

Principles for Responsible Banking

Reporting and Self-Assessment Template



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
<div data-bbox="188 549 333 671" data-label="Image"> </div> <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>KLP Banken AS is wholly owned by Kommunal Landspensjonskasse mutual insurance company (KLP). KLP Banken AS has two subsidiaries, KLP Kommunekreditt AS and KLP Boligkreditt AS.</p> <p>KLP Banken AS is a digital bank without a physical branch network, and offers simple and competitive savings and loan products, and digital solutions to manage them.</p> <p>The Bank shall provide products and services on competitive terms to help ensure that businesses that have chosen KLP as pension provider are perceived as attractive employers. In the public-sector market KLP Kommunekreditt AS, together with KLP, shall contribute to market competition and thereby access to favorable long-term financing for the sector.</p> <p>The activities of KLP Banken AS and its subsidiaries are divided between the retail market and the public-sector market business areas. Both business areas operate in Norway.</p> <p>Retail market: Our customers are mainly members of KLP's pension scheme and their spouses/cohabitants. We offer them better terms than non-members, so that we contribute to companies and municipalities that have chosen KLP as a pension provider, are considered as attractive employers.</p> <p>To our retail customers, we offer deposit accounts, mortgages, debit and credit cards. We have two types of savings accounts and a current account. We offer mortgages throughout Norway, as our</p>	<p>See the bank's annual Report Financial information - KLP - English</p>

	<p>members live all across the country.</p> <p>Public-sector market: The bank's presence in the market for public sector lending is operated through KLP Kommunekreditt AS. This contributes to competition in the lending market in Norway for municipal and county authorities, and companies with access to favorable long-term financing with public guarantees.</p> <p>The largest proportion of loans goes to the municipalities. We provide loans to almost all of Norway's 356 municipalities. We do not separate municipalities based on neither size nor geographical location. Through lending to the municipalities, we finance public welfare such as education, healthcare, and infrastructure.</p> <p>Another important group of customers are public related companies. These are companies which take care of specific public tasks, such as waste management, fire departments, ports, and water supply, and can receive a public guarantee from either the municipality or the county municipality. All types of companies, associations, organizations, and sport clubs who has received a public guarantee can apply for a loan in KLP Banken.</p> <p>To our public-sector customers, we offer loans and deposit accounts. In addition to these products, we provide guiding and advice on financial issues. We aim to be the best partner for our customers.</p>	
<p>1.2 <i>Describe</i> how your bank has aligned and/or is planning to align its strategy to be consistent with and contribute to society's goals, as expressed in the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national</p>	<p>KLP's ambition is to be a market leader within corporate responsibility. Corporate responsibility is therefore promoted as a clear responsibility in the group's strategy. The UN Sustainable Development Goals (SDG) are used as framework for KLP's corporate responsibility, and KLP will be a driving force for achieving these goals.</p> <p>As a part of KLP, the KLP Banken contributes to the group's ambitious goals. KLP Banken's goal for our lending business is to make a positive effect on people's lives, the society and the environment. Through financing projects all over Norway the bank contributes to sustainable social development in the municipalities in Norway. As a signatory of the UN Principles for Responsible Banking (PRB), the bank has a framework to work with corporate responsibility and to contribute to achieving the Paris Climate Agreement.</p> <p>Since the bank became a signatory of PRB in 2019, we have worked to align our business strategy</p>	<p>For more information about KLP's sustainability report, see: Financial information - KLP - English</p>

<p>and regional frameworks.</p>	<p>with the PRB. Through the strategy process in 2021 the Board determined that we would work for all 17 SDGs. Corporate responsibility is a focal area of the bank's strategy. The bank shall be ambitious in its work with corporate responsibility and contribute to the Group's high ambitions and goals. The bank will use our resources in areas where we have greatest opportunity to impact our customers, clients, and stakeholders.</p>	
<div style="display: flex; align-items: flex-start;">  <div> <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> </div> </div>		

