

Reporting and Self-Assessment Template

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

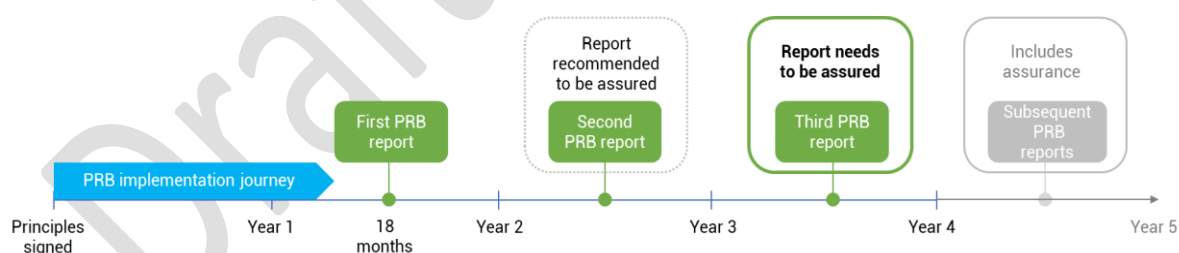
Three [Key Steps](#) are critical to showing that your bank is fulfilling its commitments as a signatory of the PRB, i.e. Impact Analysis, Target Setting & Implementation and Assured Reporting/Accountability. The sections in the Reporting and Self-Assessment Template that relate to the 3 Key Steps also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

Accommodating different starting points

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

Timeline for reporting and assurance

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



Assurance

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

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

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

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

An assurer provides limited assurance of your self-assessment in these listed areas. You can do this by including it in your existing assured reporting. Where third-party assurance is not feasible, an independent review may be conducted. Assurance requirements are described in more detail in the [Guidance for Assurance providers: Providing limited assurance for reporting](#).

Purpose of the template

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

How to use this template

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

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

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



Principle 1: Alignment

We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.

1.1 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.

SBAB is a state-owned financial institution in Sweden. SBAB specializes in providing loans and savings products and services for better housing and household finance. SBAB's customer base includes private individuals, tenant-owner associations, and construction & property companies in Sweden. SBAB finances housing and 100% of the products and services are located within Sweden.

Links and references (incl. pages)

For a full description of SBAB's business model, products and services and customer segments, please see the SBAB Annual Report 2023, p 12 - 13

1.2 Strategy alignment

Does your corporate strategy identify and reflect sustainability as strategic priority/ies for your bank?

- Yes
- No

Please describe how your bank has aligned and/or is planning to align its strategy to be consistent with the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.

Does your bank also reference any of the following frameworks or sustainability regulatory reporting requirements in its strategic priorities or policies to implement these?

- UN Guiding Principles on Business and Human Rights
- International Labour Organization fundamental conventions
- UN Global Compact
- UN Declaration on the Rights of Indigenous Peoples
- Any applicable regulatory reporting requirements on environmental risk assessments, e.g. on climate risk - please specify which ones: -----TCFD-----
- Any applicable regulatory reporting requirements on social risk assessments, e.g. on modern slavery - please specify which ones: -----
- None of the above

SBAB's role and responsibility when it comes to achieving the SDGs is based on the mission – to contribute to better housing and household finances. To ensure that the full force of SBAB's business is utilized to

Links and references

A full description of what each prioritised

contribute to better housing and household finances, four of the UN's 17 SDGs are prioritised (SDG 8: Decent work and economic growth, SDG 11: Sustainable cities and communities, SDG 12: Responsible consumption and production and SDG 13: Climate action). The prioritised goals are integrated into our steering model for sustainable development.

SBAB set a science-based climate target on our lending portfolio, as one of our five central business goals, and the goal is set in accordance to national and international climate goals and in accordance to the Paris Agreement 1.5 degree pathway (pathway based on calculations from the Carbon Risk Real Estate Monitor, CRREM).

SBAB works and reports on climate risk in accordance to the Task Force for Climate Related Financial Disclosures (TCFD).

SDG means for SBAB and examples of how SBAB contributes to each of the goals is summarized in our Annual Report 2023, p 180.

Please see SBAB's Annual Report 2023, p22 -23 for an explanation of our 5 new business goals from 2023 to 2030, which include the climate target as one of the five central business goals. For a description of our climate target, please see SBAB's Climate Report 2023 at sbab.se.

For SBAB's TCFD reporting, please see our Annual Report 2023, p. 178



Principle 2: Impact and Target Setting

We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.

2.1 Impact Analysis (Key Step 1)

Show that your bank has performed an impact analysis of its portfolio/s to identify its most significant impact areas and determine priority areas for target-setting. The impact analysis shall be updated regularly² and fulfil the following requirements/elements (a-d)³:

a) Scope: What is the scope of your bank's impact analysis? Please describe which parts of the bank's core business areas, products/services across the main geographies that the bank operates in (as described under 1.1) have been considered in the impact analysis. Please also describe which areas have not yet been included, and why.

SBAB carried out an updated impact analysis to increase understanding of where SBAB, through products and services, provided the most positive and negative impact to prioritize our sustainability work. SBAB finances loans to private, tenant owner institutions, and corporate clients.

Links and references
For a description of our financed emissions

² That means that where the initial impact analysis has been carried out in a previous period, the information should be updated accordingly, the scope expanded as well as the quality of the impact analysis improved over time.

