

Principles of responsible bank reporting and self-assessment template

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

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 necessary information can be found. The aim is to minimise the additional reporting burden while ensuring transparency and accountability in accordance with Principle 6.

Within this reporting template, there are six areas of self-assessment that are important to demonstrate that your bank is fulfilling its commitments as a signatory to the Principles of Responsible Banking. They are marked.

1. Konsekvensanalys
2. Setting goals
3. Target implementation and monitoring plans
4. Progress in the implementation of the objectives
5. Governance structure for the implementation of the principles
6. Progress in the implementation of the principles of responsible banking

Only for these six selected items are required to:

- a) An insurer provides limited assurance about your self-assessment. You can do this by including it in your existing secure reporting. If it is not possible to insure from third parties, an independent audit may be carried out.
- b) You submit your bank's conclusion/statement if it has met the respective requirements.

Accommodates various startpoints:

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

<p>Reporting and self-assessment requirements</p>	<p>High-level summary of the bank's response (limited security is required for responses to selected records)</p>	<p>Reference(s)/ Link(s) to the bank's full response/relevant information</p>
<div style="display: flex; align-items: center;">  <p>Principle 1: Customization We will align our business strategy with and contribute to the needs of individuals and society's goals, as expressed in the Sustainable Development Goals, the Paris Agreement on climate change and relevant national and regional frameworks.</p> </div>		
<p>1.1 <i>Describe</i> (at a high level) your bank's business model, including the main customer segments, types of products and services provided, the main sectors and types of activities and, where applicable, the technology financed across the main geographical areas where your bank operates or provides products and services.</p>	<p>Sölvesborg-Mjällby Sparbank was founded in 1839. By setting aside parts of our annual profit that goes back to the region in the form of sponsorship and community benefit at home, we ensure that Sölvesborg will continue to be an attractive municipality to live, live and work in. We have over 183 years working for better life in our neighborhood together with our customers. That's what we call having the heart in the village. Sölvesborg-Mjällby Sparbank is the leading bank in Sölvesborg municipality through our full-service offices in Mjällby and Sölvesborg.</p> <p>The bank's total business volume, which refers to customers' borrowing and lending in the bank as well as mediated products such as funds, insurance, leasing and</p>	

	<p>mortgages, amounted to SEK 11,454,552 thousand at the turn of the year. Deposits from the public amounted to SEK 3,341,764 thousand at the turn of the year. Lending to the public amounted to SEK 2,951,736,000 at the end of the year. Brokered credits to Swedbank Hypotek amounted to SEK 1,277,640,000.</p> <p>We offer products and services in saving, borrowing, paying and insurance to both private (70% of our customer base) and corporate customers (30% of our customer base).</p> <p>We have close cooperation with Swedbank AB, which is our supplier of IT and the majority of our products.</p> <p>You can learn more about our company at smsparbank.se</p>	
<p>1.2 <i>Describe</i> how your bank has adapted and/or plans to adapt its strategy to be consistent with and contribute to society's goals, as expressed in the Sustainable Development Goals, the Paris Agreement on Climate Change and relevant national and regional frameworks.</p>	<p>Through our unique corporate form, we contribute to the village and the local community in various ways. On the one hand, we reinvest our profits through various community efforts, and on the other hand, we carry out self-initiated initiatives that are good for the area.</p> <p>Sponsorship takes place in sports as well as culture, business, society and non-profit activities. With our social benefit, we want to contribute to growth, more jobs, good education and quality of life. We want our contribution to be of general</p>	

	<p>benefit or significance for the development of society in Sölvesborg.</p> <p>We have a great responsibility to promote social, ethical, environmental and financial sustainability. Social by getting involved in society. Ethical and environmental by offering services and products that do good for people and the environment. Financial through our pursuit of a healthy and sustainable economy both for the bank and by helping our customers to a better economy based on the conditions that exist.</p> <p>As a bank, we are part of society's cycle, and a series of new regulations put the banks' role in focus the possibility of a more sustainable future. We can influence the transition through, among other things, our financing, the products we offer and the conditions we set. In 2021, we have added more green products to our customer offer and have further strengthened our offer within sustainable fund offers. As a bank, of course we also need to manage certain risks, and this involves, among other things, how climate risks affect our operations and our customers, how our financial investments contribute to the quality of our credit portfolio, but also how the bank risks being used for criminal activities, for example through money laundering. These are issues that we take very seriously and have</p>	
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	<p>regulations, routines and systems to deal with them.</p> <p>For Sölvesborg-Mjällby Sparbanks sustainability work, the starting point is partly the Paris Agreement and partly the UN's Agenda 2030, where the countries of the world have committed to work with the 17 global goals by 2030.</p> <p>The bank has identified three priority goals within the 17 global goals. These are targets No. 5, 12 and 14.</p>	
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Principle 2: Impact and objectives

