



Reporting and self-assessment

First PRB report on progress

Erik Penser Bank AB



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.

Erik Penser Bank signed the PRB principles in August 2022.
This report is the bank's first PRB report on progress.
Please note that all references are in Swedish, however, a summary of content is listed in the boxes below for each answer.

Erik Penser Bank is a privately owned niche bank. The bank is based in Stockholm, Sweden and had 58 employees as per 31 December 2023.

On November 30, 2023, the bank's securities business was sold, including operations within Wealth Management and Corporate Finance. This report includes the remaining business* as per 31 December 2023 which consists primarily of credit and financing solutions. (*We have excluded business that was phased out during the first quarter of 2024. The phased-out business has not been included in the analysis.)

Links and references
Annual report business idea and strategy page 3, products and services page 3, 9-10 & 16
[EPB Arsredovisning 2023.pdf \(penser.se\)](#)

Products and services
[Penser Bank](#)

The bank's business idea is to offer customized credit and financing solutions to companies. Business is built on long-term business relationships as well as tailor-made solutions. The offering consists of

1. **Real Estate Financing:** Offering financial solutions related to real estate transactions and development.
2. **Working Capital and Acquisition Financing:** Assisting with financing needs for day-to-day operations and acquisitions.
3. **Collaborations in Credit and Financing:** Engaging in partnerships and collaborations related to credit and financing. ("back-to-back" solutions and "banking-as-a-service - BaaS") These credit collaborations consist of two main types: (a) International Collaborations: The bank extends credits in other geographical markets in close cooperation with Swedish consumer credit institutions and companies engaged in other financial activities. (b) Acquisition of Credit Claims: Acquire consumer credit claims as well as certain smaller corporate credit claims issued by other institutions.

The Bank also offers saving accounts for private customers.

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

<input checked="" type="checkbox"/> UN Global Compact <input type="checkbox"/> UN Declaration on the Rights of Indigenous Peoples <input type="checkbox"/> Any applicable regulatory reporting requirements on environmental risk assessments, e.g. on climate risk - please specify which ones: ----- <input type="checkbox"/> Any applicable regulatory reporting requirements on social risk assessments, e.g. on modern slavery - please specify which ones: ----- <input type="checkbox"/> None of the above	
<p>Erik Penser Bank has signed Global Compact. A code of conduct for employees and a code of conduct for employees were developed in 2023, both based on Global Compacts principles.</p> <p>A new sustainability strategy was developed during 2023 based on a materiality analysis. Sustainability goals were set for the identified sustainability areas for 2024 and onwards. The identified risks and opportunities were also linked to the UN Global Sustainability goals of which 3,5,10,12,13 and 16 were identified as goals that the bank can contribute to. We recognize that all goals are equally important, but we will have an extra focus on these goals.</p> <p><u>Please note</u> that an impact analysis was made in February 2024 using the UNEP FI portfolio impact analysis tool and SDG 9 and 11 were also identified as important for the Bank to focus on in the lending process. The portfolio impact analysis was based on business operations as per 31 December 2023. Hence, we have added SDG 9 and 11 to our focus areas linked to the SDGs and we will during 2024 explore further how we can contribute to these goals. (Please note - Since the analysis was made in 2024 it is not included in the annual report for 2023, but the outcome will be used during 2024 in order to comply with PRBs principles)</p> <p>In 2023 the sustainability policy was updated to reflect the new sustainability strategy in the remaining business.</p>	<p><i>Links and references</i></p> <p>Annual report materiality analysis and SDG's page 8, ESG training page 14, sustainability goals page 7-14. EPB Arsredovisning 2023.pdf (penser.se)</p> <p>Sustainability policy including SDG's and reference to Global Compact Hallbarhetspolicy-2023-extern.pdf (penser.se)</p> <p>Code of conduct for employees with reference to Global Compact Uppforandekod-medarbetare-2023-extern.pdf (penser.se)</p> <p>Code of conduct suppliers with reference to Global Compact Uppforandekod-leverantorer-2023-.pdf (penser.se)</p>

<p>The sustainability report was integrated in the annual report for the first time as per FY2023.</p> <p>Erik Penser Bank trained employees and board members in sustainability during 2023.</p>	
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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 regularly and fulfil the following requirements/elements (a-d):

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.

