

# Reporting and Self-Assessment Template

The following table sets out the reporting and self-assessment requirements for Signatories of the Principles for Responsible Banking. Signatory banks need to report on their implementation of the Principles the first time within latest 18 months after signing and annually thereafter (in line with their annual reporting cycle).

## How to use this template?

This template does NOT require your bank to produce an additional report. Rather, this template is designed for your bank to provide references/links to where in your existing reporting/public domains the required information can be found. The aim is to keep additional reporting burden to a minimum while ensuring transparency and accountability as set out in Principle 6.

Within this reporting template, there are six areas for self-assessment that are key to showing that your bank is fulfilling its commitments as a signatory of the Principles for Responsible Banking. They are **highlighted**.

1. Impact Analysis
2. Target Setting
3. Plans for Target Implementation and Monitoring
4. Progress on Implementing Targets
5. Governance Structure for Implementation of the Principles
6. Progress on Implementing the Principles for Responsible Banking

Only for these six **highlighted** items, it is required that:

- a) An assurer provides limited assurance of your self-assessment. 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.
- b) You provide your bank's conclusion/statement if it has fulfilled the respective requirements.

## Accommodating different starting points:

Banks have different starting points and operate in different contexts. Your bank may not be able to provide all information required in this template the first time you report. That is fine. Your bank has up to four years from signing to bring its reporting fully in line with the requirements. Feedback, support and peer learning are available to all signatory banks to help them progress with both implementation and reporting.

Reporting and Self-Assessment Requirements	High-level summary of bank’s response (limited assurance required for responses to <b>highlighted</b> items)	Reference /Link to bank’s full response/ relevant info.
--	--	---

## Principle 1: Alignment

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

<p>1.1 <i>Describe</i> (high-level) your bank’s business model, including the main customer segments served, types of products and services provided, the main sectors and types of activities, and where relevant the technologies financed across the main geographies in which your bank has operations or provides products and services.</p>	<p>SBAB is a state-owned financial institution in Sweden. Sustainable enterprise is fully integrated into the business and steering model. 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 &amp; property companies in Sweden.</p> <p>SBAB finances about 10% of all housing in Sweden and the geography of the products and services is entirely concentrated in Sweden.</p> <p>For a full description of SBAB’s business model, products and services and customer segments, please see the SBAB Annual Report, p 3.</p>	<p><a href="#">SBAB Annual Report 2021, p16-17, 71, 75-79</a></p> <p><a href="#">SBAB Annual Report 2021, p3</a></p>
<p>1.2 <i>Describe</i> how your bank has aligned and/or is planning to align its strategy to be consistent with and contribute to society’s goals, as expressed in the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.</p>	<p>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 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. A full description of what each prioritised goal means for SBAB and examples of how SBAB contributes to each of the goals is summarized in our annual report 2020, p 28-29.</p>	<p><a href="#">SBAB Annual Report 2021, p188-189 &amp; 200</a></p> <p><a href="#">SBAB Annual Report 2021, p22-23</a></p>

