



Sparebanken  
Vest



# **UNEP FI: Impact Analysis Sparebanken Vest**

# 1. Summary

The United Nations Environment Programme Finance Initiative (UNEP FI)<sup>1</sup> launched the Principles for Responsible Banking in 2019. Sparebanken Vest was one of the founding Norwegian banks to sign up to the principles. 18 months after the commitment, and also after setting ambitious goals for integrating sustainability measures in all parts of the bank, Sparebanken Vest has now conducted its first impact analysis. The impact analysis determined that the Bank could have positive and negative impacts in the following areas: *climate, resource efficiency/security, biodiversity and ecosystems, housing, employment, justice, inclusive economy and economic convergence*. The results of the analysis will be used in the Bank's future sustainability work and changes to the Bank's focus areas and targets are being assessed.

## 2. Background

*Everything we do, we do to make life in Western Norway even better.'*

Sparebanken Vest's vision is to help to make life in Western Norway even better. We want to set an example for how businesses can contribute to social development in Western Norway, and we recognise that our task as part of society goes further than the statutory requirements we are subject to. Sparebanken Vest aims to contribute through our own processes, the projects and customers we choose to finance and how we conduct ourselves in relation to customers, society and the environment.

The UN Environment Programme (UNEP) has established a partnership with the financial services sector called the United Nations Environment Programme Finance Initiative (UNEP FI). The Principles for Responsible Banking (PRB) were officially launched by UNEP FI in September 2019. The aim is for banks around the world to take on a driving role in the work on achieving the UN Sustainable Development

## Goals and fulfilling the obligations of the Paris Agreement.

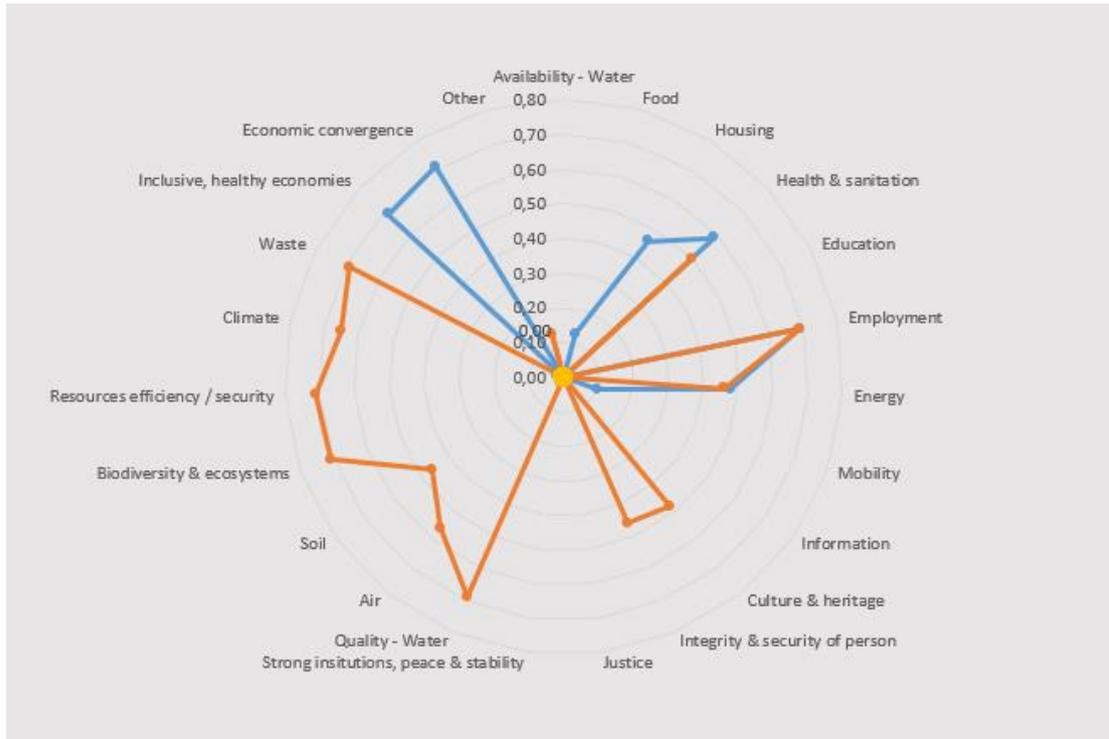
 <p><b>PRINCIPLE 1: ALIGNMENT</b></p> <p>We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.</p>	 <p><b>PRINCIPLE 2: IMPACT &amp; TARGET SETTING</b></p> <p>We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.</p>	 <p><b>PRINCIPLE 3: CLIENTS &amp; CUSTOMERS</b></p> <p>We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.</p>
 <p><b>PRINCIPLE 4: STAKEHOLDERS</b></p> <p>We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.</p>	 <p><b>PRINCIPLE 5: GOVERNANCE &amp; CULTURE</b></p> <p>We will implement our commitment to these Principles through effective governance and a culture of responsible banking.</p>	 <p><b>PRINCIPLE 6: TRANSPARENCY &amp; ACCOUNTABILITY</b></p> <p>We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.</p>

