**Principles for Responsible Banking  
Reporting and Self-Assessment Template**

The following table sets out the reporting and self-assessment requirements for Signatories of the Principles for Responsible Banking. Signatory banks need to report on their implementation of the Principles the first time within latest 18 months after signing and annually thereafter (in line with their annual reporting cycle).

How to use this template:

This template does NOT require your bank to produce an additional report. Rather, this template is designed for your bank to provide references/links to where in your existing reporting/public domains the required information can be found. The aim is to keep additional reporting burden to a minimum while ensuring transparency and accountability as set out in Principle 6.

Within this reporting template, there are six areas for self-assessment that are key to showing that your bank is fulfilling its commitments as a signatory of the Principles for Responsible Banking. They are highlighted.

1. Impact Analysis
2. Target Setting
3. Plans for Target Implementation and Monitoring
4. Progress on Implementing Targets
5. Governance Structure for Implementation of the Principles
6. Progress on Implementing the Principles for Responsible Banking

Only for these six highlighted items, it is required that:

1. An assurer provides limited assurance of your self-assessment. You can do this by including it in your existing assured reporting. Where third-party assurance is not feasible, an independent review may be conducted.
2. You provide your bank’s conclusion/statement if it has fulfilled the respective requirements.

Accommodating different starting points:

Banks have different starting points and operate in different contexts. Your bank may not be able to provide all information required in this template the first time you report. That is fine. Your bank has up to four years from signing to bring its reporting fully in line with the requirements. Feedback, support and peer learning are available to all signatory banks to help them progress with both implementation and reporting.

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| Reporting and Self-Assessment Requirements | High-level summary of bank’s response (limited assurance required for responses to highlighted items) | Reference(s)/  Link(s) to bank’s full response/ relevant information |
| **Icon  Description automatically generatedPrinciple 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.** | | |
| * 1. *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, and where relevant the technologies financed across the main geographies in which your bank has operations or provides products and services. | Sparebanken Sør is a regional savings bank operating in the south part of Norway. The business model is an integrated value chain that includes the development, production and supply of financial products and services. Largest business areas are Loans (to private and business markets) as well as Financing and Investment. Aprox 65% of our loans is allocated to consumer market, and 35 % to business marked, SME. Lending, financing of loans and investments (Liquidityportefolio) make up most of the bank's income and balance sheet. Total assets is about 145 billion NOK. |  |
| * 1. *Describe* how your bank has aligned and/or is planning to align its strategy to be consistent with and contribute to society's goals, as expressed in the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks. | Sparebanken Sør supports all 17 of the SDGs. At the same time, we have identified specific goals that are particularly relevant to our business operations, in line with the materiality analysis and Sparebanken Sør’s sustainable strategy.  Our “Sustainability strategy” shows how we are aligned with the various frameworks. Our Green and sustainability Bond framework, and Green, social and sustainable Product framework, show how products and activities are linked to SDG. Sustainability report section 1.3.5 show our prioritized SDG. The Fact book shows how different topics are linked to SDG. Scorecard section 3, show how Sparebanken Sør have set KPI in line with the Paris Agreement. We work to operationalize ESG in the most important business areas such as lending, development of sustainable products and services, investments, financing and purchasing | <https://www.sor.no/globalassets/organisasjon/barekraft/sustainability-strategy-sparebanken-sor.pdf>  <https://www.sor.no/globalassets/organisasjon/green-sustainability-bond-framework-2022.pdf>  <https://www.sor.no/globalassets/organisasjon/barekraft/produktrammeverk-english-sparebanken-sor.pdf>  <https://www.sor.no/felles/om-sparebanken-sor/about/social-responsibility/sustainability-reports/> |

