



Principles for Responsible Banking

2023


Positively shaping the future.
Today and for generations to come.

SEB

Principles for Responsible Banking Reporting and Self-Assessment Template

The table below is SEB's fourth report as a signatory to the Principles for Responsible Banking, PRB. In the report we provide our self-assessment in relation to the principles, and references to e.g. our Annual and Sustainability Report 2023. In accordance with PRB reporting requirements, the following parts of the report has been subject to limited assurance: 2.1 Impact Analysis, 2.2 Target Setting, 2.3 Target Implementation and Monitoring and 5.1 Governance Structure for Implementation of the Principles.

- Principle 1: Alignment
- Principle 2: Impact and Target Setting
- Principle 3: Clients and Customers
- Principle 4: Stakeholders
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Principle 1: Alignment		
 <p><i>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.</i></p>		
<p>Business model Describe (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 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, segments (i.e. by balance sheet and/or off-balance sheet) or by disclosing the number of customers and clients served.</p>	<p>Response SEB is a northern European bank with an international reach. This means that we support our home market customers locally when they do business around the world. The international nature of SEB's business is reflected in our presence in more than 20 countries worldwide. We offer a wide range of leading financial services to Corporations and institutions in the Nordic region, Germany and the United Kingdom, and we expand our business for large corporate customers in The Netherlands, Switzerland and Austria. SEB serves some 2,000 large corporations, across a broad spectrum of industries, and approximately 1,100 financial institutions. We have an established position as the bank for entrepreneurs and small business owners and currently serves some 400,000 small and medium-sized companies. SEB is one of the major banks in Sweden, Estonia, Latvia and Lithuania offering universal banking services, life insurance solutions, asset management/investment products and card, private banking and advisory services through our three distribution channels (digital, remote, and physical). We have approximately four million private customers in Sweden and in the Baltic countries. In Sweden, we have a strong position and the bank is one of the market leaders in the Nordic countries in private banking with around 34,000 customers. SEB is a large employer with around 17,500 employees globally.</p>	<p>Links and references ASR 2023, p. 4</p>
<p>Strategy alignment Does your corporate strategy identify and reflect sustainability as strategic priority/ies for your bank? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No 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 relevant national and regional frameworks. Does your bank also reference any of the following frameworks or sustainability regulatory reporting requirements in its strategic priorities or policies to implement these? <input checked="" type="checkbox"/> UN Guiding Principles on Business and Human Rights <input checked="" type="checkbox"/> International Labour Organization fundamental conventions <input checked="" type="checkbox"/> UN Global Compact <input type="checkbox"/> UN Declaration on the Rights of Indigenous Peoples <input checked="" type="checkbox"/> Any applicable regulatory reporting requirements on environmental risk assessments, e.g. on climate risk - please specify which ones: <i>EU Non-Financial Reporting Directive (NFRD)</i>, <i>EBA Pillar III ESG Risk</i>, <i>TCFD (voluntary commitment)</i> and <i>Net Zero Banking Alliance (voluntary commitment)</i> <input checked="" type="checkbox"/> Any applicable regulatory reporting requirements on social risk assessments, e.g. on modern slavery - please specify which ones: <i>EU Non-Financial Reporting Directive (NFRD)</i>, <i>Modern Slavery Act</i>, and <i>EBA Pillar III ESG Risk</i> <input type="checkbox"/> None of the above</p>	<p>Response SEB is committed to aligning its strategy to international goals such as the UN Sustainable Development Goals (SDGs) and the Paris Agreement. In 2021 SEB updated its sustainability strategy, outlining the bank's role in the transition towards a sustainable society. The strategy is integrated in the business plan 2022–2024 and is a cornerstone of SEB's 2030 Strategy. At SEB, we have an ambition to accelerate the pace towards a sustainable future for people, businesses, and society. Our role is clear. We are committed to supporting customers who share our long-term view on addressing climate change. We develop products and services that enable this transition. With a balance sheet of SEK 4,000bn, we can be an important catalyst for the development of societies and for our customers' transitions. We can make the greatest positive impact by partnering with our customers. We engage with our private, corporate, and institutional customers to identify risks and opportunities related to our customers' transition strategies, linked to environmental, social and governance (ESG) matters. We actively consider ESG factors in our products, advice, and processes, striving to avoid negative impacts and create value for the planet, people, and society.</p>	<p>Links and references ASR 2023, p. 14, 15, 189 and 190</p>

Principle 2: Impact and 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.

2.1 Impact Analysis (Key Step 1)

Show that your bank has performed an impact analysis of its portfolio/s to identify its most significant impact areas and determine priority areas for target-setting. The impact analysis shall be updated regularly¹⁾ and fulfil the following requirements/elements (a-d)²⁾:

a) **Scope:** What is the scope of your bank's impact analysis? Please describe which parts of 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 impact analysis. Please also describe which areas have not yet been included, and why.

b) **Portfolio composition:** Has your bank considered the composition of its portfolio (in %) in the analysis?

Please provide proportional composition of your portfolio globally and per geographical scope i) by sectors & industries³⁾ for business, corporate and investment banking portfolios (i.e. sector exposure or industry breakdown in %), and/or ii) by products & services and by types of customers for consumer and retail banking portfolios.

If your bank has taken another approach to determine the bank's scale of exposure, please elaborate, to show how you have considered where the bank's core business/major activities lie in terms of industries or sectors.

c) **Context:** What are the main challenges and priorities related to sustainable development in the main countries/regions in which your bank and/or your clients operate?⁴⁾ Please describe how these have been considered, including what stakeholders you have engaged to help inform this element of the impact analysis

This step aims to put your bank's portfolio impacts into the context of society's needs.

Based on these first 3 elements of an impact analysis, what positive and negative impact areas has your bank identified? Which (at least two) significant impact areas did you prioritize to pursue your target setting strategy (see 2.2)⁵⁾? Please disclose.

Response

In line with our commitment to UNEP FI Principles for Responsible Banking (PRB), SEB conducted an impact analysis in 2021 to define which sustainable development goals (SDGs) that were impacted the most through our global credit portfolio.

By limiting the scope of the impact analysis to the bank's credit portfolio, SEB wanted to make sure to identify and develop targets, strategies and metrics for the areas where SEB can have the most material impacts. Therefore, other areas such as the provision of infrastructure for payments and transactions or wealth management have not been subject for the impact analysis.

Response

Sector/geography	Share of total credit exposures	Sweden	Nordic's	Baltic's	Germany and UK	Other
Banks	4 %	3 %	0 %	0 %	0 %	0 %
Corporates	55 %	24 %	14 %	3 %	11 %	2 %
Real Estate	14 %	11 %	2 %	1 %	0 %	0 %
Households	25 %	21 %	1 %	3 %	0 %	0 %
Other	2 %	1 %	0 %	0 %	0 %	0 %
Total	100 %	60 %	17 %	8 %	12 %	2 %

Response

The outcome of the impact analysis, that was performed on the credit portfolio in 2021, indicated that climate change (SDG 13), biodiversity (SDGs 14 and 15) and fresh water (SDG 6) was areas with the highest potential negative impacts.

