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Principles for
Responsible Banking

Reporting and Self-Assessment Template

Principles for Responsible Banking



Reviewed version (V2) from September 2022



Reporting and Self-Assessment Template

The following template sets out the reporting and self-assessment requirements for Signatories of the Principles for Responsible Banking (PRB). Your bank discloses which actions it has undertaken to implement the PRB by self-assessing its progress on each of the 6 Principles. This template is therefore structured in accordance with the 6 Principles that signatories have committed to.

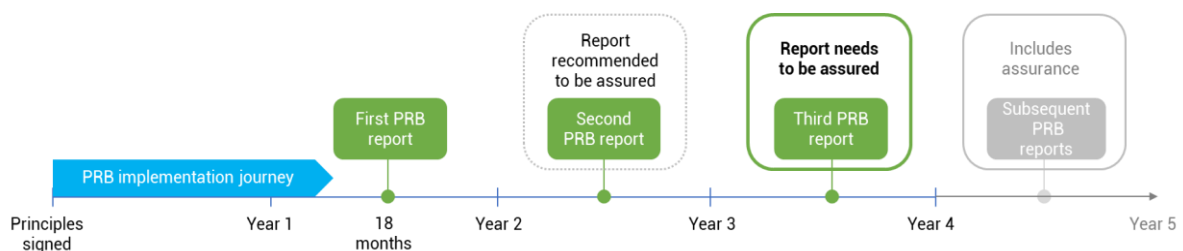
Three [Key Steps](#) are critical to showing that your bank is fulfilling its commitments as a signatory of the PRB, i.e. Impact Analysis, Target Setting & Implementation and Assured Reporting/Accountability. The sections in the Reporting and Self-Assessment Template that relate to the 3 Key Steps also require a self-assessment summary to demonstrate the extent to which the bank has fulfilled the respective requirements of the Key Steps.

Accommodating different starting points

Your bank has an initial four-year period from signing to implement the 6 Principles including to bring its reporting fully in line with the requirements. Your bank may not be able to provide all information required in this template in the first report. You should build on your implementation progress annually. Feedback, support, capacity building, training and peer learning are available to all signatory banks to help them progress with both implementation and reporting.

Timeline for reporting and assurance

Signatory banks need to report on their implementation of the Principles on an annual basis. The first PRB report has to be published within 18 months of signing the Principles, to give the bank some flexibility to align the PRB reporting with its reporting cycle. Publishing the first PRB report at any point earlier than 18 months after signing the Principles is therefore an option. After the first PRB reporting has been published, subsequent reports have to be published annually thereafter, i.e. within 12 months at the latest after the prior report¹.



Assurance

The last report within the initial 4 year implementation period (and subsequent reports thereafter) needs to be assured, which means that at least the third PRB report needs to be assured. Banks are encouraged to put the assurance process in place well before that and have earlier PRB reports already assured.

¹ Early reporting is permitted, although sufficient time to show progress from one year to the other should be taken into account.

All items that relate to the three [Key Steps](#) (highlighted in yellow) require limited assurance by year four of signing the PRB, undertaken by an independent third party with relevant expertise in the field. These are:

- 2.1 Impact Analysis
- 2.2 Target Setting
- 2.3 Target Implementation and Monitoring
- 5.1 Governance Structure for Implementation of the Principles

An assurer provides limited assurance of your self-assessment in these listed areas. 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. Assurance requirements are described in more detail in the [Guidance for Assurance providers: Providing limited assurance for reporting](#).

Purpose of the template

The purpose of this template is to assist signatories in disclosing their progress on implementing the PRB. The disclosed information is used by the UNEP FI Secretariat as the basis for the individual review of each bank's progress, as well as for reporting the collective progress made by the PRB Signatory Group. To measure collective progress in a consistent manner, some standardized questions to be completed by the banks are integrated into the template. The open questions give banks the flexibility to disclose the progress they make, considering the diverse business models and various contextual differences in which banks operate.

How to use this template

This template gives banks the chance to provide summaries of the annual progress made in implementing each Principle. It is designed for your bank to provide references/links to where in your existing reporting/public domains (websites) the required information can be found to support your answers. The aim is to keep any additional reporting burden to a minimum while ensuring transparency and accountability as set out in Principle 6. When referring to other documents, please specify the pages where the exact information appears.

The Reporting and Self-Assessment Template shall not be amended structurally and content-wise. The content and text of the template can be applied to corporate layout and designed accordingly, without omitting parts of the texts. The Reporting and Self-Assessment Template can be integrated into your bank's reports (annual report, sustainability report or relevant reporting formats) or can be published as a stand-alone document. It needs to be publicly available and will be listed on the UNEP FI Signatories page.

The reporting needs to be published in English. Information that is referenced to within the Reporting and Self-Assessment Template should also be available in English. Where that is not possible, it is recommended to include the summary of relevant information as text in the Template, so that all necessary information can be taken into account when the UNEP FI Secretariat reviews the bank's performance.

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.

Landkreditt is both a financial group and a cooperative owned by Norwegian farmers. The purpose of the group is to enhance the financial well-being of both its owners and customers, by offering good financial products.

The bank serves customers throughout Norway across two business areas, with the loan volume evenly distributed 50/50 between the Corporate Market (CM) and Retail Market (RM). At Landkreditt, the Corporate Market is primarily focused on supporting the agricultural sector.

Landkreditt Bank is an online bank without a branch structure, but has six district offices to serve agricultural customers and real estate brokers near the main agriculture districts in Norway.

Links and references

<https://www.landkredittbank.no/om-oss/>

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: ICAAP
- Any applicable regulatory reporting requirements on social risk assessments, e.g. on modern slavery - please specify which ones: Transparency Act
- None of the above

Sustainability is one of six strategic focus areas in Landkreditt and is an important factor in all significant decisions in the Group. Our ambition is to contribute to sustainable Norwegian agriculture through our products, services and knowledge. Landkreditt contributes to the transition to a low-emission society, among other things by helping Norwegian farmers to produce more food with lower emissions. In this way, we also contribute to the agriculture business achieving the climate goals in the Climate agreement it has entered into with the government. At the same time we contribute to Norwegian resources being used as part of the global food production.

Landkreditt's sustainability strategy is based on a double materiality analysis for the Group and supports the UN Sustainable Development Goals (SDGs): 8, 11, 13 and 17.

Our work within sustainability refers, among other things, to

- The Roadmap for green competitiveness in the financial sector, developed by Finance Norway
- The Norwegian Guide against Greenwashing (Grønnvaskingsplakaten) Task Force on Climate related Financial Disclosure (TCFD)
- In addition to reporting on principles for sustainable banking (UNEP FI), the Landkreditt Group also reports on principles for sustainable investments (UN PRI).

Landkreditt plans to report on CSRD for the entire Group for the business year 2025.

