



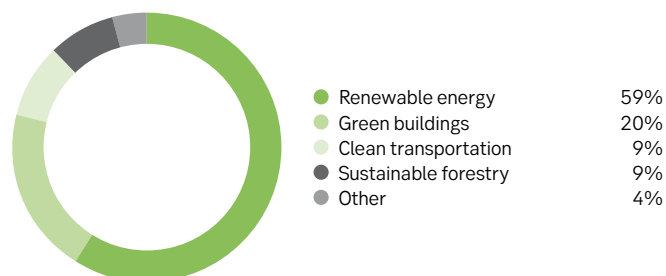
Positively shaping the future.
Today and for generations to come.

Summary

Eligible green asset portfolio

46.6

billion SEK



SEB's Green Bond Framework from 2022 allows financing and refinancing in ten categories with the aim to contribute to the long-term vision of a low carbon and environmentally sustainable society. The framework is broadly aligned with the EU Taxonomy and received a Medium Shade of Green in Cicero's Second Party Opinion.

Green bonds outstanding

22.2

billion SEK

SEB issued its first green bond in 2017. Following an update of the Green Bond Framework in early 2022, two senior non-preferred bonds were issued in the green format during the year, together amounting to EUR 2 billion or SEK 22.2 billion.

Type	Amount	Issue date	Maturity	ISIN
Senior non-preferred, 4-year	EUR 1bn	9 Nov 2022	9 Nov 2026	XS2553798443
Senior non-preferred, 5-year	EUR 1bn	9 Feb 2022	9 Aug 2027	XS2442768227

Impact achieved by use of proceeds

1,253,642

Tonnes

CO₂e emissions avoided/reduced

3.3

GWh

Energy savings

3,410

GWh

Renewable energy generation

About this report

This report provides an overview of SEB's green assets eligible under the Green Bond Framework 2022 as well as the environmental impact achieved by the use of proceeds from SEB's outstanding green bonds.

About SEB

SEB is a leading northern European financial services group with international reach and a history dating from 1856. We exist to positively shape the future with responsible advice and capital, today and for generations to come. Innovation, entrepreneurship and an international perspective are part of our DNA. We engage with our clients through long-term relationships, personal advice and digital services. We take responsibility for how we conduct our business and how we affect our customers, employees, shareholders and society at large. The Bank is present in some 20 countries worldwide.

Our approach to sustainability

SEB has a strong ambition to accelerate the pace towards a sustainable and prosperous future for people, businesses and society. By offering responsible advice, innovative and sustainable financing and investment solutions, we support our customers on their transition journeys. We aim for a common understanding of the way forward and we are convinced that companies integrating environmental, social and governance aspects into their strategy and operations are more successful in the longer term. SEB wants to be a leading catalyst in the transition.

Climate change in focus

Global climate change is one of the most serious challenges facing society today and is of high priority to SEB. We have an important role to play in collaborating with our customers in the transition towards a low-carbon economy, to align with the Paris Agreement and reach net zero emissions by 2050. We are a part of, and will continue to be a part of, the transition that is required to achieve this goal.

Measuring progress

SEB has developed three proprietary metrics to steer our business in line with our sustainability strategy, and to measure our progress in the transition towards a low-carbon society: the Carbon Exposure Index – The Brown, the Sustainability Activity Index – The Green, and the Transition Ratio – The Future.

The Carbon Exposure Index – The Brown is a volume-based metric capturing the fossil fuel credit exposure within SEB's energy portfolio, which includes power generation and oil and gas exploration and production. SEB's goal is to reduce the fossil credit exposure by 45–60 per cent by 2030 compared with a 2019 baseline. Reaching this goal means that SEB will be in line with or outperform the strictest 1.5 degree-aligned climate scenario assumptions provided by the International Energy Agency and the Network of Central Banks and Supervisors for Greening the Financial System (NGFS). At year-end 2022, the Carbon Exposure Index had decreased by 17 per cent compared to a 2019 baseline, which is in line with the 2030 trajectory.

