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Principles for
Responsible Banking

Responsible Banking Progress Statement

Skandiabanken 2023-2024

December 2024



Summary

Skandiabanken 2023-24

<p>Principle 1: Alignment</p>	<p>Principle 2: Impact & Target Setting</p>	<p>Principle 3: Clients & Customers</p>
<p>Content Skandiabanken Aktiebolag (publ)'s ("Skandiabanken" or the "Bank") strategy is to offer simple and transparent products and services that benefit our clients as well as society and the climate. The Bank's work with responsible banking services focuses on responsible risk management as well as the offering of sustainable products to the Bank's customers. Skandiabanken strives to contribute to the UN Global Sustainable Development Goals (SDGs). The Bank's strategy has not changed during the reporting period.</p> <p>The Bank aims to align its strategy with the UN Global Compact, the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, and the Paris Agreement on Climate Change.</p> <p>In 2023, Skandiabanken became a member of the Partnership for Carbon Accounting Financials (PCAF).</p>	<p>Content During 2024, Skandiabanken finalized its first double materiality assessment in preparation for the Corporate Sustainability Reporting Directive (CSRD). Skandiabanken has identified the following five material sustainability topics: Climate change (ESRS E1), Working conditions of own workforce (ESRS S1), Data protection & IT security (ESRS S4), Products and services for financial security (ESRS S4), and Counteracting financial crime (ESRS G1).</p> <p>Climate change has been designated as Skandiabanken's first impact area prioritized for PRB. After performing the double materiality assessment, the Bank is currently in the process of re-evaluating its second prioritized impact area.</p> <p>Progress Indicators:</p> <ul style="list-style-type: none"> • Finalised double materiality assessment in 2024. • Since 2023, Skandiabanken has taken steps to measure its climate impacts by calculating financed emissions. The Bank's first climate report was published in December 2024. During 2025, the Bank plans to establish climate targets as well as a transition plan. 	<p>Content Skandiabanken has identified strategic business opportunities in both the lending and savings business. The Bank aims to maintain its focus on engaging with the Bank's mortgage customers to encourage the adoption of energy-efficient measures.</p> <p>Progress Indicators:</p> <ul style="list-style-type: none"> • Introduction of green mortgages at the end of 2023. • Publication of Skandiabanken's Green Bond Framework in November 2023. • Skandiabanken issued its first green bond on February 1, 2024.

<p>Links & references Skandiabanken Annual Report 2023 Finansiell info Skandias bank</p> <p>Skandiabankens website about responsible banking services: Ansvarsfulla banktjänster Skandia hållbarhet</p>	<p>Links & references Skandiabanken's Climate Report 2023: Link</p>	<p>Links & references Skandiabanken's Green Bond Framework: Sustainability Skandiabanken Skandiabanken Green Mortgages: Grönt bolån – För dig med ett hållbart boende</p>
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<p>Principle 4: Stakeholders</p>	<p>Principle 5: Governance & Culture</p>	<p>Principle 6: Transparency & Accountability</p>
<p>Content The last large stakeholder consultation was conducted in 2020. The key stakeholder groups identified in that consultation were customers, investors, legislators, owners, employees, supervisory authorities, government officials and NGOs, and society at large.</p> <p>As part of preparations for CSRD, the Bank engaged with internal stakeholders during the reporting period. No other consultations were conducted during the reporting period.</p>	<p>Content Skandiabanken's policy for sustainability is the foundation of the bank's entire sustainability efforts, including the implementation of PRB. The policy, adopted by the board, sets the direction for how Skandiabanken, as part of the Skandia Group, should operate as a responsible bank.</p> <p>Skandiabanken's CEO is ultimately responsible for ensuring that the bank's meets the requirements of the sustainability policy, including the implementation of the Principles.</p> <p>Progress indicators:</p> <ul style="list-style-type: none"> • During the reporting period, the Bank has updated its sustainability policy. • Skandiabanken changed its governance structure, the Head of Sustainability is now directly reporting to the CEO. 	<p>Assurance of the sustainability-related information in this progress statement has not been undertaken.</p>
<p>Links & references -</p>	<p>Links & references Skandiabanken Annual Report 2023 Finansiell info Skandias bank Skandiabankens Policy on Sustainability skandiabankens-policy-om-hallbarhet.pdf</p>	<p>Links & references -</p>

Supplements

Skandiabanken has decided to provide the PRB supplements, before starting to report under CSRD for financial year 2025.