## Principle 2: Impact and Target Setting

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

<p><b>2.1 Impact Analysis:</b></p> <p>Show that your bank has identified the areas in which it has its most significant (potential) positive and negative impact through an impact analysis that fulfills the following elements:</p> <ul style="list-style-type: none"> <li>a) <u>Scope:</u> The bank's core business areas, products/services across the main geographies that the bank operates in have been as described under 1.1. have been considered in the scope of the analysis.</li> <li>b) <u>Scale of Exposure:</u> In identifying its areas of most significant impact the bank has considered where its core business/its major activities lie in terms of industries, technologies and geographies.</li> <li>c) <u>Context &amp; Relevance:</u> Your bank has taken into account the most relevant challenges and priorities related to sustainable development in the countries/regions in which it operates.</li> <li>d) <u>Scale and intensity/salience of impact:</u> In identifying</li> </ul>	<p><u>Impact Analysis</u></p> <p>In a parallel process to our materiality analysis, SBAB conducted an impact analysis (July 2020 - June 2021). Given that our products and services focus on the financing of housing located in Sweden, we could concisely analyse our impact with the parameters of scale, intensity and connection to national goals and strategies. According to our impact analysis, the impact was highest in connection to the climate impact of our products and services and in our work with ethics and transparency, which includes decent work.</p> <p><u>Climate Change Mitigation:</u> SBAB can potentially impact 279 000 housing loan clients and 2 100 corporate and housing association clients through our offers. SBAB can impact both the construction and the management of properties. The emissions from the building and real estate sector that SBAB finances represent 19% of Sweden's emissions of greenhouse gases from a life cycle perspective. 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.</p> <p><u>Decent Work:</u> By acting as role models and taking responsibility on transparency, anti-corruption, decent work, and ethics, SBAB can influence the entire construction industry and encourage other banks to follow suit. The construction industry often involves informal employment and salary dumping, as well as human rights violations in the supply chain. WSP research from 2021 indicates that 10-30% of the construction industry is involved in tax evasion, 15-30% of employees in the construction industry lack collective agreements, and 30-70% have salaries well below levels standardized in collective agreements. SBAB can positively impact and set requirements counteracting corruption and promoting decent working conditions in the construction industry that the bank finances, moreover this impact can be intensified by involving other banks.</p>	<p><a href="#">SBAB Annual Report 2021, p.26 p190-191</a></p> <p><a href="#">Boverket, Emissions from Real Estate and Construction. Sweden's Environmental targets</a></p> <p><a href="#">SBAB Annual Report 2021, p45</a></p> <p><a href="#">WSP report in Swedish</a></p>
---	---	---

<p>its areas of most significant impact, the bank has considered the scale and intensity/salience of the (potential) social, economic and environmental impacts resulting from the bank's activities and provision of products and services. (your bank should have engaged with relevant stakeholders to help inform your analysis under elements c) and d))</p> <p><i>Show</i> that building on this analysis, the bank has</p> <ul style="list-style-type: none"> <li>• Identified and disclosed its areas of most significant (potential) positive and negative impact</li> <li>• Identified strategic business opportunities in relation to the increase of positive impacts / reduction of negative impacts</li> </ul>	<p><u>Portfolio Impact Identification tool</u> SBAB's impact analysis was crosschecked with the PRB Portfolio Impact Identification tool, which identified a positive impact as decent employment and a negative impact as climate, confirming our own analysis to be accurate.</p> <p>Other impact analyses we conducted and that are available to read:</p> <p><u>Green Bonds Impact</u> SBAB's aim is to finance its green lending by way of green funding. SBAB was the first bank to in Sweden to successfully issue a green bond in mid-2016. It is important for SBAB to continue to promote, and offer investors the opportunity to support, the transition to a low carbon and climate resilient society by mitigating or adapting to climate change through the funding of green buildings and buildings which are or will become more energy efficient. We publish impact reports annually (please see link to our Green Bonds Impact Report). As of 31 December 2020, SBAB had committed and disbursed a total of SEK 31.5 billion in Green Loans to investment projects aligned with our Green Bond Frameworks. These projects are estimated to generate an annual avoidance in GHG emissions corresponding to 22 552 tonnes CO<sub>2</sub>e. SBAB's share of the financing is estimated to correspond to an annual avoidance of 11 604 tonnes CO<sub>2</sub>e.</p> <p><u>Climate risk impact</u> One of the analyses that went into the impact analysis was the stress tests SBAB conducted for climate-related risk to understand the impact on the residential mortgage portfolio. This was based on recommendations from the Task Force on Climate Related Financial Disclosures (TCFD). The stress tests evaluate how securities in SBAB's residential mortgage portfolio are affected by different scenarios, for example rising sea levels and hundred-year flooding events in Swedish watercourses.</p> <p><u>In general</u> Based on our high impact areas identified, in a participatory process involving our sustainability team, operative leads, Executive management and Board, a strategic reprioritization with ambition and target</p>	<p><a href="#">Green Bonds Impact Report, 2021</a></p> <p><a href="#">SBAB Annual Report 2019, p 58</a></p> <p><a href="#">SBAB Annual Report 2021, p.62</a></p>
--	---	--