Links and references

https://www.landkredittbank.no/globalassets/documents/lkb/omoss/investorinformasjon/rapporter/2023-aarsrapport/2023_landkreditt-arsrapport-konsern-sa.pdf

<https://www.finansnorge.no/siteassets/dokumenter/veikart-og-strategier/finance-norways-roadmap-for-green-competitiveness-in-the-norwegian-financial-sector.pdf>

<https://www.gronnvasking.no/en>

[https://www.unpri.org/Corporate-sustainability-reporting-European-Commission\(europa.eu\)](https://www.unpri.org/Corporate-sustainability-reporting-European-Commission(europa.eu))

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 regularly² and fulfil the following requirements/elements (a-d)³:

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.

Landkreditt Bank has conducted an impact assessment using the tool provided by UNEP FI. Our core business focuses on financing both agricultural food production and private residences. Both segments are included in the impact assessment. The bank has also carried out a double materiality analysis that reinforces the findings of the impact assessment.

<https://www.landkreditbank.no/om-oss/samfunnsansvar/fns-prinsipper-for-baerekraftig-bankdrift/>

Landkreditt operates solely in Norway.

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 & industries⁴ 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.

Landkreditt has considered the composition of its portfolio in the analysis. The lending portfolio is approximately evenly distributed, with around 50% allocated to the Corporate Market (CM) and 50% to the Retail Market (RM).

Within the Corporate Market, a significant portion of the portfolio is banking services for the agricultural sector, reflecting the bank's strategic focus on supporting this industry. Landkreditt operates throughout Norway.

Links and references

² 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.

³ Further guidance can be found in the [Interactive Guidance on impact analysis and target setting](#).

⁴ 'Key sectors' relative to different impact areas, i.e. those sectors whose positive and negative impacts are particularly strong, are particularly relevant here.

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?⁵ Please describe how these have been considered, including what stakeholders you have engaged to help inform this element of the impact analysis.

This step aims to put your bank's portfolio impacts into the context of society's needs.

The most important emissions in Norway, based on data from the Climate Foundation from 2018 and the Norwegian Environment Agency 2023, are as follows:

- 31% transportation
- 27% oil and gas
- 23% industry
- 9 % agriculture
- 10% other sectors, of which 1.2% of emissions are related to home heating.

Landkreditt primarily finances food production and housing. 50% of our customer portfolio consists of agricultural customers. 50% of the customer portfolio consists of clients with mortgages. By customer portfolio we mean lending volume.

For private homes in the energy consumption is the largest source of emissions. In Norway, almost 100% of the electricity consumption of private homes is based on renewable energy, mainly hydropower.

As a significant proportion of our lending portfolio consists of agriculture, and we have a market-leading position in that segment, we have chosen to prioritize this area.

The agriculture industry, which is part of our stakeholder group, accounts for a significant proportion of Norway's emissions. Every fifth farmer in Norway is a Landkreditt customer, but emissions vary depending on the type of production and the sustainability measures implemented on the farm.

As referenced in section 2.2a, many measures have been implemented to reduce biological and fossil climate emissions associated with food production.

Based on our analysis, Landkreditt has the opportunity to influence sustainable development in Norway through the agricultural sector.

Links and references

<https://klimastiftelsen.no/to-grader/klimalosninger/>

<https://miljostatus.miljo-direktoratet.no/tema/klima/norske-utslipp-av-klimagasser/klimagass-utslipp-fra-oppvarming-av-bygg/>

https://ec.europa.eu/commission/presscorner/detail/en/IP_23_6423

https://www.landkredittbank.no/globalassets/dokumenter/lkb/omoss/investorinformasjon/rappporter/2023-aarsrapport/2023_landkreditt-arsrapport-konsern-sa.pdf

⁵ Global priorities might alternatively be considered for banks with highly diversified and international portfolios.

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)6? Please disclose.

Landkreditt Bank has assessed the 22 impact areas using institutional and consumer banking approaches. The analytical tool generated an overview of potential positive and negative effects on society based on the bank's portfolio, highlighting relevant areas in Norway.

The following key sustainability areas for RM:

- Availability, accessibility, affordability, quality
- Circularity
- Climate stability

By analyzing the SDGs in each sector in the context of our portfolio, we have identified the following insights:

The positive impact related to the retail portfolio refers to Landkreditt Bank's general role in creating liquidity and offering mortgages.

The negative impact shown by the analysis tool relates to the high house prices in Norway, which in turn leads to a high loan-to-value ratio generally among the population. This can lead to the exclusion of certain groups in society from the housing market and increased differences over time. Landkreditt Bank is an active challenger in the industry, contributing to a diversity of banks and effective competition in the banking market.

Circularity and climate stability are largely about climate emissions related to energy for construction and heating. Landkreditt has little or no lending related to the construction of new homes.

In Norway, almost 100% of electricity consumption for private homes is covered by renewable energy, mainly hydropower. As the energy source is renewable, Landkredit's opportunities to influence emissions in this segment will therefore be limited.

Links and references

<https://www.landkredittbank.no/om-oss/samfunnsansvar/fns-prinsipper-for-baerekraftig-bankdrift/>

⁶ 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.

The following sustainability areas have been highlighted as having the greatest positive and negative impact for Landkreditt Bank in Norway:

Key sustainability areas for CM:

- Climate
- Habitat
- Resource intensity
- Food

By analyzing the SDGs in each sector in the context of our portfolio, we have identified the following insights:

Climate, resource intensity and habitat are linked to factors such as greenhouse gas emissions, pesticide use, fertilizers and water runoff in food production. Landkreditt Bank's positive impact in this area is linked to financing food production, forestry and the provision of green agricultural loans and supporting an agricultural industry that has an active relationship with meeting sustainability challenges.

Based on this, we concluded that the two most significant areas of impact for Landkreditt are:

1. Greenhouse gas emissions in the agricultural portfolio related to food production
2. Incentives in agriculture to promote biodiversity & healthy ecosystems

d) For these (min. two prioritized impact areas): **Performance measurement**. 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.

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](#).

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.

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.

The bank has identified the agricultural sector as one of the most influential sectors in the portfolio, both positively and negatively, in terms of environmental impact, particularly in biodiversity and climate. This sector is a significant part of our portfolio, and we recognize the central role of agriculture in preserving ecosystems, soil health and biodiversity, as well as in efforts to reduce greenhouse gas emissions, as the industry globally still need to feed the world population.

In the agricultural sector, the bank finances all Norwegian farmers, including: dairy farming, meat production, forestry, grain and grass.

Negative impacts in agriculture are related to climate emissions. The following emissions were registered for 2023:

	Million tons tCO ₂ e
methane	2,56
Nitrous oxide	1,47
Fertilizer storage	0,55
Fuel	0,31
Fossil heating	0,08
Other emissions	0,13
In total	5,1

We want to use tCO₂e as an indicator for agricultural emissions within the bank's scope 3.

In Norway, the biggest negative impact of agriculture is on biodiversity:

1. Habitat destruction and fragmentation: New cultivation, drainage of wetlands and overgrowth of cultural landscapes reduce habitats for many species.
2. Use of chemicals: Pesticides and herbicides reduce insect populations, including important pollinators, while over-fertilization causes pollution in water systems.
3. Deterioration of soil health: One-sided cultivation and heavy machinery use can lead to soil compaction and

Links and references

<https://www.smabrukarlaget.no/media/3igfhhae/marsnotat-klimaavtalens-regnskap-for-utslipp-og-opptak-2023.pdf>

<http://hdl.handle.net/11250/2422541>

reduced soil quality, affecting microorganisms and other soil-dwelling species.