Principle 1: Alignment

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

Business model

Describe (high-level) your bank's business model, including the main business lines, 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, business areas or by disclosing the number of customers and clients served.

Links & references

Skandiabanken Annual Report 2023, p. 4, to be found here: [Finansiell info | Skandias bank](#)

Response

Skandiabanken Aktiebolag (publ) ("Skandiabanken" or the "Bank"), with its registered office in Stockholm, Sweden, was established on 1 July 1994 and is a wholly owned subsidiary of Skandia Mutual Life Insurance Company (Skandia Mutual). Skandia Mutual is the parent company of the Skandia Group (Skandia). Skandiabanken's business is conducted in Sweden. The Bank is a digital retail bank and provides financial services to private individuals. The Bank offers payment services, saving solutions and lending in the form of mortgages, credit cards, overdrafts and private loans. The majority of lending activity, 99 per cent, consists of mortgages. Skandiabanken's market share in the Swedish mortgage market was 2.5 per cent, as per 31 December 2023. Responsible lending is central in Skandiabanken's strategy, and the bank is conservative in its credit assessment. Credit losses remain at a low level (0.02 per cent), and the average loan-to-value ratio for mortgaged properties is kept low (55 per cent).

Strategy alignment

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 other international frameworks such as the Kunming-Montreal Global Biodiversity Framework (GBF), the United Nations Guiding Principles on Business and Human Right (UNGPs), the forthcoming instrument on plastic pollution etc.

Include any other national and/or regional frameworks that your bank has a strategy to align with where relevant.

Links & references

Skandiabanken Annual Report 2023, p. 9 (Skandiabanken released a joint Annual and Sustainability Report 2023)

Skandia's policy on sustainability 2024: [Hållbarhet | Ansvar för miljö & samhälle | Skandia](#) (website) and [policy document](#)

Skandiabanken's policy for sustainability 2024: [skandiabankens-policy-om-hallbarhet.pdf](#)

Skandiabanken's website about responsible banking services: [Ansvarsfulla banktjänster | Skandia hållbarhet](#)

Response

The Skandia Group aims to be a role model in sustainability and strives to contribute to the UN Sustainable Development Goals (SDGs). Skandia, and all companies within the Skandia Group, shall follow and work for compliance with the following international frameworks:

- UN Global Compact
- OECD Guidelines for Multinational Enterprises
- UN Guiding Principles on Business and Human Rights
- Paris Agreement on Climate Change

In line with instructions from its owners, Skandiabanken aims to align its strategy with these international frameworks. The Bank's work with responsible banking services focuses on responsible risk management as well as the offering of sustainable products to the Bank's customers. Skandiabanken's goal is to continuously strengthen the sustainable value creation that the Bank contributes to in relation to its customers and society at large.

According to Skandiabanken's sustainability policy ("Skandiabanken's policy on sustainability"), the Bank shall identify sustainability-related impacts, risks, and opportunities for people and the environment in the short, medium, and long term based on Skandiabanken's value chain. The Bank shall also establish and follow up on sustainability goals and key performance indicators that contribute to Skandiabanken's strategic objectives and position the Skandia Group as a role model in sustainable business practices.

Skandiabanken has the ambition to continuously develop and improve its sustainability work so that it best meets the expectations of stakeholders and international frameworks. In 2023, Skandiabanken became a member of the Partnership for Carbon Accounting Financials (PCAF). This membership empowers the bank to establish a foundational understanding necessary for formulating credible and measurable targets aligned with the objectives of the Paris Agreement on Climate Change.

Principle 2: Impact & 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.

Impact Analysis

Show how your bank has identified, prioritized and measured the most significant impacts associated with its portfolio (both positive and negative). Determine the priority areas for target-setting. Include details regarding: Scope, Portfolio Composition, Context, and Performance Measurement.

The impact analysis should include assessment of the relevance of the four priorities laid out in [Leading the Way to a Sustainable Future: Priorities for a Global Responsible Banking Sector](#), as part of its initial or ongoing impact analysis.