The areas with the most significant potential positive impact were Decent work and economic growth (SDG 8) and Industry, innovation and infrastructure (SDG 9).

SEB has engaged with other banks, NGOs and experts to address the mentioned challenges as well as the peers and stakeholders within the PRB and NZBA collaboration platforms.

Response

Based upon the result from the impact analysis, SEB has prioritised Climate change (SDG 13) as the first significant impact area.

When identifying our second significant impact area we have taken a broader perspective and besides Climate change, also included all of the impact areas that we identified in the impact analysis; Biodiversity (SDG 14 and 15), Fresh water (SDG 6), Industry, innovation and infrastructure (SDG 9), Decent work and economic growth (SDG 8).

In addition, from a geographical perspective and based on the production and consumption patterns in Europe.

Links and references
ASR 2023, p. 192

Links and references
ASR 2023, p. 151

Links and references
ASR 2023, p. 192

Links and references
ASR 2023, p.192

1) That means that where the initial impact analysis has been carried out in a previous period, the information should be updated accordingly, the scope expanded as well as the quality of the impact analysis improved over time.

2) Further guidance can be found in the Interactive Guidance on impact analysis and target setting.

3) 'Key sectors' relative to different impact areas, i.e. those sectors whose positive and negative impacts are particularly strong, are particularly relevant here.

4) Global priorities might alternatively be considered for banks with highly diversified and international portfolios.

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<p>d) <i>For these (min. two prioritized impact areas):</i> Performance measurement: Has your bank identified which sectors & industries as well as types of customers financed or invested in are causing the strongest actual positive or negative impacts? Please describe how you assessed the performance of these, using appropriate indicators related to significant impact areas that apply to your bank’s context.</p> <p>In determining priority areas for target-setting among its areas of most significant impact, you should consider the bank’s current performance levels, i.e. qualitative and/or quantitative indicators and/or proxies of the social, economic and environmental impacts resulting from the bank’s activities and provision of products and services. If you have identified climate and/or financial health&inclusion as your most significant impact areas, please also refer to the applicable indicators in the Annex.</p> <p>If your bank has taken another approach to assess the intensity of impact resulting from the bank’s activities and provision of products and services, please describe this.</p> <p><i>The outcome of this step will then also provide the baseline (incl. indicators) you can use for setting targets in two areas of most significant impact.</i></p>	<p>Response</p> <p>Within our first potential significant impact area, Climate Change (SDG 13), we apply the targets that has been defined within the scope of NZBA. SEB have set 2030 targets in six sectors: oil & gas, power generation, steel, car manufacturing, heavy vehicle manufacturing and Swedish household mortgage sectors, which together constitutes of a significant part of SEB’s financed emissions. SEB has also set its financed emissions baseline.</p> <p>Within the second area of significities, SEB has taken the approach to assess the intensity of impact resulting from the bank’s activities. We want to measure our sustainability related financing, advisory and investment activities for all our identified impact areas; Biodiversity (SDG 14 and 15), Fresh water (SDG 6), Industry, innovation and infrastructure (SDG 9), Decent work and economic growth (SDG 8), and Climate change (SDG 13).</p> <p>These identified impact areas cover several sectors, products and segments, and are captured in SEB’s Sustainability Activity Index. The Index is based on a strong governance model that defines what sustainable activities that can be included.</p> <p>We support companies to manage natural resources responsibly. A first integration of biodiversity has been implemented into our thematic policies, and our sector policies.</p> <p>We engage in industry and academic collaboration to build tools and knowledge. Among the examples are Mistra Biopath, a collaboration between financial industry, corporates and academia to test and develop tools and financial metrics for integrating biodiversity into financial decision making.</p> <p>We aim to identify, understand and mitigate impact and exposure to water stress by supporting appropriate water management. Furthermore, we see an opportunity to create positive impact through investments in for example water infrastructure and protection of valuable marine ecosystems. In 2023, in conjunction with the UN Water Conference, SEB was chosen to serve as financial adviser in connection with a bond issue that will finance a water conservation and peace project in Africa.</p> <p>SEB has developed a framework for customer dialogue, based on an analysis of the conditions for circular business models within five sectors – the automotive sector, battery manufacturers, plastic packaging manufacturers, the construction & property sector, and waste management.</p>	<p>Links and references</p> <p>ASR 2023, p. 191 and 206</p> <p>ASR 2023, p. 192</p> <p>ASR 2023, p. 206</p>
<p>Self-assessment summary:</p> <p>Which of the following components of impact analysis has your bank completed, in order to identify the areas in which your bank has its most significant (potential) positive and negative impacts?⁶⁾</p> <p>Scope: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No</p> <p>Portfolio composition: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No</p> <p>Context: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No</p> <p>Performance measurement: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No</p>	<p>Which most significant impact areas have you identified for your bank, as a result of the impact analysis?</p> <ol style="list-style-type: none"> 1. <i>Climate change</i> 2. <i>Biodiversity (SDG 14 and 15), Fresh water (SDG 6), Industry, innovation and infrastructure (SDG 9), Decent work and economic growth (SDG 8), and Climate change (SDG 13)</i> <p>How recent is the data used for and disclosed in the impact analysis?</p> <p><input type="checkbox"/> Up to 6 months prior to publication <input type="checkbox"/> Up to 12 months prior to publication</p> <p><input checked="" type="checkbox"/> Up to 18 months prior to publication <input type="checkbox"/> Longer than 18 months prior to publication</p> <p>Open text field to describe potential challenges, aspects not covered by the above etc.: (optional)</p>	

4) Global priorities might alternatively be considered for banks with highly diversified and international portfolios.

5) To prioritize the areas of most significant impact, a qualitative overlay to the quantitative analysis as described in a), b) and c) will be important, e.g. through stakeholder engagement and further geographic contextualisation.

6) You can respond “Yes” to a question if you have completed one of the described steps, e.g. the initial impact analysis has been carried out, a pilot has been conducted.

