The table below is SEB’s first report as a signatory to the Principles for Responsible Banking. The report itself has not been subject to limited assurance by our auditors. In the report we provide our response and self-assessment in relation to the principles and provide references to our existing reporting in the SEB Annual and Sustainability Report 2020, of which the Sustainability Report has been subject to limited assurance.

### Reporting and Self-Assessment Requirements

<table>
<thead>
<tr>
<th>Principle 1: Alignment</th>
<th>High-level summary of bank’s response (limited assurance required for responses to highlighted items)</th>
<th>Reference(s)/link(s) to bank’s full response/relevant information</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1.1 Describe</strong> (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.</td>
<td>SEB is a northern European financial institution, providing infrastructure for payments and transactions, financing and savings solutions, wealth management, financial advice and life insurance. SEB serves large corporate companies and financial institutions, in Sweden, the Nordic and Baltic countries, Germany, UK and through our international presence, offering advisory-driven commercial and investment banking services, investment opportunities for pension funds and other investors, and life insurance solutions, across a broad spectrum of industries. SEB serves private customers and small- and medium size corporate home bank customers in Sweden, the Nordic countries and the Baltics, providing universal banking services, life insurance solutions, asset management-investment products, card-, private banking-, complex banking- and advisory services. 68% of SEB’s non-bank credit portfolio pertains to corporate customers; by segment approximately 56% large corporate companies and financial institutions, 12% SMEs, or by geography 51% in Sweden and other Nordic countries, 11% in Germany and UK, 6% in the Baltics and other countries. 29% of SEB’s non-bank credit portfolio pertains to households, mainly mortgages; by geography 25% in Sweden and other Nordic countries, 3% in the Baltics. Remaining part, 3%, relates to public administration, mainly in Sweden.</td>
<td>See SEB Annual and Sustainability Report 2020: p. 4–5 (SEB in summary), p.14–15 (Long term value creation), p. 28–29 (SEB’s four customer segments), p. 68 (Business offering), p. 70 (Geographic markets).</td>
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<tr>
<td><strong>1.2 Describe</strong> 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 UN Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.</td>
<td>Integrating economic, social and environmental aspects in SEB’s business is fundamental. SEB’s main contribution to the SDGs is by supporting our customers in their transition. Through our business in sustainable finance and investments, advisory services, innovation and people, we serve our customers and strive to reorient capital flow to support sustainable purposes, in line with the bank’s vision and strategy and with the SDGs, Paris Agreement and the EU Action Plan for Financing Sustainable Growth as guiding principles and frameworks. SEB’s sustainability strategy sets out the areas where we believe we can create sustainable short- and long-term value for our stakeholders by aligning financing and investment with the UN Sustainable Development Goals and the Paris Agreement. These areas include climate and environment, human rights, social relations and anti-corruption. We have identified and prioritised five goals (no. 13 Climate action, 8 Decent work and economic growth, 9 Industry, 16, 32–33, 39, 51 (People and Competence), p. 42–44 (Sustainability approach), p.46–47 (Sustainable finance), p. 48–49 (Sustainable investments), p. 22–23, 38–39, 50 (Advisory and Innovation), 52–58 (Environment/Climate).</td>
<td>See SEB Annual and Sustainability Report 2020: p. 42–44 (Sustainability approach), p.46–47 (Sustainable finance), p. 48–49 (Sustainable investments), p. 22–23, 38–39, 50 (Advisory and Innovation), p. 16, 32–33, 39, 51 (People and Competence), p. 52–58 (Environment/Climate).</td>
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</table>
SEB’s climate change approach is integrated in the bank’s overall business strategy and is articulated around three areas: Support our customers on their transition journeys toward a low-carbon economy, manage the bank’s climate impact (direct and indirect) and manage climate-related risks. As a long-term financial partner to a majority of the large corporations and institutions in the Nordic region and a major asset manager, SEB is positioned to contribute to the necessary shift to a low-carbon environment.

