. This is also important because we need to have enough energy in the future for a green transition in many parts of the industry and corporate market. Energy efficiency in housing and commercial buildings is therefore important.</p> <p>Another challenge for a more green transition is that the solutions must be financially sustainable for the companies. Many sustainable solutions come with a high price and unfortunately means that many choose the cheapest solution, even though they know they should have chosen a more sustainable alternative. The companies with the best finances can afford and can choose the best solutions, but the solutions must also be more financially sustainable for the smaller companies to ensure a more green transition.</p> <p>These are topics that we discuss with the board, in the management, with customers, Eika, partners and others.</p>	<p><i>Links and references</i></p>
<p>Based on these first 3 elements of an impact analysis, what positive and negative impact areas has your bank identified? Which (at least two) significant impact areas did you prioritize to pursue your target setting strategy (see 2.2)⁵? Please disclose.</p>	
<p><i>Response</i> Positive effects in the retail market are employment, inclusive and healthy economies, housing, health and sanitation, and fairness.</p>	<p><i>Links and references</i> Impact analysis page 5-6.</p>

⁴ Global priorities might alternatively be considered for banks with highly diversified and international portfolios.

⁵ To prioritize the areas of most significant impact, a qualitative overlay to the quantitative analysis as described in a), b) and c) will be important, e.g. through stakeholder engagement and further geographic contextualisation.

<p>Negative effects are inclusive and healthy economies, employment, waste, economic convergence, and housing.</p> <p>Positive impact in the corporate market are employment, inclusive and healthy economies, health and sanitation, housing and culture and heritage.</p> <p>Negative impacts are waste, employment, climate, resource efficiency and soil.</p> <p>We have prioritized three sustainability parameters on which we will have a particularly strong focus: resource efficiency, waste and climate. We will also be working on housing and inclusive economies.</p>	
<p>d) For these (min. two prioritized impact areas): <u>Performance measurement.</u> Has your bank identified which sectors & industries as well as types of customers financed or invested in are causing the strongest actual positive or negative impacts? Please describe how you assessed the performance of these, using appropriate indicators related to significant impact areas that apply to your bank's context.</p> <p>In determining priority areas for target-setting among its areas of most significant impact, you should consider the bank's current performance levels, i.e. qualitative and/or quantitative indicators and/or proxies of the social, economic and environmental impacts resulting from the bank's activities and provision of products and services. If you have identified climate and/or financial health&inclusion as your most significant impact areas, please also refer to the applicable indicators in the Annex.</p> <p>If your bank has taken another approach to assess the intensity of impact resulting from the bank's activities and provision of products and services, please describe this.</p> <p><i>The outcome of this step will then also provide the baseline (incl. indicators) you can use for setting targets in two areas of most significant impact.</i></p>	
<p>Response</p> <p>Operation of property, building and construction, and agriculture are the sectors that have the strongest negative impacts on resource efficiency and climate. Operation of property, building and construction also have an positive impact on employment and housing. Wholesale, service provision and the primary industries are the sectors that have the strongest positive impacts on employment, inclusive and healthy economies and culture and heritage.</p> <p>To help assess the customers climate- and sustainability risk we include an assessment of these topics as part of all new loan applications in the corporate market. 14 sustainability questions must be discussed with the customer and documented. This is to map the customer's relationship to sustainability topics, physical climate risk and transition risk. The questions revolve around the customer's general relationship to sustainability, social responsibility and corporate governance, including anti-money laundering, tax and corruption, climate and environment.</p>	<p>Links and references</p> <p>Annual report page 105-107.</p> <p>Sustainability strategy page 6-7.</p>

Self-assessment summary:

Which of the following components of impact analysis has your bank completed, in order to identify the areas in which your bank has its most significant (potential) positive and negative impacts?⁶

Scope:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No
Portfolio composition:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No
Context:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No
Performance measurement:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No

Which most significant impact areas have you identified for your bank, as a result of the impact analysis?

Resource efficiency, waste and climate. We will also include housing and inclusive economies in our work.

How recent is the data used for and disclosed in the impact analysis?

- Up to 6 months prior to publication
- Up to 12 months prior to publication
- Up to 18 months prior to publication
- Longer than 18 months prior to publication

Open text field to describe potential challenges, aspects not covered by the above etc.:
(optional)

⁶ You can respond “Yes” to a question if you have completed one of the described steps, e.g. the initial impact analysis has been carried out, a pilot has been conducted.

