

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:

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 highlighted items)	Reference(s)/ Link(s) to bank's full response/ relevant information
<p>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.</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>SpareBank 1 Nord-Norge (SNN) is a regional bank with 15 branches across the whole of Northern Norway, many of them north of the Arctic Circle. The Bank is a savings bank where the community in northern Norwegian owns 54 per cent. The Bank is located in the northernmost counties in Northern Norway: Nordland, Troms and Finnmark, as well as Svalbard, and is a fully fledged financial services institution that offers everything from banking services to accounting services, estate</p>	<p>Please look at our Annual Report.</p> <p>Global Reporting Initiative – index: https://www.mypaper.se/html5/customer/357/13150/?page=256</p>

	<p>agency services and the financing of objects.</p> <p>SNN’s vision is “For Northern Norway!” and it works according to the following mission: “Better than anyone else, we will understand and do what is important for the people and business sector of Northern Norway.” This commits the Group in a large number of areas: in its everyday work as a bank, as an active party at a time when the business sector is restructuring, in part for what comes after the Covid-19 crisis, and as a driving force behind sustainable development in a vulnerable Arctic region. SpareBank 1 Nord-Norge has a clear presence, an in-depth understanding of the people and business sector, and an ownership model that creates visible</p>	
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	<p>value for Northern Norway. The sum of these shall create value for our owners and for the region.</p> <p>The target group is people and companies in Northern Norway and the Bank has no market outside Norway. Some 50 per cent of customers come from business banking and 50 per cent of customers from consumer banking. The following industries are important for SpareBank 1 Nord-Norge and for our market area:</p> <ul style="list-style-type: none"> - Property - Seafood - Building and construction - Transport and storage <p>The Bank provides financing to most industries with a few exceptions, such as fossil energy.</p> <p>Products for the consumer market</p>	
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	<p>are largely categorised as follows:</p> <ul style="list-style-type: none"> - Current accounts - Mortgages - Savings accounts - Consumer credit and overdrafts <p>The Bank is part of the SpareBank 1 Alliance, which consists of 14 independent savings banks from across Norway.</p> <p>SpareBank 1 Nord-Norge has:</p> <ul style="list-style-type: none"> - Eight wholly owned subsidiaries - Nine joint ventures or associated companies 	
<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>SpareBank 1 Nord-Norge is the largest financial services institution in Northern Norway and is therefore an important contributor to sustainable development and economic growth in the region. One of our most effective contributions to this is supporting the northern Norwegian</p>	<p>Annual Report page 238</p> <p>https://www.mypaper.se/html5/customer/357/13150/?page=238</p> <p>Green Product framework</p>

	<p>business community with transitioning through our financing processes. Climate risk is one of the areas in the Group's risk strategy and sustainability is included in other strategies and core processes and thus high on the agenda throughout the Group.</p> <p>SpareBank 1 Nord-Norge bases its work on sustainability on internationally recognised principles:</p> <ul style="list-style-type: none"> - The 10 principles of Global Compact - UNEP FI's principles for responsible banking - OECD Guidelines for multinational enterprises <p>SNN's ambition for sustainability is:</p>	
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	<p>“Sustainability is integral to SpareBank1 Nord-Norge’s business practices and this will contribute to achieving the UN Sustainable Development Goals.”</p> <p>By maintaining a particular focus on UN Sustainable Development Goal targets 13.3 and 14.1, we can, through our activities, also contribute to the EU’s climate targets.</p> <p>One important tool in the work on our climate goals is a green product framework that will link our green loans to green borrowing in the capital market. SNN also reports on the level of emissions registered in our credit portfolio, reporting that we expect to develop and improve the quality of in line with the introduction of the EU taxonomy.</p>	
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	<p>Our climate goals are constantly being developed in line with, among other things, the authorities' requirements, EU taxonomy and society's expectations.</p>	
<p>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.</p>		

<p>2.1 Impact Analysis:</p> <p>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:</p> <ol style="list-style-type: none"> 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. 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. 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. 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)) <p>Show that building on this analysis, the bank has</p> <ul style="list-style-type: none"> 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 	<p>Our reporting on sustainability and climate risk is based on a materiality analysis that was conducted in 2018 and has been revised annually. The materiality analysis especially highlights the following areas that we are particularly focusing on in our sustainability work.</p> <ul style="list-style-type: none"> - Ethics and anti-corruption - Privacy and information security - Local business development - Climate risk - Green products and innovation <p>We have started using Portfolio Impact Analysis Tool for Banks in 2021 to conduct impact analyses so we can identify where we have the largest negative and positive impacts on society.</p> <p>SpareBank 1 Nord-Norway has assessed the exposure to</p>	<p>Annual Report and Materiality analysis.</p> <p>Please note that our Impact Analysis is not completed and published yet</p> <p>https://www.mypaper.se/html5/customer/357/13150/?page=240</p>
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	<p>climate risk of three of the most important industries in the region: seafood, building construction and property, and tourism. It has also assessed the exposure of the public sector to climate risk (unfortunately these assessments are only available in Norwegian. Kbnn.no/klimarisiko).</p> <p>In 2021, these analyses will be looked at in context in order to form a basis for our future work and our aim for the area of incorporating the six principles of PRB into our activities.</p>	
<p>Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Impact Analysis.</p>		

