

Financing a sustainable future

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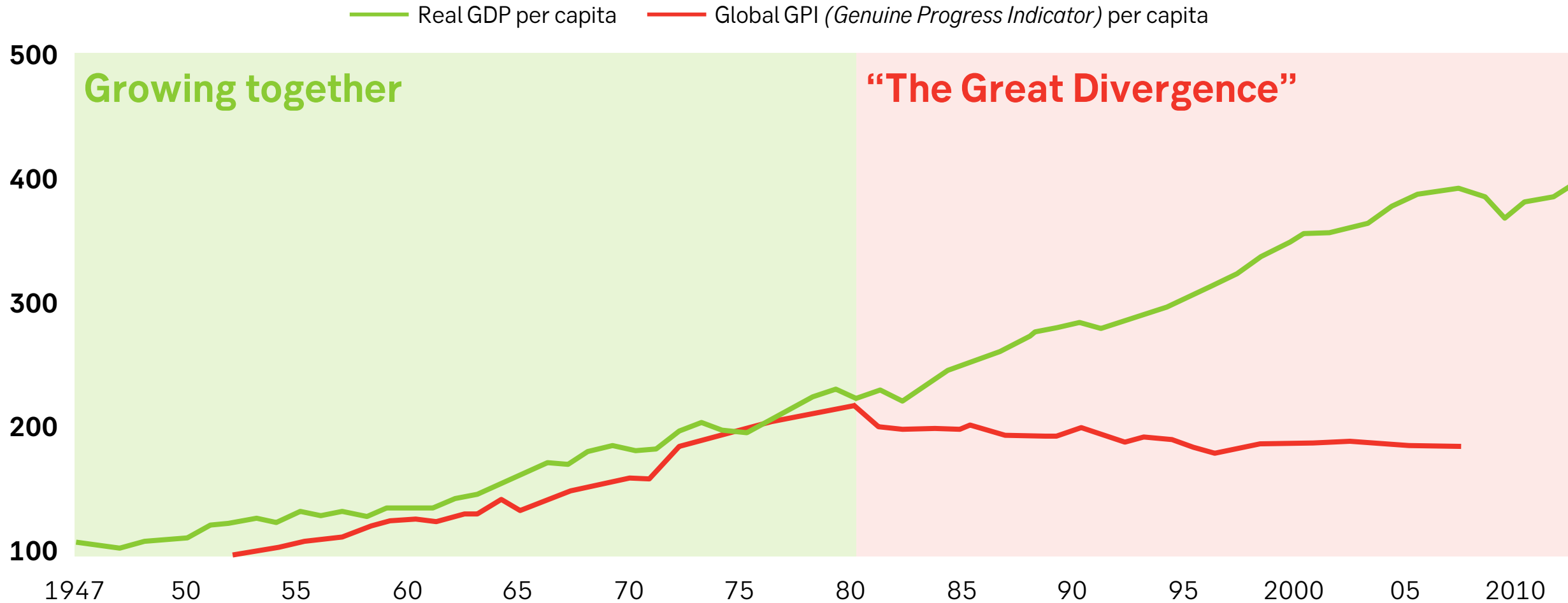
Where we are today

SEB



The great divergence

No economic growth since 1980 if we include the cost of cleaning up the environment