The positive impacts of agriculture on biodiversity:

1. Genetic Diversity: Variation in genetic resources in crops and livestock is essential to ensure resilience to diseases, pests and climate change. Preserving old plant varieties and livestock breeds contributes to genetic diversity.
2. Species diversity: A rich variety of different plant and animal species in and around agricultural areas supports ecosystem services such as pollination, natural pest control and soil improvement.
3. Grazing: Livestock grazing helps to maintain species-rich meadows, spread seeds and create varied vegetation. Grazing also prevents overgrowth, preserves open cultural landscapes and maintains the cultural-historical value of the landscape.
4. Ecosystem diversity: Variation in different habitats, such as woodlands, meadows, wetlands and field margins, in the agricultural landscape helps to support diverse animal and plant life.
5. Soil health: Diverse microorganisms and small animals in the soil (such as earthworms and nematodes) play a key role in organic matter decomposition and nutrient cycling, which in turn affects plant health and crop yields.
6. Agroforestry and polyculture: Integrating trees, shrubs and multiple crops into agricultural systems can increase biodiversity and improve soil structure, reduce erosion and contribute to carbon sequestration.
7. Conservation areas and small-scale nature: Conservation of natural landscape features such as hedgerows, ponds, streams and small forests in and around farmland is important to provide habitats for wild animals and plants.

These elements strengthen a robust and resilient agricultural system that is better prepared for climate change and external challenges.

Norwegian agriculture differs from international practices since family farming plays a central role and the sector remains less industrialized. The resource base is developed with a long-term, sustainable focus. A guiding principle for many Norwegian farmers is the belief in "leaving the farm in a better condition for the next generation than when it was when inherited." Biodiversity plays a significant role in the farm's resource base, and at Landkreditt, we observe that this is an area many Norwegian farmers are actively addressing. However, there is a lack of data and experience in general to perform calculations using the PBAF (Partnership for Biodiversity Accounting Financials) framework. Moreover, limited government regulations in this field restrict Landkreditt's ability to assess the impact of our lending portfolio and influence customers through setting requirements or providing incentives.

As a result, we aim to utilize the RMP (*Regional Environmental Program*) as an indicator for initiatives that enhance biodiversity in agriculture. This approach will help us quantify positive contributions to biodiversity, such as improvements in soil health, natural resource management, and other relevant areas.

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?⁷

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?

Climate change mitigation, climate change adaptation, resource efficiency & circular economy, biodiversity, financial health & inclusion, human rights, gender equality, decent employment, water, pollution, other: please specify

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)

⁷ 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 targets⁸ 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 with⁹ 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.

We have identified are the Paris Agreement and the Climate Agreement for Agriculture between the agricultural industry and the government as the relevant policy framework to align the bank's portfolio. Under the Paris Agreement, Norway has committed to reducing national emissions by 55% compared with 1990 levels. In 2019, the agricultural organizations (Norges Bondelag and Norges bonde- og småbrukarlag) entered into a separate climate agreement with the government to reduce greenhouse gas emissions by 11% in the period 2021-2030. The aim is to achieve this without reducing food production, which is crucial for ensuring food security and national preparedness. The need for a reliable food supply has become increasingly acute in recent years due to population growth, climate change, pressure on natural resources and rising commodity prices. The world is facing a troubled time characterized by climate disasters and war, which will increase the number of refugees and climate refugees. It is therefore crucial that each country maximizes its food production based on its own resources and maintains a high level of self-sufficiency. In this context, Norway, with a current self-sufficiency rate of approximately 42%, has set a goal to increase this to 50%, to ensure better national food security and preparedness in the face of future challenges.

Food production can never reach zero emissions if biological emissions are included in the measurement, since some agricultural emissions come from natural organic processes. However, the agricultural sector is actively working to minimize biological emissions and reduce fossil fuel-related emissions. In response, the Norwegian agricultural sector and the government have entered into a climate agreement aimed at reducing 5 million tons of CO₂ equivalents. The targets for the measures are set out in the agricultural climate plan:

1. Implement the climate calculator and increased focus on climate advice

<https://fn.no/avtaler/miljoe-og-klima/parisavtalen>

<https://www.regjeringen.no/no/dokumentarkiv/regjeringen-solberg/aktuelt-regjeringen-solberg/lmd/nyheter/2019/juni-19/enighet-om-klimaavtale-mellom-regjeringen-og-jordbruket/id2661309/>

<https://www.statsforvalteren.no/contentassets/c55716dd4c014eb0b02be1076ad18a70/landbrukets-klimaplan-2021-2030-1.pdf>

[Food safety - regjeringen.no](https://www.regjeringen.no)

<https://www.regjeringen.no/no/aktuelt/jordbruksoppgjoret-2024/id3039823/>

<https://www.landbruksdirektoratet.no/nb/jordbruk/ordninger-for->

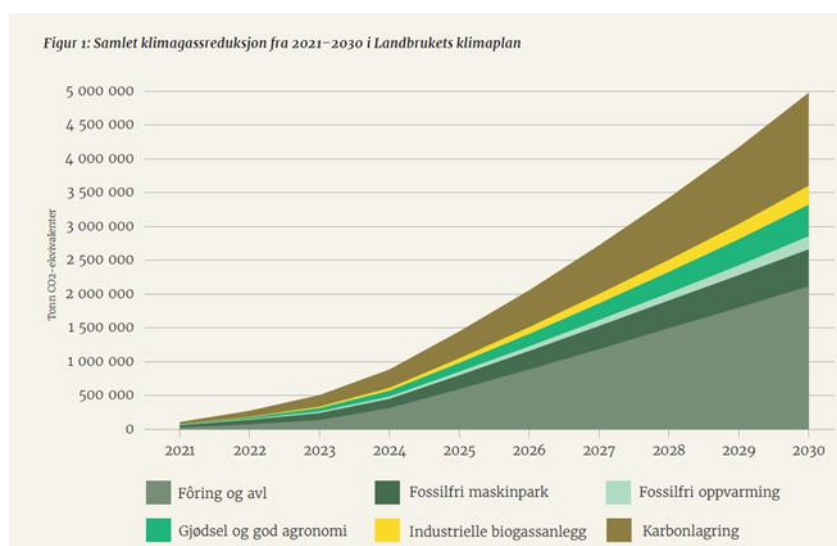
2. More climate-friendly and sustainable feeding, breeding and healthier livestock
3. Fossil-free machinery
4. Fossil-free heating
5. Better use of fertilizer and good agronomy
6. Soil as a carbon store
7. New climate technology revolutionizes agriculture

[jordbruk/regionalt-miljotilskudd-rmb](#)

[The UN's nature agreement](#)

[Biodiversity and ecosystems | Department of Economic and Social Affairs \(un.org\)](#)

The agricultural sector is conducting extensive research to achieve the goals of the climate agreement and is continuously testing new measures. Due to the need for research, implementation and investment, the main reduction in emissions is expected to occur towards the end of the period. See model:



The goal of reducing emissions in the agricultural portfolio by 11% will help the industry reach the targets in the climate agreement they have with the government.

