



99 Banking and Finance

The target group for these criteria comprises banking and financing enterprises, primarily those that come under Standard Industrial Classification codes 64 and 66.

The purpose of the new banking and financing criteria is to obtain proof that enterprises take climate and environmental aspects of their core activities into account. The core activities of banking and financing enterprises are:

- credit granting
- financing
- bonds
- savings products/investment of customers' deposits
- management of the enterprise's own funds

Enterprises shall also fulfil the General Industry Criteria. The Criteria designated with “§” are imposed by law or regulations. See the guidance manual for additional information.

Criterion ID	Banking and Finance
2064	The enterprise shall have a climate and environmental policy for: <ul style="list-style-type: none"> - credit granting - financing - bonds - savings products/investment of customers' deposits - management of the enterprise's own funds
2065	The enterprise shall set climate and environmental goals and related indicators.
2066	The enterprise shall document a plan for implementing the recommendations made in the Task Force on Climate-related Financial Disclosure (TCFD).
2067	The enterprise shall have criteria and routines for managing: funds and credit and financial activities with respect to climate and environmental aspects: <ul style="list-style-type: none"> - exclusion of engagements that can be linked to negative climate and environmental impacts - engagement in climate-friendly and environmentally friendly projects
2068	The enterprise shall develop products that stimulate climate-smart and environmentally smart behaviour.
2069	The enterprise shall publish climate and environmental information relating to: <ul style="list-style-type: none"> - credit granting



2070	<ul style="list-style-type: none"> - financing - bonds - savings products/investment of customers' deposits - management of the enterprise's own funds <p>The enterprise shall have routines in place to assess:</p> <ul style="list-style-type: none"> - whether its climate and environmental goals were achieved. - whether planned measures were implemented and have produced the expected results. - whether screening is carried out in accordance with valid guidelines.
2071	<p>The enterprise shall report on the established climate and environmental indicators pertaining to:</p> <ul style="list-style-type: none"> - credit granting - financing - bonds - savings products/investment of customers' deposits - management of the enterprise's own funds
2072	<p>The enterprise shall annually evaluate its climate and environmental activities pertaining to:</p> <ul style="list-style-type: none"> - credit granting - financing - bonds - savings products/investment of customers' deposits - management of the enterprise's own funds

Guidance

Criterion ID	Banking and Finance
2064	<p>Specification: A climate and environmental policy shall describe key climate and environmental aspects and the enterprise's obligation to improve them. A climate and environmental policy shall also make up part of the enterprise's steering documents.</p> <p>Documentation: Can be documented in different ways, for example:</p> <ul style="list-style-type: none"> - the enterprise's climate and environmental report and its action plan and goals (eco-lighthouse foundation). - a corporate social responsibility report with a climate and environmental policy. - an annual report with a climate and environmental policy. <p>Background information: Use Roadmap for Green Competitiveness in the Financial Sector, which contains guidance, requirements and challenges. Link to the Roadmap for Green Competitiveness in the Financial Sector: https://www.finansnorge.no/siteassets/tema/barekraft/veikart-for-gronn-konkurranskraft-i-finansnaringen/veikart-finansnaringen-web.pdf</p>



	<p>Supplementary information: The climate and environmental policy covers both the corporate and private markets.</p> <p>Definitions: Credit: https://www.investopedia.com/terms/c/credit.asp Financing: https://www.investopedia.com/terms/f/financing.asp Bond: https://www.investopedia.com/terms/b/bond.asp Funds obtained via green bonds shall be used for environmentally friendly purposes.</p>
2065	<p>Specification: The goals shall reflect the climate and environmental policy which in this connection covers the indirect environmental aspects associated with the core activity (credit granting, financing, bonds, savings products, etc.). The goals must be relevant, ideally quantifiable, and verifiable.</p> <p>It is recommended that the climate and environmental reports be used to monitor/register the environmental indicators (a supplementary service that can be agreed with the Eco-Lighthouse Foundation).</p> <p>Examples of indicators are: Credit:</p> <ul style="list-style-type: none"> - the portion of buildings financed under the BREEAM NOR scheme proportionate to the aggregate lending volume for commercial buildings. - loans for solar, wind and hydropower by percentage of aggregate lending volume. - financing of green loans (car loans, housing loans, loans for commercial buildings) by percentage of total loans. <p>Investments:</p> <ul style="list-style-type: none"> - The number of meetings with companies at which issues concerning climate and environmental aspects were discussed. <p>Bonds:</p> <ul style="list-style-type: none"> - The portion of green bonds by percentage of the total bonds volume. <p>General:</p> <ul style="list-style-type: none"> - The number of employees with documented climate and environmental competence. - Engagements linked to positive climate and environmental impacts proportionate to the aggregate lending volume and/or investments. - Engagements linked to negative climate and environmental impacts proportionate to the aggregate lending volume and/or investments. <p>Documentation: A set of climate and environmental goals and appurtenant indicators.</p> <p>Background information:</p>