## Principle 2: Impact and Target Setting

We will work to 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.

### 2.1. Impact Analysis

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:

- **Scope**: The bank’s core business areas, products/services across the main geographies that the bank operates in, as described under 1.1., have been considered in the scope of the analysis.
- **Scale of Exposure**: 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.
- **Context & 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.
- **Scale and intensity/salience of impact**: In identifying 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.

Climate change has become the greatest and most urgent challenge and SEB recognises the importance of limiting the average global temperature rise in line with the Paris Agreement. To achieve this, a transition to a low-carbon economy is vital. SEB believes that the transformation of large corporates, especially in sectors with a material carbon footprint, will be one of the main drivers of the transition to a low-carbon economy. As a long-term financial partner to Nordic large corporates and a prime Nordic asset manager, SEB has both a responsibility and an ability to create financial solutions that accelerate and support the transition.

Based on the scope and distribution of our credit portfolio and managed investment products, we have initiated an impact analysis. In 2020 SEB’s impact assessment work has focused on climate issues, primarily indirect climate impact related to financing and investments, in geographies where SEB is operating. A significant part of SEB’s non-bank credit portfolio, 68%, is related to large corporates and real estate, of which exposures relate to sectors such as real estate (24%) and capital goods (8%), transportation (7%), automotive (4%), conventional/mixed power generation (4%) and oil & gas (4%).

Based on an analysis where the sector’s climate impact is taken into consideration, we have concluded that climate change is an area where we have a significant indirect impact and have therefore chosen to put the initial focus here. Also, in SEB’s retail business climate change is in focus, considering both the mortgage lending business and our offering of investment and saving solutions that work to reduce the climate impact.

SEB can influence the development towards a more sustainable economy by supporting our customers in their climate transition. We offer sustainable financial solutions for private and corporate customers and for institutions. Responsible financing and lending create long-term sustainable value for all parties.

- Green mortgage loans are offered to private customers with housing which fulfils specific energy- or environmental classification. The same criteria apply when financing construction of residential and commercial properties (green construction loans).
- SEB’s green loans are issued for the purpose of financing and/or refinancing projects promoting the transition to low-carbon and climate-friendly development, as well as improvements to the environment and eco-systems. The demand for green-/social-/sustainable-/sustainability-linked bonds have significantly increased among large corporates and institutions. SEB has over the years gradually developed a role as a thought leader and has proactively contributed to setting the standards.
Understanding and assessing the climate impact of customers requires tools specifically designed for such tasks. SEB has developed a customer sustainability classification model that constitutes the foundation for assessing, classifying, and measuring how SEB’s corporate and real estate customers in the credit portfolio impact the planet and people from a sustainability perspective. The model was developed in collaboration with leading industry/climate experts.

The two-step classification model, considering both sector-breakdown and customer specific information such as transition strategies, actual climate impact based on technology used and mitigating activities, enables SEB to assess to what extent customers’ business activities are in line with the Paris Agreement. When fully implemented, this model will be a key component of both business strategy and risk management and will support SEB’s ambition to gradually shift its credit portfolio towards more sustainable financing.

We continuously enhance processes and ways of working, defining and integrating sustainability risks and strategies. We strive to avoid causing, contributing or being directly linked to negative impacts on people and environment from our activities, products and services. When continuing the impact analysis work during 2021 the approach will be holistic and comprehensive, to include the areas with most significant potential positive and negative impact, considering several environmental, social and governance (ESG) aspects.

Please provide your bank’s conclusion/statement if it has fulfilled the requirements regarding Impact Analysis.

We have initiated an impact analysis based on and focused on climate issues related to our corporate credit portfolio and managed investment products. The impact analysis will be further developed during 2021.

2.2. Target Setting

Show that the bank has set and published a minimum of two Specific, Measurable (can be qualitative or quantitative), Achievable, Relevant and Time-bound (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.

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 targets.