Links & references

Skandiabanken Annual Report 2023

Skandiabanken Climate Report 2023: [Link](#)

[Handlingsplan Agenda 2030](#), Published 14th of June 2018, p.41.

Skandiabankens double-materiality analysis will be presented as part of Skandia group's upcoming sustainability reporting for financial year 2024.

Response

In 2022 Skandiabanken conducted an impact analysis using the UNEP FI Portfolio Impact Analysis Tool for Banks, focusing on products and services across the Bank's three product areas: savings, payments, and lending. The analysis covered Sweden, where all the business is conducted.

During 2024, Skandiabanken finalised its first double materiality assessment as required under CSRD (Corporate Sustainability Reporting Directive). Skandiabanken currently prepares for its first CSRD reporting period, which will be published for the first time for the financial year 2025. From now onwards, Skandiabanken will use its double materiality assessment (which is updated at least annually) to identify the most significant impacts associated with the portfolio.

Scope: The double materiality assessment mapped Skandiabanken's value chains (upstream and downstream) for its three business areas, savings, lending, and payment services. Thereafter, impacts, risks and opportunities of different sustainability matters were identified in those value chains. Impacts were ranked in two dimensions, impact-in (financial impacts) and impact-out (impact on people and environment). The final materiality assessment was based on a threshold matrix as proposed by EFRAG.

Portfolio composition: Skandiabanken offers payment services, saving solutions and lending in the form of mortgages, credit cards, overdrafts and private loans to private individuals. As of 31 December 2023, the Bank's lending amounted to SEK 102 billion, deposits amounted to SEK 54 billion, and managed savings capital amounted to SEK 39 billion. The majority of lending activity, 99 per cent, consists of mortgages. All customers are private individuals. The average age of Skandiabanken's customers is 52. The customer base consists of 46 per cent women and 54 per cent men. 46 per cent live in the Stockholm area and 13 per cent live in Västra Götaland. The rest of the customer base is distributed over the country with 20 per cent living in Skåne, Uppsala, Östergötland and Halland. The average number of products per customer is 2.

Context: Sweden's action plan on implementing the 2030 Agenda has listed the most relevant challenges and priorities related to sustainable development:

- I. An equal and equality-focused society
- II. Sustainable societies

- III. An economy beneficial to society, that is circular and biobased
- IV. A strong business climate with sustainable corporations
- V. Sustainable and healthy product lifecycles
- VI. Strengthened knowledge and innovation

Skandiabanken can mainly contribute to areas I, II and VI.

Priority areas for target setting: As result of the double materiality assessment, Skandiabanken has identified the following five material sustainability topics:

- Climate change (ESRS E1), linked to the bank’s lending portfolio
- Own workforce: Working conditions (ESRS S1)
- Data protection & IT security (ESRS S4)
- Products and services for financial security (ESRS S4)
- Financial crime prevention (ESRS G1)

Using UNEP FI’s interoperability package, the ESRS topics can be mapped to PRB’s Impact Areas. Climate stability, corresponding to ESRS E1, has been determined as Skandiabanken’s first chosen priority impact area, in line with PRB’s climate ambition. The Bank is currently in the process of re-evaluating its second impact area after performing the double materiality assessment.

Performance measurement

Skandiabanken’s membership in the Partnership for Carbon Accounting Financials (PCAF) laid the foundation for measuring the banks financed emissions linked to its residential mortgage portfolio. Skandiabanken’s first climate report was published in December 2024. Measuring financed greenhouse gas emissions allows Skandiabanken to establish a foundational understanding necessary for formulating credible and measurable targets in line with the objectives of the Paris Agreement.

With regards to the Bank’s other impact areas, the process to define indicators and measure performance is still on-going.

Targets, Target Implementation, and Action Plans/Transition plans

Show that your bank has set and published a minimum of two SMART targets which address at least two different areas of most significant impact that your bank identified in its impact analysis. Once targets are set, explain the actions taken and progress made. Include details regarding: Alignment, Baselines, Targets, Target Implementation & Monitoring (and KPIs), Action Plans/ Transition plans and Milestones.

