

Materiality analysis

As a company and bank, Swedbank is strongly impacted by outside events, economic conditions, laws and regulations, growing competition and an increased demand for transparency and availability from customers and other important stakeholders.

It is important to understand which issues and drivers are priorities for the bank's customers and stakeholders when they make their choices, as well as which areas are considered most important for the bank to contribute to society's sustainable development.

To track this, the bank continuously interacts with stakeholders during the year through so-called stakeholder dialogues – both qualitative and quantitative. Customer, brand and opinion surveys, as well as trade forums where current issues and trends are brought up, are examples. During the year, Swedbank also performed a materiality analysis to identify the issues most relevant to stakeholders and the bank's own business. These analyses are performed every few years, to gain insight on trends, business risks and opportunities that affect the bank's ability to create long-term value, which provides an opportunity to prioritise areas that both internal and external stakeholders expect the bank to focus on.

Method

The first step in the year's analysis was to identify material areas through a comprehensive evaluation based on the bank's previously selected areas and the most pertinent topics for the financial sector. This analysis was used in formulating a survey sent to around 120 key employees representing various business areas and staff functions with a good understanding of Swedbank's stakeholders. The results then served as the basis of a second survey, which was sent to external stakeholders. The material topics were revised, some were removed, and consolidated to include eleven areas that were considered important for developing Swedbank from a sustainability perspective. The topics covered everything from economic stability

to secure IT systems, climate impacts, societal engagement and gender equality. Responses were received from around 900 private customers, 400 corporate customers, 500 employees, 17 social partners (e.g. authorities and interest groups) and 8 owners/investors. The materiality analysis was conducted in Sweden, Estonia, Latvia and Lithuania.

Results

A clear pattern emerged in how various areas were ranked by stakeholders, regardless of stakeholder group and market. The highest rankings were for the areas that are cornerstones of the bank's operations, while more product and thematically oriented areas ranked lower. At the same time, all the topics were considered important with a lowest average score of 7.4 (on a scale of 1–10).

Areas such as financial stability, stable IT systems with high security and resilience, business ethics and performance are among Swedbank's main success factors according to stakeholders. Shortcomings in any of these areas can impact the bank's reputation and opportunities to create long-term value for stakeholders. These areas are categorised as key parameters and provide a platform for the bank as a company.

Other more product-related areas such as sustainable investments and sustainable finance are also considered important areas for Swedbank to have a positive impact on society from an environmental, social, economic and ethical perspective.

The results of the materiality analysis are then reflected in Swedbank's strategic business decisions and activity planning and provide a basis for sustainability reporting in accordance with the Global Reporting Initiatives (GRI).

	Order of priority	Note	SDG	
Key parameters	1	Secure and stable IT systems	S7	
	2	Business ethics	S7, S10	
	3	Financially stable bank	S8	
	4	Combat economic crime	S7	
	5	Responsible governance	S7, S10	
	6	High availability	S1	
	7	Attractive employer	S6	
Thematic areas	8	Promote sustainable investments	S2, S9	
	9	Promote climate transition	S2, S3, S4, S5	
	10	Societal engagement	S8	
	11	Promote sustainable finance	S3, S9	