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

2.1 Konsekvensanalys:

Show that your bank has identified the areas where it has its most significant (potential) positive and negative impact through an impact assessment that meets the following elements:

- a) Scope: The bank's core business areas, products/services across the main geographical areas in which the bank operates have been as described in 1.1. has been taken into account in the context of the analysis.
- b) Extent of exposure: In identifying the areas with the greatest impact, the Bank has taken into account where its core business/activities are located in terms of industries, technologies and geographies.
- c) Context and relevance: Your bank has taken into account the most relevant challenges and priorities related to sustainable development in the countries/regions in which it operates.
- d) Scope and intensity/prominent impact: In identifying the areas with the greatest impact, the Bank has considered the scale and intensity/prominence of the (potential) social, economic and environmental impacts of the Bank's activities and the provision of products and services.

(your bank should have partnered with relevant stakeholders to help inform your analysis under elements c) and d))

Show that, on the basis of this analysis, the Bank has:

- Identified and revealed their areas with the greatest (potential) positive and negative impact
- Identified strategic business opportunities in relation to the increase in positive effects/reduction of negative impact

The bank has carried out an impact analysis using the UNEP FI PORTFOLIO IMPACT ANALYSIS TOOL FOR BANKS. In the impact analysis, we have analysed products and services in the corporate and private markets. Sölvesborg-Mjällby Sparbank has more than 17,000 private and corporate customers, the majority of whom are private customers. The bank exists and operates only in Sölvesborg in Sweden.

To read the complete UNEP FI PORTFOLIO IMPACT ANALYSIS TOOL FOR BANKS please visit

[Smsparbank.se/unesp1](https://smsparbank.se/unesp1)

For our bank we have identified following positive and negative impact.

Positive impact	Negative impact
Social sustainability	Physical mail
Loan	Bond portfolio
Saving	Energy use
Payment	emissions
	Climate
	Power Consumption
	framework for sustainability in business
	Measurement tool for ESG impact
	Cash handling

For our private customer we have identified following positive and negative impact.

Positive impact	Negative impact
	Climate
Culture & heritage	economically sustainable/ Economic behavior
Awareness	Baltic Sea
Mobility	

For our corporate customer we have identified following positive and negative impact.

Positive impact	Negative impact
Culture & heritage	Emissions
Awareness	Soil
Baltic sea	Baltic Sea
Soil	Culture & heritage
	Biodiversity & ecosystem
	Energy use
	Management of resources
	economically sustainable/ Economic behavior

Provide your bank's conclusion/statement if it has met the requirements for impact assessment.

2.2 Setting goals

Demonstrate that the bank has set and published at least two S-specific, M-easing (may be qualitative or quantitative), A-chievable, R-learner and T ime-bound (SMART) targets, addressing at least two of the identified "areas of greatest importance", arising from the bank's activities and the provision of products and services.

Demonstrate that these goals are linked to and drive alignment with and greater contribution to appropriate SDGs, the goals of the Paris Agreement and other relevant international, national or regional frameworks. The bank should have set a baseline (assessed against a particular year) and have set targets against that baseline.

demonstrate that the Bank has analysed and recognised significant (potential) adverse effects of the targets set on other dimensions of the SDGs/climate change/societal objectives and that it has identified relevant measures to mitigate them as far as possible in order to maximise the net positive impact of the targets set.

Sölvesborg Mjällby Sparbank's ambition is to pursue the following targets in line with the principles of responsible banking.

Target #1: Entering a long-term relationship with Expedition Baltic Sea.

Target #2: Building wetlands in the catchment areas.

Target #3: Working in favour of biogas production.

Target #4: Giving the best support to commercial clients.

Target#5: Live as you learn- 50% green/blue portfolio.

We also want to work for:

Goal no. 5 Equality

We want to work for an equal society and do so by making demands on our environment and working in contexts where we can participate and contribute. We want to take our responsibility by setting a good example and encouraging others in our area to do the same.