<p>2.1 Impact Analysis: <i>Show</i> 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> <p>a) <u>Scope</u>: 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.</p> <p>b) <u>Scale of Exposure</u>: 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.</p> <p>c) <u>Context & Relevance</u>: Your bank has taken into account the most relevant challenges and priorities related to sustainable development in the countries/regions in which it operates.</p> <p>d) <u>Scale and intensity/salience of impact</u>: In identifying its areas of most significant impact, the bank has</p>	<p>KLP Banken conducted the impact analysis in 2020/2021, based on the “Portfolio Impact Analysis Tool for Banks” developed by UNEP FI to undertake our impact analysis. The analysis showed where the bank has both positive and negative impacts.</p> <p>KLP Banken has begun to update the impact analysis on the new template in 2022. This year we also included the product “deposits” for the retail market, in addition to our lending to both retail market and public sector market.</p> <p>Impact areas <i>Retail market</i> The main areas that are relevant for our bank in the retail market are on the positive side: employment, inclusive healthy economies, justice, economic convergence and housing. The negative impact areas are inclusive healthy economies, resource efficiency/ security and climate.</p> <p><i>Public-sector market</i> The main impact areas for our public-sector market business are on the positive side inclusive healthy economies, employment, health and sanitation, education, availability of water and mobility. The negative impact areas are climate, culture and heritage, biodiversity and ecosystems, resources efficiency/security and waste.</p> <p>Priority of significant impact area The business of KLP Banken has not changed much since our last impact analysis, so we expect no major changes in the results or our priority of significant impact area.</p> <p>We plan to finalize our updated impact analysis in 2022. We have also agreed to participate in a collaboration meeting with other signatory banks to discuss the analysis and the data for Norway.</p> <p>For more information please see our Impact Analysis.</p>	<p>Please see our impact analysis (both in English and Norwegian): Impact Analysis</p>
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<p>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> <p><i>Show that building on this analysis, the bank has</i></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 		
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Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Impact Analysis.

We have undertaken our impact analysis and identified the significant impacts that are associated with our retail market (consumer banking) and public-sector market (Business banking).

2.2 Target Setting

Show that the bank has set and published a minimum of two **Specific, Measurable** (can be qualitative or quantitative), **Achievable, Relevant and Time-bound (SMART)** targets, which address at least two of the identified "areas of most significant impact", resulting from the bank's activities and provision of products and services.

Show that these targets are linked to and drive alignment with and greater contribution to appropriate Sustainable Development Goals, the goals of the Paris Agreement, and other relevant international, national or regional frameworks. The bank should have identified a baseline (assessed against a particular year) and have set

Based on the results of our impact analysis and our strategy, we have set targets to address our identified areas of most significant impact. It was important to us to both address the areas of most importance, but also to set targets for both sectors.

The management team is involved in the process and supports the proposed targets. We used the SMART-framework when setting the targets and identified which areas and which SDGs our targets are linked to. The baseline will be the end of 2021.

Strategic ambition	action/KPI	Target 2022	Business area	UN SDG
<i>Integrate corporate responsibility into all our business</i>	<i>Corporate social responsibility and sustainability as a subject at management meetings, management meetings, board meetings, information meetings / department meetings regularly (quarterly) in 2022</i>	8	Both retail and public-sector market	Several
<i>Push companies and business sectors towards more sustainable operations</i>	<i>At least 2 collaborative meetings a year with other banks / relevant organizations</i>	2	Both retail and public-sector market	Partnerships for the Goals (SDG17)
<i>Develop products and services that contribute to positive social development</i>	<i>Inform customers about measures / tips to make the home more energy / environmentally friendly in online banking, mobile banking, klp.no (ex: 2 tips in the quarter)</i>	12	Retail market	Climate (SDG13)

