



# **Corporate Sustainability Policy for the SEB Group**

derived from the Rules of Procedure of the Board of Directors

adopted by the Board of Directors of  
Skandinaviska Enskilda Banken AB (publ)  
on 25 April 2023

**Sustainable Banking**

# Corporate Sustainability

## 1. Introduction

Skandinaviska Enskilda Banken AB (publ) ("SEB") believes that the future depends on making great ideas happen. SEB's purpose is to positively shape the future with responsible advice and capital. Today and for generations to come.

SEB defines Corporate Sustainability as providing financial services to its customers in a way that provide long-term economic, social and environmental value for its customers, its shareholders and society at large. This Policy is supplemented by SEB's Environmental Policy, Social and Human Rights Policy, Tax Policy, Inclusion and Diversity Policy, Customer Adoption Standards, Corporate Sustainability Governance Instruction and SEB's sector policies<sup>1</sup> as well as position statement<sup>2</sup>. The latter regulate our view on specific key issues and industry sectors that are considered critical from an environmental and social perspective. SEB's way of working is also expressed in the Code of Conduct and through SEB's core behaviours.

## 2. Purpose

The purpose with this Policy is to define the framework for sustainability in SEB and provide a governing platform for SEB's sustainability work for all business decisions, including investment and credit decisions.

## 3. Scope

This Policy applies to the SEB Group<sup>3</sup> and shall be implemented in all parts of the Group taking local rules into account where relevant.

## 4. Corporate Sustainability Statement

SEB recognises that a prerequisite for a prosperous and sustainable society is an awareness of sustainability challenges and a willingness and ability to act. SEB is committed to support its customers in the transition towards a low carbon economy in line with the Paris Agreement. To that respect SEB is a signatory of both the Net-Zero Banking Alliance and Net Zero Asset Managers initiative aiming at transitioning our credit and investment portfolios in line with the 1,5 degrees target.

Sustainable development is an important and integral part of the pursuit of value creation for customers, employees, shareholders and society at large. SEB is convinced that companies that include sustainability in their operations

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<sup>1</sup> Agriculture, Aquaculture, Fishing and Animal Welfare, Arms and Defence, Forestry, Fossil Fuels, Gambling, Mining and Metals, Renewable Energy and Electricity Transmission and Distribution, Shipping, Tobacco and Transportation

<sup>2</sup> Position on Modern Slavery Act

<sup>3</sup> Excluding the two subsidiaries SEB Investment Management AB and Gamla Livförsäkrings AB SEB Trygg Liv.

## Corporate Sustainability

and business decisions have the prerequisites to be more successful in the long term and hence preferred customers to the bank.

The strive towards achieving the United Nations' Sustainable Development Goals (SDGs) including increased ambitions among policy makers will have significant implications on investment needs in developing and developed countries. SEB seeks to contribute to the SDGs by combining sustainability advisory expertise and sustainable products in the offerings to its customers, enabling them in their contribution to the realisation of the SDGs. This will create value from a financial, social and environmental perspective.

SEB aims to minimize risks for any direct and indirect adverse impact on environment and climate, human rights and labour rights as well as from issues relating to anti-corruption. SEB does not use nor facilitate tax evasion or tax avoidance arrangements.

### 5. Corporate Sustainability Management

SEB aims to be a leading catalyst in the sustainability transition. SEB measures its progress through KPIs in the areas of green activity in finance and investments, carbon exposure in energy financing and transition ratio of the overall credit portfolio. In addition SEB has set 2030 sector targets, in line with the Net-Zero Banking Alliance methodology, covering SEB's lending to the oil & gas, power generation, steel, car manufacturing and Swedish household mortgage sectors.

SEB believes success is achieved by continuing the focus on being the trusted advisor to its customers. As the inclusion of sustainability into all aspects of commercial activities becomes paramount, SEB's ability to support its customers will be dependent on a continuous development of sustainability capacity and know-how across the bank combined with established supportive functions, metric targets and incentives to develop in line with our customers' and stakeholders' demands.

#### 5.1 To reach the goal of being a leading catalyst in the sustainability transition SEB continuously enhance its capabilities in the field of sustainability. The following are "*Important Enablers*" to realize the strategic ambitions:

*Competence development.* SEB invests in its staff's abilities to support SEB's customers, by continuously offer internal and external training making sure the thought-leading position within sustainability is safe-guarded.

*Customer classification.* SEB has established a Customer Sustainability Classification tool supporting its customer advisory offering, its ability to track its credit portfolio's impact and raise sustainability related funding in the market.