Our contribution to a change is also about raising the questions and in particular towards associations and business. We need to talk about the amazing benefits found in results, successes, efforts and competitive advantages, etc.

Goal no. 12 Sustainable consumption and production

We want to influence our own consumption in the bank and through questions in our advice we contribute to a change towards sustainable consumption and production of goods.

Objective no. 14 Oceans and marine resources

Taking into account our geographical location with the sea as a neighbour, we want to protect the sea and its resources.

	<p>The sea is a big part of the structure of our village. Healthy oceans are a prerequisite for us to be able to continue using them and live off their resources.</p> <p>Overall goal 2025</p> <ul style="list-style-type: none"> • Increase the proportion of green funds in our customers' fund purchases. • Offer relevant green financing based on our market, eg solar cells. • Creation of wetlands - be involved and contribute to the creation of more wetlands. • Investigate whether Sölvesborg is geographically relevant for biogas production. • Through our collaboration with Expedition Save the Baltic Sea, we want to engage politicians, businesses and schools to contribute to a healthier sea through increased knowledge. • Certify and act as advisors to give them the right knowledge and tools to pursue the issue of sustainability vis-à-vis the client. • Create a sustainability matrix that is adapted to the bank's customers as it is important to ask the right questions to identify risks and opportunities with each customer in order to be able to discuss the sustainability issue. • Review how the bank's portfolio looks in relation to the UN's risk industries and decide where we should position ourselves in relation to this. • Find a transparent system to measure ESG risks of corporate customers and start categorizing them based on sustainability risks. 	
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	<ul style="list-style-type: none"> • Develop a sustainability policy and environmental policy that complements our existing regulatory framework around sustainability. 	
<p>Enter your bank's conclusion/statement if it has met the requirements for goal setting.</p>		
<p>2.3 Target implementation and monitoring plans</p> <p><i>Show that your bank has defined actions and milestones to meet the set goals.</i></p> <p><i>Show that your bank has put in place funds to measure and monitor progress towards the set goals. Definitions of KPIs, any changes to those definitions and any rebasing of baselines should be transparent.</i></p>	<p>Annual follow-up and evaluation of our collaboration with Expedition Save the Baltic Sea.</p> <p>Encourage and offer cooperation around wetlands. Through our social commitment, we can also finance together with other actors</p> <p>Networking and meeting with organizations and suitable candidates for a biogas production.</p> <p>Through training, information and involving our employees.</p> <p>Through questions asked by the bank will ultimately give the client a colour based on their current positive or negative impact, indicating on how sustainable/ethical they are which followingly could lead to different</p>	

	<p>actions-plan set up by the bank acknowledge the company’s impact.</p> <p>In the future, a reasonable target is to set a year where our entire portfolio should be 50% green/blue, which should then be communicated and marketed towards our customers to show that we have chosen to re-think our investments as well as highlight the recent trends that green funds are not synonymous.</p> <p>Carry out various initiatives that take our own operations in a positive direction in terms of sustainability. For example, reduce physical mail.</p> <p>Ensure and identify opportunities in our regulations that affect sustainability.</p> <p>By continuously measuring and following up our development of our green products.</p>	
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Please indicate your bank's conclusion/statement if it has met the requirements for target implementation and monitoring plans.

<p>2.4 Progress in the implementation of the objectives</p> <p><u>For each goal separately:</u></p> <p>Show that your bank has implemented the measures it had previously defined to meet the set goal.</p> <p>Or explain why measures could not be implemented / needed to be changed and how your bank adapts its plan to achieve its set goal.</p> <p>Report on your bank's progress over the past 12 months (up to 18 months in your initial reporting after you sign) towards achieving each of the goals set and the impact your progress resulted in. (where possible and appropriate, banks should include quantitative disclosures)</p>	<p>We have Since signing the principles for responsible banking, we have implemented the following measures:</p> <p><u>In the bank</u></p> <ul style="list-style-type: none"> • Launched green loans. • We have increased our sales in sustainable funds. • We have changed the bank's car to a biogas car. • We have installed solar cells that generate approx. 40,000 kwh/year. • Identified and defined 3 priority goals within the 17 global goals. • Carried out numerous workshops internally to identify potential targets within the sustainability work and to raise awareness of the bank's sustainability work. • Carried out internal training. 	
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	<ul style="list-style-type: none"> • Implemented sustainability analysis on the company side, which needs to be carried out for all types of financing. • We have started our transformation in our own portfolio by investing in green bonds. • Our agreements and authorizations are now digital. • We have reviewed internal processes and improved our handling of our physical documents. <p><u>External</u></p> <ul style="list-style-type: none"> • We have been involved in financing a biogas plant in Mjällby. • We have helped finance a wetland and solar cell installation by our local golf club. • We have several actors within the municipality who are interested in different sustainability initiatives. To be continued. • We have started a 3-year collaboration with Expedition Save the Baltic Sea. • Participated in and contributed to artificial Torskrev outside Hanö which will contribute to increased reproduction of the cod stock. • We use digital mail instead of physical mail where possible. 	
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Provide your bank's conclusion/statement if it has met the Progress on Implementing Targets requirements