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

<p>All the financed real estate is in Sweden. 100% of our lending secured by immovable assets was considered for our climate portfolio analysis. In setting our climate target and measuring our financed emissions, we have not yet included emissions from lending to commercial clients for construction. SBAB needs to measure emissions from our lending for construction (byggnadskreditiv) by collecting information on emissions from our corporate clients and utilizing proxies where emissions data is not yet available for collection.</p>	<p>calculation, exclusions, and climate target, please see SBAB's Climate Report 2023 at sbab.se.</p>
<p>b) <u>Portfolio composition:</u> Has your bank considered the composition of its portfolio (in %) in the analysis? Please provide proportional composition your portfolio globally and per geographical scope</p> <p>i) by sectors & industries⁴ 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>SBAB is a state-owned financial institution that finances loans to private, tenant owner institutions, and corporate clients. SBAB solely finances real estate, and all the real estate is in Sweden.</p> <p>100% of lending secured by immovable assets was considered for our analysis. Single family homes and holiday homes accounted for 35% of financed emissions in our lending portfolio, multifamily dwellings accounted for 63% of financed emissions in our lending portfolio and commercial real estate accounted for 2% of financed emissions in our lending portfolio.</p>	<p><i>Links and references</i> See details about our portfolio composition and corresponding climate impact (CO_{2e} emissions) and boundaries in SBAB's Climate Report 2023 at sbab.se</p>
<p>c) <u>Context:</u> What are the main challenges and priorities related to sustainable development in the main countries/regions in which your bank and/or your clients operate?⁵ Please describe how these have been considered, including what stakeholders you have engaged to help inform this element of the impact analysis.</p> <p><i>This step aims to put your bank's portfolio impacts into the context of society's needs.</i></p>	
<p>As is outlined in the EU fit for 55 package, decarbonization and energy saving from the European real estate sector is essential to reach 2030 climate targets. We have engaged with stakeholders via the Swedish banking authority, where we are in working groups with other banks, including a method group that syncs on methods and proxies on calculating financed emissions and a group that follows the development of the Energy Performance Building Directive (EPBD) and its application in Sweden. The emissions from the building and real estate sector that SBAB finances represent 22% of Sweden's GHG emissions.</p>	<p><i>Links and references</i> Swedish Housing Authority (Boverket), climate indicators 2024 Sweden's Environmental targets</p>

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

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

<p>SBAB has the possibility to influence the energy effectiveness and GHG emissions of our 287,000 private clients and 3,080 corporate and tenant owner association clients. Therefore, working actively with measuring and target-setting our portfolio would be a significant contribution to Sweden's national goal to have net zero emissions by 2045 in the real estate sector.</p> <p>By setting requirements on our corporate customers through our Sustainable Construction Industry project (together with other banks), SBAB can influence decent work and ethics in the construction industry. The construction industry in Sweden is characterized by incidents of informal employment and salary dumping, as well as human rights violations in the supply chain.</p> <p>WSP research from 2021 indicates that 10-30% of the construction industry is involved in tax evasion and 15-30% of employees in the construction industry lack collective agreements in Sweden. A study by the Swedish Construction Market Commission from 2022 finds that foreign construction companies operating in Sweden, have a high incidence of salary dumping. A sample of foreign companies were analyzed in the study, and over a quarter of the sample had salaries less than 70 percent of the average salary of construction workers in Sweden. Other issues such as lack of collective agreements or not paying social security fees for employees were identified and highlight the need for better monitoring of the construction industry.</p> <p>It was challenging to maintain an active dialog with stakeholders in the construction and finance industries, and for all the banks to align on common requirements to the construction industry. Therefore, it is a very significant development that all banks agreed upon common requirements and monitoring in November 2023, which allows for monitoring and the structure to set social targets and can lead to a systematic change in the entire construction industry in Sweden.</p>	<p>SBAB Annual Report 2023, px summarizes our client composition and market shares to indicate scale and context of our climate impact.</p> <p>Please see SBAB's Annual Report 2023, p35 for a description of our work with Sustainable Construction Industry project.</p> <p>Från svart till vitt Vänd den osunda utvecklingen i byggbranschen!, 2022</p> <p>WSP report 2021, in Swedish, WSP report 2023, summary in English</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)⁶? Please disclose.</p>	
<p>SBAB built on our impact analysis from 2021 using UNEPFI's Portfolio Impact Analysis Tool in 2022. We continue to find Climate Change Mitigation and Decent Work to be our most significant impact areas. Under the Natural Environment Context module, Climate stability scored 2, which is a moderate need. However, since the real estate sector contributes to a material percentage of Sweden's total emissions, we see this as a key impact area for SBAB.</p> <p>Under the Social Context module: Livelihood scored 2, which is a moderate need. However, since we provide loans for real estate in Sweden, where there are high levels of informal employment among</p>	<p><i>Links and references</i></p>

⁶ To prioritize the areas of most significant impact, a qualitative overlay to the quantitative analysis as described in a), b) and c) will be important, e.g. through stakeholder engagement and further geographic contextualisation.

<p>construction companies and their suppliers, we evaluate the need as being significantly higher. As is outline in the PRB framework we conduct the impact analysis in year 1 and 2 and work on target setting year 3 and 4.</p>	
<p>d) For these (min. two prioritized impact areas): <u>Performance measurement:</u> 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. <i>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.</i></p>	
<p>SBAB’s impact analysis has been cross-checked with the UNEP FI Portfolio Impact Analysis tool. Since Climate is one of our significant impact areas, we sought to develop indicators, including several indicators from the Annex (A2.4). The bank has analysed 100% of our lending portfolio secured by immovable property in Sweden in terms of financed emissions. 100% of the financed emissions from the lending portfolio secured by immovable property in Sweden is also covered by a decarbonization target. Given the nature of our portfolio focused on residential real estate, we identified the largest positive impact being through taxonomy aligned and significant energy effectiveness measures and subsequent emissions reduction by private, tenant owner and corporate clients. Our single-family homes (private customers) with lower energy certifications and ineffective heating sources are a large potential for emissions reductions, which both increases our positive climate impact and reducing the transitional risk of SBAB’s portfolio. Similarly, we can help transform the energy effectiveness and subsequent emissions of our tenant owner association clients through partnerships and incentives. With our corporate clients, we can set requirements, support, and incentivize their actions with climate change mitigation, adaptation, and social sustainability. Please read more about our efforts with these specific customer segments in section 3.1 and 3.2. Regarding our work with Decent Work, we came to an agreement with all the banks on the requirements set to corporate clients for monitoring their suppliers. This was a huge achievement for the Sustainable Construction Industry project and allows us to set our second Smart target, which is a measure of the percentage that monitors, among other</p>	<p><i>Links and references</i></p> <p>Please read more about the performance vis a vis our climate work in SBAB’s Climate Report 2023 at sbab.se.</p>