## Corporate Sustainability

*Investment offering.* SEB strives to have a comprehensive and competitive investment offering with sustainability risks and impacts integrated into investment processes and products.

*Product development.* SEB strives to continuously be top rated and in the forefront of developing new funding and investment opportunities for its customers.

*Advisory capacity.* SEB's goal to be a leading catalyst of the climate transition is dependent on top rated research and advisory capacity. That requires a solid internal critical mass of sustainability know-how across public and private research but also a solid understanding of the regulatory landscape and its effects.

*Impact.* SEB aims to consciously steer its impact through the deployment of services, products and capital, in line with the sustainability commitments made by SEB and supported by metric targets.

*Sustainability Data Management.* SEB is dependent on efficient storing and accessibility to in-sourced, enhanced and produced sustainability data, in order to fulfil external reporting requirements as well as capturing sustainability related business opportunities. SEB is developing its data capabilities to fulfil both these goals.

*Risk management.* SEB ensures that appropriate sustainability risk due diligence is available in relevant decision-making bodies to support management in conducting business in line with directions from President and Board of Directors.

## 6. Stakeholder Engagement

SEB's stakeholders take a deep interest in sustainability. Owners and creditors as well as customers, suppliers and current and future employees are all important stakeholders. SEB takes a keen interest in their opinions and selection criteria. SEB's position and importance in society combined with its stakeholders' views forms the foundation for SEB's Sustainability commitments and strategy.

## 7. Corporate Sustainability Governance Framework

**7.1** The *Board of Directors* (the "Board") of Skandinaviska Enskilda Banken AB (the "Bank") is responsible for the management of the affairs and the organisation of the SEB Group. In respect of corporate sustainability this includes the establishment of a strategy and governance structure for corporate sustainability.

The Board fulfils these responsibilities among other things through the approval of (i) the SEB Group Business Plan, (ii) the Corporate Sustainability Strategy,

## Corporate Sustainability

(iii) the Corporate Sustainability Policy for the SEB Group<sup>4</sup>, (iv) the Sustainability Governance Instruction for the SEB Group<sup>5</sup>, (v) the Thematic Policies for the SEB Group<sup>6</sup> and (vi) the Annual and Sustainability Report. The Board is regularly updated on corporate sustainability matters.

**7.2** The *President and Chief Executive Officer* (the "President") is responsible for the execution of the Corporate Sustainability Strategy and implementation of the governance structure set by the Board.

**7.3** The President has established a *Group Executive Sustainability Committee* ("GESC") to manage the execution of the corporate sustainability strategy in the SEB Group<sup>7</sup>. GESC is a decision-making body that is chaired by the President.

**7.4** The President has established *SEB's External Sustainability Advisory Board* ("SESAB") which provides strategic intelligence concerning sustainability

**7.5** *Sustainable Banking* ("SB") is a first line Group Function in the SEB Group that is responsible for coordinating and driving the overall corporate sustainability agenda in close collaboration with the Divisions, Group Staff functions and Group Support functions. The Chief Sustainability Officer ("CSO") heads Sustainable Banking and is a member of GESC and the Group Risk Committee ("GRC") and is an additional member of the Group Executive Committee (GEC).

**7.6** The *Sustainable Product Committee* ("SPC") is a committee administrated by Sustainable Banking that decides on the right for Business Areas and Business Units in the SEB Group to use any sustainability-reference in the marketing or distribution of products or services. Sustainability references include, for example, references to ESG (Environmental Social Governance), SDG (Sustainable Development Goals), and EU Taxonomy or any other sustainability characteristics.

**7.7** The *Environmental and Sustainable Product Steering Committee* ("ESPSC") is a sub-committee to SPC that decides on the eligibility of assets for the SEB Group's sustainability linked funding programs.

**7.8** Each Head of Division, Head of Group Support function and Head of Group Staff function is responsible for ensuring that sustainability related procedures and controls are in line with the business plan, sustainability policies and instructions set by the Board, the President and GESC.

**7.9** Each Division shall have a *Sustainability Business Risk Committee* ("SBRC") that shall have the capacity to assess any potential deviations from SEB's sustainability policies and instructions in relation to new customers or

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<sup>4</sup> Excluding the two subsidiaries SEB Investment Management AB and Gamla Livförsäkrings AB SEB Trygg Liv.

<sup>5</sup> Ibid

<sup>6</sup> Ibid

<sup>7</sup> Ibid

## Corporate Sustainability

transactional proposals. Escalation to a divisional SBRC is done by a business committee. Escalation is done when a proposed transaction or customer onboarding may potentially deviate from any SEB sustainability related policy or SEB internal and external sustainability related targets. A divisional SBRC can escalate onboarding and transactional proposals to relevant credit committee as defined by the “Customer Acceptance Mandate Instruction”.