	<p>Principle 3: Customers and customers We will work responsibly with our customers and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.</p>
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<p>3.1 Provide an overview of the policies and practices your bank has put in place and/or plans to promote responsible relationships with its customers. This should include high-level information on all programmes and actions implemented (and/or planned), their scope and, where possible, their results.</p>	<p>Our current policies in the area are:</p> <ul style="list-style-type: none"> • Personnel policy. • Credit Policy. • Ethics and conflict of interest policy. • Policy for measures against money laundering and terrorism. 	
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	<ul style="list-style-type: none"> • Sustainability risk policy. • Sparbanken's position as a financial advisor to consider the main negative consequences for sustainability factors according to the disclosure regulation. 	
<p>3.2 <i>Describe</i> how your bank has worked with and/or plans to work with its customers and clients to encourage sustainable practices and enable sustainable economic activities. This should include information on planned/implemented measures, developed products and services and, where possible, the effects achieved.</p>	<p>Since we signed the principles for responsible banking, we have developed a communication concept for our sustainability work towards customers and society – “Tillsammans staller vi om” – translated “Together we change”. The communication is about everyone needing to do their bit and that together we make a difference today and tomorrow.</p> <p>We have gathered our grip on our website and there we want to highlight all parts of our sustainability work. During the year, we have interviewed and highlighted our customers who are at the forefront of the sustainability side, where we also bought media so that the whole district can take part.</p> <p>We have also talked about the sustainability investments the bank has made in our objectives. We will continuously expand the information as the bank's sustainability work progresses.</p> <p>Throughout the year, we have also developed the bank's green products. We have highlighted our green funds and developed our own green loan products. We have marketed these in our various channels towards customers. We follow the development on an ongoing basis through continuous follow-up at our management meetings.</p> <p>We get input through interaction with ambassadors and customers, in evaluation of various projects, but also through customer measurements such as SKI.</p>	



Principle 4: Interested parties

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

4.1 *Describe* which stakeholders (or groups/types of stakeholders) your bank has consulted, engaged, collaborated with, or collaborated with in order to implement these principles and improve your bank's impact. This should include a high-level overview of how your bank has identified relevant stakeholders and what issues have been addressed/achieved.

Our employees

We have held several workshops to identify and target the bank's sustainability work.

The principals of the bank

At our principals' meetings, we have informed about the bank's sustainability work and there they have had the opportunity to bring input back to us. The principals are an important target group for us. Partly they are the bank's highest decision-making body and partly they are ambassadors for the bank.

Expedition Baltic Sea

We have started a 3-year collaboration with Expedition save the Baltic Sea and here we have received valuable input and guidance in how we can work with the Baltic Sea issue.

Decision maker within the municipality with a focus on school and business life

We have had several meetings with various key people within the municipality, business and school to gather and talk about the issue of sustainability in our municipality. We have also managed to gather all the political parties in our municipality to talk about the challenges in the Baltic Sea issue and how we can work with it.