The work to set targets in accordance with the PRB guidelines has been initiated. In relation to our most significant impact, climate, we have started to establish targets. Through our work to classify our credit portfolio we aim to gain an overarching picture of the climate impact of our credit portfolio. We work closely with our customers in high impact sectors to establish a baseline and support their transition to a low-carbon society. Thereby we will be able to steer and set our own strategic goals for the future to align our portfolio with the goals of the Paris Agreement.

In relation to sectors with a significant negative impact SEB’s updated sector Policy on Fossil fuel provides a clear pathway for fossil fuel in SEB’s financing and investment. SEB will phase out thermal coal mining exposures from all business relationships by 2025 (defined as <5% of revenues). In respect to coal fired power generation we will by 2030 phase out customer relationships with companies where coal fired revenues is above 5% (for Germany there is a time-limited exception to the 5%-restriction (see further Fossil fuel policy). SEB is committed to support its customers in meeting the Paris Agreement through an orderly transition. SEB expects companies to develop a transition plan, scope 1 and 2 for power generation and scope 1,2 and 3 for extraction and refining. We have also set new goals to reduce the bank’s own climate impact. We aim to reduce emissions of greenhouse gases from energy consumption, use of paper, company cars and business travel to almost zero by 2045. These targets will drive alignment of own footprint with SDG 13 (Climate Action). We also have a year-by-year growth target for our green loan portfolio that contributes to financing low-carbon and climate change resilient projects and investments.
The bank should have identified a baseline (assessed against a particular year) and have set targets against this baseline.

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.

**Please provide your bank’s conclusion/statement if it has fulfilled the requirements regarding Target Setting.**

We have previously established KPIs for identified areas of importance, which remains valid. During the year we have also amended/established new targets, mainly related to direct and indirect climate impact seeking to align with Paris Agreement. We will continue the work to amend and develop targets to be further aligned with the SDGs and Paris Agreement.

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<tr>
<th>2.3. Plans for Target Implementation and Monitoring</th>
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<tr>
<td>Show that your bank has defined actions and milestones to meet the set targets.</td>
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<tr>
<td>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.</td>
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In 2021 SEB corporate sustainability strategy will be updated, including explicit goals and targets in parallel with several updated policies. We will also broaden the scope from environmental and climate related areas to also include social and governance related areas.

New and updated regulations and directives (e.g. Non-Financial Reporting Directive), local and EU-related, will be considered when setting new targets.

**Please provide your bank’s conclusion/statement if it has fulfilled the requirements regarding Plans for Target Implementation and Monitoring.**

In relation to SDG 5 (Gender equality) we have goals to increase gender balance in senior management teams (GEC), to reach 50/50 ±10%.
The targets and KPIs established are continuously monitored by GESC (Group Executive Sustainability Committee). During 2021 the strategy work will include further development of targets and KPIs, of which the implementation in all divisions and functions will be monitored by GESC.

### 2.4. Progress on Implementing Targets

**For each target separately:**

- **Show** that your bank has implemented the actions it had previously defined to meet the set target.
- **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.
- **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)

| We have made continuous progress on implementing the targets previously set in relation to Innovation, Sustainable financing, Sustainable investment, People, Business ethics and conduct and Environment, direct impact. Going forward, our customer sustainability classification model will allow us to set targets on how to align our credit portfolio with the goals in the Paris Agreement. This work will continue in 2021. Additionally, we are in the process of defining actions to reach our long-term goal for our own, direct climate impact. | See SEB Annual and Sustainability Report 2020; p. 43 (Targets and outcome). |

**Please provide your bank’s conclusion/statement if it has fulfilled the requirements regarding Progress on Implementing Targets.**

During 2021 the impact analysis work, strategy development and setting of targets will continue to ensure that our business is aligned with and support the SDGs and Paris Agreement. We will report on progress in our next report.