factors, suppliers meeting Swedish tax requirements (registered for Swedish F skatt) and decent work standards such as formally registering as an employer and paying employer fees.	
Self-assessment summary:	
<p>Which of the following components of impact analysis has your bank completed, in order to identify the areas in which your bank has its most significant (potential) positive and negative impacts?⁷</p> <ul style="list-style-type: none"> - Scope: Yes <input checked="" type="checkbox"/>, In progress <input type="checkbox"/>, No <input type="checkbox"/> - Portfolio composition: Yes <input checked="" type="checkbox"/>, In progress <input type="checkbox"/>, No <input type="checkbox"/> - Context: Yes <input checked="" type="checkbox"/>, In progress <input type="checkbox"/>, No <input type="checkbox"/> - Performance measurement: Yes <input checked="" type="checkbox"/>, In progress <input type="checkbox"/>, No <input type="checkbox"/> <p>Which most significant impact areas have you identified for your bank, as a result of the impact analysis? <i>Climate change mitigation and decent work</i></p> <p>How recent is the data used for and disclosed in the impact analysis? <input checked="" type="checkbox"/> Up to 6 months prior to publication <input checked="" type="checkbox"/> Up to 12 months prior to publication <input checked="" type="checkbox"/> Up to 18 months prior to publication <input type="checkbox"/> longer than 18 months prior to publication</p> <p>Open text field to describe potential challenges, aspects not covered by the above etc.: Open text field to describe potential challenges, aspects not covered by the above etc.: <i>(the portfolio analysis presented in our climate report is from the most recently available energy declarations as of 31st December 2022. However, other sources used in the impact analysis such as the Swedish environmental goals and WSP analysis are older)</i></p>	
<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. The targets⁸ have to be Specific, Measurable (qualitative or quantitative), Achievable, Relevant and Time-bound (SMART). Please disclose the following elements of target setting (a-d), for each target separately:</p> <p>a) Alignment: which international, regional or national policy frameworks to align your bank's portfolio with⁹ have you identified as relevant? Show that the selected indicators and targets are linked to and drive alignment with and greater contribution to appropriate Sustainable Development Goals, the goals of the Paris Agreement, and other relevant international, national or regional frameworks. <i>You can build upon the context items under 2.1.</i></p>	
Response	Links and references

⁷ You can respond "Yes" to a question if you have completed one of the described steps, e.g. the initial impact analysis has been carried out, a pilot has been conducted.

⁸ Operational targets (relating to for example water consumption in office buildings, gender equality on the bank's management board or business-trip related greenhouse gas emissions) are not in scope of the PRB.

⁹ Your bank should consider the main challenges and priorities in terms of sustainable development in your main country/ies of operation for the purpose of setting targets. These can be found in National Development Plans and strategies, international goals such as the SDGs or the Paris Climate Agreement, and regional frameworks. Aligning means there should be a clear link between the bank's targets and these frameworks and priorities, therefore showing how the target supports and drives contributions to the national and global goals.

SBAB measured emissions from our lending portfolio secured by immovable property in Sweden, using the Partnership for Carbon Accounting Financials (PCAF) methodology. During 2023, the Swedish Banking Association has a method group that put together a description of our application of the PCAF method for tenant owner associations and apartments.

SBAB uses a decarbonization pathway to set our decarbonization targets (1.5 degree pathway) that is science based and specific to the Swedish real estate sector (CRREM). SBAB committed to Science Based Target initiative during 2023 to ensure alignment with the goals but did not receive a time for validation during 2023. SBAB believes our target is the best way for SBAB to contribute to national and international frameworks because of the large percentage of emissions that come from Swedish real estate, and our role in financing Swedish real estate.

Regarding our work with Decent Work, we came to an agreement with all the banks on the requirements set to corporate clients for monitoring their suppliers. This was a huge achievement for the Sustainable Construction Industry project and allows us to set our second Smart target. The project and resulting monitoring and target setting will help the construction industry towards meeting Swedish labour standards and legislation, as well as ILO labour standards on Decent Work.

Please read more about the climate target, alignment with the 1,5 degree scenario and global pathways for debarbonisation and improvements in methodology in SBAB's Climate Report 2023 at sbab.se.

b) Baseline: Have you determined a baseline for selected indicators and assessed the current level of alignment? Please disclose the indicators used as well as the year of the baseline.
You can build upon the performance measurement undertaken in 2.1 to determine the baseline for your target.

A package of indicators has been developed for climate change mitigation and financial health & inclusion to guide and support banks in their target setting and implementation journey. The overview of indicators can be found in the [Annex](#) of this template.

If your bank has prioritized climate mitigation and/or financial health & inclusion as (one of) your most significant impact areas, it is strongly recommended to report on the indicators in the Annex. Please include the relevant indicators using the indicator code in the following table:

Impact area	Indicator code	Response
Climate change		

Impact area	Indicator code	Response
Financial health & inclusion		

Response

Impact area	Indicator code	Response

Links and references

Please read more about our actions to steer our products

<i>Climate change mitigation</i>	<i>A.4.1 Reduction of GHG emissions: how much have the GHG emissions financed been reduced?</i>	SBAB set an intensity based decarbonization target of 50% reduction of our GHG emissions intensity (kg CO ₂ e per m ²) from lending to our private, tenant-owner and corporate clients until 2038, with 2022 serving as our baseline year. We reduced our GHG emissions intensity by 1,9% from 2022 to 2023. In 2022, the GHG emissions intensity was 4.28 kg CO ₂ e per m ² and in 2023 it was 4.21 kg CO ₂ e per m ² .	and services to meet our climate target and our climate data project in our SBAB Annual report 2023, p32-34 and about our methods for calculating emissions and recalculating the baseline in our Climate Report 2023 at sbab.se
	<i>A1.2 Absolute financed emissions: What are your absolute emissions (financed emissions = scope 3, category 15) in your lending and/or investment portfolio?</i>	SBAB reports our absolute financed emissions in our lending portfolio in tonnes, CO ₂ e. The total financed emissions in 2023 is 58,969 tonnes CO ₂ e. Given material changes in our calculation methods, we recalculated the base year 2022. For now, we have not yet included emissions from lending to commercial clients for construction. SBAB will measure emissions from our lending for construction (byggnadskreditiv) using a combination of proxies and emissions data collected from clients to estimate emissions from the building process for our corporate clients.	
	<i>A.3.1 Financial volume of green assets/low-carbon technologies: How much does your bank lend to/invest in green assets / loans and low-carbon activities and technologies?</i>	SBAB reports on the amount of lending to green housing loans (74,5 billion SEK) which is also reported in our Green Bonds Impact Report.	
	<i>Social target on standards and monitoring of the construction industry</i>	SBAB set a target connected to the sustainable construction industry project, which is a measure of the percentage that monitors, among other factors, suppliers meeting Swedish tax requirements (registered for Swedish F skatt) and decent work standards such as formally registering as an employer and paying employer fees. Our 2024 social goal is that 25% of new productions, signed after 22nd November 2023, should have digital reports for monitoring and our 2025 target is 80% of new productions, signed after 22nd November 2023, should have digital reports for monitoring. Further long-term goals are in the process of being developed.	
c) SMART targets (incl. key performance indicators (KPIs) ¹⁰): Please disclose the targets for your first and your second area of most significant impact, if already in place (as well as further impact areas, if in place). Which KPIs are you using to monitor progress towards reaching the target? Please disclose.			
<i>Response</i>			<i>Links and references</i>

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

SBAB set an intensity based decarbonization target of 50% reduction of our GHG emissions (kg CO₂e) from lending to our private, tenant-owner and corporate clients until 2038, with 2022 serving as our baseline year.

SBAB set a target connected to the sustainable construction industry project, which is a measure of the percentage that monitors, among other factors, suppliers meeting Swedish tax requirements (registered for Swedish F skatt) and decent work standards such as formally registering as an employer and paying employer fees. Our 2024 social goal is that 25% of new productions, signed after 22nd November 2023, should have digital reports for monitoring and our 2025 target is 80% of new productions, signed after 22nd November 2023, should have digital reports for monitoring. Further long term goals are in the process of being developed.

d) Action plan: which actions including milestones have you defined to meet the set targets?
Please describe.

Please also show that your bank has analysed and acknowledged significant (potential) indirect impacts of the set targets within the impact area or on other impact areas and that it has set out relevant actions to avoid, mitigate, or compensate potential negative impacts.

Response

SBAB goal is to steer our clients towards a 1.5-degree scenario world and continue to develop products and services that facilitate the transition towards our 2038 target decarbonization target.

Due to the inclusion of the climate target as one of our five central business goals, additional focus was placed on our sustainable product and service offering and green bond framework. Forums were active on both the business units working with private and tenant owner and corporate clients to plan digital and other communication with clients and launch new products and tools. New partnerships and products were tested with both tenant owner and corporate clients, read more in section 3.1 and 3.2.

We have a companywide climate data project that has improved internal systems to store and access the relevant data to enable efficient steering and to further integrate the financed emissions calculation, climate risk data and EU taxonomy classification into our business strategies and risk evaluations.

SBAB is also committed to improving our data quality and calculations for our financed emissions, given that the target-setting methodology, as well as climate science will evolve over time. Therefore, we had additional sync with the Swedish bank method group and have adapted common proxies and methods. During 2023, we recalculated our baseline year, 2022 emissions again based on new proxies. Therefore, our 2022 and 2023 emissions reporting are comparable.

The agreement on common monitoring and requirements set to corporate customers in the construction industry by all banks was the most

Links and references

Please read more about our actions to steer our products and services to meet our climate target and our climate data project in our SBAB Annual report 2023, p32-34 and in our Climate Report 2023 at sbab.se

significant action. The chain reaction of monitoring suppliers and subcontractors will lead to better and fair working conditions and reduced criminality in the construction industry. Moreover, the first targets were set to steadily increase monitoring.

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)</i> ...your third (and subsequent) area(s) of impact: ... <i>(please name it)</i>
Alignment	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No
Baseline	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No
SMART targets	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No
Action plan	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No

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.


Response

SBAB measured emissions from our lending portfolio secured by immovable property in Sweden, using the Partnership for Carbon Accounting Financials (PCAF) methodology. SBAB also developed a method for calculating financed emissions for tenant-owner associations and tenant-owner apartments together with other Swedish banks. SBAB increased our transparency by publishing our Climate Report 2022 and 2023 and Green Bonds Impact Report 2022 and 2023 with a full

Links and references

Please read more about our actions to steer our products and services to meet our climate target in our SBAB

<p>description of our emissions calculation methodology, portfolio breakdown of our GHG emissions and decarbonization targets.</p> <p>With our decarbonization target now set as one of our five central business goals, we had increased focusing on develop our green product offering. During 2023, we tested a number of new green products and offerings. In 2023, through our climate data project, we better integrated climate data and climate strategy into our systems to track the impact of our work.</p> <p>As per our goal to set a second smart target, we reached an agreement with banks in Sweden in order to able to have the monitoring and common requirements necessary to set and meet at social target.</p>	<p>Annual report 2023, p32-34 and in our Climate Report 2023 at sbab.se</p> <p>Please read about developments in the Sustainable Construction project in our SBAB Annual report 2023, p 35</p>
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<div style="display: flex; align-items: center;">  <div> <p>Principle 3: Clients and Customers</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> </div> </div>	
<p>3.1 Client engagement</p> <p><i>Does your bank have a policy or engagement process with clients and customers¹¹ in place to encourage sustainable practices?</i></p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input 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 checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No</p> <p>Describe how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities¹²). It should include information on relevant policies, actions planned/implemented to support clients' transition, selected indicators on client engagement and, where possible, the impacts achieved.</p> <p><i>This should be based on and in line with the impact analysis, target-setting and action plans put in place by the bank (see P2).</i></p>	
<p>SBAB actively communicates on and encourages clients to take advantage of our Green Housing Loans (mortgages), Green Bonds and our green products and services to promote energy efficiency upgrades in their homes. During 2023, our service called "Kilowattjakten" to guide our clients in understanding how they could best energy effectivize their homes continued towards single family homes. In 2023, we reached out</p>	<p><i>Links and references</i></p> <p>Please read more about our actions to steer our products and services to</p>

¹¹ A client engagement process is a process of supporting clients towards transitioning their business models in line with sustainability goals by strategically accompanying them through a variety of customer relationship channels.