2.2 Target Setting (Key Step 2)

Show that your bank has set and published a minimum of two targets which address at least two different areas of most significant impact that you identified in your impact analysis.

The targets⁷ have to be Specific, Measurable (qualitative or quantitative), Achievable, Relevant and Time-bound (SMART). Please disclose the following elements of target setting (a-d), for each target separately:

a) Alignment: which international, regional or national policy frameworks to align your bank's portfolio with⁸ have you identified as relevant? Show that the selected indicators and targets are linked to and drive alignment with and greater contribution to appropriate Sustainable Development Goals, the goals of the Paris Agreement, and other relevant international, national or regional frameworks.

You can build upon the context items under 2.1.

Response

We have a long-term main goal of achieving net zero emissions from by 2050. This is in line with the Norwegian authorities and several of our companies and partners.

Links and references

Sustainability strategy page 12.

b) Baseline: Have you determined a baseline for selected indicators and assessed the current level of alignment? Please disclose the indicators used as well as the year of the baseline.

You can build upon the performance measurement undertaken in 2.1 to determine the baseline for your target.

A package of indicators has been developed for climate change mitigation and financial health & inclusion to guide and support banks in their target setting and implementation journey. The overview of indicators can be found in the [Annex](#) of this template.

If your bank has prioritized climate mitigation and/or financial health & inclusion as (one of) your most significant impact areas, it is strongly recommended to report on the indicators in the Annex, using an overview table like below including the impact area, all relevant indicators and the corresponding indicator codes:

Impact area	Indicator code	Response
Climate change mitigation	...	
	...	
	...	

Impact area	Indicator code	Response
Financial health & inclusion	...	
	...	
	...	

In case you have identified other and/or additional indicators as relevant to determine the baseline and assess the level of alignment towards impact driven targets, please disclose these.

Response

See answer under a.

Links and references

⁷ Operational targets (relating to for example water consumption in office buildings, gender equality on the bank's management board or business-trip related greenhouse gas emissions) are not in scope of the PRB.

⁸ Your bank should consider the main challenges and priorities in terms of sustainable development in your main country/ies of operation for the purpose of setting targets. These can be found in National Development Plans and strategies, international

c) SMART targets (incl. key performance indicators (KPIs)⁹): Please disclose the targets for your first and your second area of most significant impact, if already in place (as well as further impact areas, if in place). Which KPIs are you using to monitor progress towards reaching the target? Please disclose.

Response

Responsible lending is the most important target in our sustainability strategy. The main target is to turn a larger part of the our lending towards more sustainable activities until 2050. We will among other things work to increase the portfolio of customers with sustainable products. KPI: the bank's portfolio of green financing and investment products, and how much of the corporate portfolio that is assessed for sustainability risk.

We work continuously with the prevention of financial crime. We must take care of regulatory requirements and the bank's social responsibility by actively uncovering and stopping the financing of crime and digital fraud. KPI: number of reported cases of fraud or financial crime.

We shall have a minimum of 40 % women in leading positions in the bank. KPI: proportion of women in %.

We will work actively with our gift and sponsorship contributions and contribute funds to more sustainable local communities. KPI: amount of gifts and sponsorships to sustainable purposes.

Young customers are a focus area for the bank and the customer group shall receive good advice on which products and services are suitable for the individual customer, including housing savings for young people. KPI: number of customers and products. We must also ensure financial inclusion for our non-digital customers.

We have several targets in place for our work with sustainability in our sustainability strategy.

Links and references
Sustainability strategy page 12-14.

goals such as the SDGs or the Paris Climate Agreement, and regional frameworks. Aligning means there should be a clear link between the bank's targets and these frameworks and priorities, therefore showing how the target supports and drives contributions to the national and global goals.

⁹ Key Performance Indicators are chosen indicators by the bank for the purpose of monitoring progress towards targets.

d) *Action plan:* which actions including milestones have you defined to meet the set targets? Please describe.

Please also show that your bank has analysed and acknowledged significant (potential) indirect impacts of the set targets within the impact area or on other impact areas and that it has set out relevant actions to avoid, mitigate, or compensate potential negative impacts.