### Principle 3: Clients and 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.

| SEB has a sustainability policy framework that sets the framework for our sustainability-related work and a common ground for dialogue on key issues with customers and portfolio companies. SEB’s sustainability policy framework includes the Corporate Sustainability Policy, describing the overall sustainability framework, position and integration of sustainability in the organisation; the Corporate Sustainability Governance instruction, describing the governance organisation with committees, roles and responsibilities. The current sector policies and position statements identify potential negative impact, restrictions on specific activities, See SEB Annual and Sustainability Report 2020; p. 42–58. SEB Policies and position statements |

**3.1. 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...
3.2 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. This should include information on actions planned/implemented, products and services developed, and, where possible, the impacts achieved.

SEB has developed a customer sustainability classification model that will provide a basis for measuring how corporate and real estate customers impact the planet and people from a sustainability perspective and for assessing and classifying transition pathways. In 2020 the focus was to meet with companies representing large credit exposure in sectors with significant impact on climate change. During 2021 this engagement will be scaled up to cover a large share of the credit portfolio exposed to sectors with some or significant climate impact. When fully implemented, the model will be a key component of both business strategy and risk management.

The model will provide SEB with a more in-depth understanding of customers’ climate impacts and the challenges and opportunities they face in shifting their operations towards a low-carbon economy, and will be used as a tool to engage with customers in constructive dialogues about their decarbonisation strategies. This enables the bank to support customers in transition with advisory services and financing for potential investment needs. The customer classification will serve as input for overall portfolio and counterparty credit analysis by facilitating the identification of transition risks.

In addition to policies, and in order to emphasise SEB’s commitment to the Paris Agreement, one of the principles in the bank’s Customer Acceptance Standards (CAS), established in 2020, states that “customers in industries with a high negative climate impact and without a credible plan to manage the transition to a low-carbon economy in line with the Paris Agreement shall be avoided”.

To manage its credit exposure to customer segments with a material carbon footprint, the bank defines risk strategies for these sub-portfolios. The strategies are reviewed on an annual basis.

In 2020 SEB launched a climate change training, mandatory for all employees, to raise the sustainability and climate change competence of the organisation. During the year tailor-made trainings were also launched to support customer executives and advisors prior to customer dialogues related to customer sustainability classification. To facilitate continuous learning and development of new competences various trainings and workshops on different themes are continuously performed, such as inclusion and diversity, financial equality, and labour law.

Other important sustainability related documents and policies in place are The Code of Conduct, The Code of Conduct for Suppliers, The Inclusion and Diversity Policy and The Tax Policy.

During 2020 several policies were updated: The Corporate Sustainability Policy to make a clearer link to the Paris Agreement and the SDGs. The Sustainability Governance Instruction to define roles and responsibilities. Sector policies on Gambling, Tobacco and Fossil Fuels were developed or decided. The latter was decided in February 2021. The purpose of these policies is to define SEB’s view on activities with potential negative impact on human health or climate.

In February 2021 SEB adopted the Policy on the Integration of Sustainability Risk and Impact in Investment Decision and Investment Advice, related to the implementation of Sustainable Finance Disclosure Regulation. In 2021 SEB will continue to develop and strengthen its sustainability policy framework and guidelines being part of the bank’s continuous work to contribute to achieving the goals of the Paris Agreement and the SDGs.
To enable customers to increase their sustainable activities SEB further developed the Impact Metric Tool. The tool consists of modules that allow measurement of environmental, social and governance (ESG) aspects of portfolio company operations at portfolio level. SEB also launched a new methodology for ESG assessment in equity research, and how these factors will have a material impact on companies’ financial performance. Moreover, we initiated a new offering, targeting SME customers, where we, in collaboration with an auditing and consulting firm provide them with knowledge, guidance and tools, to help them identify their most important sustainability issues and integrate measurable goals into their operations.

