

# Statement on principal adverse impacts of investment decisions on sustainability factors

## **Skandinaviska Enskilda Banken AB, LEI: F3JS33DEI6XQ4ZBPTN86**

### Summary

**Skandinaviska Enskilda Banken AB (SEB AB)** considers principal adverse impacts of its investment decisions on sustainability factors. The present statement is the statement on principal adverse impacts on sustainability factors of SEB AB and covers the reference period from 1 January 2022 to 31 December 2022.

Individual subsidiaries of SEB AB which act as financial market participants in their own right disclose statements on principal adverse impacts of their investment decisions on sustainability factors on a standalone basis, and are therefore not consolidated in SEB AB's statement. Owing to the nature of the business, geography of operations as well as operational maturity, there might be deviations in the individual statements reflecting varying practices and actions taken by standalone subsidiaries of SEB AB to address and minimise principal adverse impacts.

The scope of the statement covers discretionary portfolio management which includes directly owned assets, assets invested by SEB AB in funds managed by SEB Investment Management AB (SEB IM)<sup>1</sup> and in external funds. In the reference year of 2022, the total value of these assets was worth around SEK 440 billion, of which nearly 70 % was allocated to either SEB funds or within discretionary mandates the management of which was subdelegated by SEB AB to SEB IM. SEB AB's portfolio management offering was available in Sweden (home market), Finland, Luxembourg, Germany and Denmark in 2022. In line with the reporting requirements, the statement summary is provided in multiple languages reflecting this geographic scope.

In its first reporting year, SEB AB reports on 18 mandatory principal adverse impact indicators and two additional indicators reflecting the priority focus areas for the funds that constitute a core of discretionary portfolio management offered by the bank. It also reflects the actions taken and planned to address

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- <sup>1</sup> SEB Investment Management AB (SEB IM, also referred to as the Fund Management Company) is a fully-owned subsidiary of SEB AB.



and minimise impacts. With the continuous improvement of the availability and quality of sustainability data, we will expand the range of principal adverse impact indicators that we report on in the future.

The subsequent statements would be published on an annual basis with the first historical analysis to be issued by 30 June 2024.

## Sammanfattning

**Skandinaviska Enskilda Banken AB (SEB AB)** beaktar huvudsakliga negativa konsekvenser av sina investeringsbeslut om hållbarhetsfaktorer. Det här är SEB AB:s redogörelse för sina investeringsbesluts huvudsakliga negativa konsekvenser för hållbarhetsfaktorer. Redogörelsen omfattar referensperioden från 1 januari 2022 till 31 december 2022.

SEB AB:s enskilda dotterbolag som agerar som självständiga finansmarknadsaktörer utfärdar redogörelser för huvudsakliga negativa konsekvenser av sina investeringsbeslut för hållbarhetsfaktorer separat, och omfattas därför inte av SEB AB:s redogörelse. Det här sker då verksamheternas olika karaktärer, geografiska utbredning och operativa mognad ser olika ut och så även dotterbolages olika praxis och åtgärder som vidtagits för att minimera de huvudsakliga negativa konsekvenserna. Därför kan dotterbolagens redogörelser skilja sig ifrån SEB AB:s redogörelse.

SEB AB:s redogörelse omfattar den diskretionära portföljförvaltningen som inkluderar direktägda tillgångar, tillgångar investerade av SEB AB i fonder som förvaltas av SEB Investment Management AB (SEB IM)<sup>2</sup> samt investeringar i externa fonder. För referensåret 2022 var det totala värdet ca 440 miljarder SEK, där nära 70 % var allokerat antingen i SEB fonder eller via diskretionära mandat där förvaltningen varit delegerad till SEB IM från SEB AB. Under referensåret 2022 var SEB AB:s portföljförvaltningserbjudande tillgängligt i Sverige (hemmamarknaden), Finland, Luxemburg, Tyskland och Danmark. I enlighet med rapporteringskraven finns sammanfattningen av redogörelsen tillgänglig på dessa länders officiella huvudspråk.

Under sitt första rapporteringsår rapporterar SEB AB de 18 obligatoriska indikatorerna för de huvudsakliga negativa konsekvenserna. Vidare har SEB AB rapporterat på två ytterligare indikatorer som återspeglar prioriterade områden för fonderna, som utgör huvuddelen av den diskretionära portföljförvaltningen som erbjuds av banken. Dessa ytterligare indikatorer återspeglar åtgärder som tagits för att hantera och minimera de negativa konsekvenserna. I takt med ökad tillgänglighet och kvalitet på hållbarhetsdata framöver kommer SEB AB att utöka antalet indikatorer för huvudsakliga negativa konsekvenser.

Redogörelsen kommer att publiceras årligen, och den första historiska jämförelsen kommer att publiceras senast den 30 juni 2024.

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<sup>2</sup> SEB Investment Management AB (SEB IM) är ett helägt dotterbolag till SEB AB.

## Sammenfatning

**Skandinaviska Enskilda Banken AB (SEB AB)** overvejer væsentlige negative indvirkninger af sine investeringsbeslutninger på bæredygtighedsfaktorer. Denne erklæring om de væsentlige negative indvirkninger på bæredygtighedsfaktorer omfatter referenceperioden fra den 1. januar 2022 til den 31. december 2022.

Individuelle datterselskaber til SEB AB, som fungerer som finansielle markedsdeltagere på egen hånd, offentliggør erklæringer om væsentlige negative indvirkninger af deres investeringsbeslutninger på bæredygtighedsfaktorer på selvstændig basis og er derfor ikke medtaget i SEB AB's erklæring. På grund af virksomhedens karakter, geografiske placering og operationelle modenhed kan der være afvigelser i de enkelte erklæringer, der afspejler forskellige praksisser og tiltag, der er truffet af selvstændige datterselskaber til SEB AB for at håndtere og minimere væsentlige negative konsekvenser.

Omfanget af erklæringen dækker diskretionær porteføljeforvaltning, som omfatter direkte ejede aktiver, aktiver investeret af SEB AB i fonde forvaltet af SEB Investment Management AB (SEB IM)<sup>3</sup> og i eksterne fonde. I referenceåret 2022 var den samlede værdi af disse aktiver omkring 440 milliarder SEK, hvoraf næsten 70 % blev allokeret til enten SEB-fonde eller inden for diskretionære mandater, hvor forvaltningen var delegeret videre af SEB AB til SEB IM. Disse udgør kernen i SEB AB's porteføljeforvaltningstilbud, som var tilgængeligt i Sverige (hjemmemarkedet), Finland, Luxembourg, Tyskland og Danmark i året 2022. I overensstemmelse med rapporteringskravene leveres erklæringen i flere sprog, der afspejler dette geografiske omfang.