Banks are encouraged to disclose information regarding actions they are taking in four priorities laid out in [Leading the Way to a Sustainable Future: Priorities for a Global Responsible Banking Sector \(2024\)](#).

Links & references

Skandiabanken Climate Report 2023

Response

Target 1: Climate Mitigation

The Bank has, as of December 2024, made its inaugural PCAF disclosure. Skandiabanken is reporting both its financed emissions and financed emissions intensity for its mortgage portfolio (for 2023). The findings from the report will serve as the cornerstone for establishing the Bank’s baseline for setting a climate target aligned with the Paris Climate Agreement. Skandiabanken is currently working on setting targets and has yet to adopt an action plan. During 2025, the Bank plans to establish climate targets as a well as a transition plan.

Target 2:

Skandiabanken has yet to set a baseline and SMART target related to its second area of significant impact. This work will be on-going, in tandem with the preparation for the Bank's first sustainability report under CSRD.

Principle 3: Clients & Customers

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.

Client and Customer engagement

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 activities. It should include information on the client engagement strategy including but not limited to the impact areas identified/ targets set, awareness raising activities with clients and customers, relevant policies and processes, actions planned/implemented to support clients' transition, selected indicators on client engagement and, where possible, the impacts achieved.

Links & references

Skandiabanken Annual Report 2023, p. 9

Skandiabanken's energy efficiency service: [Energieffektivisera huset | spara energi och pengar](#)

Skandiabankens website about responsible banking services: [Ansvarsfulla banktjänster | Skandia hållbarhet](#)

Response

The Bank aims to maintain its focus on engaging with the bank's mortgage customers to encourage the adoption of energy-efficient measures. Skandiabanken is looking into how to assist customers in financing energy improvements for their homes and will strive to develop tailored offers.

Following a period of volatility marked by elevated electricity prices in Sweden, especially around the transition from 2022 to 2023, a growing number of individuals have been reevaluating their residential energy consumption habits. Since 2023, the Bank offers a service to assist its customers in calculating potential energy investments. This service, conducted in collaboration with an external partner, utilizes a platform that provides personalized sustainability data and recommends energy-efficient measures tailored to each customer's unique home.

Business opportunities

Describe what strategic business opportunities in relation to the increase of positive and the reduction of negative impacts your bank has identified and/or how your bank has developed these in the reporting period. Provide information on sustainability-related products and services and frameworks in place that support the transition needs of clients, size of the sustainable finance portfolio in USD or local currency and/or as a % of your bank's portfolio,* and which SDGs or impact areas you bank is striving to make a positive impact on (e.g. green mortgages—climate, social, sustainability bonds—financial inclusion, etc.).

* Provide information on the sustainable finance frameworks/standards/taxonomies used to label sustainable finance volumes

Links & references

Skandiabanken's Green Bond Framework and Second-Party Opinion: [Sustainability | Skandiabanken](#)

Skandiabanken Green Mortgages: [Grönt bolån – För dig med ett hållbart boende](#)

Skandia's fund list: [Fondlistan | Skandia](#)

Skandiabanken Annual Report 2023, p. 9 ff.

Response

Skandiabanken has identified strategic business opportunities in both the lending and savings business.

(1) Responsible lending

Towards the end of 2023, Skandiabanken introduced Green mortgages, to encourage its customers to make more sustainable and environmentally friendly choices. Under this program, the Bank extends an additional discount on mortgages to both new and existing customers residing in homes

with energy performance classes (EPC) A or B.

As of today, Skandiabanken offers a transparent pricing model for mortgages, which was further improved during 2020. Under this model, the individual discount offered to a mortgage customer is based on the size of the mortgage and the value of the home. Moreover, unlike the pricing practice of big four banks in Sweden, Skandiabanken's transparent pricing model does not require the customer to negotiate to receive a fair and competitive interest rate. Thus, it is equal for all.

In November 2023, the Bank published its first Green Bond Framework, a prerequisite for the issuance of green bonds. The framework has been developed in accordance with the International Capital Market Association's (ICMA) Green Bond Principles and has been the subject of a thorough external review. The framework is broadly aligned with the EU Taxonomy for sustainable activities. The Bank issued its first green bonds on the 1st of February 2024 and in the coming years will establish reliable methods for impact measurement and reporting. The SEK 1 billion issuance was highly successful with both national and international investors which underscores the market's confidence in the Bank's great credit quality. The proceeds from this transaction will be allocated to finance green projects in alignment with the Skandiabanken's Green Bond Framework. The first impact and allocation reporting will be available in 2025.