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2.2 Target Setting (Key Step 2)	Response	Links and references
<p>Show that your bank has set and published a minimum of two targets which address at least two different areas of most significant impact that you identified in your impact analysis.</p> <p>The targets⁷⁾ have to be Specific, Measurable (qualitative or quantitative), Achievable, Relevant and Time-bound (SMART). Please disclose the following elements of target setting (a-d), for each target separately:</p> <p>a) Alignment: which international, regional or national policy frameworks to align your bank’s portfolio with⁸⁾ have you identified as relevant? Show that the selected indicators and 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 international, national or regional frameworks.</p> <p><i>You can build upon the context items under 2.1.</i></p>	<p><i>Target area Climate change (SDG 13): Net Zero Banking Alliance, NZBA</i></p> <p>SEB is committed to reach net-zero greenhouse gas (GHG) emissions by 2050 at the latest. Financed emissions account for the vast majority of SEB’s total GHG emissions. SEB has developed a methodology to estimate the financed emissions from the credit portfolio. The methodology forms the basis for the calculation of SEB’s emission profile for 2020 and the development of the 2030 sector targets. SEB has identified six sectors where the bank can achieve the greatest positive impact: oil & gas, power generation, steel, car manufacturing, heavy vehicle manufacturing and Swedish household mortgages.</p> <p>Target area, Biodiversity (SDG 14 and 15), Fresh water (SDG 6), Industry, innovation and infrastructure (SDG 9), Decent work and economic growth (SDG 8), and Climate change (SDG 13):</p> <p>All SDGs covered in the second target area are considered as significant impact areas, and they are therefore captured in SEB’s Sustainability Activity Index.</p> <p>SEB’s Sustainability Activity Index has a broader scope, and includes not only the credit portfolio, but also investments. Having a broader scope is an important means to engage all parts of SEB in driving the sustainability agenda and reach the set targets. The first activity in the Index (sustainable financing and sustainable finance advisory) covers the credit portfolio.</p> <p>The activities included in SEB’s Sustainability Activity Index are:</p> <p>a) Sustainable financing: SEB offers green loans that qualifies for our Green Bond Framework. The framework was updated in 2022 and has been made more inclusive and supports areas such as biodiversity and transition to circular economy. Volumes from green loans and sustainability-linked loans is included as a part of SEB’s Sustainability Activity Index</p> <p>b) Sustainable finance advisory: SEB offers advisory services within sustainability-themed products, such as green, social and sustainability bonds and sustainability-linked bonds. The volumes are included as a part of SEB’s Sustainability Activity Index</p> <p>c) SEB Greentech Venture Capital investments: started in 2020, invests in green technology, focusing on transformative ideas that promise substantial impact in reducing greenhouse gas emissions or in preventing transgression of the planetary boundaries. The invested volumes is included as a part of SEB’s Sustainability Activity Index</p> <p>d) SFDR Article 9 investment products: SEB Investment Management strives to increase the investments in companies which contribute to sustainable solutions or enable transition. The share of Article 9 products to total AuM is included as a part of SEB’s Sustainability Activity Index</p> <p>SEB’s business is governed by a set of policies, frameworks and instructions. SEB’s corporate sustainability policy, thematic and sector policies and transparency statement, together with frameworks and instructions ensure that we steer towards target alignment of SEB’s Sustainability Activity Index. SEB’s Green Bond Framework and the SEB Instruction for the Sustainable Product Committee and its subcommittee(s) is essential in the governance of the index.</p> <p>SEB’s Investment Mandate Greentech, with accompanying investment strategy as well as the Sustainable Finance Disclosure Regulation, SFDR concerning article 9 investment products, are important frameworks for the other areas in the Index, Greentech VC investments and Article 9 investments products, which are not included in the scope of the impact analysis.</p> <p>The Sustainability Activity Index does not measure impact from all of its activities. The Green Bond Investor Report provides quantitative environmental impact data on a sector-based and aggregated level for parts of the sustainable financing component of the index.</p> <p>Examples of impact metrics are:</p> <ul style="list-style-type: none"> - Effect (MW) - Electricity/energy produced (GWh) - Energy savings (GWh) <p>The Green Bond Investor Report is published on sebgroup.com.</p> <p>Annual reporting is also provided for the article 9 funds, to what extent the sustainability objective has been reached. These objectives can be both social and environmental.</p> <p>For the other activities within the Sustainability Activity Index, where similar reports do not exist, the governance of what can be included in the index becomes very important as the target is volume-based. As mentioned above different instructions and frameworks are applicable. These do not only ensure that the activities included in the Sustainability Activity Index have a sufficient impact to be labelled sustainable, but also that potential negative impacts are avoided or mitigated. SEB’s sustainability policy framework also acts as a guardian to ensure that relevant screenings are performed to ensure no significant harm is occurring in the Sustainability Activity Index.</p> <p>Going forward, SEB is developing the digital infrastructure and assessing methods for measuring impact in areas such as energy efficiency, circularity, water and biodiversity. With better data, based on the Corporate Sustainability Reporting Directive, CSRD, the impact measurement in these areas will significantly improve.</p>	<p>ASR 2023, p.191 and 204</p> <p>ASR 2023, p. 191</p> <p>ASR 2023, p. 193</p> <p>ASR 2023, p. 194</p>

7) Operational targets (relating to for example water consumption in office buildings, gender equality on the bank’s management board or business-trip related greenhouse gas emissions) are not in scope of the PRB.

8) Your bank should consider the main challenges and priorities in terms of sustainable development in your main country/ies of operation for the purpose of setting targets. These can be found in National Development Plans and strategies, international goals such as the SDGs or the Paris Climate Agreement, and regional frameworks. Aligning means there should be a clear link between the bank’s targets and these frameworks and priorities, therefore showing how the target supports and drives contributions to the national and global goals.