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

<p>to our tenant owner association clients, through a partnership with Eco Clime to offer support for association to identify and plan energy effectiveness measures. In the fall of 2023, SBAB issued its first sustainability linked loan to a corporate client. A sustainability linked loan is earmarked to achieve a sustainability goal. The goal is to be ambitious, overarching, require additional investment and have annual KPIs set up to measure progress. The goals set are to be benchmarked, set on science based or other standards, and measure in a quality assured way. Three sustainability linked loans have been issued to date.</p> <p>SBAB dedicated significant resources to get banks in Sweden to agree to partner to put requirements on the Construction Industry to ensure ethical, transparent, and decent work practices, and this was also communicated widely to customers in the Real Estate and Construction Industry bracket.</p>	<p>meet our climate target in our SBAB Annual report 2023, p32-34 and in our Climate Report 2023 at sbab.se</p>
<p>3.2 Business opportunities</p> <p><i>Describe</i> what strategic business opportunities in relation to the increase of positive and the reduction of negative impacts your bank has identified and/or how you have worked on these in the reporting period. Provide information on existing products and services , information on sustainable products developed in terms of value (USD or local currency) and/or as a % of your portfolio, and which SDGs or impact areas you are striving to make a positive impact on (e.g. green mortgages – climate, social bonds – financial inclusion, etc.).</p>	
<p><i>Response</i></p> <p>Since 2018, SBAB automatically proved a Green housing loan single and multifamily homes with energy label A, B or C. The incentive structure provides is such that the higher the energy label the better the interest rate. In 2023, 17,305 private homes had a Green housing loan, and we see that in the net inflow of green energy labels in our portfolio.</p> <p>SBAB also offers a Green investment loan to tenant owner association and corporate clients, which was updated in 2023. The loan is adapted for customers that perform an energy effectiveness measure in the home. At the end of the year, 49 tenant owner association and corporate clients had a Green investment loan at SBAB. Moreover, SBAB has a Green loop where Green housing and investment loans are financed with earmarked Green Bonds. The amount of outstanding Green Bonds and eligible Green Loans are delineated in our Green Bonds Impact Report.</p> <p>Our goal in 2024 is to update our Green housing loan (green mortgage) and our Green Bond framework, and also further develop and promote, in a targeted way, our Green investment loans to private, tenant owner and corporate clients. The focus now is beyond creating incentives through our Green housing loans to also helping our customers with the worst emission intensity and energy effectiveness to do the renovations needed. Please read 3.1 for our efforts in this regard.</p>	<p><i>Links and references</i></p> <p>Please read more about our actions to steer our products and services to meet our climate target in our SBAB Annual report 2023, p32-34 and in our Climate Report 2023 at sbab.se</p>



Principle 4: Stakeholders

We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.

4.1 Stakeholder identification and consultation

Does your bank have a process to identify and regularly consult, engage, collaborate and partner with stakeholders (or stakeholder groups¹³) you have identified as relevant in relation to the impact analysis and target setting process?

- Yes
- In progress
- No

Please describe which stakeholders (or groups/types of stakeholders) you have identified, consulted, engaged, collaborated or partnered with for the purpose of implementing the Principles and improving your bank's impacts. This should include a high-level overview of how your bank has identified relevant stakeholders, what issues were addressed/results achieved and how they fed into the action planning process.

Response

In 2023, a new materiality assessment was conducted in line with CSRD and ESRS guidelines and included double materiality and financial effects. Impact was analysed in terms of scale, scope and remediation on people, environment, and society, and multiplied with likelihood of impact. Moreover, a stakeholder dialogue captured the stakeholders' perspectives through workshops, interviews and surveys and included key stakeholder groups such as the Board and Executive Management, key department heads, investors, partners, clients, and our owner (Swedish State). This process resulted in updated material sustainability areas. We will in 2024, implement the new material areas and sync with our current steering, goals and targets.

For information on our previous materiality assessment and stakeholder dialog from 2020, please see our Annual Report 2023.

Links and references

For information on the old and new materiality analysis and plan forward please read our Annual Report 2023, p20.



Principle 5: Governance & Culture

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

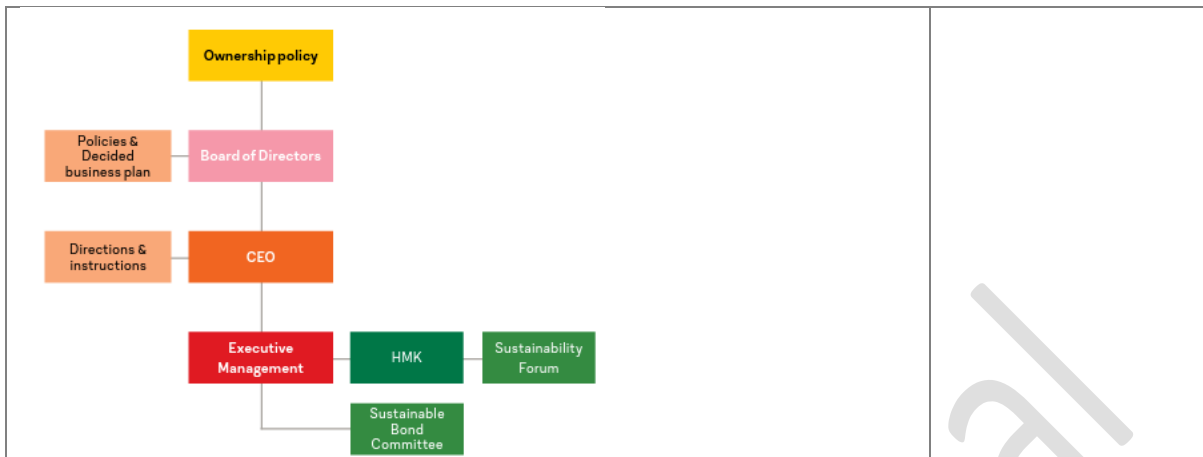
5.1 Governance Structure for Implementation of the Principles

Does your bank have a governance system in place that incorporates the PRB?