<p>2.2 Target Setting</p> <p><i>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.</i></p> <p><i>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.</i></p> <p><i>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.</i></p>	<p>Based on the analyses in point 2.1, SpareBank 1 Nord-Norge will set new climate goals for itself in January 2022.</p>	
<p>Please provide your bank’s conclusion/statement if it has fulfilled the requirements regarding Target Setting.</p>		
<p>2.3 Plans for Target Implementation and Monitoring</p> <p><i>Show that your bank has defined actions and milestones to meet the set targets.</i></p> <p><i>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.</i></p>	<p>Our climate goals will be followed up as part of our Risk Strategy and progress reported to our Board of Directors every quarter.</p>	
<p>Please provide your bank’s conclusion/statement if it has fulfilled the requirements regarding Plans for Target Implementation and Monitoring.</p>		

<p>2.4 Progress on Implementing Targets</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>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.</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>Please look at the answer 2.4</p>	
<p>Please provide your bank’s conclusion/statement if it has fulfilled the requirements regarding Progress on Implementing Targets</p>		
<p>Principle 3: Clients and Customers</p> <p>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.</p>		
<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>SNN has specific policies for sustainability and corporate social responsibility, along with associated guidelines, for its most important business areas.</p>	<p>Policy for sustainability and corporate social responsibility (PDF)</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>In order to help customers in the business market with the transition to a low-emission society, SNN has developed a green product framework that contains a set of criteria for</p>	<p>Green Product framework</p> <p>https://www.sparbank1.no/nb/nord-norge/privat/lan/gronne-lan.html</p>

	<p>property, transport, aquaculture, fisheries, agriculture, and forestry. Sustainability and ESG (environmental, social conditions and governance) are components of credit ratings in all cases.</p> <p>In the consumer market, we also help customers who want to choose green options, both through loans on favorable terms and conditions for green housing and renovation measures, and through savings product labelling that shows which of our fund managers take a systematic approach to sustainability.</p>	
<p>Principle 4: Stakeholders We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.</p>		

<p>4.1 <i>Describe</i> 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>SNN conducts a stakeholder analysis every year covering the Group's most important contacts outside the Group during the year. The stakeholder analysis shows which stakeholders we have been in dialogue with, on what topics, and which measures have been implemented. This can be read in its entirety in our annual report.</p>	<p>Stakeholder Analysis: https://www.mypaper.se/html5/customer/357/13150/?page=264</p>
<p>Principle 5: Governance & Culture We will implement our commitment to these Principles through effective governance and a culture of responsible banking</p>		
<p>5.1 <i>Describe</i> 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>This will be developed further in 2021 in connection with the finalisation of the impact analysis and setting of SMART climate goals.</p>	
<p>5.2 <i>Describe</i> 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>SNN's work within sustainability is based on PRB, the UN Global Compact and OECD's guidelines. This is laid down in our sustainability policy and is</p>	<p>Green Product framework Policy for sustainability and corporate social responsibility (PDF) Global Reporting Initiative – index: https://www.mypaper.se/html5/customer/357/13150/?page=264</p>

	<p>reported on annually in our annual report in line with the Global Reporting Initiative’s standard (GRI Standard). We also report on our climate risk annually based on the TCFD framework. Sustainability and climate risk are, therefore, high on the agendas of the Board of Directors, executive management team, and the rest of the organisation. SNN has developed its own green curriculum that has been designed to help ensure that every employee has a good basic understanding of what sustainability is in the financial services industry and how they can use this insight in their dialogue with customers and others.</p>	<p>0/?page=256</p> <p>TCFD</p> <p>https://www.mypaper.se/html5/customer/357/13150/?page=240</p>
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<p>5.3 Governance Structure for Implementation of the Principles</p> <p>Show that your bank has a governance structure in place for the implementation of the PRB, including:</p> <ul style="list-style-type: none"> 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>The principles will be included in our reporting routines from 2022 onwards, with quarterly reporting to the Board of Directors and executive management team.</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>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.</p>		
<p>6.1 Progress on Implementing the Principles for Responsible Banking</p> <p>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).</p> <p>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.</p> <p>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.</p>	<p>In these first 18 months since SNN signed up to UNEP FI, the priority has been to raise the awareness of climate issues throughout the organization and our community. We have also worked on establishing tools that make it possible to include sustainability and climate risk in our processes and dialogue with customers.</p> <p>In the coming year, SNN will work on</p>	

	<p>becoming an even more climate conscious bank and is planning for a more comprehensive report on PRB's six principles from 2022 onwards.</p>	
<p>Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Progress on Implementing the Principles for Responsible Banking</p>		

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”.