<p>A materiality analysis was done in 2023 for own operations and business operations. A double materiality analysis in accordance with the upcoming EU regulation CSRD will be conducted at the latest in 2025. Stakeholder dialogues were conducted with customers, owners, employees, authorities and ESG service providers.</p>	<p><i>Links and references</i></p> <p>Annual report materiality analysis and stakeholder dialogue page 8. Creditrisk analysis page 10, 60-61 EPB Arsredovisning 2023.pdf (penser.se)</p>
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Moreover, an impact analysis was conducted in February 2024 using the [UNEP FI portfolio impact analysis tool](#) regarding business operations. The impact analysis will be an important input in the further development of the banks ESG risk mitigation and for identifying ESG opportunities. *(See also answer previous page).*

The impact analysis was based on financial data as per 31 December 2023, excluding business that was phased out during the first quarter of 2024. 100% of the remaining credit portfolio was analyzed with the UNEP FI portfolio impact analysis tool. The credit portfolio 31/12-2023 consisted of corporate credits and consumer credits, of which:

- 88% of credit portfolio were corporate credits, of which 87% consist of exposures to partners from whom the bank continuously acquires credit claims. The majority, 90% of corporate customers were credits to Swedish customers.
- 12% of credit portfolio were consumer credits.

The bank's sustainability policy states that lending to companies in certain sectors is not allowed:

- The bank shall not establish business relationships with companies that: Develop or produce controversial weapons or key components for such weapons, including biological weapons, chemical weapons, nuclear weapons, cluster bombs, and landmines.
- The bank may only establish business relationships to a limited extent (max 5% of revenues) with companies whose operations consist of:
 - Manufacturing unconventional weapons and/or war material
 - Production of tobacco
 - Production of alcohol
 - Gambling
 - Production of pornographic material
 - Extraction and production of fossil fuels (oil, gas, coal)

Sustainability policy - exclusion list
[Hallbarhetspolicy-2023-extern.pdf \(penser.se\)](#)

[Portfolio Impact Analysis Tool for Banks – United Nations Environment – Finance Initiative \(unepfi.org\)](#)

<ul style="list-style-type: none"> • Production of genetically modified organisms (GMO) <p>The bank considers sustainability-related risks within the framework of credit assessment, as these risks can impact both the customer’s repayment capacity and the long-term value of underlying collateral. When it comes to lending to businesses, risk identification is tailored to the industry in which the borrowing company operates. The bank intends to develop these analyses in the coming years to ensure that relevant sustainability risks are captured.</p> <p>Regarding credits directly or indirectly involving consumers, the foundation for sustainability analysis lies in assessing the health of lending practices. When granting consumer credits, this is ensured through adherence to established limits related to the maximum allowable debt-to-income ratio and by ensuring sufficient repayment capacity through the creation of budget calculations (i.e. disposable income calculations).</p> <p>Sustainability-related risks are also considered before the bank establish credit collaborations with external parties. The majority of the bank’s consumer credit-related exposures involve refinancing existing loans, meaning lending that does not increase consumers’ indebtedness.</p>	
<p>b) <u>Portfolio composition:</u> 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</p> <p>i) by sectors & industries for business, corporate and investment banking portfolios (i.e. sector exposure or industry breakdown in %), and/or</p> <p>ii) by products & services and by types of customers for consumer and retail banking portfolios.</p> <p>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.</p>	
<p>An analysis was made in February 2024 using the UNEP FI portfolio impact analysis tool to analyze which potential positive and negative impact on environment and people the bank has exposure due to due to its lending.</p>	<p><i>Links and references</i></p> <p>Portfolio Impact Analysis Tool for Banks – United Nations</p>