Response

We will work for a sustainable credit portfolio by asking the customer sustainability questions and making the right assessments related to risk. We will increase the portfolio of customers with sustainable products by talking to customers and give them good and personalized advises. Through, among other things, good customer advice to customers with older homes, we can contribute to increasing the proportion of green rehabilitation loans to customers who want to make environmentally friendly and/or energy-saving measures in their home.

To prevent financial crime we must, among other things, provide good information to customers about forms of fraud and security, including online. We will do this through themed evenings, posts in social media and interaction with the media.

We have more women than the target in leading positions today, but the topic must be highlited every time we hires.

All gift applicants in the bank's annual gift distribution must answer questions about the UN's sustainability goals and how they work for good local communities.

Links and references

Sustainability strategy page 12-14.

Annual report page 91-119.

Self-assessment summary

Which of the following components of target setting in line with the PRB requirements has your bank completed or is currently in a process of assessing for your...

	... first area of most significant impact: ... <i>(please name it)</i>	... second area of most significant impact: ... <i>(please name it)</i>	<i>(If you are setting targets in more impact areas) ...your third (and subsequent) area(s) of impact: ... (please name it)</i>
Alignment	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No
Baseline	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No
SMART targets	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No
Action plan	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No

2.3 Target implementation and monitoring (Key Step 2)

For each target separately:

Show that your bank has implemented the actions it had previously defined to meet the set target.

Report on your bank's progress since the last report towards achieving each of the set targets and the impact your progress resulted in, using the indicators and KPIs to monitor progress you have defined under 2.2.

Or, in case of changes to implementation plans (relevant for 2nd and subsequent reports only): describe the potential changes (changes to priority impact areas, changes to indicators, acceleration/review of targets, introduction of new milestones or revisions of action plans) and explain why those changes have become necessary.

Response

Our target achievement is reported in the annual report.

Links and references

Annual report page 91-119.

Principle 3: Clients and Customers



We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.

3.1 Client engagement

Does your bank have a policy or engagement process with clients and customers¹⁰ in place to encourage sustainable practices?

Yes In progress No

Does your bank have a policy for sectors in which you have identified the highest (potential) negative impacts?

Yes In progress No

Describe how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities¹¹). It should include information on relevant policies, actions planned/implemented to support clients' transition, selected indicators on client engagement and, where possible, the impacts achieved.

This should be based on and in line with the impact analysis, target-setting and action plans put in place by the bank (see P2).

Response

As mentioned earlier in the report, we talk to our customers about sustainability. We shall be a sparring partner and good adviser for customers and contribute to increased awareness of sustainability and climate risk. In all new credit cases on the corporate market, a number of sustainability issues are reviewed and discussed with the customers. We also discuss sustainability with our private customers f.ex. by discussing their needs to upgrade older homes to a better energy standard. Customers who buy or have a home with a high energy standard get a green loan. We also talk about sustainability with the deposit customers. We offer a green savings account and we distribute fund savings where all funds have a sustainability label.

We also post sustainability topics in social media and on our website. Sustainability have been a theme in several themed meetings for customers or local community as well.

Links and references

Actions and what we do for and together with our customers are a big part of our sustainability reporting and - strategy.

¹⁰ A client engagement process is a process of supporting clients towards transitioning their business models in line with sustainability goals by strategically accompanying them through a variety of customer relationship channels.

¹¹ Sustainable economic activities promote the transition to a low-carbon, more resource-efficient and sustainable economy.

3.2 Business opportunities

Describe what strategic business opportunities in relation to the increase of positive and the reduction of negative impacts your bank has identified and/or how you have worked on these in the reporting period. Provide information on existing products and services, information on sustainable products developed in terms of value (USD or local currency) and/or as a % of your portfolio, and which SDGs or impact areas you are striving to make a positive impact on (e.g. green mortgages – climate, social bonds – financial inclusion, etc.).

Response

Our most important business opportunity is identified as our offering of sustainable financial products to clients.

Over the last years we have launched several green financial products. We offer green loan for housing to retail customers. We also offer rehabilitation loans for customers who want to make environmentally friendly and/or energy-saving measures in their home. We offer green loans to corporate customers that wants to make a green transition, environmentally friendly and/or energy-saving measures in their business, buildings or construction machinery. We also offer a green savings account to both retail and corporate customers. This savings account are linked to the bank's portfolio of green loans for housing.

