

**SBAB!**

UN   
environment  
programme

finance  
initiative

Principles for  
Responsible Banking

# Responsible Banking Progress Statement

SBAB Bank AB (publ)  
2025



# Summary

## SBAB Bank AB (publ) 2025

<p><b>Principle 1:</b> <b>Alignment</b></p>	<p><b>Principle 2:</b> <b>Impact &amp; Target Setting</b></p>	<p><b>Principle 3:</b> <b>Clients &amp; Customers</b></p>														
<p><b>Content</b> SBAB Bank AB (publ) ("SBAB") is a purpose- and values-driven company that works deliberately to achieve its vision of enabling tomorrow's homes and housing. SBAB's business idea is to be innovative and considerate in its offering of loans and savings products and other services for better housing and household finances.</p> <p>In 2022, we defined our strategic game plan, which outlines the strategic areas where we intend to operate. The game plan establishes the framework for our role in the transition to a sustainable society, taking into account major trends and overall market developments on an ongoing basis. Within our core business (housing finance and savings) providing the central direction, the game plan also includes the directions <i>Climate transition of properties</i> and <i>Right housing for everyone</i>.</p> <p>To ensure that the full force of our business is utilized to contribute to this end, four of the UN's 17 Sustainable Development Goals (SDG) are prioritized:</p> <ul style="list-style-type: none"> <li>• <i>SDG 8: Decent work and economic growth</i></li> <li>• <i>SDG 11: Sustainable cities and communities</i></li> </ul>	<p><b>Content</b> SBAB annually reviews its double materiality assessment in accordance with the ESRS. The assessment covers SBAB and its subsidiaries, as well as the upstream and downstream value chain, and includes 100% of the groups lending portfolio. The material impacts, risks and opportunities identified through the assessment are aggregated into SBAB's six material sustainability areas, which form the basis for business planning and target-setting.</p> <table border="1" data-bbox="831 948 1415 1294"> <thead> <tr> <th>Sustainability area</th> <th>Target</th> </tr> </thead> <tbody> <tr> <td>Climate &amp; Energy transition</td> <td>SMART target set</td> </tr> <tr> <td>Our attractive workplace</td> <td>SMART target set</td> </tr> <tr> <td>Working conditions in the construction sector</td> <td>SMART target set</td> </tr> <tr> <td>Inclusive housing market and safe residential neighbourhoods</td> <td>No quantitative targets</td> </tr> <tr> <td>Information security</td> <td>Not publicly disclosed</td> </tr> <tr> <td>Counteracting financial crime</td> <td>Not publicly disclosed</td> </tr> </tbody> </table> <p><b>Emissions reduction targets:</b> SBAB has an emissions reduction target to reduce the emissions intensity of lending to existing buildings by 50 per cent (expressed in</p>	Sustainability area	Target	Climate & Energy transition	SMART target set	Our attractive workplace	SMART target set	Working conditions in the construction sector	SMART target set	Inclusive housing market and safe residential neighbourhoods	No quantitative targets	Information security	Not publicly disclosed	Counteracting financial crime	Not publicly disclosed	<p><b>Content</b> Customers' needs and interests are a central part of SBAB's business strategy, which is updated annually based on insights from the materiality assessment and stakeholder dialogues. SBAB's main opportunity to reduce climate impact lies in supporting the transition of the properties it finances, primarily by encouraging energy efficiency and the selection of low-impact energy sources.</p> <p><b>Sustainable products and services</b> SBAB offers a range of loan products that support the climate transition of properties – primarily Green residential mortgages for retail customers and Green property loans for property companies and tenant-owners' associations, which apply to properties with energy classes A, B or C. The offering is largely in line with the SBAB Group Green Bond Framework 2024, which is used for the classification of green assets and enables SBAB to issue green bonds. The framework follows the EU Taxonomy criteria for significant contribution to Climate change mitigation.</p>
Sustainability area	Target															
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- *SDG 12: Responsible consumption and production*
- *SDG 13: Climate action*

These SDGs are integrated into our governance model for sustainable development, which is based on SBAB's six material sustainability areas. The areas aggregate impacts, risks and opportunities identified through our ESRS-aligned double materiality assessment and guide our business planning.

