



PRINCIPLES FOR  
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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:

- a) 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.
- b) You provide your bank's conclusion/statement if it has fulfilled the respective requirements.

### Accommodating different starting points:

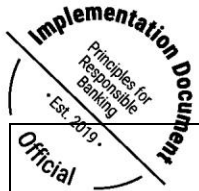


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Banks have different starting points and operate in different contexts. Your bank may not be able to provide all information required in this template the first time you report. That is fine. Your bank has up to four years from signing to bring its 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.

Reporting and Self-Assessment Requirements	High-level summary of bank's response (limited assurance required for responses to <b>highlighted</b> items)	Reference(s)/ Link(s) to bank's full response/ relevant information
<p><b>Link to relevant information:</b> All our sustainability documents and reports are available on our homepage: <a href="https://www.sor.no/felles/om-sparebanken-sor/about/social-responsibility/">https://www.sor.no/felles/om-sparebanken-sor/about/social-responsibility/</a>. Annual report are available on our homepage: <a href="https://www.sor.no/felles/om-sparebanken-sor/about/investor-relations/equity-certificate/">https://www.sor.no/felles/om-sparebanken-sor/about/investor-relations/equity-certificate/</a></p>		
<p><b>Principle 1: Alignment</b> <b>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.</b></p>		
<p>1.1 <i>Describe</i> (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.</p>	<p>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. 65% of our loans is allocated to retail, and 35 % to business marked, SME. Total assets is about 142 billion NOK.</p>	<p><a href="https://www.sor.no/felles/om-sparebanken-sor/about/investor-relations/financial-reports/">https://www.sor.no/felles/om-sparebanken-sor/about/investor-relations/financial-reports/</a>  Annual Report – Board of Director's report, p. 7 and p. 10.</p>
<p>1.2 <i>Describe</i> 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."</p>	<p>Our "Sustainability strategy" shows how we are aligned with the various frameworks. Our Green and sustainability Bond framework and Green and sustainability Loan framework, show how products and activities are linked to SDG. Sparebanken Sør aims to reduce climate emissions by 55% by 2030 and climate neutral by 2050, which is in line with the Paris Agreement. We work to operationalize ESG in the</p>	<p><a href="https://www.sor.no/felles/om-sparebanken-sor/about/social-responsibility/sustainability-reports/">https://www.sor.no/felles/om-sparebanken-sor/about/social-responsibility/sustainability-reports/</a></p>



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most important business areas such as lending, development of sustainable products and services, investments, financing and purchasing.

Sustainable FactBook (main theme is connected to SDG, UN GC and UNEP PRB). Sustainability Report p. 6, 9, 16, 20, 22 and 25. See also our TCFD report regarding climate target aligned with Paris agreement, p. 15, [www.sor.no](http://www.sor.no)

**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.**



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**2.1 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:

- a) 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.
- b) 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.
- c) 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.
- d) 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

We have carried out an interest mapping and materiality/ impact analysis according to GRI (Global Reporting Initiative).

According to TCFD framework we have analysis climate-related risk and opportunity.

The most important areas for increasing the positive impacts and reducing the negative impacts are:

- Lending (credit to retail and primarily business market)
- Investment
- Financing
- Purchasing
- Developing and distributing sustainable products and services.

Exposure and climate emissions for lending in the various markets and industries can be found on the Sustainability report p. 21. As the calculations show, our climate emissions from the lending business are relatively small.

In general, social conditions and business management are well taken care of in Norway. The most important area is therefore the environment, ie climate and nature. The bank's direct negative impact on climate and nature is very low. The biggest positive effect is that we can make demands on and influence our customers and partners to reduce negative effects on climate and nature. For example, we have integrated the ESG module in our credit processes in business market.

<https://www.sor.no/felles/om-sparebanken-sor/about/social-responsibility/sustainability-reports/>

Sustainability Report p.7 and 9. TCFD Report p. 6-8, and 11.



<p>Official</p> <ul style="list-style-type: none"><li>• Identified strategic business opportunities in relation to the increase of positive impacts / reduction of negative impacts</li></ul>	<p>Our TCFD report set out business opportunities in relation to climate-related challenges.</p>	
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Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Impact Analysis.

We plan to carry out UNEP FI's impact assessment during 2021.

2.2 Target Setting

Show that the bank has set and published a minimum of two Specific, Measurable (can be qualitative or quantitative), Achievable, Relevant and Time-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.

Sustainability report appendix 1, p. 36, shows various ESG target.

Regarding to relevant and Time-bound (SMART) targets, can we mention:

- The proportion of women (Sustainability report p. 11).
- Women's wages in relation to men, (Sustainability report p. 11).
- Targets for reducing climate emission, (Sustainability report p. 27 and 28).