The RMP (Regional Environmental Programs) in agriculture is a policy framework designed to promote the sustainable management of natural resources. Its goal is to balance agricultural production with environmental concerns, ensuring the preservation of biodiversity, soil health, and water quality. At Landkreditt, we intend to use the proportion

⁸ 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.

⁹ 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 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.

of implemented RMP measures as an indicator of our efforts in supporting biodiversity. In Norway, various political and legal instruments reinforce this framework, further supporting sustainable agricultural practices, such as:

1. The Land Act and the Concession Act:

These laws regulate the use and ownership of agricultural land to ensure that resources are managed in a sustainable manner and to prevent arable land from going out of production. They also set the framework for how agricultural properties can be transferred.

2. The Nature Diversity Act:

The Nature Diversity Act lays down principles for the sustainable use of natural resources and considers the conservation of species and habitats. It requires the management of nature to be based on the best available knowledge and the precautionary principle.

3. The agricultural agreement:

The agricultural agreement is an annual agreement between the state and farmers' unions that includes financial support schemes for environmental and climate measures. It helps to promote environmentally friendly operations and the preservation of cultural landscapes through subsidy schemes.

4. Environmental grants and Regional Environmental Program (RMP):

The Regional Environmental Program (RMP) is a measure under the Agricultural Agreement that provides grants for environmental measures in agriculture. The program is adapted to regional needs and priorities, and can include measures for the conservation of biodiversity, reduced pollution, as well as the protection of cultural landscapes and water quality.

5. Action plans and strategies:

Several national action plans, such as the "Action Plan for Soil Protection" and the "Action Plan for Organic Farming", support sustainable management and provide a framework for integrating resource management into agricultural policy.

6. International Obligations:

Norway is committed to several international agreements that affect agricultural policy, such as the UN Convention on Biological Diversity (CBD) and the Paris Agreement. These agreements require Norway to consider sustainability and biodiversity in its agricultural practices.

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:

<i>Impact area</i>	<i>Indicator code</i>	<i>Response</i>
<i>Climate change mitigation</i>	<i>tCO2e</i>	<p><i>Reduce tCO2e in the agricultural portfolio in the period 2021 to 2030.</i></p> <p><i>The baseline for the bank`s emission is set to 2021 based on emission figures from Platon, which represent national average values from 2028, and the choice of year is based on Agriculture`s climate plan, which applies from 2021 to 2030</i></p> <p><i>Baseline results for 2021:</i> <i>Emissions in Landkredit's agricultural portfolio for 2021 were 526,507 tCO2e.</i></p>
...	...	
...	...	

<i>Impact area</i>	<i>Indicator code</i>	<i>Response</i>
<i>Biodiversity</i>	<i>Environmental measures implemented for biodiversity in accordance with RMP (regional environmental programs)</i>	<p><i>Average number of environmental measures among our customers, compared to the average in the rest of the market.</i></p> <p><i>The baseline is based on the RMP's report for paid subsidies for completed measures in 2023.</i></p> <p><i>Baseline results for 2023:</i> <i>For 2023, it was reported that the average number of measures for Landkredit's customers was 1.74, compared to 1.07 for the rest of the market. Thus, Landkredit's customers are leading in RMP initiatives that promote biodiversity in agriculture.</i></p>
...	...	
...	...	

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

Links and references

c) SMART targets (incl. key performance indicators (KPIs)¹⁰): 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.

Landkreditt Bank has defined two primary objectives concerning climate initiatives:

1. Reduce emissions in the agricultural portfolio by 11% in the period 2021-2030, in line with the Agricultural Climate Plan.

KPI: Landkreditt will measure emissions annually to follow up on the reduction in tCO₂e, based on data from Platon.

Increased customer volume can lead to an absolute increase in our customers' greenhouse gas emissions, which can be reflected negatively in our measurements. However, this does not necessarily represent an increase in total emissions for Norwegian agriculture.

2. Landkreditt's agricultural portfolio will lead the market by implementing more biodiversity initiatives than the industry average.

The KPIs are derived from the annual proportion of RMP subsidies reported in the RMP's annual report on disbursed subsidies. This report is published each year in March by the Directorate of Agriculture.

The RMP (Regional Environmental Program) may vary depending on the governing administration, which in turn affects the number of initiatives that receive support. To facilitate a more stable comparison, we have opted to assess the differences between Landkreditt's customers and the broader Norwegian market.

Links and references

<https://www.statsforvaltaren.no/contentassets/c55716dd4c014eb0b02be1076ad18a70/landbrukets-klimaplan-2021-2030-1.pdf>

<https://www.platonklima.no/wp-content/uploads/2022/02/Rapport-analyse-5-2022-Klimaqaassutslipp-fra-jordbruk-1.pdf>

<https://www.landbruksdirektoratet.no/nb/jordbruk/ordninger-for-jordbruk/regionalt-miljotilskudd-rmb>

¹⁰ Key Performance Indicators are chosen indicators by the bank for the purpose of monitoring progress towards targets.

<p>d) <u>Action plan:</u> which actions including milestones have you defined to meet the set targets? Please describe.</p> <p>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.</p>	
<p>To achieve the goals of reducing emissions in the agricultural portfolio and promoting biodiversity, the bank has defined the following actions and milestones:</p> <p>Reduction of emissions in the agricultural portfolio:</p> <ol style="list-style-type: none"> 1. Marketing communication and information: <ul style="list-style-type: none"> o Information and customer dialog on climate measures adapted to the various productions. o Targeted communication and personal dialog. o Make customers aware of favorable interest terms for green agricultural loans, which enables funding for investments in sustainable actions. 2. Agriculture's Sustainability Award: <ul style="list-style-type: none"> o Arrange the Agricultural Sustainability Award in the fall of 2024 to inspire increased investment in sustainable measures. o Highlight financially profitable sustainability initiatives from nominees to motivate customers and other farmers to invest in sustainable initiatives. o Strengthen the bank's sustainability advice through the examples of the nominees. 3. Agriculture's Sustainability Seminar: <ul style="list-style-type: none"> o Organize seminars to present and discuss the latest research projects in sustainable agriculture. o The aim is to shed light on future production methods and inspire the development of sustainable solutions. 4. Inspiration and knowledge-sharing through social media: <ul style="list-style-type: none"> o Produce inspiring videos to promote climate action through various social media. <p>Promotion of biodiversity:</p> <ol style="list-style-type: none"> 1. Customer Communication: <ul style="list-style-type: none"> o Include information and advice on relevant measures to improve biodiversity. o Customized communication to different production types. o Inform about possibility for financing of projects which enhance biodiversity through green agricultural loans. 2. Social Media Campaigns: 	<p><i>Links and references</i></p> <p>https://www.ksl.no/hva-er-ksl/hva-er-gyldig-ksl/</p> <p>https://www.landkredittbank.no/lan/privat/gront-boliglan/</p> <p>https://jcp.vev.site/landbrukets-baerekraftspris-2024</p> <p>https://cms.animalia.no/landbrukets-b%C3%A6rekraftskonferanse-2024</p>