The Sustainability Activity Index – The Green is a volume-based metric capturing our sustainability activities in four areas: sustainability-related financing, sustainable finance advisory, greentech venture capital investments and sustainable investment products (in line with the EU's Sustainable Finance Disclosure Regulation, SFDR) as a share of assets under management (SEB's fund offering, own and external). The ambition is to increase average activity 6–8 times by 2030 compared with a 2021 baseline. At year-end 2022, the index had increased by 59 per cent.

The Transition Ratio – the Future is a credit exposure-related metric based on SEB's Customer Sustainability Classification tool. With this tool we classify our credit portfolio in scope by assessing to what extent our customers' transition plans are aligned with the goals of the Paris Agreement. This provides insight into our customers' progress and can be used for further

analysis and action to support them on their transition journeys. Based on the credit exposure in scope by year-end 2021 and the assessments carried out during 2022, our Transition Ratio was 69 per cent.

In 2021, SEB was one of the founding signatories of the Net-Zero Banking Alliance (NZBA), a UN-convened and industry-led initiative. By joining the NZBA, we have committed to align our credit portfolio with 1.5°C scenarios pathways to net zero by 2050 or sooner, and to set 2030 reduction targets. In 2022, we set reduction targets for financed emissions in five prioritised sectors, including oil and gas, power generation, steel, car manufacturing and Swedish household mortgages. These targets strengthen and complement SEB's ambitions and goals within the climate area and are important to reach a net zero credit portfolio by 2050.

→ Read more about SEB's [Sustainability strategy, ambitions and goals](#) and in SEB's Sustainability Report, included in the [Annual and Sustainability Report](#).

Sustainability governance

Assessing and managing the risks and opportunities associated with climate change is an integral part of SEB's sustainability governance framework and the general governance of risk management. The Group Executive Sustainability Committee, chaired by the President and CEO, is responsible for executing the sustainability strategy and for adopting sustainability ambitions and goals. The Group Risk Committee is a group-wide, decision-making committee that addresses all types of risk at the group level, including sustainability and reputational risks.

→ Read the full description of [SEB's sustainability governance](#).

Sustainability policy framework

SEB has an established sustainability policy framework, including the Corporate Sustainability Policy, two thematic policies (Environmental Policy and Social and Human Rights Policy) and several sector policies. We continuously review our policies to strengthen the business and to be aligned with international and national requirements. In 2021, SEB conducted a review of the Sector Policy on Fossil Fuel. This policy includes a roadmap for how we will phase out our exposure to coal and to unconventional oil, as well as how we will continue to gradually reduce our credit exposure to fossil fuels by applying a cap to exploration, production and oilfield services activities.

→ Read more about [SEB's Sustainability policy framework](#).

Development of SEB's Green Bond Framework

Backed by SEB's sustainability strategy, the Corporate Sustainability Policy, the Environmental Policy and accompanying sector policies, SEB's Green Bond Framework ensures that its green bonds are used for low-carbon and climate resilient projects and investments, by financing green loans.

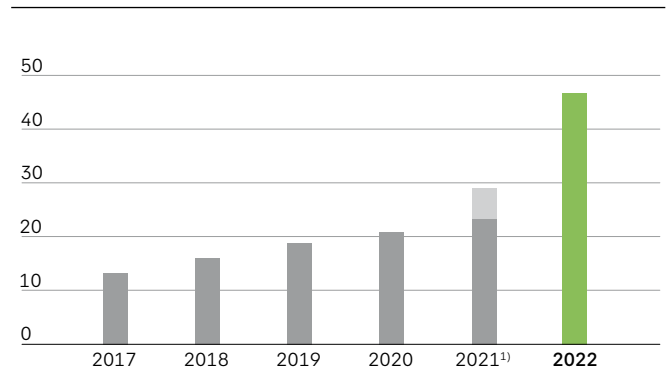
SEB developed its Green Bond Framework in 2016. In early 2022, the framework was updated to be more inclusive, expanding the number of categories and broadly aligning definitions with the substantial contribution part of the technical screening criteria of the EU Taxonomy as of December 2021. Two bonds were issued under the updated framework in 2022.