	<p>setting work until 2025 was conducted. Our board ratified this strategy in the middle of September 2021. Prioritized Areas include working on reducing our climate impact both of our own operations and our portfolio and integrating climate risks into our risk analysis system, as well as business ethics and transparency, which includes our sustainable construction industry project which has a focus on decent work. <b>In the PRB framework, this can be summarized as climate change mitigation and decent employment.</b></p>	
<p>Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Impact Analysis.</p>		
<p>We believe we have invested considerable resources in fulfilling the requirements of the Impact Analysis. With help from Deloitte, inclusion of all our stakeholders and active engagement of our sustainability team, management team and board we have carefully completed and anchored the materiality and impact analysis and set our targets accordingly in an integrated manner.</p>		
<p><b>2.2 Target Setting</b></p> <p><i>Show that the bank has set and published a minimum of two <b>Specific, Measurable</b> (can be qualitative or quantitative), <b>Achievable, Relevant and Time-bound</b> (SMART) targets, which address at least two of the identified "areas of most significant impact", resulting from the bank's activities and provision of products and services.</i></p> <p><i>Show that these targets are linked to and drive alignment with and greater contribution to appropriate Sustainable Development Goals, the goals of the Paris Agreement, and other relevant international, national or regional frameworks. The bank should have identified a baseline (assessed against a particular year) and have set targets against this baseline.</i></p>	<p><u>Climate Change Mitigation</u></p> <p>SBAB's work on climate change mitigation is reported in our Green Bonds Impact Reports, Climate Impact Reports and Analyses and Annual Reports. In 2021, SBAB set a 15% reduction target for emissions from operations (GHG scope 1, 2 and upstream scope 3, all emissions sources excluding IT products) until 2025. Please see pages 194-195, of our annual report 2021 to read about our emissions. The new target will be published in our upcoming annual report. Moreover, SBAB committed to climate compensating for 100% of our measured emissions from our operations annually through gold standard certified projects. In 2021, SBAB climate compensated through investing in a wind power project in Aruba, an area otherwise dependant on coal powered energy.</p> <p>SBAB has committed to <a href="#">PCAF</a> and will be measuring and publishing the emissions from our entire portfolio using the PCAF methodology to work in alignment with the Paris Agreement.</p> <p>SBAB reports on "financial implications and other risks and opportunities due to climate change" where we identify and manage climate risks and report with a GRI indicator in our Annual Report. The identification and assessment of climate risks is integrated in our general risk analysis and a key risk indicator, KRI, has been developed.</p>	<p><a href="#">SBAB Annual Report 2021, p40</a></p> <p><a href="#">SBAB Annual Report 2021, p194-195</a></p> <p><a href="#">Green Bonds Impact Report, 2019</a></p> <p><a href="#">Green Bonds Climate Impact report, 2021</a></p> <p>Climate Impact analysis, 2021. See sbab.se</p> <p><a href="#">TCFD reporting, SBAB Annual Report 2021, p198-199</a></p>

<p><i>Show that the bank has analysed and acknowledged significant (potential) negative impacts of the set targets on other dimensions of the SDG/climate change/society's goals and that it has set out relevant actions to mitigate those as far as feasible to maximize the net positive impact of the set targets.</i></p>	<p><u>Decent Employment</u> In 2018, SBAB initiated the Sustainable Construction Industry project together with representatives from property developers, workers' and employers' organizations and professional bodies to promote ethics and transparency and tackle corruption, salary dumping and informal contracts in the real estate and construction industry. The result of the project is a declaration of intent, requesting banks to take increased responsibility in their credit granting (i.e., through more stringent requirements). All subcontractors on a construction site are expected to be pre-registered to enable the developer to make background checks. The share of pre-registered subcontractors will be a metric, but we have not yet set goals.</p> <p><u>In general</u> Following our 2020-2021 materiality, impact and GAP analyses, SBAB will continue to develop our SMART targets.</p>	<p><a href="#">SBAB Annual Report 2021, p190-192</a></p>
<p>Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Target Setting.</p>		
<p><b>2.3 Plans for Target Implementation and Monitoring</b></p> <p><i>Show that your bank has defined actions and milestones to meet the set targets.</i></p> <p><i>Show that your bank has put in place the means to measure and monitor progress against the set targets. Definitions of key performance indicators, any changes in these definitions, and any rebasing of baselines should be transparent.</i></p>	<p><u>Climate Change Mitigation</u> SBAB has over a decade long history of working systematically with measuring, working with, and disclosing our emissions from our operations. Our emissions from our operations are published both as independent reports and in the sustainability notes of our Annual Report. Additionally, SBAB has, over many years, published Impact Reports on the climate impact of our green portfolio, and it is our ambition to disclose the climate impact of our whole portfolio in our upcoming annual report in line with requirements in the new EU Taxonomy and using the PCAF methodology. All targets will be published with clear definitions and baselines, which will be anchored and approved by our Executive Management.</p> <p><u>Decent Employment</u> SBAB submitted a hypothesis to a group of managers from the Construction Industry in Almedalen, a Swedish national summit, in 2018. The hypothesis stated that the industry wants banks to put new requirements in their lending to raise the level of monitoring on construction sites and ultimately to reach sound competition and</p>	<p><a href="#">SBAB Annual Report 2021, p193-194</a></p> <p><a href="#">Green Bonds Impact Report, 2020</a></p> <p><a href="#">Green Bonds Impact Report, 2021</a></p> <p>Climate Impact analysis, 2021. <a href="#">See sbab.se</a></p>