<p>The credit portfolio was analyzed by assessing:</p> <ul style="list-style-type: none"> • Geographic markets • Consumer vs institutional banking • Sector exposure <p>Approximately 97% of the <u>credit portfolio consisted of corporate credits to real estate activities and financial service activities</u>. We will therefore focus on these two sectors during 2024.</p> <p><u>We will focus on Swedish customers</u> since 90% of all corporate business is done in Sweden. We intend to dig deeper into risks and opportunities in the real estate sector and financial service sector. The outcome will most likely be applicable to use for assessing risk and opportunities for customers in other countries as well.</p>	<p>Environment – Finance Initiative (unepfi.org)</p>
<p>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. Please describe how these have been considered, including what stakeholders you have engaged to help inform this element of the impact analysis.</p> <p><i>This step aims to put your bank’s portfolio impacts into the context of society’s needs.</i></p>	
<p>Our corporate credit business has a focus on financing SMEs directly or indirectly by financing companies who in turn finance SMEs. Many SME’s struggle to get loans. According to the company Ekonomifakta, there are approx. 1,2 million Swedish companies, of which 99.3% are small companies with <50 employees. Statistics from The Swedish Federation of Business Owners (Företagarna) reveals that credit provision to small businesses is lacking. 86 % of companies experience obstacles in external financing. Approximately 44 % find it difficult or very difficult to obtain loans. As a small niche player, we can meet financing needs that larger banks struggle to fulfill.</p>	<p><i>Links and references</i></p> <p>Statistics: Företagens storlek - Ekonomifakta Småföretag har för svårt att få lån - Företagarna (foretagarna.se)</p>

<p>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)? Please disclose.</p>	
<p>We can have a positive impact on SDG 8 and 9 providing access to finance to SME companies directly and indirectly by financing companies who in their turn finance SME companies.. There is a lack of housing in Sweden so by financing real estate we can have a positive impact on SDG 11 by financing the real estate sector.</p> <p>Moreover, many small entrepreneurial companies are innovative and build their business on digitization and/ or sustainability as well as create jobs. By financing these companies, we can have a positive impact on several SDGs.</p> <p>Financing SMEs can have a negative effect on resources and emissions (SDG 12 and 13) depending on type of business. We have several real estate customers, and this sector has a negative impact on SDG 12 and 13.</p> <p>Moreover all companies can have a negative impact on working conditions SDG 8. We can reduce these negative impacts by assessing the risks in our credit assessments as well as trying to influence companies to reduce emissions, implement responsible consumption and production patterns and to ensure fair work conditions in own business and in supply chain.</p> <p>By offering credit to companies that provide credit to consumers by offering bundled loans with better payment terms than the individual loans or refinancing high-interest loans with loans on the same terms but with a lower interest rate, our customer (the company we lend to) can reduce the interest rate for its private consumers. Thus, we can indirectly have a positive impact on consumers' finances by enabling access to better financing options, SDG 8. On the other hand, we can have an indirect negative impact on consumers if they take loans for over-consumption. We can mitigate this negative risk by requiring our customer (the company) to have a sound credit policy and not extend credits to consumers at risk of default due to credit burdens they cannot manage.</p>	<p><i>Links and references</i></p> <p>Portfolio Impact Analysis Tool for Banks – United Nations Environment – Finance Initiative (unepfi.org)</p>

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.

We will begin to set targets linked to our impact areas during 2024.

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?

- | | | | |
|--------------------------|---|---|--|
| 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 type="checkbox"/> Yes | <input checked="" type="checkbox"/> In progress | <input type="checkbox"/> No |
| Performance measurement: | <input type="checkbox"/> Yes | <input type="checkbox"/> In progress | <input checked="" type="checkbox"/> No |

Which most significant impact areas have you identified for your bank, as a result of the impact analysis?

Access to finance

Climate change

Resource efficiency & circular economy

Decent employment

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)*

<p>2.2 Target Setting (Key Step 2)</p> <p>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.</p> <p>The targets 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:</p> <p>a) <u>Alignment:</u> which international, regional or national policy frameworks to align your bank’s portfolio with 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,</p>	
SMART targets have not been set yet, but it is something we will further develop.	
<p>b) <u>Baseline:</u> 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.</p>	
See answer #2.2	
<p>c) <u>SMART targets</u> (incl. key performance indicators (KPIs)):</p>	
See answer #2.2	
<p>d) <u>Action plan:</u> which actions including milestones have you defined to meet the set targets? Please describe.</p>	
See answer #2.2	