- Yes
- In progress
- No

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

<p>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</p> <ul style="list-style-type: none"> - 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. 	
<p>SBAB has key functions for the governance, follow-up, and management of our significant positive and negative (potential) impacts and that will support effective implementation of the Principles of Responsible Banking. Within SBAB, the Board is ultimately responsible for ensuring that active, long-term efforts to achieve sustainable development and addressing our risks within the bank. The Board also adopts strategy, objectives, and a policy for sustainable enterprise, these include oversight over the two PRB smart targets and their implementation (climate and social target). Furthermore, the Board monitors and assesses SBAB's sustainability efforts, where the PRB smart targets and implementation is integrated into four of our specific sustainability ambitions. The Executive Management develops the bank's strategic business plan, including aims, direction, and objectives for sustainability efforts, which include the PRB smart targets and their implementation. SBAB's sustainability efforts are fully integrated in SBAB's business plan. The Sustainability unit, headed by the Sustainability manager and four strategists, is tasked with coordinating sustainability efforts at SBAB on an overall level, as well as in relation to the prioritized sustainability areas and their measurable goals, together with the operational leads. SBAB has a Sustainability Forum comprising of all the operational leads of our prioritised sustainability areas that meet two times per year. SBAB has a Sustainable Bond Committee (SBC) that meets four times a year. The aim of the SBC is to secure the process whereby green and sustainable bonds can be issued, managed, and discontinued. The SBC is comprised of seven individuals from different parts of the operations. The Chairman of the SBC is SBAB's CFO, who is also CEO of SBC. The Board and Executive Management receive quarterly reports on progress on our sustainability efforts, where the PRB targets are integrated, however, to remedial action or remuneration practices are linked to sustainability targets.</p>	<p><i>Links and references</i></p> <p>Please see SBAB's Annual Report 2023, p166-167 for a description of our governance and steering mechanisms.</p>



5.2 Promoting a culture of responsible banking:

Describe the initiatives and measures of your bank to foster a culture of responsible banking among its employees (e.g., capacity building, e-learning, sustainability trainings for client-facing roles, inclusion in remuneration structures and performance management and leadership communication, amongst others).

Response

The integration of sustainability into SBAB’s steering model and with our business goals is the key to fostering a culture of responsible banking among employees. Sustainability training is a part of all new employee training and capacity building on key sustainability areas are a part of our obligatory trainings that all staff must undergo. During 2023, a project to assess a base digital sustainability training for all employees including climate risk, the green transition, EU regulation, circularity and biodiversity among other topics was assessed. The digital training will be rolled out between 2024 and 2025, with the entire company getting trained on relevant modules, including our entire advisory and customer service departments.

As highlighted above the Board, Executive Management, sustainability team, our sustainability forum, and sustainable bond committee are all actively involved in achieving our common business and sustainability goals. These groups are also responsible for the wider communication and involvement of all employees on sustainability work.

Links and references

5.3 Policies and due diligence processes

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


Please describe what due diligence processes your banks 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

¹⁴ Applicable examples of types of policies are: exclusion policies for certain sectors/activities; zero-deforestation policies; zero-tolerance policies; gender-related policies; social due diligence policies; stakeholder engagement policies; whistle-blower policies etc., or any applicable national guidelines related to social risks.

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>SBAB works and reports in accordance with the TCFD framework, which highlights our steering, strategy, risk management and targets and goals about climate risk. In 2023, SBAB implemented a pilot project evaluating and analyzing granular property-specific physical climate risk data from data providers, Metria and UC. Finally, securing UC as our data provider. During 2023, our climate data project also prioritized planning and securing the system integration of climate risk data to secure SBAB's reporting needs (including overall portfolio risk sensitivity) and our business units needs for integrating climate risk data into our valuation and credit processes.</p>	<p><i>Links and references</i></p> <p>Please see SBAB's Annual Report 2023, p34 for a description of climate data project and p178-179 for our TCFD reporting</p>
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<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 checked="" 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>	

	<p>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.</p>
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<p>6.1 Assurance</p>	
<p><i>Has this publicly disclosed information on your PRB commitments been assured by an independent assurer?</i></p> <p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> Partially <input type="checkbox"/> No</p> <p>If applicable, please include the link or description of the assurance statement.</p>	

<p><i>Response</i></p>	<p><i>Links and references</i></p>
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<p>Our PRB disclosures is a part of our limited assurance report, that has been assured by an independent assurer.</p>	<p>Please see SBAB's Annual Report 2023, p189</p>
<p>6.2 Reporting on other frameworks <i>Does your bank disclose sustainability information in any of the listed below standards and frameworks?</i></p> <p><input checked="" type="checkbox"/> GRI <input type="checkbox"/> SASB <input type="checkbox"/> CDP <input type="checkbox"/> IFRS Sustainability Disclosure Standards (to be published) <input checked="" type="checkbox"/> TCFD <input type="checkbox"/> Other:</p>	
<p>We disclose our sustainability information in our Annual Report. We have a full list of the standards and frameworks we use in the Sustainability Notes of our Annual Report, and these includes GRI and TCFD Reporting.</p>	<p><i>Links and references</i> Please see SBAB's Annual Report 2023, p178-179 for our TCFD reporting and p181-182 for our GRI reporting.</p>
<p>6.3 Outlook What are the next steps your bank will undertake in next 12 month-reporting period (particularly on impact analysis¹⁵, target setting¹⁶ and governance structure for implementing the PRB)? Please describe briefly.</p>	
<p><i>Response</i></p> <p>Our goal is to continue working on implementing actions connected to our climate target (decarbonization target) highlighted as our first SMART target and further develop and implement our second SMART target, which is a social target.</p> <p>With increased prioritization of the climate target, we need to continue propelling the developing products to incentivize our customers to invest in energy effectivising measures and tools and information to guide them in energy saving and climate adaptation.</p> <p>Key actions under 2024 are the launch of a new tool and product for guiding and providing incentives and financing for energy effectiveness measures for private customers.</p> <p>Key actions under 2024 will be the continual implementation of our climate data project. We will begin to collect data from our corporate customers and calculate emissions from our lending to construction of buildings (byggnadskreditiv). We will further integrate our climate data into our business systems and processes such as credit processes and valuation.</p>	<p><i>Links and references</i></p>

¹⁵ For example outlining plans for increasing the scope by including areas that have not yet been covered, or planned steps in terms of portfolio composition, context and performance measurement

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

A company-wide digital training will be implemented for all our business areas including our advisors (to customers) in customer service need to have the skills, knowledge and tools to support our clients in the green transition. This will be complemented on specific trainings and e learnings on specific green products and tools.