<ul style="list-style-type: none"> o Produce and distribute inspirational videos to promote biodiversity initiatives. <p>3. Information about Grant schemes:</p> <ul style="list-style-type: none"> o Inform customers about deadlines for applying for RMP (regional environmental program) grants to ensure that more people take advantage of available support schemes. <p>Analyzing and recognizing indirect impacts: The bank has analyzed the potential indirect impacts of the set targets. For example:</p> <ul style="list-style-type: none"> • Positive impact: Increased advice on climate action can result in reduced greenhouse gas emissions and sustainable agricultural practices. • Negative impact: Changes in farming practices can have financial consequences for farmers, which can be mitigated through favorable interest rate terms and subsidy schemes. • Initiatives to avoid, mitigate or compensate potential negative impacts: <ul style="list-style-type: none"> o Financial initiatives through green agricultural loans. o Guidance on available support schemes such as RMP grants. o Inspiration and knowledge sharing through awards and seminars to increase understanding and motivation to implement sustainable initiatives. 	
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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 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 type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No
Baseline	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress	<input type="checkbox"/> Yes <input type="checkbox"/> In progress

	<input type="checkbox"/> No	<input type="checkbox"/> No	<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 type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No
Action plan	<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 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.

In process	<i>Links and references</i>
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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 customers¹¹ 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 activities¹²). 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).

Landkreditt Group prioritizes the business areas and topics identified through our double materiality and impact assessment. We have implemented several initiatives to engage with customers and promote sustainable practices, with a strong emphasis on supporting the transition to sustainable economic activities. This encompasses not only financial incentives but also consulting and informational efforts. Below is a summary of how the bank actively works with these objectives:

Policies and actions to support customers' transition to sustainability

1. Green agricultural loans:
 - o Offers green agricultural loans with favorable financing terms to incentives investments in line with the Agriculture industry's Climate Agreement with the Norwegian government.
 - o To be granted these loans, the bank requires customers to use a climate calculator and/or consult a climate advisor, as well as meet ESG requirements.
2. Commercial posts and press releases:
 - o The bank publishes commercial posts, and press releases that focus on the profitability of

<https://www.landkredittbank.no/lan/landbruk/gront-landbrukslan-pluss/>

<https://www.landkredittbank.no/lan/landbruk/gront-landbrukslan/>

<https://www.landkredittbank.no/blogg/?category=4>

<p>sustainable investments in agriculture. The purpose of this is to raise awareness among customers that sustainable measures are not only a responsibility but can also be financially beneficial.</p> <ul style="list-style-type: none"> o Emphasis is also placed on providing information on loss prevention, including those caused by climate change, helping customers to adapt and reduce risk. <p>3. Implementation of advisory procedures:</p> <ul style="list-style-type: none"> o To better inform customers about investments in sustainable activities, the bank is working to implement specific procedures for advisors. This includes training in ESG requirements and climate investments, so that advisors can provide more relevant advice to customers. <p>4. Direct communication about investments:</p> <ul style="list-style-type: none"> o The bank is looking at ways to communicate directly with customers about relevant investment advice related to the individual customer's production. This may include personalized advice and digital communication tools to adapt the investment advice to the customer's specific needs. <p>5. Collaboration with industry players:</p> <ul style="list-style-type: none"> o The bank collaborates with key players such as the Norwegian Farmers' Union, Norsk Landbruksrådgiving, Felleskjøpet and Animalia to achieve the goals of the agricultural climate agreement. <p>Current customer engagement indicators:</p> <p>1. Use of green agricultural loans:</p> <ul style="list-style-type: none"> o The number and volume of green agricultural loans granted is an indicator of how many customers are actively investing in sustainable solutions. The bank can monitor the increase in loans with green conditions and compare this with previous years. <p>2. Compliance with ESG requirements:</p> <ul style="list-style-type: none"> o The percentage of customers who meet ESG requirements and use a climate calculator or climate advisor is an important indicator of commitment to sustainability. As many as 98% of Norwegian farmers meet the ESG requirements. We strive to be supportive of all our customers. If a customer has challenges in meeting ESG requirements, we go to great lengths to support them financially to achieve this. This work encompasses our entire agricultural portfolio. 	
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¹¹ 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.

¹² Sustainable economic activities promote the transition to a low-carbon, more resource-efficient and sustainable economy.

By combining financial incentives, clear guidelines, advice and industry collaboration, Landkreditt aims to create a holistic approach to support customers in the transition to more sustainable practices.

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.).

During the reporting period, the bank has identified and worked on several strategic business opportunities to increase the positive and reduce the negative effects related to sustainability. This has been done through the development and promotion of specific products and services, and by focusing on attracting new customers and retaining existing. Below is a description of such opportunities:

<https://www.landkredittbank.no/lan/landbruks/gront-landbrukslan/>

<https://www.landkredittbank.no/lan/landbruks/gront-landbrukslan-pluss/>

Strategic business opportunities:


- Increased loan volume through green agricultural loans:
 - The bank has developed green agricultural loans to incentives sustainable investments in the agriculture industry. These loans have favorable interest terms and require customers to use a climate calculator or climate advice. This provides both positive effects for the customer, as well as a business opportunity for Landkreditt Bank.
- Attract new customers and retain existing customers:
 - By offering favorable green loans, the bank has positioned itself as an attractive player for both new and existing customers who want to invest in sustainable solutions.

Focus on the Sustainable Development Goals (SDGs):

- The bank has chosen to work towards the following UN Sustainable Development Goals (SDGs):
 - SDG 8 (Decent work and economic growth): By offering green loans which promote sustainable investments in agriculture, the bank supports economic growth.
 - SDG 11 (Sustainable Cities and Communities): Landkreditt wants to support increased food production and strengthen local communities by recruiting future farmers and financing agriculture throughout Norway.

<ul style="list-style-type: none"> ○ SDG 13 (Stop climate change): Green agricultural lending contributes directly to reduced greenhouse gas emissions and better climate adaptation in agriculture, while maintaining and further developing Norwegian food production. ○ SDG 15 (Life on land): Safeguard biodiversity and healthy ecosystems in agriculture through a focus on RMP measures and green agricultural loans that finance the measures with favorable interest rates. ○ SDG 17 (Working together to achieve the goals): The bank collaborates with key players in the agricultural sector, such as the Norwegian Farmers' Union, Norsk Landbruksrådgiving, Klimaselskapet, NMBU, NIBIO, Felleskjøpet, Animalia to achieve common goals on sustainable development and the Agricultural Climate Agreement. <p>Through these strategic initiatives, the bank has created business opportunities that contribute to growth and increased competitiveness, support more sustainable development in agriculture and lower risk in the bank's lending portfolio.</p>	
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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 groups¹³) 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

¹³ Such as regulators, investors, governments, suppliers, customers and clients, academia, civil society institutions, communities, representatives of indigenous population and non-profit organizations

how your bank has identified relevant stakeholders, what issues were addressed/results achieved and how they fed into the action planning process.