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| **Icon  Description automatically generatedPrinciple 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.** | | |
| * 1. Impact Analysis:   *Show* that your bank has identified the areas in which it has its most significant (potential) positive and negative impact through an impact analysis that fulfills the following elements:   1. Scope: The bank’s core business areas, products/services across the main geographies that the bank operates in have been as described under 1.1. have been considered in the scope of the analysis. 2. Scale of Exposure: In identifying its areas of most significant impact the bank has considered where its core business/its major activities lie in terms of industries, technologies and geographies. 3. Context & Relevance: Your bank has taken into account the most relevant challenges and priorities related to sustainable development in the countries/regions in which it operates. 4. Scale and intensity/salience of impact: In identifying its areas of most significant impact, the bank has considered the scale and intensity/salience of the (potential) social, economic and environmental impacts resulting from the bank’s activities and provision of products and services.   (your bank should have engaged with relevant stakeholders to help inform your analysis under elements c) and d))  *Show* that building on this analysis, the bank has  • Identified and disclosed its areas of most significant (potential) positive and negative impact  • Identified strategic business opportunities in relation to the increase of positive impacts / reduction of negative impacts | Our impact analysis is stated in our report Impact Analysis Report 2021  The impact analysis include approx. 79 % of total assets.  The figure below show the most important impact area:    Based on an overall assessment of the impact analysis and materiality analyses performed previously, the following three areas are most important, (for both customer market and business market).  1. Climate  2. Biodiversity and ecosystems (nature)  3. Resource utilization and security  More detail can be found in our Impact Analysis. | <https://www.sor.no/globalassets/organisasjon/barekraft/2021-impact-analysis-report-sparebanken-sor.pdf> |
| Please provide your bank’s conclusion/statement if it has fulfilled the requirements regarding Impact Analysis. | | |
| Partial fulfilment. We will work for develop the methodology and include all part of the business further. . In 2022, the bank will carry out a new stakeholder survey and materiality analysis according to GRI 2021. | | |
| * 1. Target Setting   *Show* that the bank has set and published a minimum of two **S**pecific, **M**easurable (can be qualitative or quantitative), **A**chievable, **R**elevant and **T**ime-bound (SMART) targets, which address at least two of the identified “areas of most significant impact”, resulting from the bank’s activities and provision of products and services.  *Show* that these 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. The bank should have identified a baseline (assessed against a particular year) and have set targets against this baseline.  *Show* that the bank has analysed and acknowledged significant (potential) negative impacts of the set targets on other dimensions of the SDG/climate change/society’s goals and that it has set out relevant actions to mitigate those as far as feasible to maximize the net positive impact of the set targets. | Examples of SMART target can be found in our Scorecard section 1.1, 2.3, 2.4 and section 3.  Our main target is:  Climate: Target (short term, medium term and long term) to reduce climate emission from internal business, loans and investments.  Green loan:  Target (short term and medium term) to increase green mortgages, and green loan to commercial real estate)  Gender and equality:  Target (short time) to increase percentage of female managers.  Target (short time) to increase percentage of women’s pay compared to men  Customer and employee satisfaction:  Target to customer and employee satisfaction  Compliance:  Target/ambition to incident of discrimination, data protection, digital fraud, corruption, whistleblowing etc. Sparebanken Sør report all suspicious transaction.  More detail about target and development can be found in our scorecard and different topic in our Sustainability report. | <https://www.sor.no/globalassets/organisasjon/barekraft/2021-barekraftsrapport-scorecard-engelsk-sparebanken-sor.pdf>  <https://www.sor.no/globalassets/financial-reporting/2021-sustainability-report-sparebanken-sor.pdf> |
| Please provide your bank’s conclusion/statement if it has fulfilled the requirements regarding Target Setting. | | |
| The bank has partial met the requirements, but will work for improvement and further development. | | |
| * 1. Plans for Target Implementation and Monitoring   *Show* that your bank has defined actions and milestones to meet the set targets.  *Show* that your bank has put in place the means to measure and monitor progress against the set targets. Definitions of key performance indicators, any changes in these definitions, and any rebasing of baselines should be transparent. | In relation to our Impact Analysis, we will in the future focus on setting the KPI for the area of nature. At present, it is difficult to find data, methodology and good KPIs for this area.  The most important thing in 2022 is to try to establish a Baseline for climate emissions from loans and investments, and integrate KPI in the banks overall risk management. |  |
| Please provide your bank’s conclusion/statement if it has fulfilled the requirements regarding Plans for Target Implementation and Monitoring. | | |
| The bank has partial met the requirements, but will work for improvement and further development. We are in process to set baseline for climate emission from lending and investments. | | |
| * 1. Progress on Implementing Targets   For each target separately:  *Show* that your bank has implemented the actions it had previously defined to meet the set target.  ***Or*** *explain* why actions could not be implemented / needed to be changed and how your bank is adapting its plan to meet its set target.  *Report* on your bank’s progress over the last 12 months (up to 18 months in your first reporting after becoming a signatory) towards achieving each of the set targets and the impact your progress resulted in. (where feasible and appropriate, banks should include quantitative disclosures) | Progress for target can be found in our Scorecard section 1.1, 2.3, 2.4 and section 3. For more information, related topic in Sustainability report. | <https://www.sor.no/globalassets/organisasjon/barekraft/2021-barekraftsrapport-scorecard-engelsk-sparebanken-sor.pdf> |
| Please provide your bank’s conclusion/statement if it has fulfilled the requirements regarding Progress on Implementing Targets | | |
| The bank is in progress to met the requirements, but we still have to work for improvement and further development.  Challenges that need to be developed on further, are obtaining good data and common methods regarding measure climate emissions and base line for lending and investment, target for influencing nature and biodiversity, from customers and partners, as well targets in accordance with EU taxonomy and UNEP PRB. | | |
| **Icon  Description automatically generatedPrinciple 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.** | | |
| * 1. *Provide an overview* of the policies and practices your bank has in place and/or is planning to put in place to promote responsible relationships with its customers. This should include high-level information on any programmes and actions implemented (and/or planned), their scale and, where possible, the results thereof. | Our most important policy documents in relation to customers are:   * Policy for responsible lending * Policy for responsible investment and responsible securities activities * Policy for responsible procurement * Green and sustainability Bond Framework * Green and sustainable Product Framework ( will be available in April 2021)   An overview of management documents and policies can be found in Strategy Sustainability, section 2.2, ore on our homage. | <https://www.sor.no/globalassets/organisasjon/barekraft/sustainability-strategy-sparebanken-sor.pdf>  <https://www.sor.no/felles/om-sparebanken-sor/about/social-responsibility/sustainability-reports/> |
| * 1. *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 activities. This should include information on actions planned/implemented, products and services developed, and, where possible, the impacts achieved. | See relevant policies mentioned above and theme in the sustainability report.  Relevant sustainability topics are/will be integrated into customer conversations within lending, products and services, investments, financing and purchasing. Customers will be followed up, and measured that they meet the bank's requirements and policies.  A new law, the Transparency Act, which will be implemented in Norwegian law in June 2022, will also set the terms for how we will follow up our suppliers. |  |