Closing the “great divergence” through finance

3. Products to support our clients' transformation

2. Integrate sustainability in risk and shift portfolio

1. Minimize/Prevent negative impact

Closing the “great divergence” through finance

Customers and society



**Sustainable
Advisory**



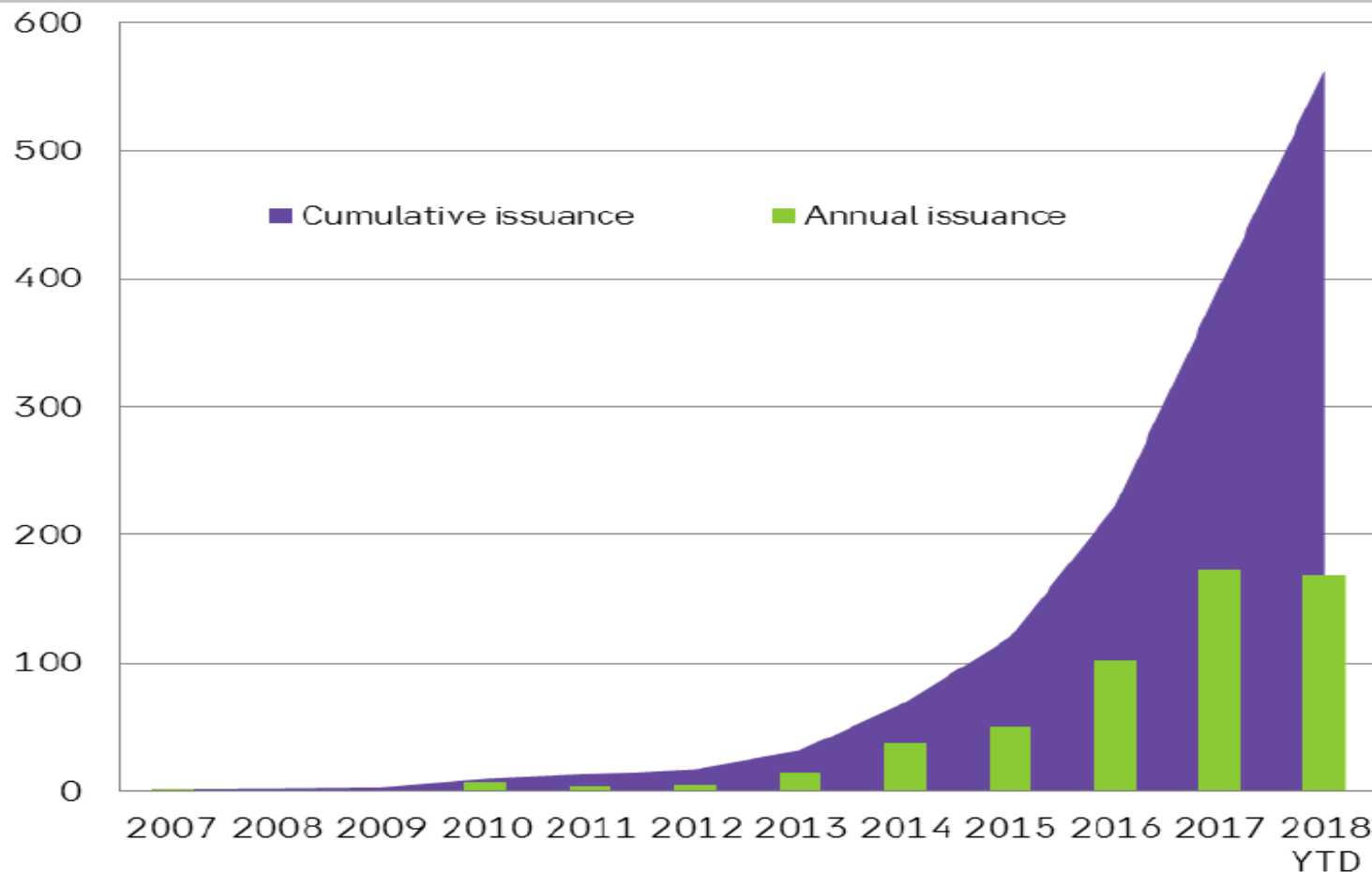
**Sustainable
Investments**



**Sustainable
Finance**

Ten years with green bonds – SEB continues to develop the market

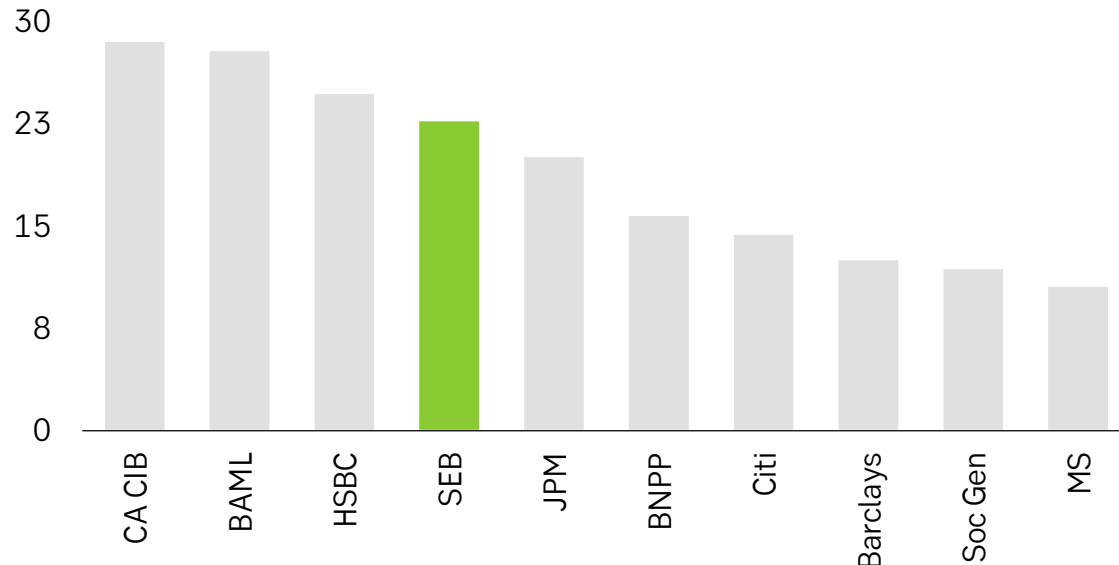
Figure 1. Total Cumulative Issuance (USD Bn)