<p>targets against this baseline.</p> <p>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.</p>	<p>Push companies and business sectors towards more sustainable operations</p>	<p>Sustainability / social responsibility as a subject in at least 75% of customer meetings in 2022 (Public market)</p>	<p>75 %</p>	<p>Public-sector market</p>	<p>Climate (SDG13) Sustainable cities and communities (SDG 11), Responsible consumption and production (SDG 12)</p>
	<p>Push companies and business sectors towards more sustainable operations</p>	<p>Share at least two customer stories in the quarter to klp.no/ Samfunnsansvar (cases covering the whole country)</p>	<p>8</p>	<p>Public-sector market</p>	<p>Climate (SDG13)</p>
	<p>Increase investments that promote sustainable development and support our financial objectives</p>	<p>Send at least 45 green loan offers</p>	<p>45</p>	<p>Public-sector market</p>	<p>Circular economy ('waste' and "resource efficiency & security") (SDG 3, 6, 11, 12,14,15)</p>
	<p>Integrate corporate responsibility into all our business</p>	<p>Map and report the share of the Bank's portfolio that are taxonomy eligible</p>	<p>100 %</p>	<p>Both retail and public-sector market</p>	
<p>Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Target Setting.</p>					
<p>We have set several goals in our areas of most significant impact. We have not yet analysed potential negative impacts of the set targets.</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>We have defined specific action points for each strategic ambition/target, and KPI's for tracking our progress. Please see actions points/KPIs in 2.2.</p> <p>Some of the targets is already integrated in the bank's balanced scorecard, and these will be measured and reported to the management group and Board of directors quarterly. The other targets are monitored by the PRB working group.</p> <p>The bank has also established a long-term action plan, which lists different actions and milestones we want to achieve.</p>	
<p>Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Plans for Target Implementation and Monitoring.</p>		
<p>We have defined specific action points for each strategic ambition/target, and KPI's for tracking our progress.</p>		

<p>2.4 Progress on Implementing Targets</p> <p><u>For each target separately:</u></p> <p><i>Show that your bank has implemented the actions it had previously defined to meet the set target.</i></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><i>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)</i></p>	<p>KLP Banken has made good progress towards achieving our set targets for 2021, and we have implemented 6 of 8 action points.</p> <p>For one of the targets, we changed our action point in 2021. The target was to achieve 50% market share for green loans by 2022, but this market share was not possible to calculate. We changed the action point to achieving a specific number of acceptances of green loans.</p> <p>The action point “establish a green framework” has not been implemented as we are still in a process of assessing an eligible type of framework for KLP Banken.</p>	
<p>*Measured in quantity, not volume. Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Progress on Implementing Targets</p>		
<p>We have set targets and started on implementing actions to achieve those targets.</p>		



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 *Provide an overview of the policies and practices your bank has in place and/or is planning to put in place to promote responsible relationships with its customers. This should include high-level information on any programmes and actions implemented (and/or planned), their scale and, where possible, the results thereof.*

KLP Banken has established practices to encourage sustainability in our relationship with our customers. Within the public-sector market, the bank has a close and often long-term relationship with our customers. Most customers are also owners of KLP. This facilitates dialogue with the public customers concerning sustainability, corporate responsibility and climate issues. The bank tries to be a driving force and encourage the municipalities to make sustainable choices within public administration. The bank has set a target to discuss sustainability in at least 75 % of our client meetings in 2022.

In the retail market we communicate with our customers through digital channels, as we are an online bank. Our communication team regularly posts articles on our web site concerning sustainable consumer behavior and energy saving tips. To attract readers, we make sure that our customers are informed through social media, email newsletters and on our online and mobile banking platforms. We plan to continue our effort of providing better and more information on sustainable and environmentally friendly choices and products in 2022 with a new target set at 12 (see table in chapter 2.2).

The KLP Group, including KLP Banken AS, shall contribute to sustainable investments and responsible business operations. KLP has committed itself to the UN Global Compact, and we also have several guidelines we work by in our investment and banking business, i.e. Ethical guidelines for employees, anti-money laundering guidelines and Guidelines for KLP as a responsible investor.

Guidelines for KLP as a responsible investor:
[Guideline for KLP as a responsible investor](#)

Guidelines:
<https://www.klp.no/om-klp/samfunnsansvar/rappo-rtter-og-resultater> (In Norwegian only)

Sustainability report included in KLPs annual report:
[Financial information - KLP - English](#)