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<p>b) Baseline: Have you determined a baseline for selected indicators and assessed the current level of alignment? Please disclose the indicators used as well as the year of the baseline.</p> <p>You can build upon the performance measurement undertaken in 2.1 to determine the baseline for your target.</p> <p>A package of indicators has been developed for climate change mitigation and financial health & inclusion to guide and support banks in their target setting and implementation journey. The overview of indicators can be found in the Annex of this template.</p> <p>If your bank has prioritized climate mitigation and/or financial health & inclusion as (one of) your most significant impact areas, it is strongly recommended to report on the indicators in the Annex, using an overview table like below including the impact area, all relevant indicators and the corresponding indicator codes:</p> <table border="1" data-bbox="661 424 1569 555"> <thead> <tr> <th>Impact area</th> <th>Indicator code</th> <th>Response</th> </tr> </thead> <tbody> <tr> <td>Climate change mitigation</td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> </tr> </tbody> </table> <table border="1" data-bbox="661 584 1569 715"> <thead> <tr> <th>Impact area</th> <th>Indicator code</th> <th>Response</th> </tr> </thead> <tbody> <tr> <td>Financial health & inclusion</td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> </tr> </tbody> </table> <p>In case you have identified other and/or additional indicators as relevant to determine the baseline and assess the level of alignment towards impact driven targets, please disclose these.</p>	Impact area	Indicator code	Response	Climate change mitigation									Impact area	Indicator code	Response	Financial health & inclusion									<p>Response The baseline year for the SEB Sustainability Activity Index is 2021. Each activity of the aggregated index has 100 as baseline with separate targets. The real baselines and targets of each sub-index, as well as the level of alignment of the Sustainability Activity Index, is reported in the Annual and Sustainability Report.</p>	<p>Links and references ASR 2023, p. 191</p>
Impact area	Indicator code	Response																								
Climate change mitigation																										
Impact area	Indicator code	Response																								
Financial health & inclusion																										
<p>c) SMART targets (incl. key performance indicators (KPIs)⁹⁾: Please disclose the targets for your first and your second area of most significant impact, if already in place (as well as further impact areas, if in place). Which KPIs are you using to monitor progress towards reaching the target? Please disclose.</p>	<p>Response Net-Zero Banking Alliance: see Annex SEB Sustainability Activity Index: Specific – Increase our sustainability activities 6-8 times by 2030 Measurable – Volume-based goal, measured as an aggregated index Achievable – Long-term goal with deliverables integrated in business plan and long-term business strategy. Relevant – Increasing the sustainability activities is part of SEB's ambition to "be a leading catalyst in the sustainability transition". This makes SEB's Sustainability Activity Index relevant since it is a strategic measure that drives positive impact within a broad range of areas related to the SDGs. This index is capturing a large share of the bank's sustainability-related activities and is important for the integration of sustainability-related performance KPIs in senior management and in business units. With better data available the Sustainability Activity Index will also be broken down into various thematic impact areas. Time bound – Between 2021 and 2030</p>	<p>Links and references ASR 2023, p. 191</p>																								
<p>d) Action plan: which actions including milestones have you defined to meet the set targets? Please describe. Please also show that your bank has analysed and acknowledged significant (potential) indirect impacts of the set targets within the impact area or on other impact areas and that it has set out relevant actions to avoid, mitigate, or compensate potential negative impacts.</p>	<p>Response The Sustainability Activity Index, which is a volume-based target.</p>	<p>Links and references ASR 2023, p. 191</p>																								

9) Key Performance Indicators are chosen indicators by the bank for the purpose of monitoring progress towards targets.

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Self-assessment summary		
Which of the following components of target setting in line with the PRB requirements has your bank completed or is currently in a process of assessing for your...		
	... first area of most significant impact: ... <i>Climate change</i>	... second area of most significant impact: <i>Climate change, Biodiversity, Freshwater, Industry innovation and infrastructure, Decent work and economic growth, and Responsible consumption and production (circularity)</i>
Alignment	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No
Baseline	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No
SMART targets	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No
Action plan	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No
2.3 Target implementation and monitoring (Key Step 2) For each target separately: Show that your bank has implemented the actions it had previously defined to meet the set target. Report on your bank's progress since the last report towards achieving each of the set targets and the impact your progress resulted in, using the indicators and KPIs to monitor progress you have defined under 2.2. Or, in case of changes to implementation plans (relevant for 2nd and subsequent reports only): describe the potential changes (changes to priority impact areas, changes to indicators, acceleration/review of targets, introduction of new milestones or revisions of action plans) and explain why those changes have become necessary.		Response Regarding climate change, the NZBA targets are now including the sectors covered by the Brown target and for this purpose replaces the Brown - Carbon Exposure Index. According to SEB's current business plan we will dedicate additional venture capital, accelerate sustainable product innovation and development and further integrate sustainability in sales and advisory processes and client relationship management. The KPI is integrated in management and business unit performance assessment and thus also resource allocation. SEB is progressing in line with the PRB requirements. We are developing ESG data and processes to enable breakdowns on different impact areas, which will provide us with more details for disclosures on alignment.

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Principle 3: Clients and Customers		
	<p><i>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.</i></p>	
<p>3.1 Client engagement <i>Does your bank have a policy or engagement process with clients and customers¹⁰⁾ in place to encourage sustainable practices?</i> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No</p> <p><i>Does your bank have a policy for sectors in which you have identified the highest (potential) negative impacts?</i> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No</p> <p>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 activities¹¹⁾. It should include information on relevant policies, actions planned/implemented to support clients' transition, selected indicators on client engagement and, where possible, the impacts achieved.</p> <p><i>This should be based on and in line with the impact analysis, target-setting and action plans put in place by the bank (see P2).</i></p>	<p>Response</p> <p>We can make the greatest positive impact by partnering with our customers. We engage with our private, corporate, and institutional customers to identify risks and opportunities related to our customers' transition strategies, linked to environmental, social and governance (ESG) matters. We actively consider ESG factors in our products, advice, and processes, striving to avoid negative impacts and create value for the planet, people, and society.</p> <p>During 2023, we have worked to implement an enhanced customer acceptance process with regards to compliance with the Sustainability Policy and Corporate Sustainability Governance Instruction.</p> <p>The business areas are responsible for annual compliance screening of their clients and to escalate the following cases</p> <ul style="list-style-type: none"> • A customer in breach of the restrictions or requirements defined in the Social & Human Rights policy or sector policies • A customer, or a customer within a group, defined as "brown", in the Customer Sustainability Classification tool, CSC. <p>A company defined as brown in our CSC tool is assessed as not in transition towards Paris alignment. Implementation of the process is ongoing.</p> <p>A new policy on Real Estate and construction was adopted in 2023, and it is supported by e-learning, checklists and continued increased advisory focus</p>	<p>Links and references ASR 2023, p. 190</p> <p>ASR 2023, p. 192</p>
<p>3.2 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 you have worked on these in the reporting period. Provide information on existing products and services, information on sustainable products developed in terms of value (USD or local currency) and/or as a % of your portfolio, and which SDGs or impact areas you are striving to make a positive impact on (e.g. green mortgages – climate, social bonds – financial inclusion, etc.).</p>	<p>Response</p> <p>SEB has a strong ambition to accelerate the pace towards a sustainable future for people, businesses and society. We firmly believe that our most significant impact will be achieved by partnering with our customers and actively supporting them on their sustainability journey.</p> <p>As a large Nordic corporate bank with a global outreach we are well-equipped to contribute to the transition in which we see that large corporations play a crucial role. We are equally committed to empowering small and medium-sized enterprises and individuals to contribute to the transition journey. By offering responsible advice and innovative financing, investment and savings products and services we take a proactive role in enabling our customers to reach their goals.</p> <p>The Sustainability Activity Index captures our sustainability activities across four areas – sustainability-related financing, sustainable finance advisory, greentech venture capital investments and sustainable savings (in line with the EU's Sustainable Finance Disclosure Regulation, SFDR), as share of SEB's total fund offering, own and external. The ambition is to increase Sustainability Activity Index 6–8 times by 2030 compared with a 2021 baseline. At year-end 2023, the index had increased by 123 per cent (58), compared with baseline 2021. As a share of the total credit portfolio, sustainability-related financing accounted for 8.5 per cent, up from 4.0 per cent at the end of 2021. See future opportunities in areas of climate mitigation, and water in areas of financing, capital market advisory and investments.</p>	<p>Links and references ASR 2023, p. 190</p> <p>ASR 2023, p. 191</p>

10) A client engagement process is a process of supporting clients towards transitioning their business models in line with sustainability goals by strategically accompanying them through a variety of customer relationship channels.
 11) Sustainable economic activities promote the transition to a low-carbon, more resource-efficient and sustainable economy.