### 8. Reporting

SEB shall be transparent in its efforts to support long-term sustainable development of its operations. SEB shall report publicly on sustainability performance, development and impact in the Annual Report. Other external reports, as a result of public commitments, follow each international organisation’s reporting standard.

### 9. Sustainability commitments

SEB recognises the importance of participating in and supporting international commitments that enable businesses to operate in a more sustainable way. SEB supports the following international agreements<sup>8</sup> and international frameworks:

<b>International Agreement</b>	<b>Description</b>
<ul style="list-style-type: none"><li>• UN Sustainable Development Goals</li></ul>	17 globally agreed goals for 2030 developed by governments, the private sector and civil society to achieve a sustainable development for our planet.
<ul style="list-style-type: none"><li>• The Paris Agreement</li></ul>	An agreement between governments to limit global warming to well below 2 degrees compared to pre-industrial levels.
<ul style="list-style-type: none"><li>• The Universal Declaration of Human Rights</li></ul>	An expression by all governments in the United Nations of the rights and freedoms everyone is entitled to.
<ul style="list-style-type: none"><li>• The eight ILO Core Conventions on Labour Standards<sup>9</sup></li></ul>	Eight ILO principles and rights at work that are considered fundamental for the world of work and should be prioritized for ratification into national laws.
<ul style="list-style-type: none"><li>• The UN Guiding Principles on Business and Human Rights</li></ul>	A set of guidelines for states and companies to prevent, address and remedy human rights abuses committed in business operations.
<ul style="list-style-type: none"><li>• The Children's Rights and Business Principles</li></ul>	Principles to guide companies on actions they can take in the workplace, marketplace and community to respect and support children's rights.
<ul style="list-style-type: none"><li>• The OECD Guidelines for Multinational Enterprises</li></ul>	Recommendations addressed by governments to multinational enterprises operating in or from adhering countries. They provide non-binding principles and standards for responsible business

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<sup>8</sup> State level agreements which partly or wholly relate to business, but with no formal mechanism for business to endorse or join.

<sup>9</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)

## Corporate Sustainability

conduct in a global context consistent with applicable laws and internationally recognised standards. They come with a government-supported office (National Contact Point) to handle 'specific instances' (grievances) against companies who allegedly have failed to meet the Guidelines' standards.

SEB is a member of, or has signed, the following business related commitments:

<b>International Framework</b>	<b>Description</b>
<ul style="list-style-type: none"><li>• UN Global Compact</li></ul>	Framework for corporates to implement universal sustainability principles in the areas of human rights, labour rights, environment and anti-corruption.
<ul style="list-style-type: none"><li>• UNEPFI – Principles For Responsible Banking</li></ul>	Strategic sustainability framework for banking to enable a positive contribution to society by integrating the Paris Agreement and SDGs in objectives and business processes.
<ul style="list-style-type: none"><li>• UNEPFI – Net-Zero Banking Alliance</li></ul>	The members are committed to aligning their lending and investment portfolios with net-zero emissions by 2050.
<ul style="list-style-type: none"><li>• The Net Zero Asset Managers initiative</li></ul>	The members have committed to achieve net zero alignment by 2050 or sooner, drawing on the Net Zero Investment Framework to deliver these commitments.
<ul style="list-style-type: none"><li>• Equator Principles</li></ul>	A risk management framework, adopted by financial institutions, for determining, assessing and managing environmental and social risk in projects. Primarily intended to provide a minimum standard for due diligence and monitoring.
<ul style="list-style-type: none"><li>• Task Force on Climate-related Financial Disclosures, (TCFD)</li></ul>	The TCFD is an industry-led initiative created to develop a set of recommendations for voluntary climate-related financial disclosures for use by companies in providing information to investors, lenders, insurers, and other stakeholders.
<ul style="list-style-type: none"><li>• UN supported Principles for Responsible Investments, (PRI)</li></ul>	Six investment principles that offer a menu of possible actions for incorporating ESG issues into investment practice in order to better align investors with broader objectives of society.
<ul style="list-style-type: none"><li>• Poseidon Principles</li></ul>	A global bank initiative to reduce the emission of greenhouse gases from shipping consistent with the International Maritime Organisation's ambition that by 2050 carbon dioxide emissions from shipping shall be reduced by 50% compared with the base year 2008.
<ul style="list-style-type: none"><li>• Responsible Ship Recycling Standards, (RSRS)</li></ul>	A joint bank initiative for ensuring environmentally and socially responsible dismantling and recycling of ships