<p>3.2 Describe how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities. This should include information on actions planned/implemented, products and services developed, and, where possible, the impacts achieved.</p>	<p><i>Developing products and services that contribute to improvements in society</i> KLP Banken introduced “green mortgages” to the retail sector in 2018, which offer lower interest rates on loans for energy-friendly homes or to customers who have implemented specific energy-saving initiatives. In 2019, the bank introduced green loans for public borrowers. The bank offers green financing to public-sector markets for projects and investments that have a positive influence on society. This can for instance be for making municipal buildings more energy efficient, for electric vehicles or water and wastewater infrastructure. The municipalities must report and document the effects these investments have on the climate to earn a lower, green interest rate on the loans. The bank will work on further developing products and services to the advantage of customers, owners and the environment.</p> <p><i>Engage companies and industries to sustainable operations</i> To enable common awareness on PRB and sustainability, we have developed standard slide decks covering the bank’s commitment to PRB, including advice on sustainability best-practice. We use these slides in our meetings with our public customers.</p> <p>We have developed targets to incentivize employees on sustainable practices and information to clients. As mentioned in part 3.1, we strive to include sustainability as a topic in the meetings with our public customers. Our goal is to contribute to municipalities and their associated businesses being able to make good and sustainable choices when it comes to municipal finances and investments.</p> <p>KLP Banken wants to convey knowledge from the municipalities, through sharing of information, successful projects and customer stories. We have set a target to share at least two customer stories in the quarter to klp.no. By doing this we also hope to contribute to cooperation between the municipalities.</p> <p>We have set targets to provide information regarding sustainable choices to our retail customers as described in 3.1. In 2021 this information included, among other topics:</p> <ul style="list-style-type: none"> • Green renovation information • Energy saving tips • Seasonal sustainability advice leading up to the Easter, summer, and Christmas holidays. 	
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	<p>We encourage our customers to be forward-thinking, and to make sure that any current and future renovation project include increased focus on energy-use and sustainability. This is linked up to our “green loans” product that rewards green renovation and houses with discounted interest rates. Additionally, we focused on supplying our customers with information on reducing energy usage and thus their monthly expenses. Lastly, we had great success providing alternative and sustainable holiday suggestions prior to every major holiday. These tips were popular among our customers and generated positive feedback on both our website and on our social media platforms.</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 *Describe* which stakeholders (or groups/types of stakeholders) your bank has consulted, engaged, collaborated or partnered with for the purpose of implementing these Principles and improving your bank's impacts. This should include a high-level overview of how your bank has identified relevant stakeholders and what issues were addressed/results achieved.

Public-sector market:

For customers in the Public-sector Market, it is appropriate to divide these into two customer groups - customers and customers who are also owners. The bank's advisers have daily contact with customers, and in 2021, 170 customer meetings were held. After the feedback from our customer interviews in 2020 where our customers wanted even closer dialogue on the topic of sustainability, we decided to set a new KPI for percentage of customer meetings including sustainability as a topic. Throughout the year, we also carried out a number of activities in accordance with the principles:

- In the spring of 2021, we facilitated and conducted a workshop with a number of water-, sewerage and waste disposal companies that together cover a large part of the country. The purpose of conducting such a workshop was to get feedback from customers on how we could make it easier for them to make sustainable investments that can be financed with green loans.
- In the autumn of 2021, we spoke about green loans and sustainable investments for Norwegian municipalities at one of Norway's largest financial conferences for municipalities and county municipalities.
- KLP Banken wants to be a driving force and sparring partner in order to get municipalities to take sustainable choices in public administration. In 2021, we developed our own climate and environmental advisor that has been well received by the municipalities. The guide provides information on various financing and support schemes, making it easier and clearer for municipalities and municipal enterprises to make climate and environmentally friendly investments.

Retail market

Throughout 2021 we have asked our retail customers directly for feedback on how we can improve our products, services, and social impact. The results from several surveys were clear; our customers would like more information customized specifically for their personal economic situation, including an overview of expenditures and budgeting tools.

[climate and environmental guide](#)

KLP stakeholder dialogue: [Interessentdialog - oversikt \(klp.no\)](#) (In Norwegian only)

	<p>We work continuously to create dynamic messages presented to our customers on the online and mobile banking platforms, to inform which products to choose, based on data and consumer behavior. This includes recommending savings accounts when appropriate and setting up automatic transfers from a checking account to a savings account.</p> <p>We expect this work will improve in the coming years with more advanced technological tools available, combined with more sophisticated consumer data.</p>	
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Principle 5: Governance & Culture