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

See answer #2.2

Principle 3: Clients and Customers	
	<p>We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.</p>
<p>3.1 Client engagement</p> <p><i>Does your bank have a policy or engagement process with clients and customers in place to encourage sustainable practices?</i></p> <p> <input type="checkbox"/> Yes <input type="checkbox"/> In progress <input checked="" type="checkbox"/> No </p> <p><i>Does your bank have a policy for sectors in which you have identified the highest (potential) negative impacts?</i></p> <p> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No </p>	
<p>We have an exclusion list. Our credit policy stipulates that ESG risks shall be analysed. The credit analysis will be developed during 2024 in order to identify more ESG risks. See answer # 1.1.</p>	<p><i>Links and references</i></p> <p>Sustainability policy - exclusion list Hallbarhetspolicy-2023-extern.pdf (penser.se) </p>
<p>3.2 Business opportunities</p> <p>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.</p>	
<p>We have a goal to develop a more sustainable lending offer. (No timeline is set).</p>	<p><i>Links and references</i></p> <p>Annual report goal page 10 EPB Arsredovisning 2023.pdf (penser.se) </p>

<p>Principle 4: Stakeholders</p>	
	<p>We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.</p>
<p>4.1 Stakeholder identification and consultation</p> <p><i>Does your bank have a process to identify and regularly consult, engage, collaborate and partner with stakeholders (or stakeholder groups) you have identified as relevant in relation to the impact analysis and target setting process?</i></p> <p> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No </p> <p>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 how your bank has identified relevant stakeholders, what issues were addressed/results achieved and how they fed into the action planning process.</p>	
<p>Our main stakeholders are.</p> <ul style="list-style-type: none"> • Owners & Board of directors • Employees • Suppliers • Authorities • Customers • ESG service providers • Industry peers, NGOs, industry organizations 	<p><i>Links and references</i></p> <p>Annual report stakeholder dialogue page 8 EPB Arsredovisning 2023.pdf (penser.se)</p>

We have had a dialogue with the owners & the board during 2023 regarding sustainability – both when it comes to own operations and business operations. They have been informed about our materiality assessment that we carried out in 2023 and have approved of the main identified focus areas. Reporting on progress of sustainability will be presented to the board quarterly during 2024.

Dialogue with employees is conducted through meetings, performance reviews and employment surveys. Sustainability is integrated in everybody’s work in one way or another. Goals have been set for 2024 to increase ESG integration.

Dialogues regarding ESG issues with suppliers are conducted. A code of conduct for suppliers and partners was developed 2023.

The bank has a dialogue with authorities, like for example answering questionnaires from the “Financial Supervisory Authority” regarding ESG issues.

The bank strives for long term relationships with the customers. Dialogues and meetings are a part of keeping the good relationships. ESG is part of the dialogues and will be further developed 2024.

The bank has been engaged with ESG service providers regarding the content and methods of ESG data during 2023.

The bank is also engaged in CSR by donating money to Global Child Forum and Gula Änglarna (charity). The analysis that Global Child Forum conducts on how large companies take children’s rights into account was used in the bank’s investment analysis. However, the investment analysis business was sold end of 2023.

The bank is member of the Swedish banker’s association and take part of their recommendations.

The bank has contact with industry peers and consultancy agencies to discuss ESG issues and interpretation of ESG regulations.

**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 responsibility for leading the sustainability work is placed in the Finance Department headed by the CFO and performed by the Head of Sustainability.

All employees are trained in sustainability issues including internal ESG policies. A code of conduct for employees and a code of conduct for suppliers were developed 2023. The sustainability policy was updated 2023. Several other policies includes references to ESG as well, for example the credit policy and risk policy.

ESG is reported to the Board of directors. The Board's annual agenda includes the review of the company's strategy, risk appetite, and internal rules,

Links and references


Annual report ESG-governance page 13-14, sustainability training page 14, corporate governance report page 71-73
[EPB_Arsredovisning_2023.pdf \(penser.se\)](#)

Remuneration policy
[Sammanfattning-ersattningar_jan-2024.pdf \(penser.se\)](#)

<p>approval of interim reports, audit, and review of the annual financial statements. ESG is part of their annual agenda.</p>	<p>Code of conducts employees Uppforandekod-medarbetare-2023-extern.pdf (penser.se)</p> <p>Code of conduct suppliers Uppforandekod-leverantorer-2023-.pdf (penser.se)</p> <p>Sustainability policy Hallbarhetspolicy-2023-extern.pdf (penser.se)</p>
<p>5.2 Promoting a culture of responsible banking:</p> <p>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).</p>	
<p>The bank’s internal regulations are updated continuously. The board establishes changes or additions in the part of the regulations that consist of policies, and the CEO establishes underlying instructions. Changes in the regulations are communicated through training and notices on the intranet.</p>	<p><i>Links and references</i></p> <p>Annual report - corporate governance report page 71-73 EPB Arsredovisning 2023.pdf (penser.se)</p>
<p>5.3 Policies and due diligence processes</p> <p>Does your bank have policies in place that address environmental and social risks within your portfolio? Please describe.</p> <p>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.</p>	