	<p>Corporate customers with an environmental focus. We have visited and engaged with our business customers who have made various sustainability investments in their operations. We have also highlighted them in our communication to show good examples. We live with the issue of sustainability in our customer meetings and try to contribute to the issue.</p> <p>Cooperation with environmental coordinators in the municipality We have met the environmental coordinator in the municipality to identify how to work with the sustainability issue on an overall level in our municipality and to identify what we as an important social actor can contribute.</p>	
 <p>Principle 5: Governance and culture We will implement our commitment to these principles through effective governance and a culture of responsible banking</p>		
<p>5.1 <i>Describe the relevant governance structures, policies and procedures that your bank has put in place/plans to address significant positive and negative (potential) impacts and support effective implementation of the Principles.</i></p>	<p>For Sölvesborg-Mjällby Sparbank, it is the board that is ultimately responsible for the bank's sustainability work. The bank's management prepares sustainability issues and reports to the board.</p> <p>The board is responsible for annually establishing the bank's sustainability guidelines and, if necessary, the prioritization of sustainability work. They delegate the implementation of the bank's sustainability work to the CEO. Bank management makes strategic and operational</p>	

	<p>decisions based on the ambitions and guidelines that are set, and our sustainability manager keeps the work together.</p> <p>All employees in the bank must work according to and work for the guidelines that are established.</p> <p>In addition to our mentioned policies under point 3.1, we plan to develop some kind of sustainability guideline where we collect and describe our work with the sustainability issue, internally as well as externally. Probably a sustainability policy and an environmental policy - which is included in ours targets.</p>	
<p>5.2 <i>Describe</i> the initiatives and actions that your bank has implemented or plans to implement to promote 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, among others.</p>	<ul style="list-style-type: none"> • Several workshops with a focus on sustainability to identify internal goals and which global goals we should prioritize based on our business. • Workshop at management level led by Grant Thornton with a focus on putting relevant sustainability goals. <p>Internal digital training provided through our collaboration with Swedbank.</p>	
<p>5.3 Governance Structure for the implementation of the principles</p> <p><i>Show</i> that your bank has a governance structure for the implementation of the Performance Review Body, including:</p> <p>(a) the definition of objectives and measures to achieve the objectives set;</p>	<p>Sölvesborg-Mjällby Sparbank's strategy for responsible and sustainable banking is led by our board, which decides on policies and guidelines. It is the board that has decided that the bank must work in accordance with the principles of responsible banking, and</p>	

<p>(b) corrective action if targets or milestones are not achieved or unexpected negative effects are detected;</p>	<p>the board continuously monitors the bank's sustainability work. In the bank's target management, integrating sustainability into the organization is one of the focus areas for the coming years, and sustainability work will also be part of the bank's business plan.</p>	
<p>Please indicate your bank's conclusion/statement if it has met the governance structure requirements for the implementation of the Principles.</p>		
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Principle 6: Transparency and accountability

We will regularly 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.

6.1 Progress in the implementation of the principles

Show that your bank has made progress in implementing the six Principles in the last 12 months (up to 18 months in your first reporting after you sign it) in addition to setting and implementing targets in at least two areas (see 2.1-2.4).

Demonstrate that your bank has taken into account existing and emerging international/regional good practices relevant to the implementation of the six principles of responsible banking. On this basis, it has set priorities and ambitions to align with good practices.

Demonstrate that your bank has implemented/is working on implementing changes to existing practices to reflect and be in line with existing and emerging international/regional good practices and has made progress in implementing these principles.

The overarching goal of integrating sustainability into every aspect of the bank is a story of continuous progress and learning from experience.

We have used the UNEPS impact analysis to identify our main influence and as a support in setting our goals. We see it as a framework for our sustainability work.

We have worked with a sustainability coach, Kristianstad University and Grant Thornton as help and support in our impact analysis, goal setting and inventory, which has been very valuable for us in our work.

Our goals will permeate our business plan and we will have continuous follow-up. We will also ensure that our regulations and sustainability work are in line with each other.

Please indicate your bank's conclusion/statement if it has met the requirements regarding progress in implementing the principles of responsible banking

Appendix: Definitions

- a. Impact: An impact is usually understood as a change in the performance of a stakeholder. Within the framework of these principles, this means (in line with GRI's definition) the effect a bank has on people/society, the economy and the environment and thus on sustainable development. The effects can be positive or negative, direct or indirect, actual or potential, intended or unintentional, short-term or long-term.

- b. Significant impact: Impacts that, in terms of scale and/or intensity/prominence, result in a particularly strong/relevant change in performance for a stakeholder. Within the framework of these principles, the concept of *significant* impact is used to ensure that banks focus where their actions/activities (may) be most important to people, the economy and the environment and to provide a reasonable and practical threshold for when issues need to be considered/included, similar to the concept of "materiality".