SEB's eligible green asset portfolio

In 2022, the portfolio of eligible green assets according to the updated framework grew from SEK 29bn till SEK 46.6bn. Growth came mainly from wind power and green buildings. The first loan in the category circular economy was made, a new category in the updated framework. 60 per cent of the portfolio was new financing and 40 per cent was refinancing of existing projects.¹⁾

Almost 60 per cent of the assets consists of renewable energy projects, mainly wind power. The remainder is financing of green buildings, clean transportation, sustainable forestry, and energy efficiency projects. Sweden and Finland each account for just below 1/3 of the portfolio. Remaining assets are in Germany, the UK, Norway and the Baltics.

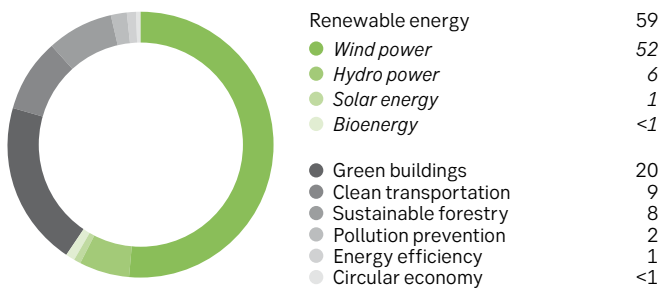
Development of eligible green asset portfolio SEK bn



1) Eligible assets amounted to SEK 23bn under the 2016 Green Bond Framework and SEK 29bn under the 2022 Green Bond Framework.

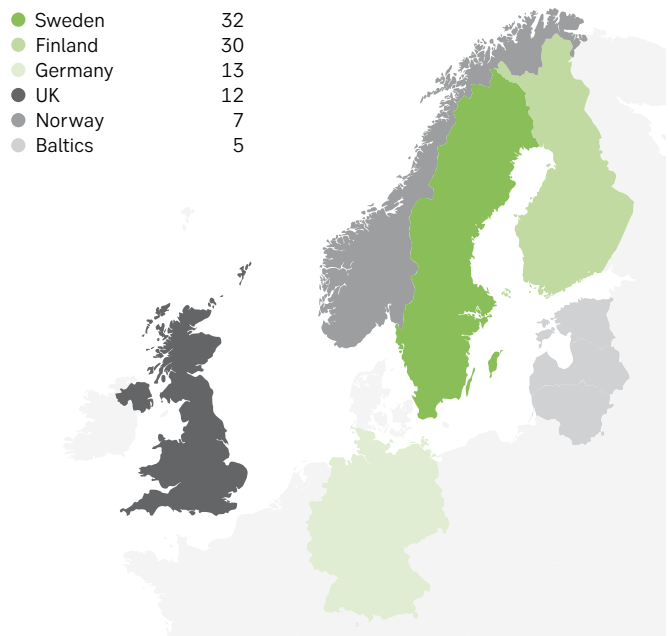
Eligible green assets by sector

Per cent



Eligible green assets by geography

Per cent



1) New financing is defined as Eligible Green Assets that are planned, ongoing, or have been finalised up to one year before the approval by the Environmental and Sustainable Product Steering Committee (ESPS Committee). If the Eligible Green Assets were finalised and taken into operation more than one year before the approval in the ESPS Committee, they are defined, monitored and reported as refinancing.

Alignment with the EU Taxonomy

In 2021, the EU Taxonomy Delegated Acts for Climate Change Mitigation and Climate Change Adaptation were adopted. The EU Taxonomy is a classification system for environmentally sustainable economic activities with the aim to help investors identify sustainable investments and facilitate a shift towards more sustainable investments.

SEB's Green Bond Framework has been developed to broadly align to the substantial contribution part of the technical



















screening criteria of the EU Taxonomy as of December 2021.¹⁾ Alignment with, and deviations from, the substantial contribution part of the technical screening criteria are described in the [Green Bond Framework](#). On a best effort basis, SEB's internal assessment is that approximately 80 per cent of SEB's eligible green asset is aligned to the substantial contribution part of the technical screening criteria of the EU Taxonomy 2021.