I sit første rapporteringsår rapporterer SEB AB på 18 obligatoriske indikatorer for væsentlige negative indvirkninger samt to yderligere indikatorer, der afspejler bankens prioriterede fokusområder for de fonde, der udgør kernen i den diskretionære porteføljeforvaltning, som banken tilbyder. Det afspejler også de handlinger, vi iværksætter, og de mål, der er fastsat og planlagt for at håndtere og minimere konsekvenserne. Med den fortsatte forbedring af tilgængeligheden og kvaliteten af bæredygtighedsdata vil vi udvide rækken af indikatorer for væsentlige negative konsekvenser, som vi rapporterer om i fremtiden.

De efterfølgende erklæringer vil blive offentliggjort årligt, og den første historiske analyse vil blive udsendt senest den 30. juni 2024.

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<sup>3</sup> SEB Investment Management AB (SEB IM) er et fuldt ejet datterselskab af SEB AB.

## Zusammenfassung

Die **Skandinaviska Enskilda Banken AB (SEB AB)** berücksichtigt die wichtigsten nachteiligen Auswirkungen ihrer Investitionsentscheidungen auf Nachhaltigkeitsfaktoren. Bei der vorliegenden Mitteilung handelt es sich um die Erklärung zu den wichtigsten nachteiligen Auswirkungen auf die Nachhaltigkeitsfaktoren der SEB AB für den Referenzzeitraum vom 1. Januar 2022 bis 31. Dezember 2022.

Tochtergesellschaften der SEB AB, die als rechtlich eigenständige Finanzmarktteilnehmer handeln, veröffentlichen ihre Erklärungen über die Berücksichtigung der wichtigsten nachteiligen Auswirkungen ihrer Investitionsentscheidungen auf Nachhaltigkeitsfaktoren jeweils einzeln und sind daher nicht durch die Erklärung der SEB AB abgedeckt. Je nach Art der Geschäftstätigkeit, Region, in der diese ausgeübt wird, und Betriebsreife können die einzelnen Erklärungen voneinander abweichen und sind damit Ausdruck der verschiedenen Praktiken und Handlungen der eigenständigen Tochtergesellschaften der SEB AB im Umgang mit den wichtigsten nachteiligen Auswirkungen und deren Minimierung.

Der Geltungsbereich dieser Erklärung umfasst von der SEB AB im Rahmen des diskretionären Portfoliomanagements direkt gehaltene Vermögenswerte sowie von der SEB AB in Fonds investierte Vermögenswerte, die von der SEB Investment Management AB (SEB IM)<sup>4</sup> verwaltet werden, und Anlagen in externe Fonds. Im Referenzjahr 2022 belief sich der Gesamtwert dieser Vermögenswerte auf rund 440 Milliarden SEK, davon entfielen rund 70% entweder auf SEB Fonds oder diskretionäre Mandate, deren Verwaltung von der SEB AB und SEB IM weiterdelegiert wurden. Das Portfoliomanagement-Angebot der SEB AB war im Jahr 2022 in Schweden (Heimatmarkt), Finnland, Luxemburg, Deutschland und Dänemark verfügbar. Im Einklang mit den Berichterstattungsanforderungen wird die Zusammenfassung der Erklärung in mehreren Sprachen entsprechend den geografischen Geltungsbereichen veröffentlicht.

In ihrem ersten Berichtsjahr macht die SEB AB Angaben zu 18 verpflichtenden Indikatoren für die wichtigsten nachteiligen Auswirkungen sowie zu zwei zusätzlichen Indikatoren, die die vorrangigen Schwerepunktbereiche der Bankfonds widerspiegeln, die wiederum den Kern des angebotenen diskretionären Portfoliomanagements darstellen. Zudem werden die ergriffenen und geplanten Maßnahmen zur Bewältigung und Minimierung der Auswirkungen beschrieben. Dank einer kontinuierlich höheren Verfügbarkeit und Qualität von Nachhaltigkeitsdaten wird die SEB AB die Auswahl an Nachhaltigkeitsindikatoren, zu denen die Bank künftig berichten wird, entsprechend erweitern.

Die nachfolgenden Erklärungen werden jährlich veröffentlicht, und die ersten Ergebnisse einer Analyse vergangenheitsbezogener Daten sollen bis zum 30. Juni 2024 vorliegen.

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<sup>4</sup> SEB Investment Management AB (SEB IM) ist eine 100%ige Tochtergesellschaft der SEB AB.

## Résumé

**Skandinaviska Enskilda Banken AB (SEB AB)** prend en compte les principaux effets négatifs de ses décisions d'investissement sur les facteurs de durabilité. La présente déclaration est la déclaration sur les principaux effets négatifs des facteurs de durabilité de SEB AB et couvre la période de référence allant du 1er janvier 2022 au 31 décembre 2022.

Les filiales de SEB AB qui agissent en tant qu'acteurs à part entière du marché financier publient des déclarations sur les principaux effets négatifs de leurs décisions d'investissement sur les facteurs de durabilité sur une base autonome, et ne sont donc pas consolidées dans la déclaration de SEB AB. En raison de la nature de l'activité, de la localisation des opérations et du niveau de maturité opérationnelle, il peut y avoir des différences entre les déclarations individuelles reflétant les pratiques et les mesures prises par les filiales autonomes de SEB AB pour traiter et minimiser les principaux impacts négatifs.

Cette déclaration couvre la gestion discrétionnaire de portefeuille qui inclut les actifs propres, les actifs investis par SEB AB en fonds gérés par SEB Investment Management AB<sup>5</sup> et en fonds d'investissements externes. Pour l'année de référence 2022, la valeur totale de ces actifs s'élevait à environ 440 milliards de SEK, dont près de 70% étaient alloués soit à des fonds SEB, soit à des mandats discrétionnaires dont la gestion était subdéléguée par SEB AB à SEB IM. En 2022, l'offre de gestion de portefeuille de SEB AB était disponible en Suède (marché domestique), en Finlande, au Luxembourg, en Allemagne et au Danemark. Conformément aux exigences en matière de reporting, le résumé de la déclaration est fourni en plusieurs langues, en adéquation avec cette couverture géographique.

Pour sa première année de reporting, SEB AB rapporte 18 indicateurs principaux obligatoires d'impact négatif et de deux indicateurs supplémentaires reflétant les domaines d'actions prioritaires pour les fonds qui constituent le noyau de la gestion discrétionnaire de portefeuille proposée par la banque. Le rapport reflète également les mesures prises et planifiées pour traiter et minimiser les impacts. Grâce à l'amélioration continue de la disponibilité et de la qualité des données sur le développement durable, nous élargirons à l'avenir l'éventail des principaux indicateurs d'impact négatif que nous rapporterons.

Les déclarations ultérieures seront publiées sur une base annuelle, la première analyse historique devant être publiée d'ici le 30 juin 2024.

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<sup>5</sup> SEB Investment Management AB (SEB IM) est une filiale à 100 % de SEB AB.

## Tiivistelmä

**Skandinaviska Enskilda Banken AB (SEB AB)** ottaa huomioon sijoituspäätöstensä pääasialliset haitalliset vaikutukset kestävyystekijöihin. Tämä ilmoitus on SEB AB:n ilmoitus pääasiallisista haitallisista vaikutuksista kestävyystekijöihin. Tämä ilmoitus pääasiallisista haitallisista vaikutuksista kestävyystekijöihin kattaa viitekauden, joka alkaa 1. päivänä tammikuuta 2022 ja päättyy 31. päivänä joulukuuta 2022.

SEB AB:n tytäryhtiöt, jotka toimivat itsenäisinä finanssimarkkinatoimijoina, julkaisevat ilmoitukset sijoituspäätöstensä pääasiallisista haitallisista vaikutuksista itsenäisesti, joten niitä ei konsolidoida SEB AB:n ilmoitukseen. Liiketoiminnan luonteen, maantieteellisen sijainnin ja operatiivisen toiminnan vuoksi yksittäisissä ilmoituksissa saattaa olla poikkeamia, jotka heijastavat SEB AB:n itsenäisten tytäryhtiöiden erilaisia käytäntöjä ja toimia, joita ne ovat toteuttaneet pääasiallisten haitallisten vaikutusten käsittelemiseksi ja minimoimiseksi.

Selvityksen soveltamisala kattaa täyden valtakirjan salkunhoidon, joka sisältää suoraan omistettut varat, SEB AB:n SEB Investment Management AB:n (SEB IM)<sup>6</sup> hallinnoimiin rahastoihin sijoittamat varat ja ulkopuolisiin rahastoihin sijoitetut varat. Viitevuonna 2022 näiden varojen kokonaisarvo oli noin 440 miljardia Ruotsin kruunua, josta lähes 70 prosenttia oli sijoitettu joko SEB:n rahastoihin tai sellaisiin täyden valtakirjan salkkuihin, joiden hallinnoinnin SEB AB oli siirtänyt SEB IM:lle. SEB AB:n salkunhoitotarjonta oli saatavilla Ruotsissa (kotimarkkinat), Suomessa, Luxemburgissa, Saksassa ja Tanskassa vuonna 2022. Raportointivaatimusten mukaisesti selvityksen tiivistelmä on laadittu useilla kielillä tämän maantieteellisen kattavuuden mukaisesti.

SEB AB raportoi ensimmäisenä raportointivuotenaan 18 pakollista pääasiallista haitallisuutta kuvaavaa indikaattoria ja kaksi lisäindikaattoria, jotka kuvastavat pankin tarjoaman täyden valtakirjan salkunhoidon perustana olevien rahastojen keskeisiä painopistealueita. Lisäksi raportti kuvastaa myös toteutettuja ja suunniteltuja toimia vaikutusten käsittelemiseksi ja minimoimiseksi. Kestävyystietojen saatavuuden ja laadun jatkuvan parantamisen myötä laajennamme tulevaisuudessa raporttoimiemme haitallisten päävaikutusindikaattoreiden valikoimaa.

Seuraavat raportit julkaistaan vuosittain, ja ensimmäinen historiallinen vertailu julkaistaan 30. kesäkuuta 2024 mennessä.

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<sup>6</sup> SEB Investment Management AB (SEB IM) on SEB AB:n kokonaan omistama tytäryhtiö.

## Description of the principal adverse impacts on sustainability factors

Adverse sustainability indicator		Metric	Impact 2022 <sup>7</sup>	Adjusted Impact 2022 <sup>8</sup>	Coverage <sup>9</sup>	Explanation <sup>10</sup>	Actions taken, and actions planned and targets set for the next reference period
Greenhouse gas emissions	1. GHG emissions  (Tonnes of CO <sub>2</sub> -eq)	Scope 1 GHG emissions	429588,773	429588,773	63,236 %		In early 2023 SEB Group updated its thematic Environmental Policy and individual sector-specific policies defining its position and approach concerning potential impacts of its business on environment, including climate change. In the policies, SEB outlines its expectations on the companies which include among other things developing a transition plan for Scope 1,2 and 3 emissions in line with the Paris Agreement, increasing carbon storage, as well as developing a plan for transitioning from fossil fuels to renewable energies.  SEB AB has not set the time-bound GHG reduction targets or implemented forward-looking climate scenario analysis for the directly owned assets to the same extent as it does for its credit portfolio and for assets in SEB IM-managed funds at the
		Scope 2 GHG emissions	114002,333	114002,333	63,236 %		
		Scope 3 GHG emissions	7991877,170	7991877,170	63,236 %		
		Total GHG emissions	8535468,279	8535468,279	63,236 %		
	2. Carbon footprint  (Tonnes CO <sub>2</sub> -eq per million EUR)	Carbon footprint	208,555	329,803	63,236 %		
	3. GHG intensity of investee companies	GHG intensity of investee companies	596,939	944,401	63,208 %		

<sup>7</sup> Calculated in relation to the “Current value of all investments”, as defined in the official guidance provided by the European Supervisory Authorities (ESAs) in the Q&A on the SFDR Delegated Regulation as of 17 November 2022. It reflects a total value of investments in scope, including cash, deposits, derivatives and cash equivalents.

<sup>8</sup> Calculated in relation to the value of relevant assets which exclude cash, deposits, derivatives, cash equivalents and other asset types for which specific principal adverse impact data is not available. For information regarding motivation for disclosing these alternative figures, please refer to the section “Data sources and methodology”

<sup>9</sup> Calculated as a ratio between the value of assets for which specific principal adverse impact data is available and the “Current value of all investments”.

<sup>10</sup> Indicates whether a proxy indicator has been used and provides clarification for its use.

	(Tonnes CO2-eq per million EUR)						<p>moment. SEB AB is exploring options to extend the targets and forward-looking analysis to the directly owned assets in the future.</p> <p>With regard to the assets invested by SEB AB in funds managed by SEB IM, they are subject to the latter's GHG reduction targets aiming at reaching net zero emissions by 2040. Climate change and adherence to science-based targets (SBT) is one of the priority areas of active ownership and engagement activities conducted by SEB IM. In engagement with holding companies, SEB IM addresses and emphasises the importance of:</p> <ul style="list-style-type: none"> <li>• implementing science-based targets and disclosing data on GHG emissions;</li> <li>• adopting a net zero transition plan, including a strategy and investment plan;</li> <li>• considering climate resilience in companies' business models.</li> </ul> <p>Carbon emissions financed by investments in listed entities managed by SEB IM have been reduced by more than 40 % in absolute terms since 2019. This reduction is largely attributed to divestment from fossil fuel and power generation companies. The data for other asset types remains insufficient to accurately report on SEB IM's progress across the whole scope of its investments. The availability</p>
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							and quality of data is expected to improve over the coming years with the upcoming commencement of the EU and international disclosure standards.
	4. Exposure to companies active in the fossil fuel sector  (%)	Share of investments in companies active in the fossil fuel sector	1,433	2,269	63,140 %		Investments in assets involved in fossil fuels are restricted, according to the policies of SEB Group. This includes companies generating energy from fossil fuels. While SEB AB does not perform its own screening, it draws from the exclusion list of SEB IM that continuously screens its funds' investment universe based on the established policies and criteria.
	5. Share of non-renewable energy production  (%)	Share of non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources	0,393	0,628	62,610 %		The assets, invested by SEB AB in funds managed by SEB IM, are subject to the latter's policies, screening and exclusion processes. According to SEB IM's policies, there are exceptions to exclusions on a case-by-case basis, as the Fund Management Company aims to support companies in their transition journey. SEB IM applies a sector-based approach to best support the change, where companies' strategic commitment, operational preparedness and transition trajectories guides the investment process. As of December 2022, SEB IM excluded 1412 entities involved in fossil fuel production and 1138 entities involved in fossil fuel distribution and services. By the end of

							<p>2022, SEB IM was in continuous dialogue with 32 transition companies that it assessed regularly based on their decarbonisation performance. The Fund Management Company collaborated with other investors through initiatives such as Climate Action 100+ and the Net Zero Asset Managers initiative. In the autumn of 2022, SEB Investment Management launched SEB Nordic Green Energy Fund with the objective of increasing the capacity of renewable energy by investing in new construction and by developing smaller acquired energy assets. The fund invests directly in areas such as geothermal heating, solar power, hydropower and wind power.</p> <p>More information is available in SEB IM's <a href="#">Exclusions and Transition June 2023 report</a>.</p>
	Share of non-renewable energy consumption (%)	Share of non-renewable energy consumption of investee companies from non-renewable energy sources compared to renewable energy sources,	9,819	67,988	14,442 %	<p>Proxy used:</p> <p>The data used includes energy consumption from non-renewable sources as defined in the RTS as well</p>	<p>The quantitative metrics on the share of non-renewable energy consumption is not considered directly in investment decisions.</p> <p>However, the importance of transitioning from the use of fossil fuels to renewable sources is emphasised in engagement dialogues with the investee companies conducted by SEB IM in relation to GHG reduction targets.</p>

		expressed as a percentage of total energy sources				as energy consumption from biomass.	
	6. Energy consumption intensity per high impact climate sector  (GWh per million EUR)	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector- NACE A (Agriculture, Forestry and Fishing)	0,000008	0,272	0,003 %		<p>In 2022 SEB Group initiated the work on updating several of its sector-specific policies, which refer to the following high-impact climate sectors:</p> <ul style="list-style-type: none"> <li>• Forestry;</li> <li>• Agriculture, Fishing, Aquaculture;</li> <li>• Mining and Metals;</li> <li>• Fossil Fuels;</li> <li>• Transportation.</li> </ul> <p>The <a href="#">policies</a> have been updated in early 2023 outlining restrictions, requirements and expectations for companies operating in these sectors. These include among other things developing a transition plan for Scope 1,2 and 3 emissions in line with the Paris Agreement, increasing carbon storage, as well as developing a plan for transitioning from fossil fuels to renewable energies.</p> <p>The consideration of the quantitative metrics in investment decisions is pending as the availability and coverage of the data remains limited.</p>
		NACE B (Mining and Quarrying)	0,001	1,749	0,078 %		
		NACE C (Manufacturing)	0,032	0,482	6,697 %		
		NACE D (Electricity, Gas, Steam and Air Conditioning Supply)	0,000	0,000	0,000 %		
		NACE E (Water Supply, Sewerage, Waste Management and)	0,0002	1,350	0,013 %		

		Remediation Activities)					
		NACE F (Construction)	0,002	8,231	0,029 %		
		NACE G (Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles)	0,0001	0,207	0,067 %		
		NACE H (Transportation and Storage)	0,005	1,389	0,326 %		
		NACE L (Real Estate Activities)	0,000	0,000	0,000 %		
Biodiversity	7. Activities negatively affecting biodiversity-sensitive areas (%)	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas	0,003	0,005	63,134 %	Proxy used: The data used covers controversies with regard to some, but not all, of the standards referenced in the Regulatory Technical Standards (RTS) definition of	Involvement in verified violations, including those related to deforestation and depletion of biodiversity, fall under the current exclusion criteria of SEB Group.  In 2022 SEB Group initiated the work on updating its thematic Environmental Policy as well as individual sector-specific policies and define its position and approach concerning potential impacts of its business on environment, including biodiversity. The policies have been <a href="#">updated</a> in early 2023 and outline the expectations for the companies operating in sectors with potential direct or indirect

						<p>“activities negatively affecting biodiversity-sensitive areas”. However, the standards referenced in the RTS have been assessed to overlap with those applied in the proxy to a large extent.</p>	<p>negative impact on environmentally sensitive areas. The expectations include committing to no deforestation, causing no material negative impact on sensitive environmental areas, as well as developing a biodiversity-related plan with the baseline and targets. SEB AB is exploring options to introduce biodiversity-related targets for the directly owned assets in the future.</p> <p>SEB IM, which manages SEB funds that constitute a core of discretionary portfolio management offered by SEB AB, also updated its <a href="#">Sustainability Policy</a> in early 2023 outlining additional biodiversity-related criteria for exclusion. SEB IM will also engage with portfolio companies to encourage full value chain traceability, as well as the development of transparent biodiversity and ecosystem-related strategies, which where possible should adhere to the Taskforce on Nature-related Financial Disclosure (TNFD) framework. It will also expect companies to commit to Science-Based Targets for Nature.</p> <p>In addition, in the autumn of 2022 SEB IM became a member of the TNFD forum and is collaborating with expert stakeholders to increase the quality and coverage of biodiversity related-data.</p>
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Water	8. Emissions to water  <i>(Tonnes per million EUR)</i>	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	0,011	0,879	1,289 %	Proxy used: RTS refers to various types of emissions to water, whereas the data used covers one of the types which is chemical oxygen demand (COD), a commonly used indicator measuring emissions to water.	<p>In 2022 SEB Group took steps to update its thematic Environmental Policy and individual sector-specific policies. The policies have been updated in early 2023 outlining the expectations for the companies operating in certain sectors to measure the amount of discharged wastewater and set their targets for its reuse and recycling.</p> <p>The quantitative metrics concerning emissions to water is not considered as a standalone criterion by SEB AB with regard to the directly owned assets.</p> <p>SEB IM, which manages SEB funds that constitute a core of discretionary portfolio management offered by SEB AB, also updated its Sustainability Policy in early 2023 and outlined its position on water-related matters. The indicator is considered within the investment process of several funds managed by SEB IM via its proprietary sustainability scoring model. SEB IM is planning to extend this consideration to other products during 2023.</p>
Waste	9. Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated by	8,365	250,187	3,343 %	Proxy used: While RTS refers to hazardous and	The quantitative metrics concerning hazardous and radioactive waste is not considered as a standalone criterion by SEB AB with regard to the directly owned assets.

	<i>(Tonnes per million EUR)</i>	investee companies per million EUR invested, expressed as a weighted average				radioactive waste, the data used reflects hazardous waste reported by companies based on their own definition, which may or may not include radioactive waste.	This indicator is currently considered within the investment process of several funds managed by SEB IM via its proprietary sustainability scoring model. SEB IM is planning to extend this consideration to other products during 2023.
Social and employee matters	10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises  <i>(%)</i>	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0,271	0,429	63,134 %		Entities which are involved in verified violations of the international norms and which are failing to take credible remediation action fall under the current exclusion criteria of SEB Group. While SEB AB does not perform its own screening, it draws from the exclusion list of SEB IM that continuously screens its funds' investment universe based on the established policies and criteria. SEB AB extends these exclusions to its directly owned assets. SEB IM collaborates with other investors and stakeholders in engagement dialogues with companies involved in verified violations. If the company is confirmed to lack the

							<p>willingness and ability to adequately remediate the violation, it is divested by SEB IM.</p> <p>In 2022, SEB AB's exposure to corporate entities involved in verified violations of international norms was 0.429 %. It was mostly through investments in external funds and several entities with regard to which SEB IM either initiated an engagement or exclusion. As of December 2022, SEB IM excluded 76 entities from its funds' management universe over verified violations of the normative frameworks. The exclusions have been extended to SEB AB's directly owned assets as well.</p>
	11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance /complaints handling	5,495	11,635	47,233 %		<p>The Social and Human Rights Policy <a href="#">updated</a> by SEB Group in early 2023 outlines the expectations for companies to embed responsible business conduct as set out by international norms into their management systems and conduct human rights due diligence. This indicator is not considered as a standalone criterion by SEB AB with regard to the directly owned assets at the moment.</p> <p>The indicator is considered within the investment process of several funds managed by SEB IM via its proprietary sustainability scoring model. SEB IM is</p>



	(%)	mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises					planning to extend this consideration to other products during 2023.
	12. Unadjusted gender pay gap (%)	Average unadjusted gender pay gap of investee companies	0,033	1,487	2,186 %		<p>The Social and Human Rights Policy updated by SEB Group in early 2023 outlines gender pay equality as one of the positions on human rights. The consideration of this indicator in investments managed by SEB AB is pending as the availability and coverage of the data remains limited.</p> <p>The indicator is currently considered within the investment process of several funds managed by SEB IM via its proprietary sustainability scoring model. SEB IM is planning to extend this consideration to other products during 2023.</p>
	13. Board gender diversity (%)	Average ratio of female to male board members in investee companies, expressed as a percentage of	11,102	37,268	29,791 %		The quantitative metrics on the ratio of female to male board members is not considered as a standalone criterion by SEB AB with regard to the directly owned assets.

		all board members					<p>It is however one of the areas that SEB IM focuses on in its sustainability work. Through its participation in corporate board nomination committees and annual general meetings, SEB IM has been working towards increasing the female representation on the boards to 40 %. In 2022, SEB IM served on 40 nomination committees and achieved an average of 41 % female representation in those companies.</p> <p>In addition, the indicator is currently considered within the investment process of several funds managed by SEB IM via its proprietary sustainability scoring model. SEB IM is planning to extend this consideration to other products during 2023.</p>
	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)  (%)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0,000	0,000	63,147 %		SEB Group has restrictions on investments in companies producing or developing controversial weapons (anti-personnel mines, biological weapons, chemical weapons, cluster weapons, depleted uranium ammunition) or trading in such weapons or supplying key components for such weapons. Screening against controversial weapons is performed for external funds by SEB AB. While SEB AB does not perform its own screening with regard to the directly owned assets, it draws from the exclusion list of SEB IM

							that continuously screens its funds' investment universe based on the established policies and criteria. As of Dec 2022, 248 entities have been excluded by SEB IM over verified involvement in controversial weapons. The exclusions have been extended to SEB AB's directly owned assets as well.
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**Indicators applicable to investments in sovereigns and supnationals**

Adverse sustainability indicator		Metric	Impact 2022	Adjusted Impact 2022	Coverage	Explanation	Actions taken, and actions planned and targets set for the next reference period
Environmental	15. GHG intensity <i>(Tonnes of emissions per million EUR)</i>	GHG intensity of investee countries	6,729	129,609	5,192 %	Proxy used: While RTS refers to Scope 1, 2 and 3 emissions, the data used reflects information on production emissions which has been a more traditional way of accounting for sovereign emissions, using the same boundary	<p>The quantitative metrics on GHG emissions and intensity of sovereign states is currently not considered by SEB AB in its investment decisions.</p> <p>The portfolios within SEB IM mainly invest in Swedish or the United States' sovereign bonds, steered by their investment policies. There is little or no selection between countries for these products, hence there is no action planned for this indicator.</p>

						setting as UN Framework Convention on Climate Change (UNFCCC).	
Social	16. Investee countries subject to social violations	Number of investee countries subject to social violations (absolute number and relative number divided by all investee countries)	1,750 (17,662 %) <sup>11</sup>	1,750 (17,662 %)	5,192 %		<p>At different points in time in 2022, SEB AB's directly owned assets included sovereign bonds issued by the the United States and Poland which have been identified to be subject to social violations. SEB AB does not have specific criteria for considering social violations by individual governments and states at the moment.</p> <p>With regard to funds managed by SEB IM, the Fund Management Company does not invest in sovereign bonds issued by countries which are subject to the sanctions issued by the United Nations, the European Union, the United States and the United Kindgom.</p>

#### Indicators applicable to investments in real estate assets

Adverse sustainability indicator		Metric	Impact 2022	Adjusted Impact 2022	Coverage	Explanation	Actions taken, and actions planned and targets set for the next reference period
Fossil fuels	17. Exposure to fossil fuels	Share of investments in real estate	0	0	8,071 %		The management of real estate assets has been subdelegated by SEB AB to SEB IM

<sup>11</sup> The first figure is an absolute number of countries subject to social violations. The figure in parantheses is a share of countries subject to social violations expressed in relation to the total number of countries where SEB AB holds sovereign bonds. Both figures are yearly average values.

	through real estate assets  (%)	assets involved in the extraction, storage, transport or manufacture of fossil fuels					which works on the establishment of client-specific real estate funds.  SEB IM aims to invest in real estate properties which are not directly involved in the extraction, storage, transportation, or manufacturing of fossil fuels. This is applicable for older real estate assets as well for more recent and upcoming investments.
Energy efficiency	18. Exposure to energy-inefficient real estate assets  (%)	Share of investments in energy-inefficient real estate assets	99,152 %	99,152 %	8,071%		The management of real estate assets has been subdelegated by SEB AB to SEB IM.  The majority of SEB IM's real estate assets, specifically the properties within the Gamla Tryggliv mandate, are relatively old, which account for the significant share of energy-inefficient properties. To address the energy-inefficiencies of the older real estate assets, SEB IM is developing newer real estate funds with the goal to increase the share of energy efficient properties. All new acquisitions are analysed from a sustainability perspective. The set of sustainability factors considered include improved energy efficiency for buildings, as well as reduced carbon emissions. SEB IM also launched two funds, such as SEB Arkadia Bostad and SEB Nordic Green Energy, which have clear sustainability goals.

## Additional indicators

Adverse sustainability indicator		Metric	Impact 2022	Adjusted Impact 2022	Coverage	Explanation	Actions taken, and actions planned and targets set for the next reference period
GHG emissions	Investments in companies without carbon emission reduction initiatives  (%)	Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement	34,603	54,770	63,178	Proxy used: The data used reflects companies that have not set or have not formally committed to setting carbon reduction targets approved by the SBTi.	<p>SEB AB does not consider this indicator with regard to directly owned assets yet. The bank is exploring options to consider this indicator in relation to the directly owned assets in the future.</p> <p>When it comes to the assets invested by SEB AB in funds managed by SEB IM, they are subject to the latter's GHG reduction targets aiming at reaching net zero emissions by 2040.</p> <p>Reduction of GHG emissions and adherence to SBT is one of the priority areas of active ownership and engagement activities conducted by SEB IM. In engagement with holding companies, SEB IM emphasises the importance of:</p> <ul style="list-style-type: none"> <li>• implementing science-based targets and disclosing data on GHG emissions;</li> <li>• adopting a Net Zero Transition Plan, including a strategy and investment plan;</li> <li>• considering climate resilience in companies' business models.</li> </ul>

Social and employee matters	Lack of a supplier code of conduct (%)	Share of investments in investee companies without any supplier code of conduct (against unsafe working conditions, precarious work, child labour and forced labour)	7,325	15,507	47,233 %	<p>SEB AB does not consider this indicator with regard to the directly owned assets yet.</p> <p>This indicator reflects one of the current priority areas for the funds managed by SEB IM which aims to ensure that it is not invested in companies which are involved in violations of international norms through own operations or supply chains. SEB IM aims to increase the share of investments in entities which have established:</p> <ul style="list-style-type: none"> <li>• human and labour rights policies and procedures;</li> <li>• human rights due diligence policies and supplier codes of conduct.</li> </ul>
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### Description of policies to identify and prioritise principal adverse impacts on sustainability factors

SEB AB's approach towards the consideration of sustainability risks and potential negative impacts in the investment decisions is governed by the policies set out by SEB Group. The 2030 Strategy, adopted by SEB Group in 2021 and integrated in the business plan 2022-2024, outlines SEB's goals regarding the transition towards a more sustainable society with sustainable savings and investments being one of the material focus areas.

In February 2021 SEB Group adopted the [Policy on the integration of Sustainability Risk and Impact in Investment Decisions and Investment Advice](#) as an overarching document outlining how sustainability risks and adverse sustainability impacts are addressed in relation to investment decisions and advice by SEB AB and its subsidiaries. The policy is in the process of being updated to better reflect the mandates of SEB AB. The Policy draws on the SEB Group's sustainability policy framework which includes:

- [Corporate Sustainability Policy](#) and Corporate Sustainability Governance Instruction which set the overall sustainability framework and provide a governing platform for SEB's sustainability work for all business decisions, including investment decisions. Corporate Sustainability Policy also defines how sustainability related decisions are integrated in committees, roles and responsibilities.
- Thematic policies focusing on [Environment](#) and [Human Rights](#) which define the principles for identification of risks on living and non-living natural systems, society and individuals, and outline restrictions on certain high-risk sectors and business relationships.
- Sector policies which provide guidelines on industry good practices that SEB expects companies to follow as well as restrictions on financing and investing in certain activities.

The Board of Directors of SEB AB is responsible for establishing a strategy for corporate sustainability and an organisation to execute this strategy. SEB's sustainability endeavours are an integral part of the business and are regularly included on the Board's agenda, together with an annual review of policies and instructions. The Board approves SEB's strategy and business plan, including sustainability considerations, the Corporate Sustainability Policy, thematic policies and the Sustainability Report. Sector policies are approved by the Board's Risk and Capital Committee. The responsibility over execution of the sustainability strategy and implementation of the governance structure set by the Board lies with the President and Chief Executive Officer, whereas different Committees oversee the adherence with the commitments made. The policies are integrated in the different divisions and subsidiaries and adjusted for their specific areas of activity. Sustainability KPI's are included also in SEB AB's remuneration policy.

These policies are reviewed on a regular basis to reflect the continuously evolving nature of the ESG landscape and our growing maturity to leverage sustainability related opportunities and address and mitigate the sustainability risks. More information on the sustainability governance structure and the latest policies are available on SEB Group's [webpage](#).

Discretionary mandates offered at SEB AB are subject to the three-level sustainability framework mentioned above. Asset managers analyse directly owned assets by assessing the entity's involvement in controversial activities and exposure to sustainability risks through sector materiality assessment. SEB AB predominantly relies on sector-based and norm-based restrictions and exclusions to manage potential and realised principal adverse impacts. With regard to exclusions, SEB AB predominantly draws from the exclusion list of SEB IM that continuously screens its funds' investment universe based on its policies and criteria. SEB AB extends these exclusions to directly owned assets.

The assets invested by SEB AB in funds managed by SEB IM, are subject to the latter's own sustainability policies and portfolio management guidelines. SEB IM's [Sustainability Policy](#), [Principles for Shareholder Engagement](#), and [Climate Strategy](#) serve as the basis for identification and prioritisation by the Fund Management Company of principal adverse impact indicators for sustainability factors. These principles are updated upon approval by the Board of Directors of the Fund Management Company on at least an annual basis and are available on the Fund Management Company's [webpage](#). Assets in SEB funds are managed through a strategy involving sustainability analysis, active ownership/engagement and exclusion. SEB IM's sustainability analysis relies on its internally developed rating model based on data from multiple sources assessing the companies' ability to address and mitigate sustainability risks, to manage



materialised negative impacts and to develop sustainable solutions. Companies that fail to respect international norms and standards or which are involved in activities and sectors negatively impacting people and environment are excluded. More information on how SEB IM identifies and manages principal adverse impacts in investment decisions is available in its standalone Statement on principal adverse impacts of investment decisions on sustainability factors.

External funds within SEB AB's discretionary portfolio are selected following a due diligence process through a risk-based approach which depending on the risk might include an extended qualitative analysis. SEB AB also screens external funds for their adherence to SEB Group's exclusion criteria concerning controversial weapons and thermal coal. While SEB's sustainability policies do not extend to external providers, being a signatory of the UN-supported Principles for Responsible Investments (PRI) is a minimum requirement that they need to comply with to ensure adherence to responsible business conduct. SEB AB is exploring options for integrating additional principal adverse impacts in decisions related to investments in external funds in the future.

In addition to addressing and minimising principal adverse impacts, SEB AB also relies on positive screening criteria to invest in companies that provide sustainable solutions and promote positive impact on environment and society.

## Data sources and methodology

In line with the regulatory requirements, this is the first time that SEB AB reports quantitative figures on principal adverse impacts reflecting the reference period from 1 January 2022 to 31 December 2022. In its first reporting year, SEB AB reports on 18 mandatory principal adverse impact indicators and two additional indicators. The latter two concern companies without carbon emission reduction initiatives and companies that lack supplier code of conduct. These additional indicators reflect priority areas for the assets invested by SEB AB in the funds managed by SEB IM and deemed to be among key factors for achieving sustainability targets and objectives.

SEB AB leverages corporate and sovereign sustainability data from ISS ESG, a responsible investment arm of Institutional Shareholder Services Inc. which is one of the leading providers of corporate governance and responsible investment solutions. Data on principal adverse impacts linked to real estate assets is provided by Novier, an external management organisation that offers professional advice in sustainability for real estate companies.

We reviewed the data from the providers and assessed that the majority of the datapoints selected align with the required metrics outlined in the Regulatory Technical Standards (RTS) issued by the European Supervisory Authorities (ESAs) in support of SFDR. With regard to a number of other principal adverse impact indicators, we used proxy indicators made available by our data vendors in the absence of fully aligned data. The column "Explanation" in the Table 1 provides details on whether a proxy has been used and clarification for its use.

The annual impact figures for the reference year of 2022 are calculated as four point averages of quarterly impact figures corresponding to the following dates: 31 March, 30 June, 30 September and 31 December 2022. The qualitative data measuring principal adverse impacts is the most recently available data, often dated as of the previous year-end or a year preceding that. With regard to the data on enterprise value including cash (EVIC) which constitutes a core of calculations for a number of PAI indicators, SEB AB uses the most recently available EVIC figures.

In this year's statement, SEB AB discloses two alternative sets of principal adverse impact figures. The column "Impact 2022" displays principal adverse impact figures calculated in relation to the "Current value of all investments", as defined in the official guidance provided by ESAs [in the Questions and answers \(Q&A\) on the SFDR Delegated Regulation](#) as of 17 November 2022. It includes the total value of stocks, bonds, investments in funds and real estate, deposits, derivatives, cash and equivalents. In addition, SEB AB reports alternative principal adverse impact figures in the column "Adjusted Impact 2022". These are calculated in relation to the value of relevant assets only which exclude cash, deposits, derivatives, cash equivalents and other asset types that do not have the the specific principal adverse impact data. We believe that these alternative figures provide a more accurate picture of the principal adverse impacts caused by our investments since these values pertain to the relevant categories of exposures and are less affected by the asset allocation and the data coverage.

The share of covered positions per principal adverse impact indicator is expressed in percentage in the column "Coverage". These figures are expressed as a ratio between the value of assets for which specific principal adverse impact data is available and the "Current value of all investments".

#### **Limitations of the data used**

While we try to use the most recently available sustainability data, most of the data used has a time lag which is one of the limitations of the current analysis. Most of the data used is the data collected by our data vendors from the companies' own disclosures which tend to refer to the previous fiscal year. An additional delay may arise due to the time that it takes to collect and process data by the data vendors from the time of its publication by the companies.

Another limitation is the lack of available reliable data. While corporate sustainability transparency improved in recent years, the availability of data with regard to certain principal adverse impact indicators is still limited. It is especially the case for private entities which are presently not subject to any disclosure requirements. Even with regard to publicly listed entities, the coverage is low for certain principal adverse impact indicators as the data is limited to companies operating in specific industries. The existing coverage gaps do not fully allow us to integrate certain principal adverse impacts in our investment activities. There is a need for more guidance from ESAs in relation to the sectors and industries that each principal adverse impact indicator is relevant or material for. The additional clarifications from ESAs in this regard would be helpful for companies, data providers and financial institutions in their reporting, data collection and investment processes and would contribute to the improved data coverage and availability. We also expect that with the upcoming commencement of the European Sustainability Reporting Standards (ESRS), the corporate disclosures on sustainability matters would increase in terms of numbers, scope and consistency of the data that we can leverage in our analysis and investment activities over time.

## Engagement policies

While SEB AB does not conduct own engagement, it relies on SEB IM to exercise active ownership and engage with entities which are owned through SEB funds and which constitute a core of discretionary portfolio management offered by SEB AB.

SEB IM engages with companies through a combination of targeted in-house-led dialogues, partner-led engagement services and collaborative initiatives. Engagement activities conducted by SEB IM are governed by its [Principles for Shareholder Engagement](#) adopted by the Board of Directors of the Fund Management Company. Application of the Principles is of special importance with regard to the companies which SEB IM has a significant ownership interest in and which for other reasons are considered to be essential for the performance of the investment portfolio. In light of these emphases, the Fund Management Company's active ownership and engagement activities are focused on Swedish and Nordic markets. In addition, it may focus its efforts on an engagement dialogue when the holding is considered a transition company, or when a proactive dialogue is considered to result in a potentially high impact. With regard to significant Nordic holdings, the Fund Management Company exercises active ownership focusing on a number of issues, including sustainability performance of the companies. SEB IM participates in annual general meetings (AGM) and exercise SEB funds' voting rights. The Fund Management Company may propose, or alternatively adopt a position with regard to the companies' AGM proposals which aim to follow upon their targets based on scientifically proven models (such as Science Based Targets), transparency with regard to ESG risks and performance, as well as ESG incentives in executive compensation.

While engagement with Nordic companies owned through SEB Funds is managed by SEB IM, for equities outside of the home region engagement is organized through recognised engagement partners of the Fund Management Company. SEB IM cooperates with EOS at Federated Hermes, which on behalf of investors maintains continuous dialogue with corporate managements and boards of investees outside the Nordic region. ISS ESG is another engagement partner which SEB IM relies on for pooled engagement and continuous screening of its funds' investment universe based on its policies and exclusion criteria. The management of adverse impact indicators for sustainability factors is one of the focus areas of these dialogues. SEB Investment Management has defined seven engagement themes it finds important to address in the dialogues with its investees and holdings, either in-house led or partner-led:

- Environment: Climate change (Net zero transition plans, science-based targets), biodiversity, clean water
- Social responsibility: healthy societies, supply chain management
- Governance: Executive remuneration (incl. sustainable incentives), Board effectiveness

In instances when engagement dialogues and escalation measures do not result in expected outcome within a reasonable time frame, the holding would be divested. The divestment decision is dependent on the company's response to the escalation and remediation measures taken to drive the change. Another example of SEB IM's engagement activities outside the Nordic region include its work with Investors Group on Climate Change (IIGCC), Principles for

Responsible Investments (PRI) and CDP Water. Collaboration with other investors which jointly represent a significant amount of assets under management provides a greater leverage to influence the companies in their sustainability work.

In 2022 SEB IM engaged in 2,700 company dialogues either directly or through its partners, voted at 680 annual general meetings and served on 40 nomination committees. As a member of the Net Zero Asset Managers initiative, SEB IM committed to engaging with the top 20 greenhouse gas emitters in its investment holdings. Another area that it focused on in recent years is gender representation on corporate boards of directors, where the goal is to increase female ratio to at least 40 %. In 2022 SEB IM achieved an average of 41 % female representation in the companies for which it served on nomination committees. Another initiative that it worked on this year was to encourage 90 plus companies listed on the Nasdaq Stockholm to link sustainability targets to their remuneration schemes. This work will be monitored by SEB IM in 2023.

## References to international standards

In its sustainability work SEB Group is guided by international frameworks which set the standards and expectations for responsible business conduct. SEB recognises the importance of supporting and adhering to international commitments to facilitate the climate transition and meet the SDGs.

SEB AB supports the following international agreements and international frameworks:

- UN Sustainable Development Goals
- The Paris Agreement
- The Universal Declaration of Human Rights
- The ILO Core Conventions on Labour Standards<sup>12</sup>
- The UN Guiding Principles on Business and Human Rights
- The Children's Rights and Business Principles
- The OECD Guidelines for Multinational Enterprises

SEB AB is a member or signatory of:

- UN Global Compact

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<sup>12</sup> Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87) ; Right to Organise and Collective Bargaining Convention, 1949 (No. 98); Forced Labour Convention, 1930 (No. 29); Abolition of Forced Labour Convention, 1957 (No. 105); Minimum Age Convention, 1973 (No. 138); Worst Forms of Child Labour Convention, 1999 (No. 182); Equal Remuneration Convention, 1951 (No. 100); Discrimination (Employment and Occupation) Convention, 1958 (No. 111)

- UNEPFI – Principles For Responsible Banking
- UN-supported Principles for Responsible Investments (PRI)
- Task Force on Climate-related Financial Disclosures (TCFD)

Commitment to respect these international agreements and international frameworks has been also embedded in SEB Group’s Sustainability Policy Framework.

In addition, SEB IM is a member or signatory of:

- The Net Zero Asset Managers initiative;
- Taskforce on Nature-related Financial Disclosures (TNFD) Forum.

The following principal adverse impact indicators are used to measure SEB AB’s adherence to the standards.

International standard	Adverse sustainability indicator to be used to measure adherence	Actions taken in line with the commitment and data used
The Paris Agreement	1. GHG emissions	SEB Group is committed to supporting its customers in the transition towards a low carbon economy in line with the Paris Agreement. To achieve this, the bank as part of the wider SEB Group engages with peers and policy makers to support the development of a conducive framework of market standards, regulations and policy incentives that support an orderly transition to a low carbon economy. SEB AB has not set the time-bound GHG reduction targets or implemented forward-looking climate scenario analysis for the directly owned assets in discretionary mandates to the same extent as it does for its credit portfolio and for assets in SEB IM-managed funds. SEB AB is exploring options to extend these targets and analysis to the directly owned assets in the future.
	2. Carbon footprint	
	3. GHG intensity of investee companies	
	4. Exposure to companies active in the fossil fuel sector	

Net Zero Asset Managers initiative	5. Share of non-renewable energy production	SEB IM, which manages SEB Funds that constitute a core of discretionary portfolio management offered by SEB AB, is a signatory of the Net Zero Asset Managers initiative. SEB IM is committed to reaching net-zero greenhouse gas emissions by 2040 for its investment funds at an aggregated level. SEB IM's commitment to reduce its portfolio carbon footprints dates back to 2014 when it signed the Montreal Carbon Pledge and started measuring the climate impact of its investments in listed equities. As part of the Net Zero Asset Managers initiative, SEB IM expects investee companies to reduce their GHG emissions, set science based targets (SBTs), and develop transition plans for scopes 1, 2 and 3 GHG emissions in line with the Paris Agreement. In addition, it expects companies to improve energy and fuel efficiency by, for example, using the best available technologies. Companies should have a plan to measure and reduce GHG emissions and promote renewable energy production and consumption. These are part of SEB IM's sustainability analysis and one of the focus areas of its active ownership and engagement approach to companies that are high-emitters, as well as companies transitioning from fossil-based to renewable-based business models. For these companies, SEB IM undertakes a review of the climate impacts of investments.
	2.4. Investments in companies without carbon emission reduction initiatives	In 2022 SEB IM performed an analysis based on 95 % of its investments in listed equities and corporate bonds. Good measuring methods and data access are still lacking for other asset classes. The analysis relied on a scenario tool which is known as the Sustainable Development Scenario and developed by the International Energy Agency. This tool enables to measure existing carbon dioxide emissions, predicted future emissions and potential impact on global warming. SEB IM's financed carbon emissions have been reduced by over 40 % since the baseline year of 2019. This reduction can largely be attributed to divestment from fossil fuels and power generation companies. While there are still challenges associated with data quality and availability affecting the reliability of the analysis, SEB IM expects that with the upcoming mandatory corporate disclosure requirements the reliability and consistency of the data improves.
UN Global Compact OECD Guidelines for Multinational Enterprises	10. Violations of UN Global Compact principles and	SEB AB is a signatory of the UN Global Compact and committed to respecting the OECD Guidelines for Multinational Enterprises, the ILO Core Conventions on Labour Standards and the UN Guiding Principles on Business and Human Rights.

<p>ILO Core Conventions on Labour Standards</p> <p>UN Guiding Principles on Business and Human Rights</p>	<p>Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises</p>	<p>Entities involved in verified violations of these international norms fall under the current exclusion criteria of SEB Group. While SEB AB does not perform its own screening, it draws from the exclusion list of SEB IM that continuously screens its funds' investment universe based on the established policies and criteria. SEB AB extends these exclusions to the directly owned assets. SEB IM leverages the data from ISS ESG which identifies corporate controversies and assesses remediation measures taken by the companies based on established expectations for Responsible Business Conduct as set forth in these normative frameworks. The research process is incident driven and relies on reported stakeholder allegations and verification from the relevant state or international authoritative bodies. As of December 2022, SEB IM excluded 76 entities from its funds' management universe over verified violations of the normative frameworks. The exclusions have been extended to SEB AB's directly owned assets as well.</p>
<p>TNFD Forum</p>	<p>7.Activities negatively affecting biodiversity-sensitive areas</p>	<p>In the autumn of 2022 SEB IM, which manages SEB Funds that constitute a core of discretionary portfolio management offered by SEB AB, became a member of the TNFD forum and is collaborating with expert stakeholders to increase the quality and coverage of biodiversity related-data. SEB IM will also engage with portfolio companies to encourage full value chain traceability, as well as the development of transparent biodiversity and ecosystem-related strategies, which where possible should adhere to the TNFD framework. It will also expect companies to commit to Science-Based Targets for Nature.</p>

## Historical comparison

The first historical comparison will be provided in June 2024 reflecting on developments in the year of 2023 versus the first reference year of 2022.