By signing up to the PRB, Sparebanken Vest committed itself to conducting an impact analysis. The analysis shows where the Bank has positive and negative impacts in relation to various sustainability issues. The analysis was conducted using the Portfolio Impact Analysis Tool for Banks 4 developed by UNEP FI.

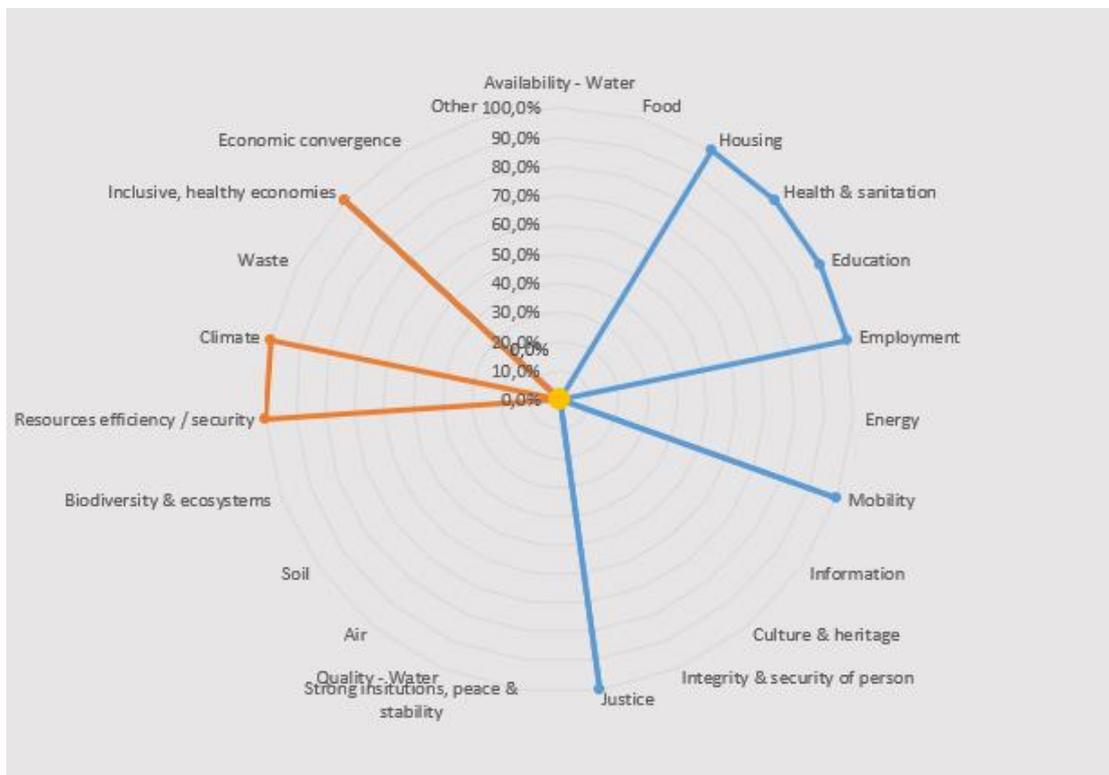
<p><b>STEP 1 - ABOUT THE BUSINESS:</b></p>	<ul style="list-style-type: none"> <li>• Sparebanken Vest operates in Norway. It's market area is Western Norway – Vestland, Rogaland and parts of Møre &amp; Romsdal county.</li> <li>• Loans to the RM and the CM are the largest business areas, with RM accounting for around 75 per cent and CM around 25 per cent.</li> <li>• In the case of CM, we looked at the largest industries in the Bank's loan portfolio. Our largest industries representing 70% of the portfolio was implemented with ISIC codes.</li> <li>• For RM, we looked at the services the Bank offers retail customers. The Bank's impact on sustainability in our market area is calculated based on this</li> </ul>
<p><b>STEP 2 - SUSTAINABILITY PARAMETERS:</b></p>	<ul style="list-style-type: none"> <li>• Ensuring that the 22 sustainability parameters are properly registered and adjusted for the countries the Bank operates in.</li> <li>• The sustainability parameters for Norway were already registered.</li> </ul>