Category	Eligible green assets (SEK)	Comment
Renewable energy	27.6bn	SEB's framework is mostly aligned – biogas is not aligned
Green buildings	9.3bn	SEB's framework is mostly aligned – does not reference the special considerations for buildings >5,000m ²
Clean transportation	4.3bn	SEB's framework partially aligned – public transport on biofuel is not aligned
Pollution prevention	0.9bn	SEB's framework partially aligned – financing of waste to energy is not aligned
Energy efficiency	0.6bn	SEB's framework partially aligned
Circular economy	0.0bn	SEB's framework partially aligned
Sustainable forestry	3.8bn	SEB's framework is not aligned
Total	46.6bn	

1) Refers to EUR-Lex - L:2021:442:TOC - EN - EUR-Lex (europa.eu), 'Commission Delegated Regulation (EU) 2021/2139 of June 4 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives'.



Environmental impact of SEB's green bonds

Category	Sub-category	Use of proceeds (SEK)	Impact 2022			Annual energy savings (GWh)	UN SDGs
			Annual emission reduction (CO ₂ e tonnes)	Effect (MW)	Annual electricity/energy production (GWh)		
Renewable energy	Wind power	11,540,605,381	899,034 ¹⁾	1,054 ²⁾	2,854 ³⁾	 	
	Hydro- and solar power, biogas	1,634,937,960	137,922 ⁴⁾	97 ⁵⁾	438 ⁶⁾		 
Green buildings		4,448,331,209	1,055 ⁷⁾			3.3 ⁸⁾  	
Sustainable forestry		1,802,775,422	112,606 ⁹⁾			 	
Clean transportation	Biogas/electrical buses and electrical cars	1,023,174,120	8,029 ¹⁰⁾			 	
	Electric trains	1,027,452,118	12,913 ¹¹⁾			 	
Energy efficiency		304,535,860	79,697 ¹²⁾	15	128	 	
Pollution prevention and control		427,465,972		60 ¹³⁾		 	
Circular economy		15,578,758	2,386			 	
TOTAL		22,224,856,800	1,253,642		3,420	3.3	

1) Including 366,349 tonnes estimated future CO₂e reductions.

2) Including 357 MW under construction.

3) Including 1,163 GWh estimated future energy production.

4) Including 2,382 tonnes estimated future CO₂e reductions.

5) Including 3.6 MW under construction.

6) Including 8 GWh estimated future energy production.

7) Including estimated future CO₂e reductions of 332 tonnes.

8) Including future energy savings of 0.11 GWh.

9) Tonnes CO₂e sequestered, net

10) Driven distance by biogas and electrical buses (renewable energy, zero CO₂e /km) has been compared to diesel driven buses with an emission factor of 1.073 kg CO₂e /km (ref. www.transportmeasures.org). Load factor busses; 16%, emission factor calculated as wheel-to-tank. Electrical driven cars (renewable energy, zero CO₂e /km) have been compared to the average emissions (70 g CO₂/km) from a new car in Sweden taken into traffic during 2022 (ref. www.trafikverket.se). For Estonia, Latvia and Lithuania, 142,6, 142,5, and 135,7 g CO₂/km have been used respectively (ref. The European Automobile Manufacturers' Association). Driven distance has been set to 12,000 km/year for all countries, which is the average driven distance in Sweden for a car (ref. www.transportstyrelsen.se).

11) Presented emission reduction of 12,913 tonnes CO₂e includes cargo and passenger traffic. Emission (savings) calculation of passenger travel is based on travelled distance (pkm) in electrical trains compared to the same distance travelled by diesel driven trains. For diesel driven trains, an emission factor of 91 g CO₂e /pkm has been used and electrical trains are running on renewable electricity (zero CO₂e emissions). Emission (savings) calculation of cargo transportation is based on freight distance (tonne-km) by electrical trains compared to the same distance covered by diesel driven trains. For diesel driven trains, an emission factor of 29 g CO₂e /tonne-km has been used and electrical trains are running on renewable electricity (zero CO₂e emissions).