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Principle 4: Stakeholders



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

4.1 Stakeholder identification and consultation

Does your bank have a process to identify and regularly consult, engage, collaborate and partner with stakeholders (or stakeholder groups¹²) you have identified as relevant in relation to the impact analysis and target setting process?

Yes In progress No

Please describe which stakeholders (or groups/types of stakeholders) you have 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 how your bank has identified relevant stakeholders, what issues were addressed/results achieved and how they fed into the action planning process.

Response

We are committed to long-term relationships with our key stakeholders – customers, investors & shareholders, employees and society-at-large. We interact with them on a regular basis to ensure we prioritise the most important issues and we aim to respond to their needs and expectations in a responsible manner. Our ways of engagement include digital channels such as web pages, mobile apps and telephone as well as in regular physical meetings, but also via targeted initiatives such as events and conferences, client trips and surveys.

SEB's current materiality analysis covers actual and potential impact on the economy, environment, and society. The material topics are closely connected to our business operations and linked to the areas we have identified in our stakeholder dialogues.

In 2023 SEB started to conduct a double materiality assessment (DMA), according to the upcoming requirements in the Corporate Sustainability Reporting Directive (CSRD) and the related European Sustainability Reporting Standards (ESRS). The DMA aims to identify topics where SEB either has a material impact on people, society or the environment through its business, or where these topics may have a material impact on SEB's financial risks and opportunities. The process was developed during 2023, and it will be completed and reported for in 2024. Engaging and performing stakeholder dialogues is core in the DMA process, and we are engaging with clients, investors, employees, regulators, NGO's and experts through the process.

Links and references
ASR 2023, p. 197

¹²) Such as regulators, investors, governments, suppliers, customers and clients, academia, civil society institutions, communities, representatives of indigenous population and non-profit organisations

Principle 5: Governance & Culture



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

5.1 Governance Structure for Implementation of the Principles

Does your bank have a governance system in place that incorporates the PRB?

Yes In progress No

Please 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 the effective implementation of the Principles. This includes information about

- which committee has responsibility over the sustainability strategy as well as targets approval and monitoring (including information about the highest level of governance the PRB is subjected to),
- details about the chair of the committee and the process and frequency for the board having oversight of PRB implementation (including remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected), as well as
- remuneration practices linked to sustainability targets..

Response

The Board of Directors (the Board) is ultimately responsible for the management of the affairs and the organisation of SEB Group. In respect of corporate sustainability this includes the establishment of a strategy and goals that contribute to the transition towards a sustainable society and an organisation to execute such strategy. The Board fulfils these responsibilities through the approval of the 2030 Strategy and the business plan, including the sustainability strategy considerations.

The Board is on a regular basis updated on sustainability matters. Issues that are material to SEB's sustainability development are included on the Board's agenda, together with an annual review of policies and instructions.

The President and Chief Executive Officer (President) is responsible for the execution of the corporate sustainability strategy and implementation of the governance structure set by the Board. The decision-making body Group Executive Sustainability Committee (GESC) is established and chaired by the President, with the purpose to manage the execution of the corporate sustainability strategy.

The bank has group-wide and specific goals for the various divisions and units, targeting environmental, social and governance areas, for example carbon emissions, diversity and regulatory compliance. Sustainability key performance indicators (KPIs) are integrated in remuneration for members of SEB's Group Executive Committee (GEC), for managers who report to GEC and for other eligible positions.

Links and references
ASR 2023, p. 194


ASR 2023, p. 195

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<p>5.2 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, e-learning, sustainability trainings for client-facing roles, inclusion in remuneration structures and performance management and leadership communication, amongst others).</p>	<p>Response SEB invests in strengthening and broadening competence among employees to future-proof SEB and implement the 2030 strategy. We work with continuous learning in all parts of the business, in all geographies and in a broad range of topics.</p> <p>We strive to ensure that employees have the skills required to perform their jobs and develop. Through this, we aim to avoid reorganisations with redundancies as a result. Employees are responsible for competence development and are offered extensive learning opportunities. The digital university SEB Campus offers a wide range of learning content together with internal and external experts as well as with international business schools and universities.</p> <p>SEB has a training on climate change in place, mandatory for all employees globally. It is developed in collaboration with the Stockholm Resilience Centre. In 2023, two new sustainability courses were developed, and launched in early 2024.</p> <p>The models for individual variable remuneration are based on financial and non-financial key performance indicators. Non-financial goals take into account factors such as customer satisfaction, compliance and sustainability performance related to, for example, the bank's own environmental impact and integration of sustainability risks into the business model. SEB's established sustainability ambitions and goals are part of the criteria for potential allocation of the programmes, as applicable. Also in the largest variable remuneration programme, for all SEB employees, sustainability is now considered.</p> <p>SEB is committed to progress towards the societal issue of gender pay gap. In SEB, equal pay is used as an overall guiding principle in all salary decisions.</p>	<p>Links and references ASR 2023, p. 209</p> <p>ASR 2023, p. 195</p> <p>ASR 2023, p. 209</p>
<p>5.3 Policies and due diligence processes Does your bank have policies in place that address environmental and social risks within your portfolio?¹³⁾ Please describe.</p> <p>Please describe what due diligence processes your bank has installed to identify and manage environmental and social risks associated with your portfolio. This can include aspects such as identification of significant/salient risks, 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 you have in place to oversee these risks.</p>	<p>Response We strive to avoid causing, contributing to or being directly linked to negative environmental and social impact, and aim to create value for the planet, people and society through our ways of working.</p> <p>SEB's sustainability policy framework covers the Corporate Sustainability Policy, two thematic policies and eleven sector policies. All policies are reviewed annually. The Corporate Sustainability Policy defines the framework for sustainability in SEB and provides a governing platform for the sustainability work for all business decisions, including investments and credit decisions.</p> <p>This framework, in combination with other group-wide policies and procedures, ensures that we address environmental and social risks in our credit portfolio.</p> <p>In each division there is a Sustainability Business Risk Committee (SBRC) that assesses and decides upon new customers or transactions from a material sustainability risk perspective and based on SEB's strategy and policies, before bringing the on-boarding or transaction for decision by the relevant decision-making body.</p>	<p>Links and references ASR 2023, p. 192</p> <p>ASR 2023, p. 196</p> <p>ASR 2023, p. 195</p>
<p>Self-assessment summary: Does the CEO or other C-suite officers have regular oversight over the implementation of the Principles through the bank's governance system? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Does the governance system entail structures to oversee PRB implementation (e.g. incl. impact analysis and target setting, actions to achieve these targets and processes of remedial action in the event targets/milestones are not achieved or unexpected neg. impacts are detected)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Does your bank have measures in place to promote a culture of sustainability among employees (as described in 5.2)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No</p>		

13) Applicable examples of types of policies are: exclusion policies for certain sectors/activities; zero-deforestation policies; zero-tolerance policies; gender-related policies; social due diligence policies; stakeholder engagement policies; whistle-blower policies etc., or any applicable national guidelines related to social risks.