**Principle 4: Stakeholders**
We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society’s goals.

<table>
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<tr>
<th>4.1 Describe 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.</th>
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<tr>
<td>SEB is engaged in continuous dialogues with key stakeholders – customers, employees, shareholders, investors and society – in order to ensure that we prioritise the most important issues and secure a responsible and sustainable business. Examples on how we engage are: meeting our customers’ wishes and expectations when developing innovative sustainable products and services; response from private customers on a survey sent out by SEB’s fund company regarding which SDGs SEB should focus on in the portfolio company dialogues; through our dialogues with corporate customers we jointly develop an understanding of what areas, in a particular industry, drive financial performance and can thereby create a better understanding of our customers’ risks and potential performance; employee surveys are performed at least yearly. We also have partnerships with academia, for example with Stockholm Resilience Centre, both for business development purpose when developing the Impact Metric Tool, and when developing our training on Climate Change, mandatory for all SEB’s employees globally. SEB also engages in regulatory development in the EU, by being member of the Technical Expert Group from the start in 2018 and contributing to the creation of the Taxonomy. In 2020 the EU established a new expert group of which SEB also is a member, The Platform on Sustainable Finance, which will continue the development of the Taxonomy. Through membership and active participation in numerous forums and associations, such as ICMA, IIF, CICERO, UNEFFI, Swedish Bankers Association, Swedish Securities Market Association, we contribute in the development of new regulations and standards.</td>
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**Principle 5: Governance & Culture**
We will implement our commitment to these Principles through effective governance and a culture of responsible banking.

<table>
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<tr>
<th>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</th>
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<tr>
<td>SEB established a strengthened sustainability organisation in 2020, to accelerate the pace of the transformation, set a clear and solid structure for responsibility distribution, to ensure that SEB’s sustainability efforts address relevant issues and that they are implemented across the entire company. The Board of Directors is responsible for the establishment of a strategy for corporate sustainability and an organisation to execute this strategy. The President and Chief Executive Officer is responsible for the execution of the corporate sustainability strategy and implementation of the governance structure. The President and CEO has established a Group Executive</td>
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See **SEB Annual and Sustainability Report 2020**; p. 45 (Sustainability governance), p. 51 (People and competence).
5.2 Describe 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.

5.3 Governance Structure for Implementation of the Principles

Show that your bank has a governance structure in place for the implementation of the PRB, including:

a. target-setting and actions to achieve targets set
b. remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected.

Sustainability Committee (GESC) to manage the execution of the corporate sustainability strategy. GESC is a decision body that is chaired by the President and CEO and is responsible for overseeing the implementation of the Principles. Sustainable Banking is a first-line, operational body that is responsible for coordinating and driving the overall corporate sustainability agenda in close collaboration with the Divisions and Group Staff and Support functions. The Chief Sustainability Officer heads the Sustainable Banking Group and is a member of GESC. The Sustainability Product Committee decides on the right for SEB units to use any sustainability-reference in the marketing or distribution of products or services. These references include ESG, SDG and the EU Taxonomy.

SEB’s group policies, sector policies and position statements provide guidelines on best practice as well as on the international conventions and standards that we encourage companies to follow.

We have strong focus on strengthening sustainability competence among employees and in 2020 special focus was put on increasing knowledge about climate change, and a mandatory training for all 15,500 employees globally was launched. In 2020 we also further integrated sustainability KPIs for senior managers.

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

SEB has established a governance structure to ensure establishment, execution and monitoring of the implementation of sustainability strategy, thereby ensuring that the Principles are implemented effectively.
## 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.

### 6.1 Progress on Implementing the Principles for Responsible Banking
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).

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.

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.

In SEB Annual and Sustainability Report 2020, published 2 March 2021, a short report on the progress on implementation of the Principles for Responsible banking was presented for the first time. The present report is an extended report presenting in more detail the steps taken in the implementation of the principles.

SEB considers existing and emerging EU Sustainable Finance regulations. In March 2021 the SFDR (Sustainable Finance Disclosure Regulation) was implemented.

SEB also takes an active part in developing new regulations and standards, as being member of the EU technical expert groups (TEG/The Platform on Sustainable Finance) developing the taxonomy.

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

During 2020 we have taken important steps in implementing the principles, a work that will continue with additional focus during 2021.