(2) Sustainable savings

The Bank's mutual fund offering consists of the Skandia group's own mutual funds and mutual funds from many market-leading mutual fund companies. Through responsible product evaluation and guidance, the Bank aims to help customers choose the right product. Skandia's fund list provides information about mutual funds' various sustainability profiles, for example, the funds' sustainability classification according to SFDR, ratings (Morningstar) and risk values. Client can use various filtering tools for sustainability characteristics. Skandiabanken also offers sustainability-oriented mutual fund portfolios.

As part of the Skandia group, Skandia Asset Management ensures responsible audit of the mutual funds list offered to Skandiabanken's customers on *skandia.se*. Skandia Asset Management supports the application of the UN Framework for Responsible Business (UN Global Compact) and has signed the UN Principles for Responsible Investment (UNPRI). Furthermore, Skandia Asset Management examines how the companies it invests in, and the funds Skandiabanken offers, considers sustainability factors and sustainability risks in the companies' operations and investments. Such risks and factors can be the climate, the environment, human rights, employee rights and good corporate governance practice, including the fight against corruption.

**Principle 4:
Stakeholders**

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

Stakeholder identification and consultation

Describe which stakeholders (or groups/types of stakeholders) your bank has 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 the bank's engagement strategy following criteria for effective engagement and advocacy, how your bank has identified relevant stakeholders, what issues were addressed/results achieved and how they fed into the action planning process.

Links & references

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Response

The latest large stakeholder consultation was conducted in 2020. The key stakeholder groups identified were customers, investors, legislators, owners, employees, supervisory authorities, government officials and NGOs, and society at large.

For the consultation with the Bank's customers, Skandiabanken conducted an online survey of more than 20,000 customers. The purpose of the survey was to gain an understanding of customers' expectations and requirements for Skandiabanken when it comes to sustainability.

The customer consultation resulted, amongst other things, in the following takeaways:

- Confidence in Skandia's brand is crucial
- Availability and service are important aspects when choosing banking products
- Sustainability is less important than "classic" aspects such as fees, interest rates and service. However, sustainability is an important factor, especially for women, and therefore needs to be addressed in order to maintain a high level of customer satisfaction
- Younger women are most likely to make decisions based on sustainability
- Water stood out as the most important sustainability issue among the UN Sustainable Development Goals (SDGs)

As part of preparations for CSRD, the Bank engaged with internal stakeholders during the reporting period. Skandiabanken plans to engage in a new consultation with the Bank's wider stakeholders in the upcoming years.

Principle 5: Governance & Culture

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

Governance Structure for Implementation of the Principles

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 (including accountability at the executive leadership level, clearly defined roles and responsibilities for sustainability matters in internal processes, etc.) and support the effective implementation of the Principles.

Links & references

Skandiabanken Annual Report 2023, p. 10-11

Skandiabanken's policy for sustainability 2024: [skandiabankens-policy-om-hallbarhet.pdf](#)

Response

Skandiabanken's policy for sustainability is the foundation of the Bank's existing governance structure for sustainability. The policy, adopted by the board, states Skandiabanken's ambition to fully implement the Principles for Responsible Banking. It also sets the direction for how Skandiabanken, as part of the Skandia Group, should operate as a responsible bank that contributes to sustainable value creation.

The policy includes a description of the sustainability topics that Skandiabanken has identified as material and requires that, for each material sustainability topic, the Bank should specify the necessary measures to prevent, mitigate, and remedy actual and potential impacts, as well as the appropriate actions to manage risks and opportunities through internal governing documentation. To follow up on the sustainability work, the Bank should set clear and measurable goals. Furthermore, it is stated that for each material sustainability topic, it should be specified who in the organization is responsible for the active work with the topic.