<https://www.sor.no/felles/om-sparebanken-sor/about/social-responsibility/sustainability-reports/>

Sustainability Report, p. 36-38.

Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Target Setting.

The bank has not yet met the targets, but we are developing to be able to meet the targets within the time frame we have set. The bank will work actively to set several time-bound targets, related to important measurement areas. Relevant target from EU taxonomy and UNEP PRB will be prioritized and included in our score card, when we are able to measure relevant target.



<p><b>2.3 Plans for Target Implementation and Monitoring</b></p> <p>Show that your bank has defined actions and milestones to meet the set targets.</p> <p>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.</p>	<p>Regarding the target in section 2.2 and in our Score card (Sustainability report 36 - 38), we have good methods and data to be able to measure these target.</p> <p>Key target will be included in our quarterly Risk report together with other key management objectives, which goes to the bank's management team and board. Measures will be implemented, if the bank is not in progress to achieve target in time.</p>	<p><a href="https://www.sor.no/felles/om-sparebanken-sor/about/social-responsibility/sustainability-reports/">https://www.sor.no/felles/om-sparebanken-sor/about/social-responsibility/sustainability-reports/</a></p> <p>Sustainability report p. 36 – 38</p>
<p>Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Plans for Target Implementation and Monitoring.</p>		
<p>Challenges that need to be worked on further, are obtaining good data and common methods regarding measure climate emissions, target for influencing nature and biodiversity, from customers and partners, as well targets in accordance with EU taxonomy and UNEP PRB etc.</p>		
<p><b>2.4 Progress on Implementing Targets</b></p> <p><u>For each target separately:</u></p> <p>Show that your bank has implemented the actions it had previously defined to meet the set target.</p> <p><b>Or explain</b> why actions could not be implemented / needed to be changed and how your bank is adapting its plan to meet its set target.</p> <p>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)</p>	<p>The action plan for equality and diversity is set out in Sustainability report, appendix 3, page 39 – 40. According to target on climate reduction, we work continuously to achieve these through Environmental Lighthouse certification, plans and measures for improvements. This especially applies to energy consumption and travel activities.</p> <p>The development for relevant goals is stated in the Score card.</p>	<p><a href="https://www.sor.no/felles/om-sparebanken-sor/about/social-responsibility/sustainability-reports/">https://www.sor.no/felles/om-sparebanken-sor/about/social-responsibility/sustainability-reports/</a></p> <p>Sustainability report p. 36 - 38</p>





Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Progress on Implementing Targets		
We are in good process to fulfilled the requirements for the target. We will continue to work with follow-up and initiatives with regard to new relevant targets.		
<b>Principle 3: Clients and Customers</b> <b>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.</b>		
<p>3.1 <i>Provide an overview</i> 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.</p>	<p>All our management documents, policy documents and guidelines in connection with sustainability are on the bank's website. An overview is also shown in Sustainability report page 5.</p> <p>Our most important policy documents in relation to customers are:</p> <ul style="list-style-type: none"> <li>• Policy for responsible lending</li> <li>• Policy for responsible investment and responsible securities activities</li> <li>• Policy for responsible procurement</li> <li>• Green and sustainability Bond Framework</li> <li>• Green and sustainable Product Framework ( will be available in april 2021)</li> </ul> <p>More details for the various topics and programmes can be found in the Sustainability report and Sustainability Fact book.</p>	<p><a href="https://www.sor.no/felles/om-sparebanken-sor/about/social-responsibility/sustainability-reports/">https://www.sor.no/felles/om-sparebanken-sor/about/social-responsibility/sustainability-reports/</a></p> <p>Sustainability report p. 5. Sustainability report and Sustainability Fact Book, relevant topics.</p>
<p>3.2 <i>Describe</i> 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.</p>	<p>See relevant policies mentioned above and theme in the sustainability report.</p> <p>Relevant sustainability themes 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.</p>	<p><a href="https://www.sor.no/felles/om-sparebanken-sor/about/social-responsibility/guidelines-and-policies/">https://www.sor.no/felles/om-sparebanken-sor/about/social-responsibility/guidelines-and-policies/</a></p>



<p><b>Principle 4: Stakeholders</b> We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.</p>		
<p>4.1 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.</p>	<p>The bank has mapped the most relevant stakeholders. The bank has carried out a stakeholder survey and materiality analysis in accordance with GRI (Global Report Initiative). The bank has also used advisory firm to assist in this process. Finans Norge is the financial industry's main organization. Finans Norge has prepared a roadmap for "Green competitiveness in the financial industry". Finans Norge coordinates several collaborative projects for Norwegian banks, in which our bank is also involved in, regarding sustainable development.</p>	<p><a href="https://www.sor.no/felles/om-sparebanken-sor/about/social-responsibility/sustainability-reports/">https://www.sor.no/felles/om-sparebanken-sor/about/social-responsibility/sustainability-reports/</a></p> <p>Sustainability report, p.7 and 9.</p>
<p><b>Principle 5: Governance &amp; Culture</b> We will implement our commitment to these Principles through effective governance and a culture of responsible banking</p>		
<p>5.1 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.</p>	<p>The governance structures, policies and procedures for sustainability, can be found in our Sustainability report and on our homepages.</p>	<p><a href="https://www.sor.no/felles/om-sparebanken-sor/about/social-responsibility/sustainability-reports/">https://www.sor.no/felles/om-sparebanken-sor/about/social-responsibility/sustainability-reports/</a></p> <p>Sustainability report p. 3,4 and 5. www.sor.no</p>