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| **Principle 4: Stakeholders**  **We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society’s goals.** | | |
| * 1. *Describe* which stakeholders (or groups/types of stakeholders) your bank has consulted, engaged, collaborated or partnered with for the purpose of implementing these Principles and improving your bank’s impacts. This should include a high-level overview of how your bank has identified relevant stakeholders and what issues were addressed/results achieved. | See detailed description in Sustainability report section 2.  We have just started the preparations with the GRI 2021, and in this connection, we will make a new stakeholder survey, impact and materiality analysis during 2022. | <https://www.sor.no/globalassets/financial-reporting/2021-sustainability-report-sparebanken-sor.pdf> |
| **Icon  Description automatically generated with low confidence**  **Principle 5: Governance & Culture**  **We will implement our commitment to these Principles through effective governance and a culture of responsible banking** | | |
| * 1. *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 effective implementation of the Principles. | The governance structure, policies is to be found in our document Strategy Sustainability, section 2 and 3 | <https://www.sor.no/globalassets/organisasjon/barekraft/sustainability-strategy-sparebanken-sor.pdf> |
| * 1. *Describe* the initiatives and measures your bank has implemented or is planning to implement to foster a culture of responsible banking among its employees. This should include a high-level overview of capacity building, inclusion in remuneration structures and performance management and leadership communication, amongst others. | Sparebanken Sør has a long tradition of building a culture of responsible banking. This is stated in our policy documents, which can be found on the bank's website.  Sparebanken Sør builds a sustainable culture through training central themes in responsible and sustainable business management, more details on this can be found in the scorecard section 1.2. All employees have been through training in responsible business conduct and sustainability in general, and training within their own business areas in connection with the operationalization of sustainability in business processes. An example of this is the implementation of the ESG module in credit processes. The most important cultural building takes place through commitment from top management as well as operationalization of responsible and sustainable activities in relevant business areas. Many topics in responsible banking such as privacy, financial crime, information security etc. are strictly regulated by the authorities and are by nature more of a compliance function. | <https://www.sor.no/globalassets/organisasjon/barekraft/2021-barekraftsrapport-scorecard-engelsk-sparebanken-sor.pdf> |
| * 1. Governance Structure for Implementation of the Principles   *Show* that your bank has a governance structure in place for the implementation of the PRB, including:  a) target-setting and actions to achieve targets set  b) remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected. | The governance structure, policies is to be found in our document Strategy Sustainability, section 3.  The governance structure is in place, but we are still in the process of implementing relevant KPIs in the bank's overall risk framework for risk management. This framework is included in a quarterly risk report to management and the board, where goals are followed up, and measures will be implemented if goals are not met. | <https://www.sor.no/globalassets/organisasjon/barekraft/sustainability-strategy-sparebanken-sor.pdf> |
| Please provide your bank’s conclusion/ statement if it has fulfilled the requirements regarding Governance Structure for Implementation of the Principles. | | |
| Governance Structure is fulfilled, but we still are in process to implement KPI in our risk framework. | | |