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.

- Embedding PRB oversight into governance
- Gaining or maintaining momentum in the bank
- Getting started: where to start and what to focus on in the beginning
- Conducting an impact analysis
- Assessing negative environmental and social impacts
- Choosing the right performance measurement methodology/ies
- Setting targets
- Customer engagement
- Stakeholder engagement
- Data availability
- Data quality
- Access to resources
- Reporting
- Assurance
- Prioritizing actions internally
- Other: ...

If desired, you can elaborate on challenges and how you are tackling these:

Annex

The set of indicators has been developed using a Theory of Change approach considering the relationship between inputs, activities, outputs, short and long term outcomes in order to achieve impact. The Theory of Change for climate mitigation can be found here, the one for financial health & inclusion here. The Theory of Change approach allows to identify metrics and set targets which align with a bank's maturity.¹⁷ The indicators are all connected to a bank's impact and can be considered as necessary steps towards measuring impact. It is not expected that a bank is able to report on all indicators from the beginning, which is why a set of indicators for different levels on a bank's implementation journey is provided.¹⁸

Impact area	1. Action indicators			2. Output indicators			3. Outcome indicators			4. Impact		
	Code	Indicator	Response options & metrics	Code	Indicator	Response options & metrics	Code	Indicator	Response options & metrics	Code	Indicator	Response options & metrics
A. Climate change mitigation	A.1.1	Climate strategy: Does your bank have a climate strategy in place?	Yes / In progress / No	A.2.1	Client engagement process: Is your bank in an engagement process with clients regarding their strategy towards a low(er)-carbon business model?	Yes / Setting it up / No; <i>If yes:</i> Please specify for which clients (types of clients, sectors, geography etc.)	A.3.1	Reduction of GHG emissions: how much have the GHG emissions financed been reduced?	% over time; baseline and tracking GHG emissions in kg of CO ₂ e (or applicable metrics) ¹⁹	A.4.1	Portfolio alignment: How much of your bank's portfolio is aligned with Paris (depending on the target set [A.1.2] either 1.5 or 2 degrees)?	% of sector, and/or % of portfolio
	A.1.2	Paris alignment target: Has your bank set a long-term portfolio-	Yes / In progress / No; <i>If yes:</i>	A.2.2	Proportion of financed emissions covered by a	% <i>(denominator: financed emissions in</i>	A.3.2	Financial volume of green assets/low-	bln/mn USD or local currency, and/or % of portfolio;			

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

¹⁸ Over time, indicators for more impact areas will be developed.

¹⁹ If possible and/or necessary, please contextualize the progress: Greenhouse gas emissions might even increase initially because the scope of measurements is extended and financed emissions from a growing proportion of the portfolio are measured, emission factors are updated etc. Emission reductions made by the clients should over time lead to a decrease in GHG emissions financed.

	wide Paris-alignment target? To become net zero by when?	- please specify: to become net zero by when? - Emissions baseline / base year: What is the emissions baseline / base year for your target? - Climate scenario used: What climate scenario(s) aligned with the Paris climate goals has your bank used?		decarbonization target: What proportion of your bank's financed emissions is covered by a decarbonization target, i.e. stem from clients with a transition plan in place?	<i>scope of the target set)</i>		carbon technologies: How much does your bank lend to/invest in green assets / loans and low-carbon activities and technologies?	<i>please specify the definition of green assets and low-carbon technologies used</i>		
A.1.3	Policy and process for client relationships: has your bank put in place rules and processes for client relationships (both new clients and existing clients), to work together towards the goal of transitioning the clients' activities and business model?	Yes / In progress / No	A.2.3	Absolute emissions: What are your absolute emissions (financed emissions = scope 3, category 15) in your lending and/or investment portfolio?	Total GHG emissions or CO ₂ e	A.3.3	Financial volume lent to / invested in carbon intensive sectors and activities and transition finance: How much does your bank lend to / invest in carbon-intensive sectors and activities ²⁰ ?	bln/mn USD or local currency, and/or % of portfolio		

²⁰ A list of carbon-intensive sectors can be found in the [Guidelines for Climate Target Setting](#).

	A.1.4	Portfolio analysis: Has your bank analyzed (parts of) its lending and/or investment portfolio in terms of financed emissions (Scope 3, category 15); technology mix or carbon-intensive sectors in the portfolio?	Yes / In progress / No; <i>If yes:</i> please specify which parts of the lending and investment portfolio you have analyzed	A.2.4	Sector-specific emission intensity (per clients' physical outputs or per financial performance): What is the emission intensity within the relevant sector?	Please specify which sector (<i>depending on the sector and/or chosen metric</i>): kg of CO ₂ e/ kWh, CO ₂ e / m ² ; kg of CO ₂ e/USD invested, or kg of CO ₂ e/revenue or profit		How much does your bank invest in transition finance ²¹ ?				
	A.1.5	Business opportunities and financial products: Has your bank developed financial products tailored to support clients' and customers' reduction in GHG emissions (such as energy efficient mortgages, green loans, green bonds, green securitisations etc.)?	Yes / In progress / No; Please specify which ones, and what financial volume and/or % of the portfolio they account for									
B. Financial health	B.1.1	# of products and services in the portfolio with a focus on financial health and inclusion	How much of the product and service portfolio has a focus on financial health/inclusion increase. This	B.2.1	% of active customers using the online/mobile banking platform/tools	By active we mean at least one access/usage per month. Measure recurrent usage	B.3.1	% of customers transferring money into a savings, deposit and/or investment	Transferring money into a savings, deposit and/or investment account at least once a quarter.	B.4.1	% of customers for which spending exceeded 90% of inflows for more than 6	Percentage. Customers that spend more than 90% their income every month are not being able to have large