SBAB's sustainability strategy is governed by several regulations, including the *State Ownership Policy and principles for state-owned enterprises*. Several international frameworks and commitments also govern SBAB's sustainability strategy, including:

- The UN Global Compact
- The UNEP FI Principles for Responsible Banking
- The Agenda 2030 for Sustainable Development
- The UN Guiding Principles on Business and Human Rights
- The OECD Guidelines for Multinational Enterprises

SBAB has been a member of the Partnership for Carbon Accounting Financials (PCAF) since 2021 and, in line with this commitment, measures its financed emissions from lending using PCAF's global standard for carbon accounting.

kgCO<sub>2</sub>e/m<sup>2</sup>) by 2030 from the base year 2022. 100% of SBAB's lending secured by immovable real estate is covered by the target, corresponding to 99% of total lending and 79% percent of SBAB's total emissions. The target is not validated by an external party but is based on SBTi's methodologies.

Outcome: At the end of 2025, emissions intensity was -2.2% compared to the base year 2022.

**Contribute to the climate transition of properties:** SBAB has also set volume and sales targets for the sustainability-related loans we offer, and activities related to these, which together create an index referred to as "contributing to the climate transition of properties."

Outcome: At the end of 2025, the index reached 56% of targeted volumes.

In 2025, SBAB adopted a transition plan for climate change mitigation. The short-term actions focus on strengthening analytical capacity, broadening ESG risk management and initiating work to define a long-term climate target. The medium-term (2028–2035) and long-term (2036–2045) actions outline a preliminary direction only, including further integrating ESG data into product development and credit decisions, aligning business strategy with risk appetite and sustainability targets, and ultimately ensuring full integration into SBAB's governance model. These will be developed further before any management or Board approval.

For energy-improving renovations, SBAB provides Green Investment Loans for tenant-owners' associations and property companies, and the Kilowatt Loan for retail customers. Additionally, the Kilowatt Calculator, which estimates potential electricity cost savings.

SBAB also offers sustainability-linked loans to corporate customers, where the terms are linked to the borrower's fulfilment of specific climate-related or social criteria.

For construction financing, SBAB offers Green building credits to property companies that meet specific climate requirements for new construction. In addition, SBAB sets requirements developed together with the Sustainable Construction Industry initiative, designed to promote fair working conditions and safe construction sites.

Sustainability-related loan, SEK million	31 Dec 2025	31 Dec 2024
Green mortgages	81,396	73,841
Kilowatt loan	216	88
Energy loan	16	18
Green property loans	30,391	24,774
Green investment loans	124	110
Green building credits	810	-
Sustainability-linked loans	6,024	2,224
Green assets pursuant to the SBAB Group Green Bond Framework 2024	105,499	89,332
Taxonomy-aligned lending	56,361	39,798

### Actions

In 2025, Business Area Private improved its internal data processes to identify households with high energy-efficiency potential and

	<p><b>Engagement index:</b> SBAB has set a target for committed employees, which is measured through an Engagement Index (&gt;4).  <u>Outcome 2025:</u> The score for 2025 was 4.2 (4.2), indicating continued high engagement.</p> <p><b>Gender equality in management positions:</b> The gender balance in management positions should be 50% +/-5%.  <u>Outcome:</u> At the end of 2025, the proportion of women in management positions amounted to 53.5 per cent, compared with 52.3 per cent for the previous year.</p> <p><b>Construction project report submittance:</b>  The target aims to ensure that only pre-notified, background-checked, and authorised companies and workers are granted access to worksites, in order to promote sound working conditions at construction sites. For 2025, the ambition was set at 80% of encompassed corporate customers submitting project reports.  <u>Outcome:</u> A total of 81% submitted reports.</p>	<p>provided more targeted communication to homeowners with energy classes F–G. The business area also analysed how to communicate climate risks, concluding that property-specific data remains insufficient; general information is therefore provided on SBAB’s website with referrals to official sources.</p> <p>Business Area Corporate &amp; Associations began using AI to review corporate customers’ annual and sustainability reports to identify potential energy-efficiency investments. An internal analysis tool was further developed to simulate the cost and impact of efficiency measures and used in customer dialogues.</p> <p>During 2025, particular focus was placed on tenant-owners’ associations, including information campaigns with an external partner, the launch of a dedicated Kilowatt calculation, and a new information page on sustainable association life.</p>
<p><b>Links &amp; references</b>  <a href="#">SBAB Annual Report 2025</a>  Read more on pages 50–53, 59, 89</p>	<p><b>Links &amp; references</b>  <a href="#">SBAB Annual Report 2025</a>  Read more on pages 55–57, 58–59, 67–69, 91–92, 97</p>	<p><b>Links &amp; references</b>  <a href="#">SBAB Annual Report 2025</a>  Read more on pages 50–53, 68</p> <p><a href="#">SBAB Green Bond Impact Report 2025</a></p>