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| **Icon  Description automatically generatedPrinciple 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.** | | |
| * 1. Progress on Implementing the Principles   *Show* that your bank has progressed on implementing the six Principles over the last 12 months (up to 18 months in your first reporting after becoming a signatory) in addition to the setting and implementation of targets in minimum two areas (see 2.1-2.4).  *Show* that your bank has considered existing and emerging international/regional good practices relevant for the implementation of the six Principles for Responsible Banking. Based on this, it has defined priorities and ambitions to align with good practice.  *Show* that your bank has implemented/is working on implementing changes in existing practices to reflect and be in line with existing and emerging international/regional good practices and has made progress on its implementation of these Principles. | Some of the areas Sparebanken Sør has worked on over the past year in relation to fulfilling UNEP PRB's principles are outlined below:   * Impact analysis * Target setting – and improvement in some target * ESG rating * Training and education in sustainability and responsible business conduct * More resources to different topic, example Economic crime and money laundry * Some new policy document * ESG regulation * PCAF partner * Audit report sustainability   More detail is to be found in our Sustainability report and FactBook. | <https://www.sor.no/globalassets/financial-reporting/2021-sustainability-report-sparebanken-sor.pdf>  <https://www.sor.no/globalassets/organisasjon/barekraft/2021-faktabok-barekraft-engelsk-sparebanken-sor.pdf>  <https://www.sor.no/globalassets/organisasjon/barekraft/revisorerklaring-barekraft-sparebanken-sor.pdf> |
| Please provide your bank’s conclusion/statement if it has fulfilled the requirements regarding Progress on Implementing the Principles for Responsible Banking | | |
| Sparebanken Sør has not fulifild implementing the Principles, but we are in a good process of improving ourselves, and in meeting the requirements of the various principles. However, this is a development process that will not stop, and we can never say that we are in place, there are constantly new goals and tasks to reach for. | | |

Annex: Definitions

* 1. Impact: An impact is commonly understood as being a change in outcome for a stakeholder. In the context of these Principles this means (aligned with GRI definition) the effect a bank has on people/the society, the economy and the environment and with that on sustainable development. Impacts may be positive or negative, direct or indirect, actual or potential, intended or unintended, short-term or long-term.
  2. Significant Impact: Impact that in terms of scale and/or intensity/salience results in a particularly strong/relevant change in outcome for a stakeholder. In the context of these Principles, the concept of *significant* impact is used to ensure banks focus where their actions/business (can) matter most for people, economy and environment and to provide a reasonable and practical threshold for what issues need to be considered/included, similar to the concept of “materiality”.