	<p>decent working conditions. The Sustainable Construction Industry project was set up, led by SBAB, with representatives from large and small construction companies, labour and branch organizations and requirements were proposed. The project submitted a letter of intent to the banks in November 2019 with proposed requirements, that banks could consider in their B2B lending. The banks set up a new project group with representatives, led by SBAB, a steering group with representatives from all banks and four expert groups (legal, GDPR, communication, AML). Moreover, the project has reference groups in the Construction Industry, supply associations and authorities that act in an advisory role.</p> <p><u>In general</u> SBAB has working groups with operational leads under the direct leadership of the Executive Management that actively works with all our sustainability areas, including our climate impact and work with ethics, transparency, and decent work. This includes alignment to international and national standards, developing and implementing activities and integration with strategies and processes. SBAB's board receive updates on the overall progress and provide feedback and guidance on a quarterly basis.</p>	<p><a href="#">SBAB Annual Report 2021, p 190-192</a></p>
<p>Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Plans for Target Implementation and Monitoring.</p>		
<p><b>2.4 Progress on Implementing Targets</b></p> <p><u>For each target separately:</u></p> <p>Show that your bank has implemented the actions it had previously defined to meet the set target.</p> <p><i>Or explain why actions could not be implemented / needed to be changed and how your bank is adapting its plan to meet its set target.</i></p>	<p><u>Climate Change Mitigation</u> Capacity building on the EU taxonomy, TCFD, Science Based targets, PCAF was implemented. Significant progress was made through setting targets in climate change mitigation, including a target for emissions from SBAB operations (Scope 1, 2 and Scope 3 upstream). SBAB joined PCAF and is working towards calculating the emissions from our portfolio (Scope 3 downstream). SBAB has made progress in expanding our reporting and measures to integrate climate risk into the risk assessment processes, according to the TCFD framework. SBAB continues to support the Paris Agreement's goal of transitioning to net zero emissions by 2050 by lowering direct emissions and by offering green financing and investment products.</p>	

<p><i>Report on your bank's progress over the last 12 months (up to 18 months in your first reporting after becoming a signatory) towards achieving each of the set targets and the impact your progress resulted in. (where feasible and appropriate, banks should include quantitative disclosures)</i></p>	<p><u>Decent Employment</u> Banks have received and accepted four out of five proposed requirements from the Real Estate and Construction Industry. The requirements have been reviewed by GDPR- and competition law experts. Internal e-learning were developed, a bank customized report was developed, an organization for the management phase was set up within the Swedish Bankers' organisation. The Sustainable Construction Industry project communicated to the market what the requirements will be and the expectations the customers will have to meet.</p> <p><u>In general</u> SBAB developed capacity to work with impact analysis as a parallel process to our materiality analysis and engaged operative leads, the Board and the Executive management in both goal and ambition setting and implementation on high impact sustainability areas including climate change mitigation and decent work. The process of setting SMART targets is in progress.</p>	
<p>Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Progress on Implementing Targets</p>		
<p><b>Principle 3: Clients and Customers</b> <b>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.</b></p>		
<p>3.1 <i>Provide an overview of the policies and practices your bank has in place and/or is planning to put in place to promote responsible relationships with its customers. This should include high-level information on any programmes and actions implemented (and/or planned), their scale and, where possible, the results thereof.</i></p>	<p>SBAB actively communicates on and encourages clients to take advantage of our green mortgages, green bonds and our green products and services to promote energy efficiency upgrades in their homes. Analysis on customer knowledge and interest on climate risk was conducted to inform our communication to customers on climate risk. SBAB dedicated significant resources to get banks in Sweden 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>3.2 <i>Describe</i> how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities. This should include information on actions planned/implemented, products and services developed, and, where possible, the impacts achieved.</p>	<p>Some examples of our activities and products/services to promote sustainable practices:</p> <ul style="list-style-type: none"> <li>• Green mortgages</li> <li>• Energy efficiency loans for refurbishment activities that lower energy consumption</li> <li>• Contribution to increased energy efficiency by offering clients, through partnerships and pilot projects, energy consultation.</li> <li>• By the end of 2021, all major banks will implement mandatory requirements on their customers to improve screening and monitoring of subcontractors in the Construction Industry.</li> <li>• SBAB together with Make Equal developed and shared a digital tool, <a href="#">Respekttrappan "Respect Ladder"</a>, with training and workshop material on respect and equality work publicly and free of charge. Over 200 companies and organisations, including branch organisations, now use this tool.</li> </ul>	<p><a href="#">Green Bonds Impact Report, 2021</a></p> <p>Online tool, <a href="#">Respekttrappan</a></p>
---	--	---