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Principle 6: Transparency & Accountability		
 <p><i>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.</i></p>		
<p>6.1 Assurance Has this publicly disclosed information on your PRB commitments been assured by an independent assurer? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> Partially <input type="checkbox"/> No If applicable, please include the link or description of the assurance statement.</p>	<p>Response SEB's PRB 2023 has been subject for limited review by the same Audit firm as for the financial statements.</p>	<p>Links and references PRB 2023, p 15</p>
<p>6.2 Reporting on other frameworks Does your bank disclose sustainability information in any of the listed below standards and frameworks? <input checked="" type="checkbox"/> GRI <input checked="" type="checkbox"/> SASB <input checked="" type="checkbox"/> CDP <input type="checkbox"/> IFRS Sustainability Disclosure Standards (to be published) <input checked="" type="checkbox"/> TCFD <input type="checkbox"/> Other: ...</p>	<p>Response SEB's Sustainability Report 2023 is based upon the GRI Universal Standard 2021.</p>	<p>Links and references ASR 2023, p.239–248</p>
<p>6.3 Outlook What are the next steps your bank will undertake in next 12 month-reporting period (particularly on impact analysis¹⁴, target setting¹⁵ and governance structure for implementing the PRB)? Please describe briefly.</p>	<p>Response SEB's total emissions, scope 1-3, is disclosed in SEB's Annual and Sustainability Report 2023. In addition our scope 3 is partly broken down into categories based upon the GHG Protocol, e.g. category 15 is broken down into Financed emissions, Facilitated emissions and Invested emissions. In line with the expectations from our NZBA commitment, SEB has continued the work with setting sector targets, and in October 2023 we published targets for Heavy vehicle manufacturing. During 2024, SEB plans to increase the sector coverage of NZBA and disclose a NZBA transition plan. Furthermore, SEB is developing methods, data, processes and IT systems to enable measuring impact and setting targets in areas such as energy efficiency, circularity, water and biodiversity. The ESG data availability is expected to increase when the Corporate Sustainability Reporting Directive, CSRD, comes into effect in 2024 and companies will report accordingly. The impact measurement and potential for target setting connected to impact areas will then significantly improve.</p>	<p>Links and references ASR 2023, p. 203 ASR 2023, p. 204</p>
<p>6.4 Challenges</p>	<p>Here is a short section to find out about challenges your bank is possibly facing regarding the implementation of the Principles for Responsible Banking. Your feedback will be helpful to contextualise the collective progress of PRB signatory banks. What challenges have you prioritised to address when implementing the Principles for Responsible Banking? Please choose what you consider the top three challenges your bank has prioritised to address in the last 12 months (optional question). If desired, you can elaborate on challenges and how you are tackling these: <input type="checkbox"/> Embedding PRB oversight into governance <input type="checkbox"/> Gaining or maintaining momentum in the bank <input type="checkbox"/> Getting started: where to start and what to focus on in the beginning <input type="checkbox"/> Conducting an impact analysis <input checked="" type="checkbox"/> Assessing negative environmental and social impacts <input checked="" type="checkbox"/> Choosing the right performance measurement methodology/ies <input checked="" type="checkbox"/> Setting targets <input type="checkbox"/> Other: ... <input type="checkbox"/> Customer engagement <input type="checkbox"/> Stakeholder engagement <input checked="" type="checkbox"/> Data availability <input type="checkbox"/> Data quality <input type="checkbox"/> Access to resources <input type="checkbox"/> Reporting <input type="checkbox"/> Assurance <input type="checkbox"/> Prioritising actions internally If desired, you can elaborate on challenges and how you are tackling these: ...</p>	

14) For example outlining plans for increasing the scope by including areas that have not yet been covered, or planned steps in terms of portfolio composition, context and performance measurement

15) For example outlining plans for baseline measurement, developing targets for (more) impact areas, setting interim targets, developing action plans etc.

Annex climate change target

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Impact area	Practice ¹⁾ (pathway to impact)									Impact ²⁾		
	1. Action indicators			2. Output indicators			3. Outcome indicators			4. Impact indicators		
	Code	Indicator	Response options & metrics	Code	Indicator	Response options & metrics	Code	Indicator	Response options & metrics	Code	Indicator	Response options & metrics
A. Climate change mitigation	A.1.1	Climate strategy: Does your bank have a climate strategy in place?	Yes / In progress / No / Yes	A.2.1	Client engagement process: Is your bank in an engagement process with clients regarding their strategy towards a low(er)-carbon business model (for business clients), or towards low(er)-carbon practices (for retail clients)?	Yes / Setting it up / No; If yes: Please specify for which clients (types of clients, sectors, geography, number of clients etc.) Understanding our customers' transition plans and emission reduction ambitions is key for us to deliver on our 2030 sector targets and in our work to align our strategy to the objectives of the Paris Agreement. We use our proprietary tool, Customer Sustainability Classification tool (CSC), to illustrate our customers' transition plans and to compare them to the objectives of the Paris Agreement. The CSC tool uses information collected from our customers and sector transition pathways developed by third parties. This results in a classification according to five categories; sustainable, Paris-aligned, transition, gradual change and status quo. The tool supports in-depth customer dialogues on the investment needs, the opportunities and the risks related to the implementation of their plans. The CSC tool is systematically used to assess our large corporate and real estate customers for sectors with material and slight carbon footprints.	A.3.1	Financial volume of green assets/ low-carbon technologies: How much does your bank lend to/invest in green assets /loans and low-carbon activities and technologies?	bln/mn USD or local currency, and/or % of portfolio; please specify the definition of green assets and low-carbon technologies used Green Loans (include project financing within the EU, UK and Nordic region, which fulfil the sustainability criteria in the SEB Green Bond framework: 61.5 SEKbn Green mortgage: 17.3 SEKbn Greentech VC investments: 232 SEKm	A.4.1	Reduction of GHG emissions: how much have the GHG emissions financed been reduced?	% over time; baseline and tracking GHG emissions in kg of CO ₂ e (or applicable metrics) ³⁾ In 2022, SEB set net-zero aligned 2030 sector targets covering its lending commitments to the oil & gas E&P and refining, power generation, steel, car manufacturing, and Swedish household mortgage sectors. In 2023, SEB set a 2030 target for the heavy vehicle manufacturing sector. The target is to increase the share of Zero Emission Vehicles in new sales from 0.5 per cent in 2022 to 35 per cent by 2030, in line with the assumptions of the International Energy Agency's updated "Net Zero Roadmap – A Global Pathway to Keep the 1.5C Goal in Reach". The six sectors covered by the 2030 targets account for 76% of the revised 2020 financed emissions and 66% of the 2022 financed emissions. During 2024, SEB plans to set a 2030 sector target for the shipping sector. The 2030 sector targets have overall positively developed as per year end 2022. The decrease in absolute financed emissions for the E&P and refining sector is driven by lower credit exposure to the sector. During 2023, the 2030 target for the sector was revised to a 70% reduction in absolute financed emissions by 2030, compared with 56% previously. The emission intensity of the power generation sector reached 95 g CO ₂ e / kWh in 2022, a 24 per cent reduction compared with 2020. The positive development reflects the higher proportion of lending commitments to renewable power generation, larger customers' balance sheets and to a lesser extent lower customers' emission intensities. The 2022 outcome for the car manufacturing sector is driven by the accelerating electrification of our customers' portfolios and a credit exposure mix effect. The development of the steel sector is the result of stable customers' emissions and a credit exposure mix effect. The ongoing large investments in low-carbon steel production technologies at our customers should support lower emission intensity in the midterm. Lower average energy consumption and emission factors are explaining the 2% reduction in the emission intensity of the Swedish household mortgage sector between 2020 and 2022.