12) Energy efficiency includes projects producing electricity and district heating from biofuel (renewable energy, zero CO₂e). For 2022, the energy production from SEB's share of the district heating sums up to 402 GWh. For district heating in general, an emission factor of 158 g CO₂e /kWh is used (ref. Nordic Public Sector Issuers: Position Paper on Green Bonds Impact Reporting, February 2020, Appendix B). The use of bioenergy corresponds to a reduction of 60,397 tonnes CO₂e. The electricity production sums up to 128 GWh. Applying the Combined Margin of 315 g CO₂e/kWh, this result in a direct environmental impact of 19,300 tonnes of reduced CO₂e.

13) Estimated figure.

SEB's Green Bond Framework 2022 in brief

SEB's Green Bond Framework describes SEB's approach to green bonds and defines what assets and projects are eligible for financing through SEB's green bonds.

The framework is in line with the ICMA's Green Bond Principles and is broadly aligned with the substantial contribution part of the technical screening criteria of the EU Taxonomy as of December 2021. SEB follows the four core components of the Green Bond Principles and has obtained the recommended

second party opinion from Cicero. As market standards for green bonds develop, including the Standard for European Green Bonds, SEB may update this Green Bond Framework to ensure adherence to the best practices of the market.

1. Use of proceeds

Category	The UN's Sustainable Development Goals
Renewable energy – solar energy, wind power, ocean energy, geothermal, hydro, bioenergy, green hydrogen, ammonia	
Energy efficiency – electrification and improvements in energy efficiency	 
Pollution prevention and control – waste management, emission reduction	   
Environmentally sustainable management of living natural resources and land use – FSC/PEFC certified forests	 
Terrestrial and aquatic biodiversity	   
Clean transportation – zero emission solutions and low carbon public transport solutions	
Sustainable water and wastewater management	
Climate change adaptation	  
Circular economy	
Green buildings – new buildings and existing energy efficient buildings	

The UN's Sustainable Development Goals (SDGs) are the blueprint to achieve a better and more sustainable future for all and are increasingly integrated into action plans of nations, organisations as well as the private sector. The proceeds of SEB's green bond contributes to several of the

17 SDGs. Primary impact is deemed to be on the goals for Clean Water and Sanitation, Affordable and Clean Energy, Industry, Innovation and Infrastructure, Sustainable Cities and Communities, Climate Action, and Life on Land.

2. Process evaluation and selection

Customer and credit risk assessment

- Customer Acceptance Standards, including sustainability criteria
- Know Your Customer
- General credit policies
- Corporate Sustainability Policy, thematic policies and sector policies
- Approval in Sustainable Business Risk Committee
- Approval in Credit Committee & risk assessment including ESG risks

Screening for green asset eligibility

- Assessment against Green Bond Framework criteria
 - Assessment of potential lock-in and rebound effects
 - Life-cycle considerations – assets should have clear, net positive, long-term environmental impact
 - Option for non-approval due to, e.g., risk that significant harm is done to other sustainability objectives (environmental or social)
- Approval in Environmental and Sustainable Product Steering (ESPS) Committee – meets regularly, consists of representatives from business, Treasury, Sustainable Banking and Finance
- Environmental Function of the Committee has veto right

3. Management of proceeds

To manage the proceeds of green bonds, SEB has established a virtual balance sheet where eligible green assets are earmarked. The eligible green asset portfolio is monitored regularly within internal systems. SEB will only issue new green bonds when the green loan portfolio exceeds the total amount of outstanding green bonds.

4. Reporting

SEB reports annually on the environmental impact and allocation of proceeds in a Green Bond Investor Report. On a best effort basis, there will be information on the alignment of the green loan portfolio with the EU Taxonomy. The reporting takes guidance from the most recent versions of the Nordic Public Sector Issuers' Position Paper on Green Bonds Impact Reporting and ICMA's Harmonised Framework for Impact Reporting Handbook.

Reporting methodology

In accordance with the Green Bond Framework, SEB provides quantitative environmental impact data on a sector-based and aggregated level. SEB follows the methodology and recommended calculations of the Nordic Public Sector Issuers' Position Paper on Green Bonds Impact Reporting (February 2020) and ICMA's Harmonized Framework for Impact Reporting Handbook.