The bank collaborates with several key stakeholders in the agricultural sector to develop and implement measures that reduce emissions and strengthen sustainable food production.

In collaboration with Norsk Landbruksrådgiving and Klimaselskapet, the bank has promoted the use of climate calculators and climate guidance among farmers to reduce their carbon footprint.

The collaboration with the Norwegian Farmers' Union has focused on reducing climate emissions, as well as strengthening health, safety and the environment in agriculture.

Through partnerships with Felleskjøpet, Norsk Landbruksrådgiving, Animalia, and research institutions such as NMBU and NIBIO, Landkreditt will organize the Agricultural Sustainability Award and sustainability seminars to share knowledge about green initiatives and new research.

Internally, the boards of Landkreditt have focused on sustainable finance and prepared the bank for future reporting requirements.

The bank also communicates actively through the media to raise awareness of sustainable initiatives and the benefits of choosing Norwegian-produced food.

Overall, these collaborations and initiatives have led to increased customer awareness, more investments in sustainability initiatives from our customers, and a positive impact on the bank's portfolio

Links and references

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.

The committee responsible for the sustainability strategy and the implementation of the PRB consists of the Sustainability Reporting Officer, the Chief Sustainability Officer (CSO), the Chief Financial Officer (CFO) and the Managing Director of Asset Management. The committee engages both the group management and the board of directors for status updates and key decisions.

https://www.landkreditbank.no/globalassets/documents/lkb/omoss/investorinformasjon/rapporter/2023-aarsrapport/2023_landkreditt-arsrapport-konsern-sa.pdf

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).

Landkreditt offers mandatory courses, voluntary courses and other sustainability training through e-learning, seminars and oth education for its employees. Employees are involved in the development and fulfilment of Landkreditt's sustainability strategy.

Links and references
https://www.landkreditbank.no/globalassets/documents/lkb/omoss/investorinformasjon/rapporter/2023-aarsrapport/2023_landkreditt-arsrapport-konsern-sa.pdf

5.3 Policies and due diligence processes

Does your bank have policies in place that address environmental and social risks within your portfolio?¹⁴ 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.

- Landkreditt has its own sustainability and corporate social responsibility guidelines available on our website.
- The company reports in accordance with the Transparency Act (a human rights law for businesses).
- Anti-money laundering policy.
- Sustainability assessment of new customers and customers with new loans.
- Sustainability reporting.
- Industry report for agriculture
- Internal process for assessing internal capital adequacy (ICAAP)

<https://www.landkreditbank.no/om-oss/samfunnsansvar/et-helhetlig-ansvar/>

<https://www.landkreditbank.no/om-oss/samfunnsansvar/apenhetsloven/>

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

¹⁴ 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.

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.

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:

*UN PRI
The Transparency Act.
Guide Against Greenwashing*

<https://www.landkredittbank.no/contentassets/1721996701274935acfe18f360e526ee/public-full-transparency-report---landkreditt-forvaltning-as.pdf>

<https://www.landkredittbank.no/om-oss/samfunnsansvar/apenhetsloven/>

<https://gronnvasking.no/en/home/>

6.3 Outlook

What are the next steps your bank will undertake in next 12 month-reporting period (particularly on impact analysis¹⁵, target setting¹⁶ and governance structure for implementing the PRB)? Please describe briefly.

¹⁵ 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

¹⁶ For example outlining plans for baseline measurement, developing targets for (more) impact areas, setting interim targets, developing action plans etc.

<p>Increased focus on engaging our customers on biodiversity issues and climate action. Data collection and portfolio analysis will become increasingly important.</p> <p>As part of our double materiality analysis and impact assessment, we will continue to work on achieving our prioritized goals for the portfolio.</p> <p>We will strive to develop new products and solutions that are in line with the EU taxonomy and national legislation.</p> <p>We plan to report according to CSRD for 2025. We will then calculate the emissions in the bank's portfolio, including the agricultural portfolio.</p>	<p><i>Links and references</i></p>
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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 checked="" 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:

Annex

A set of indicators has been produced for the impact areas of climate mitigation and financial health & inclusion. These indicators will support you in your reporting and in showing progress against PRB implementation. Banks are expected to set targets that address minimum two areas of most significant impact within the first four years after signing the PRB. That means that Banks should ultimately set targets using impact indicators. Acknowledging the fact that banks are in different stages of implementation and on different levels of maturity and therefore might not be able to report on impact from the beginning, a Theory of Change approach has been used to develop the set of indicators below.¹⁷ The Theory of Change shows the **pathway to impact** and considers the relationship between inputs, actions, outputs, and outcomes in order to achieve impact. The Theory of Change for climate mitigation can be found [here](#), the Theory of Change for financial health & inclusion can be found [here](#).

How to use: Both practice (action, outcome and output) and impact performance need to be understood because practice is the conduit for achieving desired impacts (including targets). The Theory of Change allows to identify metrics and set targets which align with a bank's maturity. The indicators below are all connected to a bank's impact and can be considered as steps towards measuring impact. Some of the practice indicators (on the action, output, and outcome levels respectively) are connected to portfolio composition and financial targets¹⁸ (highlighted in **green**) or to client engagement¹⁹ targets (highlighted in **blue**), which enable your overall target. 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 to measure your performance and baseline.²⁰ Once you have set the target, you can use the indicators as guidance for your action plan as well as defining Key Performance Indicators (KPIs) which you can then use to measure progress against the set targets.

¹⁷ It is not required from banks to work with the Theory of Change concept internally. In fact, the Theory of Change has been used to structure the requirements of setting SMART targets using relevant indicators.

¹⁸ Financial targets also aim for real economy outcomes but are not directly expressed as such. Instead, they are expressed with financial indicators and metrics, e.g., to redirect flows of lending and investments to sectors, activities or projects aligned with SDGs and/or related to the selected impact area. Banks can also set financial targets related to specific types of customers e.g., low-income customers or female entrepreneurs.

¹⁹ Client engagement targets involve engaging relevant clients and customers to enable your overall target. The purpose of client engagement is to support clients towards transitioning their business models in line with sustainability goals by strategically accompanying them through a variety of customer relationship channels.

²⁰ You might not be able to report on all indicators and/or or levels of practice (i.e. from left to right), in which case you should report on all applicable indicators on the respective level of practice no matter if it is an action, output or outcome indicator.

- **For Signatories of the Net-Zero Banking Alliance:** please report on the climate targets set as required in the [Guidelines for Climate Target Setting](#). As a member of the Alliance, you are required to publish first 2030 targets for priority sectors within 18 months and further sectoral targets within 36 months after signing. You can use the PRB template to disclose the required climate target information if its publication date is in line with the committed NZBA timeframe.
- **For Signatories of the Collective Commitment to Financial Health & Inclusion:** please report on financial health and/or financial inclusion targets set as required in the [Financial Health and Inclusion Commitment Statement](#). As a signatory to the Commitment, you have agreed to set a SMART ambitious target within 18 months after signing. To facilitate your process, please refer to the [Guidance on Target Setting for Financial Health and Inclusion](#) and the [Core Indicators](#) to measure financial health and inclusion. Keep in mind that signatories of the Commitment are encouraged to measure as many indicators as possible from the Core Set or their equivalent to be able to set a SMART impact driven target.