The policy specifies that it is the responsibility of Skandiabanken's board to decide on material sustainability topics. Skandiabanken's CEO is ultimately responsible for ensuring that the Bank's operations are conducted in a manner that meets the requirements of the sustainability policy. The CEO is also responsible for identifying the Bank's material sustainability topics and for preparing the sustainability report as required by regulation, which is then presented to the board for decision.

In 2024, Skandiabanken changed its reporting structure. The Head of Sustainability is now reporting directly to the CEO.

Currently, there is no specific governance document for e.g. the Bank's climate strategy. The Bank intends to develop its sustainability work in the coming years, which includes clarifying the governance model for all material sustainability matters, such as climate change.

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, learning & development, sustainability training for relevant teams, inclusion in remuneration structures and performance management and leadership communication, amongst others).

Links & references

Skandiabanken Annual Report 2023, p. 12

[Certification – Sustainability in the financial industry | Finanskompetens](#)

Skandia's Idea for Life foundation: [Hem - Idéer för livet - Idéer för livet](#)

Response

An internal survey is conducted every year in which the Bank's employees can evaluate whether they see the Skandia Group as a role model regarding sustainability and indicate whether they have good knowledge of Skandia's sustainability work and feel involved and can contribute to this work. The

results are used to measure the level of ambassadorship when it comes to the sustainability work that the Group and the Bank conducts. In 2023, the result showed that a majority of Skandiabanken's employees felt engaged and knowledgeable in sustainability, with an average result of 3.9 out of 5. Since 2021, an external training called Sustainability in the Financial Industry by a company called Finanskompetens is offered to all employees. The education awards a certificate upon successful completion. The purpose has been to create a common understanding of how climate change and the sustainable development efforts impact the financial market, and the regulations introduced by the EU. Employees who earned the course certificate must complete an annual knowledge update. In addition, Skandiabanken requires its employees to conduct yearly updates with regards to the Group's sustainability work through digital yearly knowledge updates and micro learnings. Since December 2022, Skandiabanken has implemented mandatory micro-trainings within the customer service unit, specifically tailored to instill a focus on sustainability in the bank's own operations. Skandia's Ideas for Life foundation ("Ideér för livet") offers Skandiabanken's employees the opportunity to engage in various volunteer projects. Skandia strives to create a society with better health and increased security. Ideas for Life serves as a catalyst to create more effective preventive measures for children and young people by initiating and supporting local projects, methods and research. Furthermore, in accordance with Skandia's sustainability strategy, Skandia advocates meetings that do not require physical presence or travel. Skandia works actively to reduce the environmental impact of its business, and it is therefore important that all unnecessary travel is kept to a minimum.

Risk and due diligence processes and policies

Describe what processes your bank has installed to identify and manage environmental and social risks associated with your bank's portfolio. This can include aspects such as identification of significant/salient risks, due diligence processes, environmental and social risks mitigation and definition of action plans, monitoring and reporting on risks and any existing grievance mechanism, as well as the governance structures your bank has in place to oversee these risks.

Links & references

Skandiabanken Annual Report 2023, p. 11

Skandiabanken's website: [Så styrs Skandiabanken](https://www.skandia.se)

Response

An overall assessment of Skandiabanken's sustainability risks is included in the existing risk assessment process defined in Skandiabanken's risk policy. Information about Skandiabanken's sustainability risks is presented to the board on a quarterly basis.

Skandiabanken has identified its inherent exposure to climate-related risks, due to its core business being residential mortgages. Residential buildings, which serve as collateral for residential mortgages, are exposed to physical climate risks. In 2022, Skandiabanken performed stress tests and scenario analyses on the Bank's residential mortgage portfolio for the first time. The analysis focused on flood risk, using data from the Swedish Civil Contingencies Agency's (MSB's) flood portal. Skandiabanken plans to update, and possibly expand, its climate risk analysis within the next years.

With regards to social risks, Skandiabanken prioritises the customer's interests by extending credit solely to customers with a demonstrated capacity for timely repayments. In addition, the Bank currently does not offer new unsecured loans to customers.

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.

The information provided in the Responsible Banking Progress Statement is sufficient. If third-party assurance has been undertaken, provide details on the scope of assurance and the reference/link to the Independent (Limited) Assurance Report

Assurance of the sustainability-related information in this progress statement has not been undertaken.