Links and references

Annual report page 105-110, 112.

Principle 4: Stakeholders



We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.

4.1 Stakeholder identification and consultation

Does your bank have a process to identify and regularly consult, engage, collaborate and partner with stakeholders (or stakeholder groups¹²) you have identified as relevant in relation to the impact analysis and target setting process?

Yes In progress No

Please describe which stakeholders (or groups/types of stakeholders) you have identified, consulted, engaged, collaborated or partnered with for the purpose of implementing the Principles and improving your bank's impacts. This should include a high-level overview of how your bank has identified relevant stakeholders, what issues were addressed/results achieved and how they fed into the action planning process.

Response

Good dialogue with the bank's stakeholders is important. Our most important stakeholder groups are customers, shareholders, investors, employees, the Eika Alliance with alliance banks, Eika Gruppen and product companies, authorities, partners (including partners, interest organizations, teams, associates, and suppliers) and local communities. We have good and regular dialogue with each individual stakeholder group. The stakeholder groups differ from each other through the topics they are interested in we therefore use different communication channels to reach the different groups.

Links and references

Impact analysis page 8.

¹² Such as regulators, investors, governments, suppliers, customers and clients, academia, civil society institutions, communities, representatives of indigenous population and non-profit organizations

Principle 5: Governance & Culture



We will implement our commitment to these Principles through effective governance and a culture of responsible banking

5.1 Governance Structure for Implementation of the Principles

Does your bank have a governance system in place that incorporates the PRB?

Yes In progress No

Please describe the relevant governance structures, policies and procedures your bank has in place/is planning to put in place to manage significant positive and negative (potential) impacts and support the effective implementation of the Principles. This includes information about

- which committee has responsibility over the sustainability strategy as well as targets approval and monitoring (including information about the highest level of governance the PRB is subjected to),
- details about the chair of the committee and the process and frequency for the board having oversight of PRB implementation (including remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected), as well as
- remuneration practices linked to sustainability targets.

Response

The bank has its own sustainability officer who is overall responsible for the bank's work with sustainability, and is part of the bank's management. The sustainability officer is responsible for the bank's sustainability strategy and following up on the targets the bank has set.

The responsibility for delivering on the bank's targets has been assigned to the relevant specialist managers. They are responsible for following up on sustainability issues within their area, they also includes monitoring that sustainability is part of the relevant policies and guidelines within their area. The bank also has a group of sustainability ambassadors who work together with the sustainability officer on various projects and internal tasks.

Status of the bank's work with sustainability is a part of the agenda for meetings in the Board of Directors every month, and in meetings in the management every second week.

The bank's sustainability officer participate in external specialist committees and reference groups where it is relevant for the position to contribute. At the time for the reporting, the sustainability officer participates in the expert committee for sustainability in Eika as well as in the national reference group for the banks that have signed the PRB.

We don't have a remuneration practice linked to our sustainability targets.

Links and references

Sustainability strategy page 3.

5.2 Promoting a culture of responsible banking:

Describe the initiatives and measures of your bank to foster a culture of responsible banking among its employees (e.g., capacity building, e-learning, sustainability trainings for client-facing roles, inclusion in remuneration structures and performance management and leadership communication, amongst others).

Response

We want sustainability to be part of everything we do, and everything we are. Our employees must have good competence in the different topics of sustainability and know about the most important challenges and opportunities, as well as how these affect the bank and customers. The employees must be up-to-date on the bank's offer of sustainable products and services so that we can assist our customers in choosing sustainable solutions and making sustainable investments. Skills development is a continuous process and will be further developed with relevant courses and training sessions for employees and board members every year.

We carried out a large number of internal competence-raising initiatives last year. The year started with Eika's internal sustainability week with various lectures for the employees. Throughout the year, we had an internal series of meetings where we invited customers and partners to tell us a little about the trends, opportunities and challenges they see within sustainability in their industry. In the autumn, all employees and the board of directors completed a new sustainability e-learning course. We also use the corporate customers' answers to the sustainability questions as learning.

Links and references

Sustainability strategy page 13.
Annual reporting page 86.

5.3 Policies and due diligence processes

Does your bank have policies in place that address environmental and social risks within your portfolio?¹³ Please describe.