Impact area	Practice ²¹ (pathway to impact)									Impact ²²		
	1. Action indicators			2. Output indicators			3. Outcome indicators			4. Impact indicators		
	Code	Indicator	Response options & metrics	Code	Indicator	Response options & metrics	Code	Indicator	Response options & metrics	Code	Indicator	Response options & metrics
A. Climate change mitigation	A.1.1	Climate strategy: Does your bank have a climate strategy in place?	Yes / In progress / No In progress	A.2.1	Client engagement process: Is your bank in an engagement process with clients regarding their strategy towards a low(er)-carbon business model (<i>for business clients</i>), or towards low(er)-carbon practices (<i>for retail clients</i>)?	Yes / Setting it up / No; <i>If yes:</i> Please specify for which clients (types of clients, sectors, geography, number of clients etc.) 8300 Agricultural customers.	A.3.1	Financial volume of green assets/low-carbon technologies: How much does your bank lend to/invest in green assets / loans and low-carbon activities and technologies?	bln/mn USD or local currency, and/or % of portfolio; <i>please specify</i> the definition of green assets and low-carbon technologies used Approximately NOK 1.35 billion in green loans	A.4.1	Reduction of GHG emissions: how much have the GHG emissions financed been reduced?	% over time; baseline and tracking GHG emissions in kg of CO ₂ e (or applicable metrics) ²³ 24
	A.1.2	Paris alignment target: Has your bank set a long-term portfolio-wide Paris-alignment target? To become net zero by when?	Yes / In progress / No; <i>If yes:</i> - please specify: to become net zero by when? - Emissions baseline / base	A.2.2	Absolute financed emissions: What are your absolute emissions (financed emissions = scope 3,	Total GHG emissions or CO ₂ e <i>(please also disclose what is excluded for now and why)</i>	A.3.2	Financial volume lent to / invested in carbon intensive sectors and activities and transition finance: How	bln/mn USD or local currency, and/or % of portfolio Loan volume in carbon-intensive sectors: 14 billion NOK	A.4.2	Portfolio alignment: How much of your bank's portfolio is aligned with Paris (depending on the target set	% of portfolio (<i>please specify which portfolio; for corporate and business clients: % of sectors financed</i>)

²¹ Practice: the bank's portfolio composition in terms of key sectors, its client engagement, and its relevant policies and processes, and, if applicable, its advocacy practices

²² Impact: the actual impact of the bank's portfolio

²³ If possible and/or necessary, please contextualize the progress: Greenhouse gas emissions might even increase initially because the scope of measurements is extended and financed emissions from a growing proportion of the portfolio are measured, emission factors are updated etc. Emission reductions made by the clients should over time lead to a decrease in GHG emissions financed.

			<p>year: What is the emissions baseline / base year for your target?</p> <p>- Climate scenario used: What climate scenario(s) aligned with the Paris climate goals has your bank used?</p>		category 15) in your lending and/or investment portfolio?	Calculation in progress		<p>much does your bank lend to / invest in carbon-intensive sectors and activities²⁵? How much does your bank invest in transition finance²⁶?</p>	Volume of transition financing: Approximately 1%		[A.1.2] either 1.5 or 2 degrees)?	Calculation in progress
	A.1.3	Policy and process for client relationships: has your bank put in place rules and processes for client relationships (both new clients and existing clients), to work together towards the goal of transitioning the clients' activities and business model?	<p>Yes / In progress / No</p> <p>Yes, we require agricultural customers to use a climate calculator and/or climate advisor for green loans and comply with ESG requirements</p>	A.2.3	Sector-specific emission intensity (per clients' physical outputs or per financial performance): What is the emission intensity within the relevant sector?	<p>Please specify which sector (<i>depending on the sector and/or chosen metric</i>): kg of CO₂e/ kWh, CO₂e / m²; kg of CO₂e/USD invested, or kg of CO₂e/revenue or profit</p> <p>In progress</p>						

²⁵ A list of carbon-intensive sectors can be found in the [Guidelines for Climate Target Setting](#).

²⁶ Transition finance is defined as financing the transition towards a low-carbon future in alignment with the Paris climate goals. It entails any form of financial support for non-pure play green activities to become greener and reduce emissions.

	A.1.4	Portfolio analysis: Has your bank analyzed (parts of) its lending and/or investment portfolio in terms of financed emissions (Scope 3, category 15); technology mix or carbon-intensive sectors in the portfolio?	Yes / In progress / No; If yes: please specify which parts of the lending and investment portfolio you have analyzed In progress	A.2.4	Proportion of financed emissions covered by a decarbonization target: What proportion of your bank's financed emissions is covered by a decarbonization target, i.e. stem from clients with a transition plan in place?	% <i>(denominator: financed emissions in scope of the target set)</i> Lending to agriculture is covered by the agricultural climate agreement						
	A.1.5	Business opportunities and financial products: Has your bank developed financial products tailored to support clients' and customers' reduction in GHG emissions (such as energy efficient mortgages, green loans, green bonds, green securitisations etc.)?	Yes / In progress / No; Please specify which ones, and what financial volume and/or % of the portfolio they account for Yes, - Green agricultural loan - Green mortgage - Green bonds - Totalling approximately 1.6 billion NOK in green assets									
B. Financial health	B.1.1	# of products and services in the portfolio with a focus on financial health	Internal data based. Measures how many of the products and services in the portfolio have a	B.2.1	# of individuals supported with dedicated and effective financial and/or	Based on internal data. Measures the number of users (customers and non customers)	B.3.1	% of individuals with a good and/or very good level of financial skills	Assessment based. Measures the percentage of individuals with a good and/or very	B.4.1	% of customers with a high level of financial health	Survey and/or transactional data based. Measures the percentage of customers with a high level of