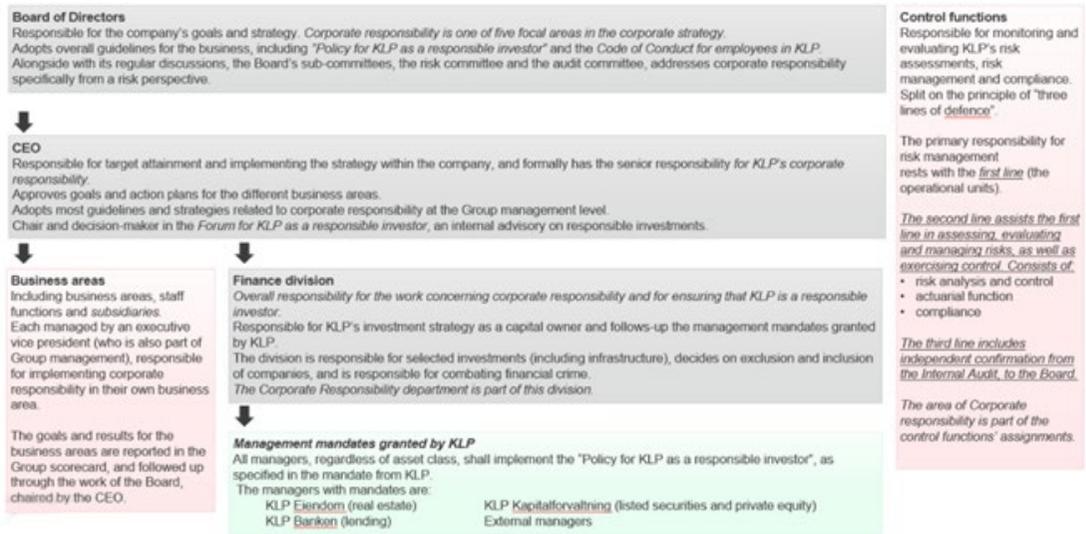
We will implement our commitment to these Principles through effective governance and a culture of responsible banking

<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>The bank has established a PRB team working to implement the Principles of Responsible Banking. The PRB team is represented by both business areas of the bank, retail market and public-sector market, in addition to representatives from back office and the CR department in KLP. The PRB team reports to the management team on regular basis, and to the board every quarter. The mandate for the PRB team is approved by the management team of the bank.</p> <p>In 2021 KLP Banken has updated the job descriptions for all employees in the bank, including the management team, to ensure commitment to the Principles. The instruction for the Board is also updated with the Board's commitment to the Principles and the need to seek competence within the Board and also among the employees in the bank.</p> <p>In 2021 the bank has started the process of implementing the Principles into the relevant policies, guidelines and procedures of the bank. This will continue in 2022. The bank's parent company, KLP, will also update its Guideline for KLP as a responsible investor, by referring to the Principles of Responsible Banking in the guideline, in the same manner as we refer to the Principles of Responsible Investments (PRI).</p>	
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<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>To ensure capacity and a culture of responsible banking, we have worked with different topics regarding sustainability and corporate responsibility throughout the year. For example, all employees have worked in groups with the SDGs to understand how the bank can contribute to achieve the goals, and how our products and services impact the SDGs.</p> <p>The PRB team has also conducted a climate competition among the employees in the bank (https://www.ducky.eco/), where the goal was to reduce our CO2 emissions as much as possible through making small changes in our everyday life. This created a lot of engagement amongst the employees and in total the employees saved 6 048,68 tons of CO2 during a period of 14 days.</p> <p>Corporate responsibility and sustainability have been subject to different sessions for all employees, and some have also conducted e-learning on “Introduction to Sustainable Finance” from UN CC e-learn. We will continue to address different topics regarding corporate responsibility and sustainability to the employees throughout the year to keep up the focus and motivation on implementing PRB.</p> <p>Furthermore, we have created information slides regarding PRB to make sure that new employees quickly embrace the Principles during their training period. In addition, “sustainable finance” is a mandatory e-learning subject for new employees in the retail market department.</p> <p>We are planning a training session in sustainable finance for all employees in the bank during 2022.</p>	
<p>5.3 Governance Structure for Implementation of the Principles</p> <p><i>Show</i> 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 	<p>The Board of Directors have adopted our commitment to the Principles and the SDG’s in the bank’s updated strategy. The execution of the strategy is the responsibility to our CEO and his management team. The PRB team is responsible for operationalization of the Principles, identifying the gaps of the requirements of the Principles, and to recommend actions to close the gaps. The targets are developed by the PRB team together with the management team to ensure engagement and commitment to the Principles.</p> <p>The bank will track its progress towards achieving our targets via our Balanced Scorecard, which is reported quarterly to the Board.</p> <p>Corporate responsibility is integrated into corporate governance in the KLP Group. All business</p>	<p>For more information, please see: https://www.klp.no/om-klp/samfunnsansvar/rappoter-og-resultater (In Norwegian only)</p>

being achieved or unexpected negative impacts being detected.