STEP 3 - IMPACT:	<ul style="list-style-type: none"> <li>• The tool generates an overview of the correlation between the data inputted in step 1 and step 2.</li> <li>• Sparebanken Vest could have the most significant positive and negative impacts on sustainability through its portfolios in RM and CM.</li> <li>• In total, the information generated in this step of the analysis provides the basis for the subsequent steps of the analysis.</li> </ul>
STEP 4: Context	<ul style="list-style-type: none"> <li>• Context for understanding how the Bank works on the most important sustainability parameters today.</li> <li>• Assessments were made of what we are working on today, and what we should prioritise focusing on going forward in order to rank the most important impact areas.</li> <li>• Minor adjustments have been made in the prioritisations of areas using the data and information available to us at the time.</li> </ul>
STEP 5: Results	<ul style="list-style-type: none"> <li>• The list shows the areas where Sparebanken Vest could have major positive and negative impacts on sustainability issues in its portfolios.</li> <li>• In total, the following 8 sustainability parameters were highlighted that Sparebanken Vest could have positive or negative impacts on: <ul style="list-style-type: none"> <li>○ <i>Climate</i></li> <li>○ <i>resource efficiency/security</i></li> <li>○ <i>biodiversity and ecosystems</i></li> <li>○ <i>housing</i></li> <li>○ <i>employment</i></li> <li>○ <i>justice</i></li> <li>○ <i>inclusive economy</i></li> <li>○ <i>economic convergence.</i></li> </ul> </li> <li>• Sparebanken Vest has chosen to show the top three positive and negative impacts for each business area, being a suitable broad representation of important impacts that we as a regional savings bank can have.</li> </ul>

## Corporate banking – summary:



## Consumer banking - summary:



### 3. Results and conclusion

Sparebanken Vest has chosen to highlight three positive and three negative impact areas in each business areas. The bank has also conducted other analysis of the banks Climate Risk (TCFD), a scenario analysis of the physical risk of our portfolio, as well as Taxonomy consequences and possibilities. The bank will in 2021 review the sustainability measures set for all main sectors of the bank on the basis of all these parameters together with UNEP FI's description of the potential positive or negative impacts associated with the parameter and the taxonomy criterias. The positive impacts in RM were primarily linked to providing people with access to housing, either through products such as residential mortgages or by offering security deposit accounts. The negative impacts in RM are also linked to housing. The climate is important with respect to both positive and negative impacts. There must be, and currently is, a focus on reducing greenhouse gas emissions in the Bank's portfolio. We have set ambitious goals for reduction and we have started measuring and tracking the progress of transition in our portfolio. Furthermore, there must also be a focus on biodiversity, resource efficiency and transitioning to a circular economy.

Sparebanken Vest takes a systematic approach to sustainability and has set both internal and external goals for its sustainability work. We are already systematically working on the themes emerging in the analysis.

For more information about Sparebanken Vest's sustainability work, please have a look at the sustainability library on our website.

[Sustainability library | Sparebanken Vest \(spv.no\)](#)