			<p>financial health focus. We deem a product or service to have this focus when it facilitates decision making and supports financial health increase based on our definition of financial health. This covers products and services embedded with nudges to simplify decision making, round-up, high yield savings accounts, easy investment tools, etc.</p>		<p>digital education initiatives</p> <p>of financial and/or digital skills-building initiatives offered by the bank. An initiative encompasses courses, programs, training videos, articles, SMS education campaigns, etc. Dedicated means that the initiative was specially created for a defined group of individuals (in many cases a prioritized group). Effective means that the bank has measured if the initiative is successful in generating the desired results of stronger financial skills, and thus, any individual that is supported with the initiative will achieve the desired results. A bank can't count a click as an individual so we encourage that the data is presented as # of individuals for</p>			<p>good level of financial skills according to the assessment chosen by the financial institution. Should be measured on individuals benefitting from the bank's financial education initiatives.</p>			<p>financial health according to the score chosen by the financial institution.</p>
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						deanonymized users and # of interactions for anonymized users.						
	B.1.2	% of relevant employees supported with effective training on financial inclusion, responsible credit and/or financial health	Based on internal data. Measures the percentage of relevant employees supported with effective training on financial inclusion, responsible credit and/or financial health. Including training to attend the needs of prioritized groups. Effective means that the bank has measured if the initiative is successful in generating the desired results of stronger skills, and thus, any individual that is supported with the initiative will achieve the desired results. Relevant employees are those the bank prioritizes in the training program due to their direct impact on the customers' financial health	B.2.2	% of customers actively using the online/mobile banking platform/tools	Transactional data based. Measures the percentage of customers logging in, at least once a month, to one of the following digital platforms (measure those applicable for your bank): Online internet banking and/or mobile phone banking and/or digital tools (including financial health tools)	B.3.2	% of customers who use the bank's services to create a financial action plan with the bank	Transactional and/or survey data based. Measures the percentage of customers who create a financial action plan with the bank using the bank's services. A financial action plan is anything that helps the customer build financial resilience. It is done "with the bank" if the bank can visualize, through the transactions of the customer, the results of the plan.	B.4.2	% of customers for which spending exceeded 90% of inflows for more than 6 months last year	Survey and/or transactional data based. Measures the percentage of customers with a transaction account and/or savings/investment accounts for which spending exceeded 90% of inflows for more than 6 months in the year within the reporting period compared to the total of customers within PRB scope. Focus on main financial institution customers.
	B.1.3	# of partnerships active to achieve financial health and inclusion targets	Based on internal data. Measures the number of partnerships currently active to achieve financial				B.3.3	% of customers using overdraft regularly	Transactional data based. Measures the percentage of customers using the overdraft	B.4.3	% of customers that feel confident about their financial situation in the next 12 months	Survey based data. Measures the percentage of customers that answered positively to

			health and inclusion targets. By active we mean that are currently undergoing actions and generating results. We suggest disclosing the results of the partnerships in the commentary of the reports.						option in their accounts or credit cards, regularly. Overdraft can be used to handle unexpected emergencies but more than 1/3 of the year (banks may deviate if proper reasons are provided) denotes regularity and a precursor to lower financial health			feeling confident about their financial situation in the next 12 months compared to the total number of customers surveyed. By confident we mean not feeling worried about their financial situation.
							B.3.4	% of customers with a non-performing loan	Transactional data based. Measures the percentage of customers with past-due loans ("past due" defined by policies at each bank) compared to the total amount of customers with loans in the bank's lending portfolio.	B.4.4	% of customers with products connected to long-term saving and investment plans	Transactional and/or survey data based. Measures the percentage of customers with products connected to long-term saving and investment plans. "Long-term" will depend on each bank's definition.
							B.3.5	% of customers showing an increase or stable amounts in savings, deposit and/or investment account balances, quarter on quarter.	Transactional data based. Measures the percentage of customers showing an increase or stable amounts in savings and/or deposit AND/OR investment accounts	B.4.5	% of customers that would struggle to raise emergency funds or cover with insurance a major unexpected expense	Survey based data. Measures the percentage of customers that would struggle to raise emergency funds or cover with insurance a major unexpected expense. We consider a major unexpected

								balances, quarter on quarter.			expense, one that the customer hadn't planned for and would require them to spend more than what they have available for secondary expenses in their monthly budget or 1/20th of the country's Gross National Income (banks may deviate if proper reasons are provided). A good example is: unforeseen medical bills, large appliance malfunctioning, car repair, etc. Survey based using the question: "If a major unexpected expense arises, how can you cover it right now?" and give the multiple choice options of insurance, emergency funds, loan, credit card, family/friends, etc.	
C. Financial Inclusion	C.1.1	# of products and services in the portfolio with a focus on financial inclusion	Internal data based. Measures how many of the products and services in the portfolio have a financial inclusion	C.2.1	# of individuals supported with dedicated and effective financial and/or digital education initiatives	Based on internal data. Measures the number of users (customers and non customers) of financial	C.3.1	% of individuals with a good and/or very good level of financial skills	Assessment based. Measures the percentage of individuals with a good and/or very good level of	C.4.1	% of customers with 2 or more active financial products, from different categories, with the bank	Transactional data based. Measures the percentage of customers with 2 or more active financial

			<p>focus. We deem a product or service to have this focus when its design facilitates the access and usage by the prioritized customer. For example, no-fee savings account, low interest microloan, offline access or sim-based banking apps, etc</p>			<p>and/or digital skills-building initiatives offered by the bank. An initiative encompasses courses, programs, training videos, articles, SMS education campaigns, etc. Dedicated means that the initiative was specially created for a defined group of individuals (in many cases a prioritized group). Effective means that the bank has measured if the initiative is successful in generating the desired results of stronger financial skills, and thus, any individual that is supported with the initiative will achieve the desired results. A bank can't count a click as an individual so we encourage that the data is presented as # of individuals for deanonymized</p>			<p>financial skills according to the assessment chosen by the financial institution. Should be measured on individuals benefitting from the bank's financial education initiatives.</p>			<p>products, from different categories, with the bank. By active we mean there's at least one usage per month. By category we mean credit/debt, savings/deposit/payment, insurance, investment, etc. Once a target has been set for this indicator, we encourage banks to ensure responsible selling policies or other initiatives so that the target doesn't become a toxic incentive.</p>
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					users and # of interactions for anonymized users.						
	C.1.2	% of relevant employees supported with effective training on financial inclusion, responsible credit and/or financial health	Based on internal data. Measures the percentage of relevant employees supported with effective training on financial inclusion, responsible credit and/or financial health. Including training to attend the needs of prioritized groups. Effective means that the bank has measured if the initiative is successful in generating the desired results of stronger skills, and thus, any individual that is supported with the initiative will achieve the desired results. Relevant employees are those the bank prioritizes in the training program due to their direct impact on the customers' financial health	C.2.2	% of customers with effective access to a basic banking product	Transactional data based. Measures the percentage of customers with effective access to a basic banking product. By effective we mean the usage beyond first access. Basic banking products vary by bank. Good examples are: checking accounts, payment accounts, credit cards, saving accounts, deposit accounts, e-money accounts, etc.	C.3.2	% of customers supported with dedicated customer journey/advisory services	"Transactional data based. Where dedicated customer journey/advisory services are in place for prioritized groups, this indicator measures the percentage of customers using such services. Depending on size of bank, either number or percentage can be the unit of measure.		
	C.1.3	# of partnerships active to achieve financial health and inclusion targets	Based on internal data. Measures the number of partnerships currently active to achieve financial health and	C.2.3	# of new customers per month	Transactional data based. Measures the number of new customers per month. Once the bank sets a	C.3.3	% of customers actively using the online/mobile banking platform/tools	Transactional data based. Measures the percentage of customers logging in, at least once a		

			inclusion targets. By active we mean that are currently undergoing actions and generating results. We suggest disclosing the results of the partnerships in the commentary of the reports.			target, this indicator can become a KPI to measure the percentage of new customers from the prioritized groups, per month.			month, to one of the following digital platforms (measure those applicable for your bank): Online internet banking and/or mobile phone banking and/or digital tools (including financial health tools, if applicable)			
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