Please describe what due diligence processes your bank has installed to identify and manage environmental and social risks associated with your portfolio. This can include aspects such as identification of significant/salient risks, environmental and social risks mitigation and definition of action plans, monitoring and reporting on risks and any existing grievance mechanism, as well as the governance structures you have in place to oversee these risks.

Response

The specialist managers are monitoring that sustainability is part of the relevant policies and guidelines within their area. F.ex, sectors that are associated with a particularly high risk that the bank does not finance, is part of the credit policy.

Links and references

Sustainability strategy page 6-7.
Annual reporting page 105-107.

¹³ Applicable examples of types of policies are: exclusion policies for certain sectors/activities; zero-deforestation policies; zero-tolerance policies; gender-related policies; social due diligence policies; stakeholder engagement policies; whistle-blower policies etc., or any applicable national guidelines related to social risks.

Self-assessment summary

Does the CEO or other C-suite officers have regular oversight over the implementation of the Principles through the bank's governance system?

Yes No

Does the governance system entail structures to oversee PRB implementation (e.g. incl. impact analysis and target setting, actions to achieve these targets and processes of remedial action in the event targets/milestones are not achieved or unexpected neg. impacts are detected)?

Yes No

Does your bank have measures in place to promote a culture of sustainability among employees (as described in 5.2)?

Yes In progress No

Principle 6: Transparency & Accountability



We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.

6.1 Assurance

Has this publicly disclosed information on your PRB commitments been assured by an independent assurer?

Yes Partially No

If applicable, please include the link or description of the assurance statement.

Response

We will plan assurance into the timeline for the annual reporting for 2023.

Links and references

6.2 Reporting on other frameworks

Does your bank disclose sustainability information in any of the listed below standards and frameworks?

- GRI
 SASB
 CDP
 IFRS Sustainability Disclosure Standards (to be published)
 TCFD
 Other:

Response

We report according to TCFD.

Links and references

Annual report page 126-130.

6.3 Outlook

What are the next steps your bank will undertake in next 12 month-reporting period (particularly on impact analysis¹⁴, target setting¹⁵ and governance structure for implementing the PRB)? Please describe briefly.

Response

We revise our sustainability strategy annually, we will do that again this autumn. In that work, we will use the impact analysis, the findings we have made so far and with that be able to make the bank's targets even more concrete. We will continue to work closely

Links and references

¹⁴ For example outlining plans for increasing the scope by including areas that have not yet been covered, or planned steps in terms of portfolio composition, context and performance measurement

¹⁵ For example outlining plans for baseline measurement, developing targets for (more) impact areas, setting interim targets, developing action plans etc.

with our customers to increase the portfolio of green loans, and continue to be sparring partner and good adviser for customers and contribute to increased awareness of sustainability and climate risk in the community.

6.4 Challenges

Here is a short section to find out about challenges your bank is possibly facing regarding the implementation of the Principles for Responsible Banking. Your feedback will be helpful to contextualise the collective progress of PRB signatory banks.

What challenges have you prioritized to address when implementing the Principles for Responsible Banking? Please choose what you consider the top three challenges your bank has prioritized to address in the last 12 months (optional question).

If desired, you can elaborate on challenges and how you are tackling these:

- | | |
|--|--|
| <input type="checkbox"/> Embedding PRB oversight into governance | <input type="checkbox"/> Customer engagement |
| <input type="checkbox"/> Gaining or maintaining momentum in the bank | <input type="checkbox"/> Stakeholder engagement |
| <input type="checkbox"/> Getting started: where to start and what to focus on in the beginning | <input checked="" type="checkbox"/> Data availability |
| <input type="checkbox"/> Conducting an impact analysis | <input checked="" type="checkbox"/> Data quality |
| <input type="checkbox"/> Assessing negative environmental and social impacts | <input checked="" type="checkbox"/> Access to resources |
| <input checked="" type="checkbox"/> Choosing the right performance measurement methodology/ies | <input type="checkbox"/> Reporting |
| <input type="checkbox"/> Setting targets | <input type="checkbox"/> Assurance |
| <input type="checkbox"/> Other: ... | <input type="checkbox"/> Prioritizing actions internally |

If desired, you can elaborate on challenges and how you are tackling these:

