

2017

# Sustainability Overview

How we create value for people,  
the business and the environment



## Contents

This is SEB	1
SEB's value creation	2–3
Sustainability approach	4
Our ambitions	5
A changing environment	6
A responsible business	7
Highlights 2017	8–11
Stakeholder dialogue	12
Material matters	13
Goals and performance	14–15
Years of engagement	16
Auditor's report	17
About this report	Cover



### *Dear reader,*

Our world is facing major challenges as well as opportunities. Climate change, social unrest and digitalisation are developments that affect our lives. At SEB, we regard sustainability as an intrinsic part of our business. Green bonds, micro finance funds and the partnerships with entrepreneurs are examples of what we have developed during the years in order to contribute to positive impact.

We have more work to do and we continue to integrate environmental, social and governance aspects into our processes, product development and customer dialogues. Committing to initiatives like UN Global Compact, Principles for Responsible Investments and UN's Sustainable Development Goals, we focus on sustainable finance, sustainable investments and innovation and entrepreneurship.

We have high ambitions and with our committed and knowledgeable employees, I believe we will reach our aspiration to be a role model in sustainability within the financial industry.

### **Johan Torgeby**

*President and Chief Executive Officer*

# Who we are

Our commitment to create value for our customers is based on a tradition of entrepreneurship, international outlook and long-term perspective. As a bank we have an important role to play in the shift to a more sustainable world.

# What we do

SEB plays an active part in the development of the societies in which the bank is operating, primarily by building strong customer relationships. In Sweden and the Baltic countries we offer financial advice and a wide range of financial services. In Denmark, Finland, Norway, Germany and the United Kingdom, our operations have a strong focus on a full-service offering to corporate and institutional clients.

# Whom we serve

Customers always come first. Our 15,000 committed and experienced employees work as a team to serve our customers in all the markets where we are operating.

# With our vision and strategy. . .

<p><b>Our purpose</b></p> <p>We believe that entrepreneurial minds and innovative companies are key to creating a better world. We are here to enable them to achieve their aspirations and succeed through good times and bad.</p>	<p><b>Our vision</b></p> <p>Deliver world-class service to our customers.</p>	<p><b>Our strategic priorities</b></p> <ul style="list-style-type: none"> <li>• Leading customer experience</li> <li>• Maintaining resilience and flexibility</li> <li>• Growing in areas of strength.</li> </ul>	<p><b>Our sustainability aim</b></p> <p>Be a role model in sustainability within the financial industry.</p>
---	---	---	--

# . . .via our business model. . .



Requirements and expectations from customers, shareholders, employees and society at large are met via various channels.

- 196** branch offices in Sweden and the Baltic countries
- 37** Swish payments per private customer per year
- 206** Swish payments per corporate customer per year
- 20** international sites
- 24/7** personal service by phone
- 200** client executives for large corporates and financial institutions

# . . .we serve our customers.

<p><b>2,300</b></p> <p>Large corporations</p>	<p><b>700</b></p> <p>Financial institutions</p>	<p><b>400,000</b></p> <p>Small and medium-sized companies</p>	<p><b>4 million</b></p> <p>Private individuals</p>
---	---	---	--

# SEB creates value

**Customer centricity, long-term perspectives and financial strength** form the foundation for meeting the expectations of customers, employees and society at large. Ultimately, this creates value for the shareholders.



## Customers

**1.7 million corporate and private customers**

The customers' needs are at the core of the bank's business. Customers' high expectations on service and quality advice as well as sustainable solutions drive the bank's business development and offerings.



## Shareholders

**269,000 shareholders**

The capital provided by SEB's shareholders is a prerequisite for conducting the bank's business. The shareholders expect a competitive and sustainable return on their capital. Many of the major owners have a long-term perspective on their engagement in the bank.



## Employees

**15,000 employees**

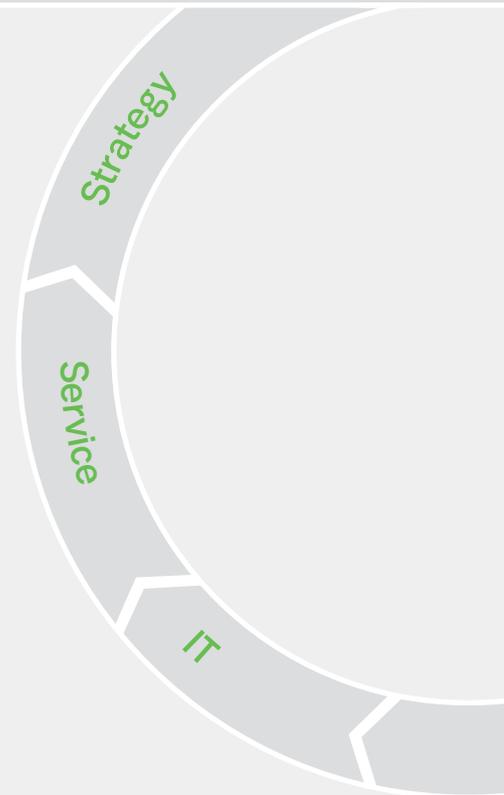
SEB's employees build and deepen customer relationships. Their commitment, skills and continuous learning are key success factors for the bank's business and future development.



## Society

**Society at large**

Banks play an integral role in society and are vital for creating economic growth and social value. With this comes an expectation that the bank takes great responsibility for how it acts, to enable society to continue to develop in a sustainable way.



## Strategy

### Long-term strategy

SEB's strategy is built on developing deep customer relationships with a long-term perspective.

▶ See *Annual Report (AR)* p. 9.

## Service

### Customer-oriented offering

Proactive quality advice and a holistic offering are provided at the customers' convenience, based on customer insights.

▶ See *AR* p. 16–21.

## IT

### Secure and functional IT

The IT structure promotes stability in the daily operation and agile development of products and services. ▶ See p. 7 and *AR* p. 48.

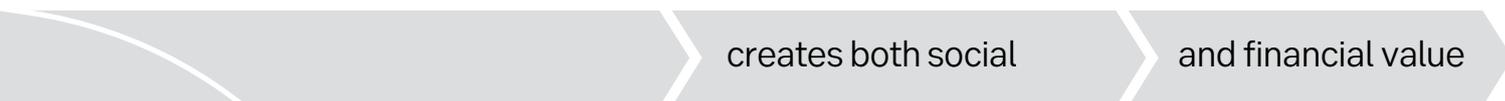
### Value creation based on trust

Banks play a fundamental role in society by acting as an intermediary providing, and advising on, a wide range of financing and savings solutions, risk management and payment services for all types of customers. SEB's operations impact – and is impacted by – customers, shareholders, employees and society. Without their trust, the bank cannot function. This is why the bank adapts to a changing environment, acts in accordance with regulations and

expectations, and strives to provide services that are insightful, transparent and accessible on customers' terms.

In addition, high ethical standards are being upheld internally in order to maintain the stakeholders' trust. SEB's Code of Conduct, internal rules and procedures are in place, supported by a culture based on openness, business acumen and SEB's core values.

▶▶ [Read more about the Code of Conduct on sebgroup.com](#)



### Resilience

#### Financial strength

Financial strength gives the resilience and flexibility required to serve customers over the long term. ▶▶ See AR p. 9, 32 and 44.

### Governance

#### Solid corporate governance

Corporate governance is based on clear allocation of responsibility, a well developed structure for internal control and owner involvement. ▶▶ See AR p. 52.

### Risk

#### Sound risk culture

To meet customers' needs SEB assumes and manages risks. SEB knows its customers well and risks are mitigated by prudence, risk awareness and expertise throughout the organisation. ▶▶ See AR p. 44.

### ■ For customers

By providing proactive advice and a wide range of convenient services, SEB supports its customers' long-term aspirations and adds value in all phases of life of individuals and development stages of companies and institutions. ▶▶ See AR p. 16–21.

### ■ For shareholders

Dividends and potential increases in market value over time contribute to shareholders' financial security and enable new investments. SEB's competitiveness is increased and long-term risks are reduced through the integration of environmental, social and governance aspects. ▶▶ See AR p. 29.

### ■ For employees

The employees take part in, and value, the opportunities for learning and further development that are integrated in SEB's business. Employees also participate in the many partnerships that SEB supports to help communities develop and prosper. ▶▶ See AR p. 26.

### ■ For society at large

SEB intermediates financial solutions, provides payment services and manages risks, which together promote economic growth and prosperity. SEB pays taxes and fees according to local rules where it operates. SEB takes responsibility as a provider of financing and as an asset manager and works proactively with environmental, social and governance issues. ▶▶ See AR p. 22.

Total distribution of financial value **SEK 58.2bn** for 2017



# SEB's approach to sustainability

**SEB's ambition is to create long-term value** from an economic, ethical, social and environmental perspective. We take responsibility for how we conduct our business, how it affects our customers, employees, shareholders and society at large.

SEB takes a broad business approach and we strive to address sustainability issues that are relevant and meaningful for SEB as a bank and the markets in which we operate. Our stakeholders' feedback is instrumental to the success of our sustainability work.

We aim to identify and seize opportunities for positive impact as well as to avoid adverse impacts through SEB's own activities or through our financial products and transactions. UN's Sustainable Development Goals are guiding tools in this work. We strive for simplicity and transparency and know that our engaged and knowledgeable employees are the key to success.

As a bank and financial institution we believe that we can achieve the most effective positive impact by focusing on:

- **Sustainable finance** – we increase share of positive impact financing and positively impact clients' sustainability focus.

- **Sustainable investments** – we have a comprehensive and competitive offering where environmental, social and governance factors are fully integrated into all investment processes.
- **Innovation and entrepreneurship** – we support innovation and entrepreneurship to drive sustainable economic development and contribute to creating new jobs and growth in society.

SEB's sustainability work targets three areas – Responsible Business, People and Community and Environment, further described at the opposite page.

SEB has the ambition to be a role model in sustainability within the financial industry. For us, one of many proof points is to be included in the Dow Jones Sustainability Index. In 2017, the bank was, for the second consecutive year, the only Nordic bank included.

» **SEB aims to be a role model in sustainability within the financial industry.**«

Going forward, we will continue our work to further integrate sustainability into processes and product development, as well as to continue to enhance knowledge and awareness among employees.

We also aim to deepen dialogues with customers and other stakeholders about their opportunities and challenges, as well as needs and expectations on our products and services from a sustainable perspective.

MEMBER OF  
**Dow Jones Sustainability Indices**  
In Collaboration with RobecoSAM

## Governance of SEB's sustainability work

Good corporate governance is essential for how we run our business. This allows us to work effectively towards the same goals, including sustainability aspects.

SEB's sustainability work is based on Swedish laws and regulations as well as on the internationally recognised guidelines and initiatives that we are committed to (see further back cover). The internal framework primarily consists of our core values, SEB's sustainability related policies and position statements and our Code of Conduct.



### Board of Directors

Takes decisions on SEB's strategy and sustainability approach. Adopts the Corporate Sustainability Policy.

### President and Chief Executive Officer

Takes decisions in the Group Executive Committee (GEC) on the development and the execution of the corporate sustainability approach, in line with the strategy set by the Board.

### Corporate Sustainability Committee

Steering group assigned by the president and CEO. Responsible for SEB's sustainability activities. Follows up on the development, practices and progress. Chaired by a member of the GEC, includes senior representatives from all divisions and applicable group functions, including Group Sustainability. Prepares matters for decision in GEC.

### Group Sustainability

Responsible for coordinating and driving the overall sustainability agenda, ensuring implementation in accordance with the directives of the Board, and for reporting on progress.

### Local sustainability committees

Manage the sustainability work on a daily basis within the specified division, country or staff function. Report on progress.

### Managers and employees

Each head of division, business area and group function is responsible for ensuring that activities are carried out and instructions are in accordance with applicable policies.

» For information about corporate governance at SEB, see the 2017 Annual Report, p. 52–63.

# Committed to our ambitions

The areas and priorities below form the basis for SEB's sustainability work. We are committed to our ambitions, to contribute to better banking governance and protection of the environment, while enhancing our social contribution.



## ■ Selling and advising

To facilitate customers' own control and understanding of their financial situation. Ensure quality advice based on long-term needs and taking into consideration environmental, social and governance aspects (ESG).

**Ambition:** Leading position in our customer segments. Strengthen the sustainable profile of our customer offering and guidance. Strengthen engagement and offering to entrepreneurs.

## ■ Cyber security and crime prevention

To ensure cyber security, covering information security and customer integrity. Take actions to prevent money laundering, fraud and financing of criminal activity.

**Ambition:** Meeting threats by prioritising technical protection and raising awareness among employees and customers.

## ■ Investments

To ensure responsible investment decisions by integrating environmental, social and governance aspects into the decision process. Perform the ownership role responsibly.

**Ambition:** Be the leading Nordic supplier of sustainable investments with a comprehensive and competitive offering. ESG fully integrated in investment process in all asset classes.

## ■ Finance

Together with SEB's customers, reduce the risk for negative social and environmental impact related to SEB's finance activities. Increase the positive contribution by offering sustainable finance products and services.

**Ambition:** Increase share of positive impact financing and positively impact clients' sustainability focus. Expand sustainable offering. Grow green loan portfolio, according to framework, to at least SEK 20 billion by 2020.

## ■ Environment – direct impact

We manage SEB's direct environmental impact with the ambition to reduce the negative footprint.

**Ambition:** Be resource effective; reduce energy consumption and reduce carbon emissions with 20 per cent by 2020.

## ■ Environment – indirect impact

We manage SEB's indirect environmental impact, linked to our services to customers and our cooperation with suppliers.

**Ambition:** Increase the positive impact and reduce the negative. Measure portfolio footprint and set targets. Manage the carbon and water footprint of key sectors and portfolios.

## ■ Our people

We aim for a sound and inclusive workplace, and to attract and retain the right people that promote SEB's values, and adapt the organisation for future needs. We provide opportunities for professional and personal growth and development opportunities for all.

**Ambition:** Be the most attractive employer in the financial sector with a top number of engaged employees. Increase diversity. Raise level of competence in sustainability among employees.

## ■ Corporate citizenship

We engage for future generations and enhance financial literacy. Support youth and entrepreneurship through active partnerships.

**Ambition:** Provide opportunities for SEB's employees to contribute to society in the areas of entrepreneurship, social inclusion and financial literacy. Improve measures for evaluating impact.

► For goals and performance 2017 – 2018, see p 14–15.

# In the midst of a changing environment

**Long-term development trends** such as climate change, increased global imbalances, demographic development and digitalisation underline the need for the business community to contribute by acting responsibly and seizing opportunities for positive impact.

**B**anks and financial institutions play a central role in societal development and can contribute to a better and more sustainable world through their actions. SEB is convinced that sustainability perspectives contribute to our stakeholders' and thus the bank's long-term profitability. During 2017, the UN's Sustainable Development Goals (SDGs) have increasingly become a common "business plan" for nations, organisations and the business sector.

Through an active partnership with SEB's customers, the bank supports and contributes to many of the 17 SDGs. Several of SEB's customers have set their own priorities, and we welcome the fact that Agenda 2030 and its visual frameworks serve as one common language and a tool in customer dialogues that facilitates the discussions about our customers' challenges and opportunities.



## Enhanced regulatory frameworks

In 2017, focus on sustainability has increased among regulators. The European Union now requires companies to disclose information on how they operate and manage social and environmental issues. The European Commission began work on a project aimed at ensuring that financial regulators incorporate sustainability aspects in their supervision.

On a global level, G20 Finance Ministers and Central Bank Governors have instructed the Financial Stability Board (FSB) to review how the financial sector can take account of climate-related issues.

Also Sweden's financial supervisory authority, Finansinspektionen, has started to integrate climate-related risks into their supervisory processes and investigations, and will promote increased transparency on climate risks at financial firms.

► Read more in the Annual Report, p. 67–71.

## Four prioritised SDGs

As a financial institution and in partnership with customers, we can add value and contribute to all goals, directly and indirectly. However, we have identified and prioritise four of the goals that are clearly linked to our business strategy and our sustainability approach, and where our operations have a fundamental impact:

- 8** Decent work and economic growth
- 9** Industry, innovation and infrastructure
- 13** Climate action
- 16** Peace, justice and strong institutions

These four goals are closely connected to the bank's strong heritage of entrepreneurship, international outlook and long-term perspective, as well as our daily business.

## SDG product alignment

For more than a decade SEB has developed a wide range of sustainable products, as well as policies and processes that are aligned with the SDGs. SEB has been a pioneer in offering green bonds and micro-finance funds, and conducts systematic sustainability work in its investment operations. Our support for entrepreneurs and strong focus on combating financial crime are other areas in which SEB is actively contributing to the goals.

In 2017, several initiatives were taken within SEB with respect to development of products and services related to the SDGs. We aim to introduce result of these initia-

tives during 2018. One of them is a developed version of SEB's micro finance funds, which is shortly described on page 9 in this document.

## Customer SDG survey

SEB often invites customers to test beta versions of new products and services. An example of this is a dialogue conducted in 2017 by SEB's fund company with private customers with holdings in the fund SEB Hållbarhetsfond Sverige.

Based on the UN's 17 Global Goals, customers were invited to select what sustainability issues they considered to be the most important to address in the companies where customers had made investments. The answers show that customers prioritise three of the goals:

- 13** Climate action
- 6** Clean water and sanitation
- 4** Quality education

As a result of the survey, SEB's fund company will intensify efforts to combat climate change. It has joined the Institutional Investors Group on Climate Change where investors influence the hundred companies that account for the largest share of emissions in the world. The companies are primarily in the gas and oil industry.

# Dedicated to responsible business practice

**SEB's ambition is to facilitate for our customers** to manage their finances and plans for the future. They shall feel that we are a trustful partner, and that the advice we provide is insightful and relevant, convenient and accessible on their terms.

**S**EB aims to always conduct business in a responsible manner and we strive to make all employees aware of the responsibility each individual has. Our core values, Customer first, Commitment, Simplicity and Collaboration, guide us in our efforts to meet our customers' expectations and to earn their trust. Our Code of Conduct describes SEB's way of working and guides us in our business relationships. In 2017, SEB's whistleblowing process was strengthened and it is now possible to report via the external digital service WhistleB. This service meets the highest security requirements for encryption, data security and protection of whistleblowers' anonymity.

## Responsible business and proactive advice

The advice that we provide shall always be based on the customers' needs. We measure and report corporate reputation and customer satisfaction annually. The new legal framework MiFID II was implemented in January 2018. The aim with MiFID II is to ensure that customers receive advice based on their situation, are offered suitable products and are able to make informed decisions.

SEB requires all specialists and advisors within the division Corporate and Private Customers (Sweden) to have a SwedSec license, a proof that they have experience and knowledge in investment advisory, mortgage lending and insurance broker-



age. By year-end, 92 per cent had completed the license, while the remainder were in the educational programme. In the Baltic countries, SEB works with the Baltic Financial Advisors Association to prepare content and infrastructure for licencing advisors within the investment and insurance area.

We strive to increase sustainability aspects in all types of advice. In 2017, the tools for business and credit analysis for large corporate clients as well as small and medium-sized companies were updated. Client executives now, to a larger extent, take sustainability aspects into account in their analyses of companies and in credit decisions. The aim is to analyse a company's entire value chain and gain a better understanding of the customer's opportunities and challenges.

## Complaints from customers

Should customers have complaints, we believe in addressing them directly. There is a special customer relations team that handles cases where the customer does not feel satisfied with the first response. All complaints are registered in SEB's operating risk information system. Every month, reports on selected products are presented and sent to the product and/or process owners. Analyses are made of areas for improvement.

## Relevant SDG goals

We have strong focus on ethical behaviours and strong institutions. We are committed to detect and prevent financial crime.



## Cyber security and crime prevention

In SEB we want to know our customers well. Regulations also require banks to know their customers and to have a thorough understanding of the risks of banks being used for money laundering and terrorism financing. SEB has procedures and resources in place to detect and report suspicious behaviour to the authorities. We apply enhanced due diligence for customers, products and countries where there is a perceived risk that the bank can be used for money laundering and terrorism financing. We use a global monitoring system to detect transactions in defined higher risk areas.

Awareness among employees is key in our efforts to prevent

crime. We offer various trainings for employees. All new employees must complete these trainings within the first three months of employment. Existing employees shall complete them every three years.

SEB follows best practice and international standards for information and cyber security. Work is conducted in accordance with the Swedish Financial Supervisory Authority rules for the financial sector. The daily work is conducted on the basis of a management system consisting of internal control and risk management tools to identify, assess, monitor and mitigate the information risks.

▶▶ *Read more in the Annual Report p. 69–70.*



> Highlights

# Sustainable finance

**Awareness is rising further** among borrowers and investors about the benefits of integrating environmental and social aspects into investment decisions. During 2017, SEB advanced its role as thought leader within the issuance of impact bonds.

## SEB's first own green bond

In February 2017, SEB issued its first own green bond of EUR 500 million. The money is earmarked for loans for green initiatives in renewable energy, energy efficiency, green real estate, clean transport, water and sewage disposal, waste management, sustainable forestry and air purification, and is offered to large companies and institutions, municipalities, county councils and housing associations. SEB has implemented new internal procedures to ensure the quality of green loans in accordance with its green framework. During 2018, SEB will report on the impact from our green bond to the investors.

## Social impact bond

For the first time, SEB has participated in the issuance of a social bond. The Dutch bank NWB (the bank of and for the public sector) issued an Affordable Housing Bond, the world's largest social bond so far, of EUR 2bn. SEB acted as joint lead manager. The bond was launched under a framework for which SEB has acted as a structured advisor. NWB, a large lender to the Dutch social housing associations, issued the Housing Bond with the overall aim to provide affordable high quality living for lower income groups in the society such as youth and older people, who are facing challenges to find affordable living.

## SEB top ranked for active sustainability support

Among large corporate companies and financial institutions in the Nordics, SEB is top ranked for supporting its customers with sustainability advice. This was shown in TNS Sifo Prospera's survey in late 2017.

Corporate companies ranked SEB no 1 in Sweden, Denmark and Finland according to the statement "The bank actively supports with sustainability questions". In Norway SEB was on the third place. Among financial institutions, SEB was ranked no 1 in all countries except Denmark, where a second place was achieved.

## Transformation to renewable energy

In 2017, SEB assisted Danish Ørsted (formerly DONG Energy, Danish Oil and Natural Gas) as sole green structural advisor and joint book runner in connection to the company's issuance of its first green bond, at the value of EUR 750m. DONG Energy has over the past decade transformed from an energy company based on coal and oil to a global leader in renewable energy. As a consequence, the transformed company was named after the Danish researcher Hans Christian Ørsted who discovered electromagnetism.

## SEB's direct environmental impact

SEB works actively to reduce its direct environmental impact. Our target is to reduce carbon footprint with 20 per cent for the period 2016 – 2020. In 2017, SEB's total emissions were largely unchanged. Business travel is the most challenging source of emissions which increased with 3 per cent while energy, company cars and paper consumption continued to decrease. As an example, the number of printed annual statements to customers decreased with 47 per cent, from 14.8 million to 7.8 million paper sheets.

▶▶ *Read more in the Annual Report 2017, p. 71.*

### Relevant SDG goals

SEB has strong focus on green financing solutions, contributing to sustainable and resilient infrastructure, clean and environmentally sound technologies and industrial processes (9, 13). Through social impact bonds we contribute to affordable housing and basic services (11).



## > Highlights

# Sustainable investments

**Interest in sustainable products** is growing among private and institutional customers, especially in the savings area where customers increasingly want assurances that their savings are contributing to more sustainable societies.

## Raised sustainability level in basic offering

SEB has during 2017 considerably raised the level of sustainability in the basic fund offering. The four allocation funds, strategy funds, now invest directly in stocks and bonds to a higher degree. The fund managers can thus to a larger extent influence the individual holdings from a sustainability perspective. About two-third of the strategy funds' assets thereby adhere to the fund company's most stringent sustainability criteria. Since 1 January 2016, SEB funds, managed according to these sustainability criteria, grew from SEK 44bn to SEK 158bn, an increase of 259 per cent, representing 8.6 per cent of SEB's total AuM. [▶ Read more at sebgroup.com/sustainableinvestments.](http://sebgroup.com/sustainableinvestments)

# 259%

## "Swan" eco label to Swedish fund

SEB offers several mutual funds with a distinct sustainability profile. In 2017, SEB Hållbarhetsfond Sverige obtained the Nordic "Swan" eco label, thereby certifying that the fund meets enhanced sustainability requirements which affect the choice of shares in the fund. The requirements also mean that the fund's managers should clearly report how the fund and its investments contribute to sustainable development. This reporting, for the respective funds, can be found at [seb.se](http://seb.se) (in Swedish).

## Microfinance funds – taking the next step



Rebecka Elkert, Investment specialist at SEB Life and Investment Management, visits micro credit borrower in Kenya.

SEB is one of the largest microfinance fund managers in Europe and has six microfinance funds at a total value of more than SEK 6 billion, reaching more than 19 million entrepreneurs in 38 developing countries. By investing in microfinance institutions, SEB's microfinance funds offer loans to people with lower income in developing countries.

In 2018, SEB will launch the Impact Micro Finance Plus, a micro finance fund with direct connection to UN Sustainable Development Goals. The fund will focus on three core topics, Financial inclusion, Small business finance, and Project and enterprise development. The ambition is to target most of the SDG goals through this solution.

## Aiming for 1.5 degrees

One of SEB's sustainable funds, SEB Hållbarhetsfond Global, has during 2017 increased its focus on reducing the negative environmental footprint. The fund actively includes companies that perform well within several themes – climate change, toxic waste, water management. Since 2017, when the fund shifted towards the more environmental friendly strategy, the fund has reduced its carbon footprint with 75 per cent compared to benchmark. Asset under management has increased substantially, from approx. 1.5 billion SEK in 2015 to 14 billion SEK at year-end 2017. The fund will continue to work actively towards meeting the pledge from Paris 2015, to limit global warming to 2 (preferably 1.5) degrees Celsius.

### Relevant SDG goals

Through our investment business – sustainable fund offering, micro finance funds and ownership dialogues – we have positive impact on e.g. Gender equality (5), Clean water and sanitation (6), Decent work and economic growth (8) and Climate action (13).





> Highlights

# Supporting innovation and entrepreneurs

For more than 160 years, SEB has supported entrepreneurs, many of them growing their businesses into large corporates.

## “Bank Profile of the Year”

Entrepreneurial minds and innovative companies create jobs for future growth and are thereby key to creating a better world.

In 2017, **Belgin Fortaci**, the architect of SEB’s entrepreneurial staircase, was named “Bank Profile of the Year” by the business magazine *Privata Affärer*.



“We have established partnerships with organisations that promote entrepreneurship and have organised these in a staircase to cover all steps from new business to mature companies” says **Belgin Fortaci**.

Today, 15 organisations form a power centre for entrepreneurship, job creation, integration and future trust. It is estimated that the organisations in the entrepreneurial staircase in total created 7,600 new jobs in 2017.

## E-academy supports Baltic entrepreneurs

In the Baltic business, a digital tool, E-academy, was developed in 2017, with the aim to support and advice entrepreneurs at an early stage of their business. The tool provides support and inspiration in areas like business planning, financing, marketing and selling. SEB also organises free live seminars for registered users of the tool. At year-end, 5,000 persons had signed up as users in Estonia, Latvia and Lithuania. E-academy is part of a three-year programme which supports entrepreneurs through the various stages of their development.

## Inkludera prevents social exclusion

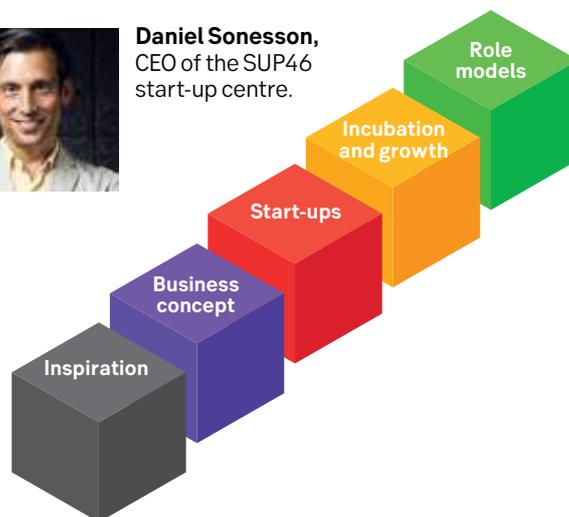
Social entrepreneurs play an increasingly important role in societies where social and economic inequalities increase. SEB has a partnership with **Inkludera**, an umbrella organisation for social entrepreneurs that support groups in society that risk exclusion. The goal is to enable as many people as possible to participate in and contribute to Swedish society, to give individuals that risk exclusion the right motivation, power and tools to counteract a possible exclusion.

To achieve this, Inkludera supports entrepreneurs who develop solutions to social problems and exclusion. SEB contributes by providing our employees’ time and financial expertise.

 The entrepreneurial staircase makes a huge difference for Sweden”



**Daniel Sonesson**, CEO of the SUP46 start-up centre.



### Relevant SDG goals

SEB promotes productivity through innovation and entrepreneurship. We contribute to productive employment and decent work for all, including young people (8). Through our corporate citizenship we strive to increase the number of youth who have relevant skills for employment, decent jobs and entrepreneurship (4).



▶▶ [Read more at sebgroup.com](http://Read more at sebgroup.com)



> Highlights

# Developing our people

**SEB works actively** with leaders, teams and individual employees in order to meet a changing environment and create what it takes to continue to be a successful company.

## Inclusion and diversity

We strive to promote an inclusive culture where our employees feel respected and valued, that our workforce reflects our customer base and the diversity in society. In order to meet customers' needs and to better understand each other, we aim to foster diversity and an inclusive culture at all levels of the bank and across all dimensions, regardless of gender, age, or geographic or professional background.

In 2017, an initiative was taken to further raise the awareness about the importance of these issues. A position statement was adopted by the Group Executive Committee and the Board of Directors. The purpose is to set the direction for SEB's work with inclusion and diversity. The document highlights ambitions, priorities and commitments. A large number of activities are initiated within the bank, from raising awareness to implementing measures and following up on progress. In 2017, 31 per cent of SEB's senior managers were women.

## Health and work environment

SEB works pro-actively to provide a healthy and safe workplace, to prevent illness, and to ensure employee well-being and a healthy work/life balance. The bank offers support for a healthy lifestyle such as wellness facilities, seminars and health checks. In Sweden, SEB's level of sick leave remains low, at 2.9 per cent, compared with other industries and the financial sector.

## #MeToo

During 2017, the #MeToo campaign highlighted the problem of sexual harassment and discrimination in many workplaces. #MeToo was discussed several times within the Group Executive Committee and in the Board of Directors. SEB increased the internal communication, including a comment from the CEO on SEB's stance, and regarding how to report improprieties. The campaign speeded up the switch from an internal to a third-party whistleblowing function, which was launched in December.

## New office promotes new ways of working

SEB Arenastaden was inaugurated in May 2017, a new office space designed to promote new ways of working and thus a culture of collaboration and inclusion. The surface of the new house is around 72,000 square meters, making it Sweden's largest newly built office building. The three buildings, accommodating around 4,400 employees, contain several atria that encourage spontaneous meetings and flexible gatherings as well as space for project and team based work. Many small rooms are also available for silent work.

## SEB Talk – open communication and knowledge-sharing

SEB's premises in Arenastaden offer new possibilities for open communication and knowledge sharing. SEB Talk is a live event with the aim to promote learning and cooperation. Several times per year, an entire week is devoted to various themes, such as New ways of working, Open banking and Sustainability, and employees are invited to listen to and interact with colleagues that share insight and knowledge. The events, all in English, are filmed and thereby available for SEB employees globally.

## Learning for innovation

The financial sector is undergoing a rapid transformation, and to continue to be successful SEB needs to develop new competences. One example of encouraging employees to taking steps forward is the establishment of an innovation lab in which employees have an opportunity, during a limited period of time, to develop ideas up to creation of a finished prototype. In 2017, SEB also conducted its first internal hackathon at which some 70 employees spent one intensive day and night developing prototypes that offered improvements for customers and the bank.

### Relevant SDG goals

We focus on inclusion and diversity (among them gender) and to end all forms of discrimination, sexual harassment and equal opportunities in leadership at all levels (5). We promote proactive healthcare and strive for a sound workplace (3).



# Involving and engaging our stakeholders

**We engage with stakeholders** in the communities in which we operate and we incorporate their feedback in order to ensure that we prioritise the most important topics.



Customers



Shareholders



Employees



Society

**S**EB fully acknowledges the benefits from involving with relevant stakeholders. By engaging with them, we can better understand emerging trends, important issues and how to prioritize and integrate them into our business strategy.

In line with our vision to deliver world-class service, our customers are our main focus group, but we have active dialogues with all key stakeholder groups. We use a range of mechanisms for engagement, including surveys, panels and roundtables. The information provided from our stakeholders is essential input to our materiality assessment (see opposite page).

## Customers

We meet customers on a daily basis in our branch offices, in one-on-one meetings, in telephone meetings through our 24/7 open contact centre, through our websites, apps and social media. We also arrange events for our customers where we get the chance to discuss relevant topics.

We actively involve customers in our business development, in design as well as in testing of prototypes. These channels are important for receiving customer feedback and insights. In addition, we measure customer satisfaction annually through internal and external tools as NPS, Prospera and SKI etc. Key topics and concerns during the year for our customers were proactivity and overall corporate responsibility.

## Shareholders, investors and analysts

We meet our shareholders, investors and analysts in meetings, briefings, the annual general meeting, press conferences and engagement dialogues. We also use channels such as Bloomberg, Vigeo and RobecoSAM to acknowledge relevant topics and trends.

Specific topics highlighted during the year were negative rates, corporate activity and the Swedish house price development. We also identified a higher inclusion

of sustainability issues in questionnaires from investors and through dialogues.

## Employees

Our employees give input through the performance reviews with their manager and through the employee survey Insight. Insight gives an overview of employee engagement and satisfaction and is performed annually throughout SEB. We conduct internal chats with executive management and invite to round-table and town hall meetings. Emphasised topics for our employees during the year were career development, collaboration and communication across departments.

## Communities, civil society organisations, consumer advocate groups, media

We meet these stakeholders through local community engagements, round table discussions, meetings with NGO's, mentoring, volunteering and sustainability forums. We also perform various research and media coverage. Key topics and concerns were ethical behaviour, human rights, transparency, and work with climate change, especially in financing and investments. These issues are highly prioritised throughout the bank.

## Suppliers and business partners

Through internal and external assessments, we get to know our suppliers and exchange insight with them. We also conduct individual meetings where topics, such as fair business practice among others, are discussed.

## Government and regulators

We perform economic and policy trend analysis, and have bilateral and multilateral meetings concerning governments and regulators. We also participate in industry forums. During the year, emphasised topics have been regulation, such as GDPR, TCFD etc, climate risks, investment advice and personal integrity issues among others.

# Identifying the most material matters

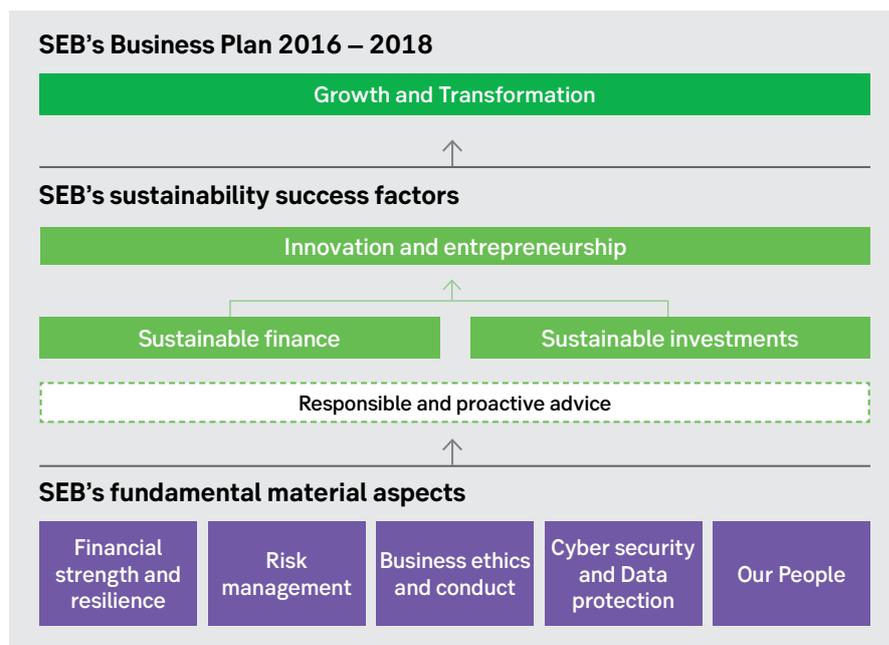
**Materiality is about identifying** the matters with the largest economic, environmental and social impacts on our business as well as on our stakeholders. Our ability to identify and manage these matters influences SEB's strategy and business plan, hence the way forward for the bank.

In 2017, we further developed our process, based on global external developments and expectations from stakeholders including regulators. The 20 material aspects from our previous analyses have been aggregated and processed into three sustainability success factors and six fundamental aspects, assessed as permanently material for our business. These underpin SEB's three-year business plan (see further Annual Report, p 10–11).

## Success factors

The sustainability success factors are assessed as areas where we have the best opportunities to impact. These are enabled by our engaged and knowledgeable employees who provide responsible and proactive advice.

- **Sustainable finance** – increase share of positive impact financing and positively impact clients' sustainability focus. Strengthen advising with focus on sustainability related risks and opportunities. Expand sustainable offering.
- **Sustainable investments** – be the leading Nordic supplier of sustainable investments with a comprehensive and competitive offering where environmental, social and governance factors are fully integrated into all investment processes. Strengthen sustainable advising.
- **Innovation and entrepreneurship** – support innovation and entrepreneurship to drive sustainable economic development and contribute to creating new jobs and growth in society.



## Adherence to Swedish law and EU directive fundamentals

- Human Rights
- Labour rights and social conditions
- Anti-corruption
- Environment

Swedish law and the industry-wide EU directive provide the foundation for SEB's analysis of material matters. Beyond law and regulation, five fundamental aspects are deemed permanently material to SEB's business. Further, our sustainability success factors help underpin our three-year business plan focusing on growth and transformation.

► *Sustainability Report 2017 in Annual Report, p. 67–71.*

## Fundamental aspects

The following aspects are core for SEB's long-term success – financial strength and resilience, sound risk management, business ethics and conducts, cyber security and data protection and people management. As a company in the business of trust, short-comings in any of these areas would limit us from being able to create long-term value to our stakeholders. Simultaneously, the fundamental aspects are set to pave the way towards creating positive impact on the three dimensions of sustainability, i.e. from environmental, social and governance related perspective.

## Indirect and direct impact

As a bank, our boundaries are set in relation to how we impact – indirect and direct. We have a much larger indirect impact through our business relationships than through our own direct impact. SEB's aim is to avoid causing, contributing or being directly linked to negative impact through our products and services. At the same time, SEB strives to create positive indirect and direct impact in line with our vision and strategy, commitment to international standards such as Global Compact and the UN Sustainable Development Goals.

# Goals and performance review

**In line with our aim** to become a role model in sustainability within the financial sector, we set ambitious goals for 2017.

Among the highlights were the establishment of our green bond framework and the dedicated green loan portfolio. The integration of sustainability in investment management has developed well.

Employee engagement remained high and the focus on sustainability issues among employees has increased during the year.

A position statement on Inclusion and Diversity was launched, as well as an external whistleblowing function.

In 2018, we will continue to integrate sustainability into SEB's business strategy, overall processes and development of products and tools in order to enhance our impact. Our work with inclusion and diversity proceeds and we will reinforce measures to reduce our own emissions related to air travel.

For detailed facts and figures, see Sustainability Fact Book:

➤ [sebgroup.com/sustainabilityreporting](http://sebgroup.com/sustainabilityreporting)



## Selling and advising

### Goals 2017

Strengthen range of sustainable products for all customer segments.

Enhance advisory services to investors, large corporate clients and financial institutions based on the SAFE methodology (SEB Adjustment for ESG).

### Results 2017

● Raised sustainability level in basic fund offering.

● ESG financial advisory engagement increased with large corporate clients, as well as with SEB's own financial analysts and client executives.

### Goals 2018

Continue to strengthen the range of products and services with sustainability criteria for all customer segments.

## Environment

### Goals 2017

Follow up on long-term goal: Reduction of 20% by 2020 and secure continued reduction of distance travelled by air.

Increase digitalisation in order to meet and reach more clients through different channels using less resource.

Measure carbon footprint in all SEB's equity funds.

Start measuring the carbon footprint of parts of the loan portfolio.

### Results 2017

● The carbon emissions as well as distance travelled by air were almost flat compared with the previous year.

● More annual statements to customers have been digitalised, paper sheets reduced by 47%.

● We measure the carbon footprint in 92% of SEB's equity funds.

● Review of internal loan processes initiated.

### Goals 2018

Follow up on long-term goal: Reduction of 20% by 2020 and secure reduction of distance travelled by air.

## Cyber security and crime prevention

### Goals 2017

100 % of SEB's employees shall have completed the mandatory trainings Code of Conduct, AML, Information security and Fraud prevention.

Further enhance SEB's cyber security protection by introducing a cyber security framework, ensuring increased top resilience capabilities in the area.

### Results 2017

● See CS Fact Book, p. 2 for detailed results. We are close to 100% but have not reached the full goal yet.

● The Cyber security Framework was successfully launched during 2017.

### Goals 2018

Continue to enhance the cyber security protection by complying with the SWIFT Customer Security Program, increasing the level of infrastructure security measures.

## Finance

Goals 2017	Results 2017
Grow green loan portfolio. Baseline: SEK 11.8bn	● Green loan portfolio grown to SEK 13.2bn.
Develop tools and processes for impact reporting.	● Ongoing impact reporting of Green Bonds.

### Goals 2018

Further grow green loan portfolio. Baseline: SEK 13.2bn

Further develop tools and processes for impact reporting as well as assessing climate risks.

## Our people

Goals 2017	Results 2017
Increased sustainability focus in internal educations. Baseline: Three sustainability focused e-learning.	● Continuous work to integrate sustainability in existing e-learning.
Increase gender diversity at senior management level. Baseline: 69/31 (m/f), and within division Large Corporates & Financial Institutions.	○ No change in gender diversity on senior management level.
Maintain high level of employee engagement.	● High level of employee engagement maintained. Measured by the Insight survey question: Employee engagement Index (77%).

### Goals 2018

Increase balance in management teams regarding gender, age, educational and professional background and geographical provenance.

Increase the opportunities for continuous learning by developing new educational platforms.

## Investments

Goals 2017	Results 2017
Exclude companies that violate international norms from all SEB's own funds.	● All of SEB's own funds exclude companies that violate international norms.
Improve reporting and information sharing of carbon emissions in funds, and use the information in our fund managers' decision making.	● We measure the carbon emissions in 92 % of SEB's equity funds. Information is available on SEB's external website.

### Goals 2018

Further increase SEB funds managed in accordance with sustainability criteria. Baseline: 25.3%

## Corporate citizenship

Goals 2017	Results 2017
Measure and follow up on our Corporate citizenship impact, e.g. number of jobs created through our entrepreneurial partnerships and the value of training that SEB has contributed to through our Financial literacy and Inclusion partnerships.	● Ongoing measurement and follow up, see CS Fact Book, p. 10.

### Goals 2018

Continue to measure and follow up on the social impact of our Corporate citizenship.

# Years of engagement



# Independent Auditor's Limited Assurance Report on the Sustainability Report

To Skandinaviska Enskilda Banken AB (publ)

## Introduction

We have been engaged by the Group Management of Skandinaviska Enskilda Banken AB (publ) ("SEB") to undertake an examination of SEB's Sustainability Overview for the year 2017 with corresponding Sustainability Fact Book and GRI Index on SEB's website (www.sebgroup.com). We refer to these publications collectively as the "Sustainability Report".

## Responsibilities of the Board and Management

The Board of Directors and the Group Management are responsible for the preparation of the Sustainability Report in accordance with the applicable criteria, as explained in "About this report" on the back cover, and are the parts of the *GRI Sustainability Reporting Standards* which are applicable to the Sustainability Report, as well as the accounting and calculation principles that the Company has developed. This responsibility includes the internal control relevant to the preparation of a Sustainability Report 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 Sustainability Report based on the limited assurance procedures we have performed.

We conducted our limited assurance engagement in accordance with ISAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* issued by IAASB. A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of the Sustainability Report, and applying analytical and other limited assurance procedures.

The procedures performed in a limited assurance engagement vary in nature from, and are less in extent than for, a reasonable assurance engagement conducted in accordance with IAASB's Standards on Auditing and other generally accepted auditing standards in Sweden. The procedures performed consequently do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance conclusion.

The audit firm applies ISQC 1 (*International Standard on Quality Control*) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our procedures are based on the criteria defined by the Board of Directors and the Group Management as described above. We consider these criteria suitable for the preparation of the Sustainability Report.

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

## Conclusion

Based on the limited assurance procedures we have performed, nothing has come to our attention that causes us to believe that the Sustainability Report is not prepared, in all material respects, in accordance with the criteria defined by the Board of Directors and Group Management.

Stockholm, 2nd March 2018  
PricewaterhouseCoopers AB



**Peter Nyllinge**  
Authorized Public Accountant



**Fredrik Ljungdahl**  
Expert Member of FAR





## Please recycle me!

This report is associated with a carbon footprint of 61 g CO<sub>2</sub>-equivalents per m<sup>2</sup> printed product, corresponding to 0.14 kg CO<sub>2</sub>-equivalents per report. The selected printing company is climate compensated and has ISO14001 environmental certification. If you no longer have use for this report, please recycle it.



The FSC logo identifies products which contain wood from well-managed forests certified in accordance with the rules of the Forest Stewardship Council.

© Copyright Skandinaviska Enskilda Banken AB, 2018. All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted, in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise, without the prior written permission of Skandinaviska Enskilda Banken AB.

### Sustainability awards and recognitions 2017/2018

Included in The Sustainability Yearbook Global 100

### Awarded by

RobecoSAM  
Corporate Knights

### Sustainability indices

Dow Jones Sustainability Indices  
ECPI Indices  
Ethibel Sustainability Index Excellence Europe  
FTSE4Good  
OMX GES Sustainability Sweden and nordic Index  
SIX Sweden SRI index  
STOXX Global ESG Leaders Indices

### Index provider

S&P Dow Jones/RobecoSAM  
ECPI  
Forum Ethibel  
FTSE  
Nasdaq OMX/GES  
SIX Financial Information  
STOXX

### International commitments

UN Global Compact  
Principles for Responsible Investments (PRI)  
UN Environment Programme Finance Initiative (UNEP FI)  
OECD guidelines for Multinational Enterprises  
Equator Principles  
UN Guiding Principles on Business and Human Rights  
Carbon Disclosure Project (CDP) and CDP Water Disclosure  
ICC Business Charter on Sustainable Development  
Institutional Investors Group on Climate Change, (IIGCC)  
Montreal Carbon Pledge

### About this report

This document, SEB's Sustainability Overview 2017, describes SEB's approach and ambitions, present targets, guidelines, measures and key achievements related to the Group's contribution to sustainable development.

SEB's Sustainability Report 2017 (available in the Annual Report 2017, page 67–71) describes how the SEB Group works with sustainability as stipulated by the Swedish Annual Accounts Act, more specifically in the areas Human rights, Labour rights and social relations, Anti-corruption and Environment.

The process to define what to include in these reports includes instructions in the Swedish Annual Accounts Act, feedback on previous reports from internal and external stakeholders, the identification of material issues (described on page 13), and important events during the year. The reports comprise the entire organisation of the SEB Group, except as specifically stated in connection with certain indicators.

The reporting organisation's name is Skandinaviska Enskilda Banken AB (Publ), headquartered in Stockholm, Sweden. The report cover

the preceding fiscal year, January to December 2017. In some cases information for early 2018 is included. The previous report was published in March 2017. There has been no significant change from the previous report in scope and boundary. Applicable organisational changes for the SEB Group are described in the Annual Report 2017, page 35. For details on accounting policies, please see Annual Report page 83.

SEB has published a Sustainability report annually since 2007. Our main reporting framework is the Global Reporting Initiative, GRI Standards, core option. Key aspects of SEB's sustainability work, such as risk management, corporate governance and remuneration and benefits, are included in SEB's Annual Report.

SEB's auditor PwC has been engaged to perform a limited assurance on the Sustainability Report and the Sustainability Overview, including a GRI application check. SEB's Sustainability Fact Book and GRI Index are published here:

▶▶ [sebgroupp.com/sustainabilityreporting](http://sebgroupp.com/sustainabilityreporting)

# Welcome to SEB

Our vision is to deliver world-class service to our customers. We assist 2,300 large corporations, 700 financial institutions, 400,000 small and medium-sized companies and 4 million private individuals with advice and financial solutions.

In Sweden and the Baltic countries, we offer comprehensive financial advice and a wide range of financial services. In Denmark, Finland, Norway, Germany and the United Kingdom, we have a strong focus on a full-service offering to large corporate and institutional customers.

The international scope of the operations is reflected in SEB's presence in some 20 countries with 15,000 employees.

We have a long-term perspective in all of our operations and contribute to the development of markets and communities.

## Our responsibility

We know that the way we act affects the world in which we operate. It is our responsibility to make sure that we do business in an ethical and sustainable way, attending to our customers' needs and protecting people and the environment.

By being a well-managed and profitable company, we can use our resources, time, money and knowledge of our people to contribute to society.

This report presents an overview of SEB's sustainability approach, ambitions and performance, including highlights for 2017.

SEB's Sustainability Report 2017 is available in the Annual Report 2017, page 67–71.

## Head office

Postal address	SEB, SE-106 40 Stockholm, Sweden
Visiting address	Kungsträdgårdsgatan 8, Stockholm, Sweden
Telephone	+46 771 62 10 00
	+46 8 22 19 00 (management)

## Contacts

Marie Baumgarts  
Head of Group Sustainability  
Telephone +46 8 763 50 00  
E-mail: [cs@seb.se](mailto:cs@seb.se)  
Internet: [www.sebgroup.com/sustainability](http://www.sebgroup.com/sustainability)

Skandinaviska Enskilda Banken AB's corporate registration number: 502032-9081