²¹ Transition finance is defined as financing the transition towards a low-carbon future in alignment with the Paris climate goals. It entails any form of financial support for non-pure play green activities to become greener and reduce emissions.

			covers products with yields that protect from inflation, products and services embedded with nudges to simplify decision making, etc.			of digital services beyond the effective access of the channels. Used also as a proxy to measure if there are digital skills or not.	Principles for Responsible Banking	account, at least once a quarter	Disaggregate by type of product, tenure, liquidity, and prioritized groups		months last year	savings that will allow them to increase emergency funds or achieve future goals. A healthy measure is that outflows never exceed more than 90% of inflows. Transactional based
				B.2.2	% of individuals supported with dedicated and effective financial and/or digital education programs	Number of users, customers and non customers AS WELL AS EMPLOYEES, of financial and/or digital skills-building programs offered by the bank. Should be disaggregated by captive and non-captive users. Captive being those that can be deanonymized and non-captive being those that can't. Dedicated means that are specially created for a group of individuals. Effective means	B.3.2	% of customers using overdraft regularly	Percentage per year and disaggregated data per vulnerable group. Overdraft can be used to handle unexpected emergencies but more than 80% in a quarter (72 out of 90 days) denote regularity and a precursor to lower financial health	B.4.2	% of customers that feel confident about their financial situation in the next 12 months	Percentage. One way to evaluate financial confidence is checking if the customer feels confident about their financial situation in the upcoming year. Survey based.

						that its results have been evaluated periodically to yield the desired outcome of stronger financial skills						
							B.3.3	% of customers experiencing 8 or more payment declines in the last 12 months	Percentage of customers experiencing 8 or more payment declines in the last 12 months. Applies to both credit and debit products when using for payments, not for withdrawals.	B.4.3	% of customers that would struggle to handle a major unexpected expense by raising emergency funds or cover with insurance	Percentage. Survey based using the question: "If a major unexpected expense arises, how can you cover it right now?" and give the multichoice option of insurance, emergency funds, loan, credit card, etc.
							B.3.4	% of customers who use the bank's services to create a financial action plan	Percentage. Either digital or in person, are the customers using the banks services to set up an action plan to improve their financial health?	B.4.4	% of customers with sufficient liquid financial assets to cover a three-month reduction/loss in income	Percentage. Objectively measures if there's financial resilience or not using transactional data to check if the customer is preapproved for a loan, has available balance in credit card or can activate overdraft, or has savings/investme

												nts. Special attention must be put to financially vulnerable customers who may not have access to some of these liquid assets.
							B.3.5	% of individuals with OECD Financial Literacy levels higher than minimum targets	Percentage of individuals that score higher than the OECD targets (Knowledge 5/7, behaviors 7/9, attitudes 3/5). Should be measured in customers and non-customers. Specially those that receive any type of financial skills-building programs by the bank or third parties	B.4.5	% of customers with products connected to long-term saving and investment plans	Percentage. Track future planning amongst customers. The higher the number of these investment accounts and the volume, the better for the financial health of customers
C. Financial Inclusion	C.1.1 *	# of products and services in the portfolio with a focus on financial health and inclusion	How much of the product and service portfolio has a focus on financial health/inclusion increase. This covers products with yields that protect from inflation, products	C.2.1	% of clients with effective access to a basic banking product	% of clients with effective access to a basic banking product. By effective we mean that beyond first access, there's usage afterwards.	C.3.1	% of vulnerable customers supported with dedicated customer journey/advisor y services	Percentage of prioritized customers supported with dedicated customer journey/advisor y services. Measure the access and usage of	C.4.1	% of customers with 2 or more active financial products, from different categories, with the bank	% of customers with 2 or more active financial products, from different categories, with the bank. By active we mean there's at least one usage per month. By

			and services embedded with nudges to simplify decision making, etc.			Basic banking products vary by bank. Good examples are: checking accounts, payment accounts, credit cards, saving accounts, deposit accounts, e-money accounts, etc. (see annex for list of products)	Principles for Responsible Banking	advisory services and other tools available to help improve the conditions of customers towards further access to financial products and services as well as better financial decisions			category we mean credit/debt, savings/deposit/payment, insurance, investment, etc. Indicator should be disaggregated by group and by product/service used
				B.3.2	% of individuals supported with dedicated and effective financial and/or digital education programs	number of users, customers and non customers AS WELL AS EMPLOYEES, of financial and/or digital skills-building programs offered by the bank. Should be disaggregated by captive and non-captive users. Captive being those that can be deanonymized and non-captive being those that can't. Dedicated means that are specially created	B.4.5	% of individuals with OECD Financial Literacy levels higher than minimum targets	Percentage of individuals that score higher than the OECD targets (Knowledge 5/7, behaviors 7/9, attitudes 3/5). Should be measured in customers and non-customers. Specially those that receive any type of financial skills-building programs by the bank or third parties		

					for a group of individuals. Effective means that it's results have been evaluated periodically to yield the desired outcome of stronger financial skills	Principles for Responsible Banking				
				C.3.2	% of new customers from prioritized groups	% of new customers from prioritized groups. New to the bank. Disaggregate also by previously unbanked.	B.4.1	% of customers transferring money into a savings, deposit and/or investment account, at least once a quarter	Transferring money into a savings, deposit and/or investment account at least once a quarter. Disaggregate by type of product, tenure, liquidity, and prioritized groups	
							B.3.1	% of active customers using the online/mobile banking platform/tools	By active we mean at least one access/usage per month. Measure recurrent usage of digital services beyond the effective access of the channels. Used also as a proxy to measure if there are digital skills or not.	