SEB's key reporting aspects

- SEB reports on the basis of the share of the projects'/assets' total investment cost that has been financed with proceeds from the green bonds.
- Reported impact is based on amounts disbursed and outstanding to a project (as opposed to amounts committed).
- Direct environmental impact is reported, such as renewable energy generation, energy savings and reduced emissions.
- Where applicable, indirect emissions, such as avoided emissions are reported.
- Where possible, actual impacts (ex post) are reported for. When not possible, e.g., ongoing construction of the project, expected impacts (ex ante) are reported.
- SEB reports on a portfolio basis, and in Swedish kronor (SEK). Currency rates as per 31 December 2022.
- For this document, the reporting period ends on 31 December 2022.

Methodology

- Emission factor calculated as Combined Margin according to IFI Harmonised Framework¹⁾ methodology, combining a Build Margin and Operating Margin. Same combination of Build Margin (50%) and Operating Margin (50%) used for all electricity projects.
- EU Mainland (EU 27 excluding Malta and Cyprus), the UK and Norway as the default baseline emission factor for accounting and disclosure of electricity.
- Combined Margin applied for SEB's 2022 impact reporting: 315 g CO₂e/kWh.
- Energy savings from green buildings disclosed as a net value, based on energy use per m² and year and compared to a baseline scenario in which buildings comply with applicable national regulations.

1) International Financial Institution Framework for a Harmonised Approach to Greenhouse Gas Accounting, November 2015.

External reviews

To ensure that SEB's Green Bond Framework meets high environmental and climate ambitions in line with international standards, SEB has obtained an independent second party opinion by Cicero Shades of Green. SEB's Green Bond Framework received a medium green shading overall. Cicero considers SEB's governance procedures in the framework to be Excellent and the framework to be aligned with ICMA's Green Bond Principles. Read the full report:

['Second Opinion' on SEB's Green Bond Framework.](#)

SEB has engaged an external, independent external auditor, Ernst & Young AB, to review the adherence to defined processes and use of proceeds as set out in the Green Bond Framework. Please read the Auditor's Limited Assurance Report on page 10.



°CICERO
Medium Green

Auditor's Limited Assurance Report

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

Introduction

We have been engaged by the Board of Directors of Skandinaviska Enskilda Banken AB (publ) (SEB) to undertake a limited assurance engagement of selected information in SEB's Green Bond Investor Report 2022, concerning the Green Bond issued in February 2022, ISIN XS2442768227 and November 2022, ISIN XS2553798443.

Assurance scope

The scope of our work was limited to assurance over the processes and systems for financing of eligible assets and allocating proceeds from the Green Bond to such assets, as described in the Investor Report (the "selected information"). The reporting criteria against which this information was assessed are relevant parts of the SEB Green Bond Framework per January 2022, available on the SEB website. Our assurance does not extend to any other information in the Investor Report. We have not reviewed and do not provide any assurance over any individual project information reported, including estimates of sustainability impacts.

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

The Board of Directors and the Executive Management are responsible for evaluating and selecting eligible assets, for the use and management of bond proceeds, and for preparing an Investor Report that is free of material misstatements, whether due to fraud or error, in accordance with the SEB Green Bond Framework.

Responsibilities of the Auditor

Our responsibility is to express a limited assurance conclusion on the selected information specified above based on the procedures we have performed and the evidence we have obtained.

We conducted our limited assurance engagement in accordance with ISAE 3000 (revised) 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 management of bond proceeds and the process for selection of eligible assets, and applying analytical and other limited assurance procedures, including inspection of documentation, and limited sample testing of the selected information.

The procedures performed in a limited assurance engagement vary in nature from, and are less in scope than for, a reasonable assurance engagement conducted in accordance with IAASB's Standards on Auditing and other generally accepted auditing standards. 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.

Our independence and quality control

Ernst & Young AB applies ISQM 1 (International Standard on Quality Management) 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. We are independent of SEB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

Conclusion

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

Stockholm, 27 April 2023

Ernst & Young AB

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