areas and subsidiaries have a responsibility to implement this and develop their own measures and goals for corporate social responsibility in their own activities. The figure shows how the management and control of corporate responsibility is set up.



Please provide your bank's conclusion/ statement if it has fulfilled the requirements regarding Governance Structure for Implementation of the Principles.

The bank has established a governance structure to ensure that the Principles are implemented effectively, including manage significant impacts, and setting and monitoring targets. We have put together a PRB team that is in charge of the recommendations for the implementation of the Principles. The management team is responsible for implementing the recommendations from the PRB team. The job descriptions for all employees in the bank, including the management team, is updated to ensure commitment to the Principles. The instruction for the Board is also updated with the Board's commitment to the Principles and the need to seek competence within the Board and also among the employees in the bank.

The PRB team is reporting quarterly to the board on progress made in the implementation of the Principles, and on the targets that are set for this year.

Our assessment is that the bank is in line with the planned implementation according to the four year period.



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 Progress on Implementing the Principles

Show that your bank has progressed on implementing the six Principles over the last 12 months (up to 18 months in your first reporting after becoming a signatory) in addition to the setting and implementation of targets in minimum two areas (see 2.1-2.4).

Show that your bank has considered existing and emerging international/regional good practices relevant for the implementation of the six Principles for Responsible Banking. Based on this, it has defined priorities and ambitions to align with good practice.

Show that your bank has implemented/is working on implementing changes in existing practices to reflect and be in line with existing and emerging international/regional good

Since becoming a signatory in September 2019, KLP Banken has been working on implementing the principles for responsible banking. In this work, we have been using frameworks, guidance documents and models developed by UNEP FI.

Internally, we have worked together with resources from our corporate responsibility department in KLP, who has experience from working with PRI and UN Global Compact, among other sustainability projects. We also involved the management group in setting targets, to ensure engagement and commitment throughout our organization. We report quarterly on our progress to the board.

KLP Banken has previously identified our gaps against the requirements in PRB. In the gap analysis, we were compared to other banks who we consider as best practice in our business area. The analysis helps us see which areas we need to improve the most and prioritize in our further work.

We have also conducted an impact analysis and identified the areas with most positive and negative impact. The impact analysis was updated in 2022. Based on this we have set and published several targets. See principle 2 for more information about our implementation of targets.

We have established a forum with other signatories in Norway. In 2021 we arranged two forums, and the purpose of the meetings are to discuss, collaborate, share and learn from each other. We will continue to collaborate with other banks in 2022.

As described in principle 1 and 5, we base our policies on international best practices.

KLP Banken reports on corporate responsibility in our annual reports. Other analysis and reports regarding PRB and our sustainability work, will be available at our website. In 2021 we also updated our criteria for Green Loans to municipalities.

For more information, please see: <https://www.klp.no/om-klp/samfunnsansvar/rappor-ter-og-resultater> (In Norwegian only)

[Financial information - KLP - English](#)

<p>practices and has made progress on its implementation of these Principles.</p>	<p>KLP Banken are working towards a full implementation of the principles by 2023. In 2022 we will focus on the coming requirements for companies' sustainability work. The EU taxonomy, which defines what can be called sustainable activities, is central and is supported by the other regulations. KLP is positive about the legal requirements to come and prepares the company and its subsidiaries for the requirements. Hopefully, these requirements will also lead to the Bank obtaining the necessary information from its borrowers so that the Bank can report on its lending portfolio.</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>		
<p>KLP Banken has made good progress on implementing the principles so far. We have established an action plan, and we will continue our work with the principles until full implemmentation in 2023.</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".