1) Practice: the bank's portfolio composition in terms of key sectors, its client engagement, and its relevant policies and processes, and, if applicable, its advocacy practices

2) Impact: the actual impact of the bank's portfolio

3) If possible and/or necessary, please contextualise the progress: Greenhouse gas emissions might even increase initially because the scope of measurements is extended and financed emissions from a growing proportion of the portfolio are measured, emission factors are updated etc. Emission reductions made by the clients should over time lead to a decrease in GHG emissions financed.

4) A list of carbon-intensive sectors can be found in the Guidelines for Climate Target Setting.

5) Transition finance is defined as financing the transition towards a low-carbon future in alignment with the Paris climate goals. It entails any form of financial support for non-pure play green activities to become greener and reduce emissions.

Impact area	Practice ¹⁾ (pathway to impact)									Impact ²⁾		
	1. Action indicators			2. Output indicators			3. Outcome indicators			4. Impact indicators		
	Code	Indicator	Response options & metrics	Code	Indicator	Response options & metrics	Code	Indicator	Response options & metrics	Code	Indicator	Response options & metrics
<p>Principle 1: Alignment</p> <p>Principle 2: Impact and Target Setting</p> <p>Principle 3: Clients and Customers</p> <p>Principle 4: Stakeholders</p> <p>Principle 5: Governance & Culture</p> <p>Principle 6: Transparency & Accountability</p> <p>Annex climate change target</p> <p>Auditor's Limited Assurance Report</p>	A.1.2	Paris alignment target: Has your bank set a long-term portfolio-wide Paris-alignment target? To become net zero by when?	<p>Yes / In progress / No;</p> <p>If yes:</p> <p>- please specify: to become net zero by when?</p> <p>2050</p> <p>- Emissions baseline / base year: What is the emissions baseline / base year for your target?</p> <p>2020</p> <p>- What climate scenario(s) aligned with the Paris climate goals has your bank used?</p> <p>Mainly IEA scenario Net Zero by 2050 – A Roadmap for the Global Energy Sector – but also other scenarios for specific sectors such as household mortgages.</p>	A.2.2	Absolute financed emissions: What are your absolute emissions (financed emissions = scope 3, category 15) in your lending and/or investment portfolio?	<p>Total GHG emissions or CO₂e (please also disclose what is excluded for now and why)</p> <p>The 2020 financed emissions have been revised to reflect updated customer emissions and emission factors and to include Scope 3, use of sold products emissions for the heavy vehicle sector and Scope 3, fuel- and energy-related emissions, for the shipping sector.</p> <p>Financed emissions amounted to 28.4 million tonnes CO₂e in 2022, corresponding to a decrease of 39 per cent compared with the revised 2020 financed emissions. 67 per cent of the reduction is attributable to the oil & gas: exploration & production and refining sector. Changes in financed emissions between 2020 and 2022 primarily resulted from changes in our credit exposure and in the size of our corporate customers' balance sheets.</p>	A.3.2	Financial volume lent to / invested in carbon intensive sectors and activities and transition finance: How much does your bank lend to / invest in carbon-intensive sectors and activities ⁴⁾ ? How much does your bank invest in transition finance ⁵⁾ ?	<p>bln/mn USD or local currency, and/or % of portfolio</p> <p>For a breakdown of SEB's credit portfolio carbon footprint per sector, see Annual and Sustainability Report 2023, p 200.</p> <p>The investment in sustainable activities can be referred to as SEB's Sustainability Activity Index – The Green. It is a volume-based index measuring SEB's activities that support sustainable development. At year-end 2023, the index had increased by 123 per cent (58) compared to the base year 2021. See ASR 2023 p. 191.</p>	A.4.2	Portfolio alignment: How much of your bank's portfolio is aligned with Paris (depending on the target set [A.1.2] either 1.5 or 2 degrees)?	<p>% of portfolio (please specify which portfolio; for corporate and business clients: % of sectors financed)</p> <p>The six sectors covered by the 2030 targets account for 76% of the revised 2020 financed emissions and 66% of the 2022 financed emissions. During 2024, SEB plans to set a 2030 sector target for the shipping sector.</p> <p>The 2030 sector targets are aligned with or ahead of assumptions from science-based decarbonization scenarios compatible with the temperature goals of the Paris Agreement.</p>

1) Practice: the bank's portfolio composition in terms of key sectors, its client engagement, and its relevant policies and processes, and, if applicable, its advocacy practices

2) Impact: the actual impact of the bank's portfolio

3) If possible and/or necessary, please contextualize the progress: Greenhouse gas emissions might even increase initially because the scope of measurements is extended and financed emissions from a growing proportion of the portfolio are measured, emission factors are updated etc. Emission reductions made by the clients should over time lead to a decrease in GHG emissions financed.

4) A list of carbon-intensive sectors can be found in the Guidelines for Climate Target Setting.

5) Transition finance is defined as financing the transition towards a low-carbon future in alignment with the Paris climate goals. It entails any form of financial support for non-pure play green activities to become greener and reduce emissions.