	<p>External reference: Science Based Targets: https://sciencebasedtargets.org/</p> <p>Supplementary information:</p>
2066	<p>Specification:</p> <p>Areas where climate issues carry risk:</p> <ul style="list-style-type: none"> - Physical risk: financial consequences related to physical risks resulting from climate change. For example: insurance compensation, damage to property, etc. - Transition risk: costs, financial risk related to the transition to a low-emission society. - Third-party risk: claims for damages related to decisions or lack of decisions which either increase or reduce the risk of climate change. <p>Documentation:</p> <p>Plan for implementing the recommendations of the TCFD.</p> <p>Background information:</p> <p>"Climate-related risk is one of the least known, and least tangible, risk areas, but which potentially carries the greatest risk element." TCFD</p> <p>Supplementary information:</p> <p>More information is available here:</p> <ul style="list-style-type: none"> • https://klimastiftelsen.no/publikasjoner/klimarisiko-finans-og-bors/#advgb-toc-f5e4ea92-d067-4836-%2087ad-9e611d4dda1c • www.klimarisiko.org • www.tcfdhub.org/ • https://www.regjeringen.no/no/dokumenter/nou-2018-17/id2622043/sec1?q=klimarisiko#match_0
2067	<p>Specification:</p> <p>The nature of the criteria/routines can be both positive (positive screening) and negative.</p> <p>Positive screening is a proactive process whereby leadership is demonstrated when selecting climate-related and environmental investments (such as solar energy) and where profit is not the sole deciding criterion.</p> <p>Negative screening is a process whereby the climate-related and environmental impacts of enterprises are assessed and may result in exclusion.</p> <p>Documentation:</p> <p>Written guidelines, structures of authority, procedures or similar that can document that the enterprise has the relevant criteria and routines in place.</p> <p>Supplementary information:</p>



	<p>Examples of exclusion criteria:</p> <ul style="list-style-type: none"> • nuclear weapons • pollution • coal mining
2068	<p>Specification: The enterprise should also actively promote products that stimulate climate-smart and environmentally smart behaviour towards customers and investors.</p> <p>Documentation: On first-time certification: Examples of products that stimulate climate-smart and environmentally smart behaviour, or a binding plan to implement them. On recertification: Examples of products that stimulate climate-smart and environmentally smart behaviour</p> <p>Supplementary information:</p> <p>Examples of such products are:</p> <p>Financing of/loans for:</p> <ul style="list-style-type: none"> • climate-friendly and environmentally friendly house building plus housing, passive housing, low-energy buildings) • climate-friendly and environmentally friendly transport solutions <p>Savings products:</p> <ul style="list-style-type: none"> • green funds
2069	<p>Specification: The criterion is a specification of common criteria ID 5 and 7.</p> <p>Documentation: Publicly available information on climate and environmental aspects. Shall cover all areas described in the criteria descriptions.</p> <p>Background information: The enterprise must be open about its climate and environmental impacts, both direct and indirect.</p> <p>Supplementary information: Examples of public information documenting fulfilment of the criterion:</p> <ul style="list-style-type: none"> • climate and environmental information: policies, goals, measures and results • a list of excluded/priority sectors and enterprises with reasons for decisions • the portion of engagements in priority climate-friendly and environmentally friendly sectors and business operations proportionate to total investments.
2070	<p>Specification: Measures implemented in connection with positive screening of sectors and activities should be</p>



	<p>included in the enterprise's evaluation.</p> <p>Documentation: Established routines.</p> <p>Can be documented by, for example:</p> <ul style="list-style-type: none"> - management review - documentation from a credit committee or corresponding function. - a summary of the number of suppliers excluded due to lack of environmental focus. - annual reports/corporate social responsibility reports/sustainability reports
2071	<p>Specification:</p> <p>The criterion is a specification of common criterion ID 7.</p> <p>The enterprises determine where they report their declared climate and environmental indicators, but to avoid duplicate reporting, enterprises which prepare their own climate and environmental reports should coordinate this with the Eco-Lighthouse Foundation's climate and environmental report. Such coordination can be agreed with the Eco-Lighthouse Foundation. This primarily applies to enterprises using the Head Office model.</p> <p>Documentation:</p> <ul style="list-style-type: none"> - Report on the enterprise's material climate and environmental indicators. - Documentation of the reliability and correctness of the basis for the report. <p>Supplementary information:</p> <p>Examples of documentation/reports are:</p> <ul style="list-style-type: none"> - annual climate and environmental reports (Eco-Lighthouse Foundation) - carbon footprint - annual reports/corporate social responsibility reports/sustainability reports
2072	<p>Specification:</p> <p>The evaluation can cover:</p> <ul style="list-style-type: none"> - revising climate and environmental goals and measures. - ensuring that changes be communicated internally and externally. - ensuring that adopted changes be implemented in the enterprise. <p>Documentation:</p> <p>Written evaluation of the enterprise's climate and environmental activities.</p> <p>Examples:</p> <ul style="list-style-type: none"> - management review - annual climate and environmental reports