<b>Principle 4: Stakeholders</b>	<b>Principle 5: Governance &amp; Culture</b>	<b>Principle 6: Transparency &amp; Accountability</b>
<p><b>Content</b> As a part of SBAB’s 2023 materiality assessment, stakeholder perspectives were captured through workshops, interviews and surveys involving retail and corporate customers, investors, business partners, employees and our owner, the Swedish state. SBAB also proactively engages with these and other stakeholders on an ongoing basis. These dialogues inform both our materiality assessment and our business decisions.</p> <p>In 2025, to deepen its understanding of physical climate risks, SBAB held dialogues with municipalities where the lending portfolio is exposed to elevated flood risks. These discussions focused on measures already implemented or planned to address local vulnerabilities.</p> <p>SBAB engages with its workforce through a bi-annual Pulse Survey and an annual work environment survey. The results are analysed to identify areas for improvement. Regular meetings with trade unions and workers’ representatives are held to discuss health and safety, operational changes and working conditions, in line with collective agreements and legislation.</p>	<p><b>Content</b> Implementation of the Principles for Responsible Banking is integrated with existing governance structures. Through SBAB’s Sustainability Policy, the Board has established the internal governance for sustainability. The Board is responsible for overseeing SBAB’s impacts, risks and opportunities, determining strategies, goals and policies for material sustainability matters, and regularly evaluating SBAB’s sustainability work and determining material sustainability areas.</p> <p>The Board has established several committees with tasks related to SBAB’s material impacts, risks and opportunities as stipulated by the Board’s formal work plan.</p> <ul style="list-style-type: none"> <li>• The Credit Committee’s task includes ensuring that SBAB’s methods for evaluating credit risk in lending operations takes into account relevant sustainability risk and continuously following up the impact of sustainability risks on credit risk.</li> <li>• The Risk and Capital Committee’s task includes continuously following up on sustainability risks linked to matters of capital and financing.</li> <li>• The Remuneration Committee’s task includes following up on diversity and gender equality in operations.</li> <li>• The Audit and Compliance Committee’s task includes monitoring and reviewing the</li> </ul>	<p><b>Content</b> SBAB’s Sustainability Report 2025, prepared in accordance with the European Sustainability Reporting Standards (ESRS) and the EU-Taxonomy regulation, as well as SBAB’s Green Bond Impact Report 2025, form the basis for SBAB’s Responsible Banking Progress Statement. Both reports have been subject to limited assurance reviews by the company’s auditors.</p>

<p>Through the Sustainable Construction Industry initiative, SBAB cooperates with other major banks to develop common requirements for borrowers in the construction sector. Dialogues are also conducted with relevant industry organisations.</p> <p>Regarding safe residential neighbourhoods, one criterion in SBAB’s sustainability-linked loans is the Safety Index, which is based on residents’ perceived safety. An independent third party conducts surveys to ensure that residents’ voices are accurately reflected.</p> <p>SBAB is a member of Finance Sweden and actively participates in several of its working groups, contributing to discussions on ESG-related matters such as counteracting financial crime, strengthening information security and advancing sustainable finance.</p>	<p>sustainability report, handling matters related to sustainability risks and monitoring the effectiveness of SBAB’s internal controls related to sustainability reporting.</p> <p>The CEO of SBAB is to ensure that decisions are made about priorities and strategic direction for sustainability at SBAB in accordance with the Board’s decided business strategies. Executive Management is to support the CEO in performing the operational work pertaining to SBAB’s material sustainability areas.</p> <p>SBAB has annual mandatory training for all employees, <i>Regulations and our responsible approach</i>, and provides an additional sustainability training course relevant to SBAB’s operations.</p>	
<p><b>Links &amp; references</b>  <a href="#">SBAB Annual Report 2025</a>            Read more on pages 53-54, 90, 96-99</p>	<p><b>Links &amp; references</b>  <a href="#">SBAB Annual Report 2025</a>            Read more on pages 61-62, 103-104</p>	<p><b>Links &amp; references</b>  <a href="#">SBAB Annual Report 2025</a>            Read more on pages 208-209</p> <p><a href="#">SBAB Green Bond Impact Report 2025</a>            Read more on page 12</p>