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Impact area	Practice ¹⁾ (pathway to impact)					
	1. Action indicators			2. Output indicators		
	Code	Indicator	Response options & metrics	Code	Indicator	Response options & metrics
A. Climate change mitigation	A.1.3	Policy and process for client relationships: <i>has your bank put in place rules and processes for client relationships (both new clients and existing clients), to work together towards the goal of transitioning the clients' activities and business model?</i>	Yes / In progress / No	A.2.3	Sector-specific emission intensity <i>(per clients' physical outputs or per financial performance): What is the emission intensity within the relevant sector?</i>	<i>Please specify which sector (depending on the sector and/or chosen metric): kg of CO₂e/kWh, CO₂e/m²; kg of CO₂e/USD invested, or kg of CO₂e/revenue or profit</i> <i>Oil & Gas E&P1 and refining Scope 1&2&3</i> <i>Metric: million tonnes CO₂e</i> <i>2020 baseline: 18.4</i> <i>Power generation Scope 1&2</i> <i>Metric: g CO₂e/kWh</i> <i>2020 baseline: 123</i> <i>Steel</i> <i>Scope 1&2</i> <i>Metric: tonne CO₂e/tonne</i> <i>Steel</i> <i>2020 baseline: 1.40</i> <i>Car manufacturing</i> <i>Scope 3</i> <i>Metric: g CO₂e/km/vehicle 2020 baseline: 153</i> <i>Household mortgage - Sweden</i> <i>Scope 1&2</i> <i>Metric: kg CO₂e/m²</i> <i>2020 baseline 3.12</i>
	A.1.4	Portfolio analysis: <i>Has your bank analysed (parts of) its lending and/or investment portfolio in terms of financed emissions (Scope 3, category 15); technology mix or carbon-intensive sectors in the portfolio?</i>	Yes / In progress / No; <i>If yes: please specify which parts of the lending and investment portfolio you have analysed</i> <i>The credit exposure in scope for the calculation of the 2022 financed emissions amounted to SEK 2 015bn (SEK 1 780bn in 2020) accounting for 74 per cent of the total credit exposure (78 per cent in 2020). The credit exposure not in scope includes non-material carbon footprint sectors for Corporates (Finance and insurance, Services, IT and media and other), Public administration, Banks, Household – other and Real estate management for the Baltic countries due to low data quality.</i>	A.2.4	Proportion of financed emissions covered by a decarbonisation target: <i>What proportion of your bank's financed emissions is covered by a decarbonisation target, i.e. stem from clients with a transition plan in place?</i>	<i>% (denominator: financed emissions in scope of the target set)</i> <i>The six sectors covered by the 2030 targets account for 76% of the revised 2020 financed emissions and 66% of the 2022 financed emissions. During 2024, SEB plans to set a 2030 sector target for the shipping sector.</i>
	A.1.5	Business opportunities and financial products: <i>Has your bank developed financial products tailored to support clients' and customers' reduction in GHG emissions (such as energy efficient mortgages, green loans, green bonds, green securitisations etc.)?</i>	Yes / In progress / No; <i>Please specify which ones, and what financial volume and/or % of the portfolio they account for</i> <i>Green mortgages: 17.3 SEKbn in 2023</i> <i>Sustainable financing: 74.2 SEKbn in 20223</i> <i>Sustainability Linked Loans: 165.1 SEKbn in 2023</i>			

Auditor's Limited Assurance Report of Skandinaviska Enskilda Banken's self-assessment of the Principles for Responsible Banking

To Skandinaviska Enskilda Banken AB (publ), corporate identity number 502032-9081

Principle 1: Alignment

Principle 2: Impact and Target Setting

Principle 3: Clients and Customers

Principle 4: Stakeholders

Principle 5: Governance & Culture

Principle 6: Transparency & Accountability

Annex climate change target

Auditor's Limited Assurance Report

Introduction

We have been engaged by the Board of Directors of Skandinaviska Enskilda Banken AB (publ) to undertake a limited assurance engagement of Skandinaviska Enskilda Banken's self-assessments of its fulfilment of its commitments as a signatory of the Principles for Responsible Banking, for the year 2023, which is reported in the Principles for Responsible Banking Reporting and Self-Assessment Template, the PRB report 2023.

The reporting criteria against which this information was assessed are Skandinaviska Enskilda Banken's self-assessments of its fulfilments of its commitments as signatory of the Principles for Responsible Banking that are described on pages 2–9 in the PRB report, cover the Principle for Responsible Banking assessment areas 2.1 Impact Analysis, 2.2 Target Setting, 2.3 Target Implementation and Monitoring, 5.1 Governance Structure for Implementation of the Principles. Our assurance does not extend to any other information in the PRB report 2023.

Responsibilities of the Board of Directors and the Executive Management for the Sustainability Report

The Board of Directors and the Executive Management are responsible the preparation of the self-assessment of Skandinaviska Enskilda Banken's fulfilment of its commitments as a signatory of the Principles for Responsible Banking in accordance with the applicable criteria. This responsibility also includes the internal control relevant to the preparation of a self-assessment that is free from material misstatements, whether due to fraud or error.

Responsibilities of the Auditor

Our responsibility is to express a conclusion on the selected information specified above based on the limited assurance procedures we have performed and the evidence we have obtained. Our review is limited to the historical information that is presented in this document and does, therefore, not include future oriented information.

We conducted our limited assurance engagement in accordance with ISAE 3000 (revised) Assurance engagements other than audits or reviews of historical financial information. A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of the self-assessment, and applying analytical and other limited assurance procedures. A limited assurance engagement has a different focus and a considerably smaller scope compared to the focus and scope of an audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden.

The firm applies International Standard on Quality Management 1, which requires that we design, implement, and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We are independent of Skandinaviska Enskilda Banken AB in accordance with generally accepted auditing standards in Sweden and have otherwise fulfilled our professional ethical responsibilities according to these requirements.

The limited assurance procedures performed do not enable us to obtain such assurance that we would become aware of all significant matters that might be identified if an audit was performed.

The conclusion based on a limited assurance engagement, therefore, does not provide the same level of assurance as a conclusion based on an audit.

Our procedures are based on the criteria defined by the Board of Directors and Executive Management as described above. We consider these criteria suitable for the preparation of the self-assessment.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our conclusions below.

Conclusion

Based on the limited assurance procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the selected information disclosed in the self-assessment has not been prepared, in all material respects, in accordance with the reporting criteria.

Stockholm, 23 February, 2024

Ernst & Young AB

Hamish Mabon
Authorized Public Accountant

Marianne Förander
Expert Member of FAR

This report is Skandinaviska Enskilda Banken AB's self-assessment on the implementation of the Principles for Responsible Banking Framework as developed by the United Nations. The report has been prepared in accordance with the Principles for Responsible

Banking Guidance document and the Self-assessment Template, published in November 2021 and September 2022 respectively by the United Nations Environment Programme Finance Initiative, UNEP FI.

Stockholm, 23 February, 2024
Skandinaviska Enskilda Banken AB