## Principle 4: Stakeholders

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

<p>4.1 <i>Describe</i> which stakeholders (or groups/types of stakeholders) your bank has consulted, engaged, collaborated or partnered with for the purpose of implementing these Principles and improving your bank's impacts. This should include a high-level overview of how your bank has identified relevant stakeholders and what issues were addressed/results achieved.</p>	<p>In 2020, a new materiality assessment was conducted in line with GRI guidelines. This included a new stakeholder dialogue comprising 24 interviews of key stakeholders such as Board members, Executive Management, corporate customers, the owner, collaboration partners, business partners, investors, and trade organisations. Moreover, surveys were conducted with 482 of SBAB's employees, 384 retail customers and 23 tenant-owners' association customers. The stakeholder dialogue captured the stakeholders' perspectives as to which sustainability topics are most important for SBAB. In addition to input from the stakeholder dialogue, a new analysis was conducted of the operating environment, including key factors and relevant sustainability risks, trends, and legislation to form the basis for identifying the areas where SBAB has the greatest impact. The stakeholder dialogue was a key input to our prioritization of our sustainability work done in collaboration with the Board and Executive Management. The Executive Management also used this prioritisation for our goal and ambition setting until 2025.</p>	<p><a href="#">SBAB Annual Report 2021, p190-192</a></p>
---	--	--

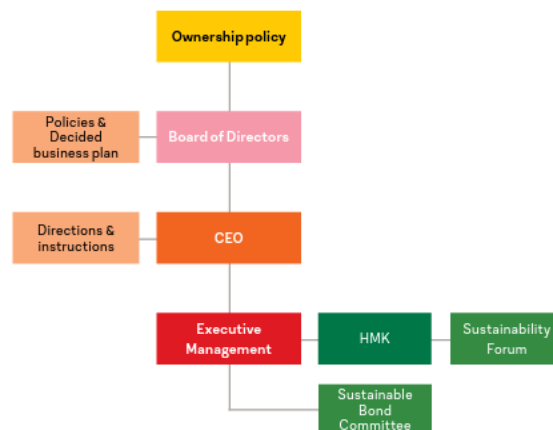
## Principle 5: Governance & Culture

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

5.1 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 effective implementation of the Principles.

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. 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. Furthermore, the Board monitors and assesses SBAB's sustainability efforts. The Executive Management develops the bank's strategic business plan, including aims, direction, and objectives for sustainability efforts. SBAB's sustainability efforts are fully integrated in SBAB's business plan. The Sustainability unit, headed by the Sustainability manager and three strategists, is tasked with coordinating sustainability efforts at SBAB on an overall level, as well as in relation to the prioritised 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.