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<p>5.2 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.</p>	<p>The bank has a long tradition of building a culture of responsible banking as stated in our policy documents. Initiatives can be found on the bank's website. Initiatives, measures and results for the various topics appear in the sustainability report. Initiatives, measures and results for the various topics appear in the sustainability report.</p> <p>We have not yet implemented sustainability in our remuneration structure and performance management.</p>	<p><a href="https://www.sor.no/felles/om-sparebanken-sor/about/social-responsibility/sustainability-reports/">https://www.sor.no/felles/om-sparebanken-sor/about/social-responsibility/sustainability-reports/</a></p> <p>Sustainability Report p. 5, 10,12,14,15,16,19, 20, 22 og 25.</p>
<p><b>5.3 Governance Structure for Implementation of the Principles</b></p> <p>Show that your bank has a governance structure in place for the implementation of the PRB, including:</p> <p>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.</p>	<p>a) The governance structures can be found in our Sustainability report. b) Key target will be included in our quarterly Risk report together with other key management objectives, which goes to the bank's management team and board. Measures will be implemented if the bank is not in progress to achieve target in time.</p>	<p><a href="https://www.sor.no/felles/om-sparebanken-sor/about/social-responsibility/sustainability-reports/">https://www.sor.no/felles/om-sparebanken-sor/about/social-responsibility/sustainability-reports/</a></p> <p>Sustainability report p. 3 and 4.</p>
<p>Please provide your bank's conclusion/ statement if it has fulfilled the requirements regarding Governance Structure for Implementation of the Principles.</p>		
<p>The Governance Structure is fulfilled. However, it may be relevant to correct and change the governance structure on an ongoing basis.</p>		
<p><b>Principle 6: Transparency &amp; Accountability</b> <b>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.</b></p>		
<p><b>6.1 Progress on Implementing the Principles for Responsible Banking</b></p> <p>Show that your bank has progressed on implementing the six Principles over the last 12 months (up to 18 months in</p>	<p>The bank has developed over the past 12 months, primarily in the following areas:</p> <ul style="list-style-type: none"> <li>• Management documents, policy documents and guidelines, (Principle 3).</li> <li>• Including sustainability in the bank's overall strategy plan, (Principle 1)</li> </ul>	<p><a href="https://www.sor.no/felles/om-sparebanken-sor/about/social-responsibility/sustainability-reports/">https://www.sor.no/felles/om-sparebanken-sor/about/social-responsibility/sustainability-reports/</a></p>



(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.

Vis at banken din har utviklet seg med å implementere de seks prinsippene de siste 12 månedene (opptil 18 måneder i din første rapportering etter å ha blitt undertegnet) i tillegg til å sette og implementere mål på minst to områder (se 2.1-2.4).

- Integrated ESG module in lending processes, (Principle 3, 4).
- Follows up suppliers in accordance with ESG requirements, (Principle 3, 4).
- Follows up fund providers in relation to ESG requirements, (Principle 3, 4).
- Follows up investments in relation to ESG requirements, (Principle 3, 4).
- Prepared TCFD report, (Principle 1, 2).
- Targets according to SDG and Paris Agreement. (Principle 1,2) Further developing with targets according to EU taxonomi and UNEP PRB.
- Green and sustainable Product Framework in progress, (Principle 3)
- Training of employees in sustainability, (Principle 5)
- Operationalized policies in key business areas, (Principle 5).
- GHG calculation according to international standards.

Existing and emerging international/national good practices:

- Reporting according to GRI standard
- TCFD report based on framework.
- Target setting (SMART time-bounded),
- Policy documents related to international conventions.

Sustainability Report, Sustainability Fact Book, TCFD report. <https://www.sor.no/felles/om-sparebanken-sor/about/social-responsibility/guidelines-and-policies/>

Guidelines on our homepage, [www.sor.no](http://www.sor.no)

Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Progress on Implementing the Principles for Responsible Banking

We are in the process of implementing the principles. This is a continuous work that will continue continuously for a long time. There will always be room for change, adaptation and improvement.

#### Annex: Definitions

- a. **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.
- b. **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”.