<p>We have a sustainability policy, credit policy and risk policy. Moreover, the code of conduct for suppliers and employees are based on Global Compacts principles.</p> <p>According to the credit policy, ESG shall be taken into account when analyzing credits. The risk framework includes ESG risks.</p> <p>The bank has a whistleblowing system that ensures employees, contractors, and others involved in the operations can report suspicions of the bank's own violations. The external whistleblowing service allows for confidential communication about suspected irregularities, either openly or anonymously.</p> <p>We have a complaint procedure in place and customer that want to complain can contact us.</p>	<p><i>Links and references</i></p> <p>Sustainability policy Hallbarhetspolicy-2023-extern.pdf (penser.se)</p> <p>Annual report whistleblowing page 13, framework and credit risks page 10, 60-61 Information-regarding-Erik-Penser-Bank-ABs-complaints-procedure-ver-G.pdf</p>
<p>Self-assessment summary</p> <p>Does the CEO or other C-suite officers have regular oversight over the implementation of the Principles through the bank's governance system?</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>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)?</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Does your bank have measures in place to promote a culture of sustainability among employees (as described in 5.2)?</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No</p>	

**Principle 6:
Transparency & Accountability**

	<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>
<p>6.1 Assurance</p>	
<p>Has this publicly disclosed information on your PRB commitments been assured by an independent assurer?</p>	
<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> Partially <input type="checkbox"/> No</p>	
<p>All references to the annual report 2023 have been audited by an independent assurer</p>	<p><i>Links and references</i> Annual report auditors report page 68-70 EPB_Arsredovisning_2023.pdf (penser.se)</p>
<p>6.2 Reporting on other frameworks</p>	
<p>Does your bank disclose sustainability information in any of the listed below standards and frameworks?</p>	
<p><input type="checkbox"/> GRI <input type="checkbox"/> SASB <input type="checkbox"/> CDP <input type="checkbox"/> IFRS Sustainability Disclosure Standards (to be published) <input type="checkbox"/> TCFD <input type="checkbox"/> Other:</p>	
<p>6.3 Outlook</p>	
<p>What are the next steps your bank will undertake in next 12 month-reporting period (particularly on impact analysis, target setting and governance structure for implementing the PRB)?</p>	
<p>We plan to dig deeper in the outcome of the assessment in the impact analysis we made in</p>	<p>Annual report ESG goals operation and business page 7-14 EPB_Arsredovisning_2023.pdf (penser.se)</p>

February 2024 by using the UNEPFI [Portfolio Impact Analysis Tool for Banks](#).

- We will train the board and all employees in sustainable lending and other sustainability issues.
- We will continue to develop our credit analysis methodology in order to integrate ESG risks.
- A new ESG-reporting framework to the Board has been developed in order to follow progress of the ESG-targets and activities. (see annual report 2023) Some of the targets are ESG targets for own operations and some targets for business operations. Reporting to the Board will be done every quarter.
- We will demand that all new suppliers and partners as well as larger existing suppliers and business partners sign our code of conduct.
- We will deepen the dialogue on ESG-risks and opportunities with our partners.
- We will evaluate methods to measure CO₂ emissions in own operations and in next stage also financed emissions, i.e. the credit portfolio.

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).

- | | |
|--|--|
| <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 checked="" type="checkbox"/> Assessing negative environmental and social impacts | <input type="checkbox"/> Access to resources |
| <input checked="" type="checkbox"/> Choosing the right performance measurement methodology/ies | <input checked="" type="checkbox"/> Reporting |
| <input checked="" type="checkbox"/> Setting targets | <input type="checkbox"/> Assurance |
| <input checked="" type="checkbox"/> Other: Find adequate data systems to identify, assess and report EU taxonomy and upcoming CSRD-requirements, measure CO ₂ data in credit portfolio, ESG analysis on credit portfolio etc. It will be challenging to measure SME customers CO ₂ emissions since reporting is lacking. | <input type="checkbox"/> Prioritizing actions internally |