[SBAB Annual Report 2021, p190-192](#)



<p>5.2 <i>Describe</i> the initiatives and measures your bank has implemented or is planning to implement to foster a culture of responsible banking among its employees. This should include a high-level overview of capacity building, inclusion in remuneration structures and performance management and leadership communication, amongst others.</p>	<p>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.</p> <p>As highlighted above the Board, Executive Management, sustainability team, our sustainability forum, and sustainable bond committee are all actively involved in achieving our business/sustainability goals. These groups are also responsible for the wider communication and involvement of all employees on sustainability work.</p>	
<p>5.3 Governance Structure for Implementation of the Principles</p> <p>Show that your bank has a governance structure in place for the implementation of the PRB, including:</p> <ul style="list-style-type: none"> <li>a) target-setting and actions to achieve targets set</li> <li>b) remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected.</li> </ul>	<p>SBAB has a strong governance structure as is highlighted in section 5.1. This governance structure will be mobilized to set targets. The Executive Management, for example was actively involved in target-setting, baselines and actions regarding our emissions target connected to our scope 1, 2, and scope 3 upstream emissions. However, no remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected exists in our governance structure.</p>	<p><a href="#">SBAB Annual Report 2021, p190-192</a></p>

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

## 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><b>6.1 Progress on Implementing the Principles for Responsible Banking</b></p> <p><i>Show that your bank has progressed on implementing the six Principles over the last 12 months (up to 18 months in your first reporting after becoming a signatory) in addition to the setting and implementation of targets in minimum two areas (see 2.1-2.4).</i></p> <p><i>Show that your bank has considered existing and emerging international/regional good practices relevant for the implementation of the six Principles for Responsible Banking. Based on this, it has defined priorities and ambitions to align with good practice.</i></p> <p><i>Show that your bank has implemented/is working on implementing changes in existing practices to reflect and be in line with existing and emerging international/regional good practices and has made progress on its implementation of these Principles.</i></p>	<p>Below is a summary of progress SBAB has made in the last 18 months in line with each of the Principles:</p> <p><b>Alignment –</b> Strengthened our sustainable steering model and our prioritised SDGs are integrated into our business model.</p> <p><b>Impact and Target-setting –</b> Performed materiality and impact analyses to identify our main impact areas, positive and negative aspects. Identified prioritised areas and worked on strategic goals and ambitions setting. Significant progress towards setting targets in climate change mitigation including setting a target for emissions from our operations (Scope 1, 2 and Scope 3 upstream), joining PCAF and working towards calculating the emission from our portfolio, and expanding our reporting and measures to integrate climate risk according to the TCFD framework. SBAB continues to support the Paris Agreement’s goal of transitioning to net zero emissions by 2050 by lowering direct emissions and by offering green financing and investment products.</p> <p><b>Customer and Clients –</b> Initiated external discussions with customers on further development of green and sustainable lending products. Developed the Sustainable Construction Industry project to ensure anticorruption and decent work measures. Spread the Respect ladder tool to 200 companies and organisations to work on equality.</p> <p><b>Stakeholders –</b> Increased the scope of stakeholders included in our materiality analysis.</p> <p><b>Governance and Culture –</b> Our governance model for our sustainability work includes the Board, Executive management, sustainability team and operative leads, all of whom have been actively engaged in both the materiality and impact analyses and the goal and target setting for our prioritised areas in the last 18 months. This work included a series of presentations and workshops where the Board, Executive Management and operative leads led the process of moving from materiality, identifying positive and negative impacts to setting new goals and targets for SBAB’s prioritised areas. Sustainability is part of our internal training and introduction training.</p> <p><b>Transparency and Accountability –</b> Our climate impact and analysis reporting and our green bonds impact reporting is regularly published with the goal of being transparent with our emissions and impact. SBAB strives to report the emissions from our entire portfolio in line with our goal to set SMART targets connected to climate change mitigation.</p>	<p>See previous sections for links.</p>
--	---	---



Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Progress on Implementing the Principles for Responsible Banking

#### Annex: Definitions

- a. **Impact:** An impact is commonly understood as being a change in outcome for a stakeholder. In the context of these Principles this means (aligned with GRI definition) the effect a bank has on people/the society, the economy and the environment and with that on sustainable development. Impacts may be positive or negative, direct or indirect, actual or potential, intended or unintended, short-term or long-term.
- b. **Significant Impact:** Impact that in terms of scale and/or intensity/salience results in a particularly strong/relevant change in outcome for a stakeholder. In the context of these Principles, the concept of *significant* impact is used to ensure banks focus where their actions/business (can) matter most for people, economy and environment and to provide a reasonable and practical threshold for what issues need to be considered/included, similar to the concept of "materiality".