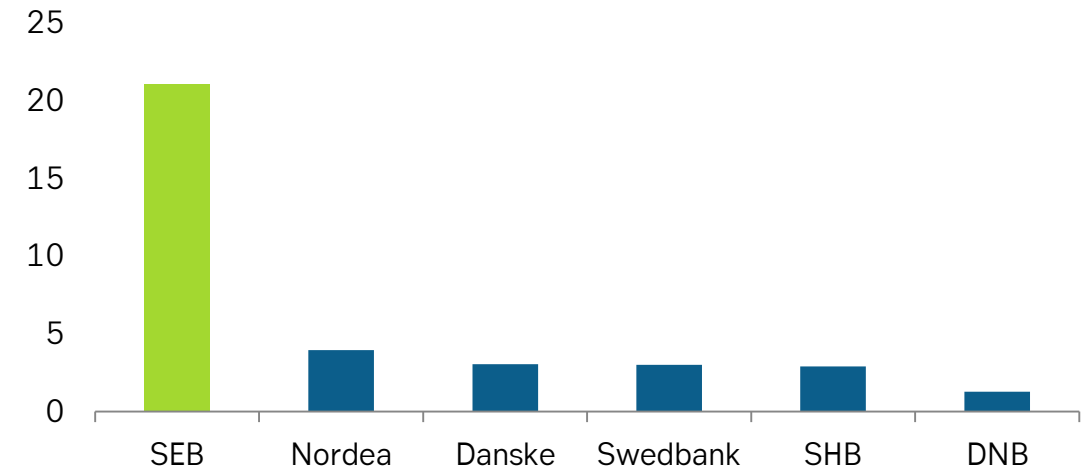
Source: SEB analysis based on Bloomberg and SEB data

A global thought leader on green bonds

Underwriters in green bond market
2008-2018 (USD bn)¹



Top Nordic underwriters 2008 – 2018 (USD bn)



Q1:



First blue bond issued
SEB acted as sole lead

From green bonds to green and sustainable loans

Green loans



20 billion SEK by 2020

Green mortgages



First with Green Mortgage

Green leasing



Launched 6 May

Sustainability linked loans



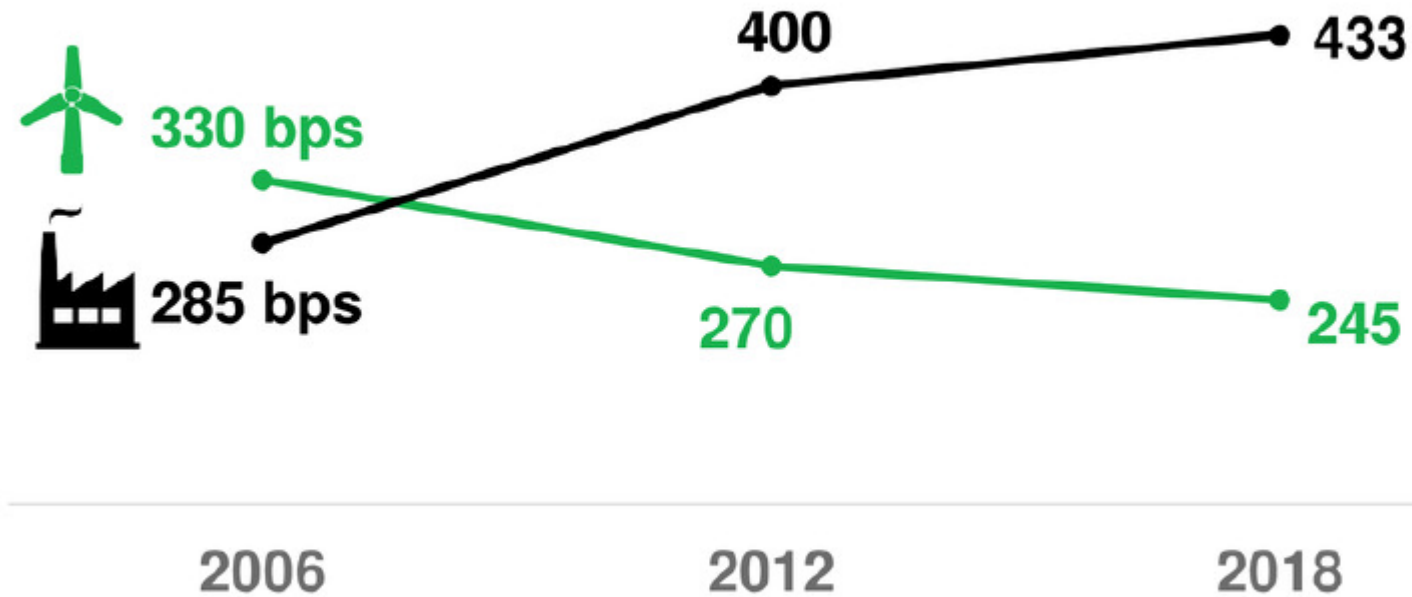
First with linking loan to Science Based Targets (SBT)

Financed through SEB's Green Bond

The market is starting to price climate risks...

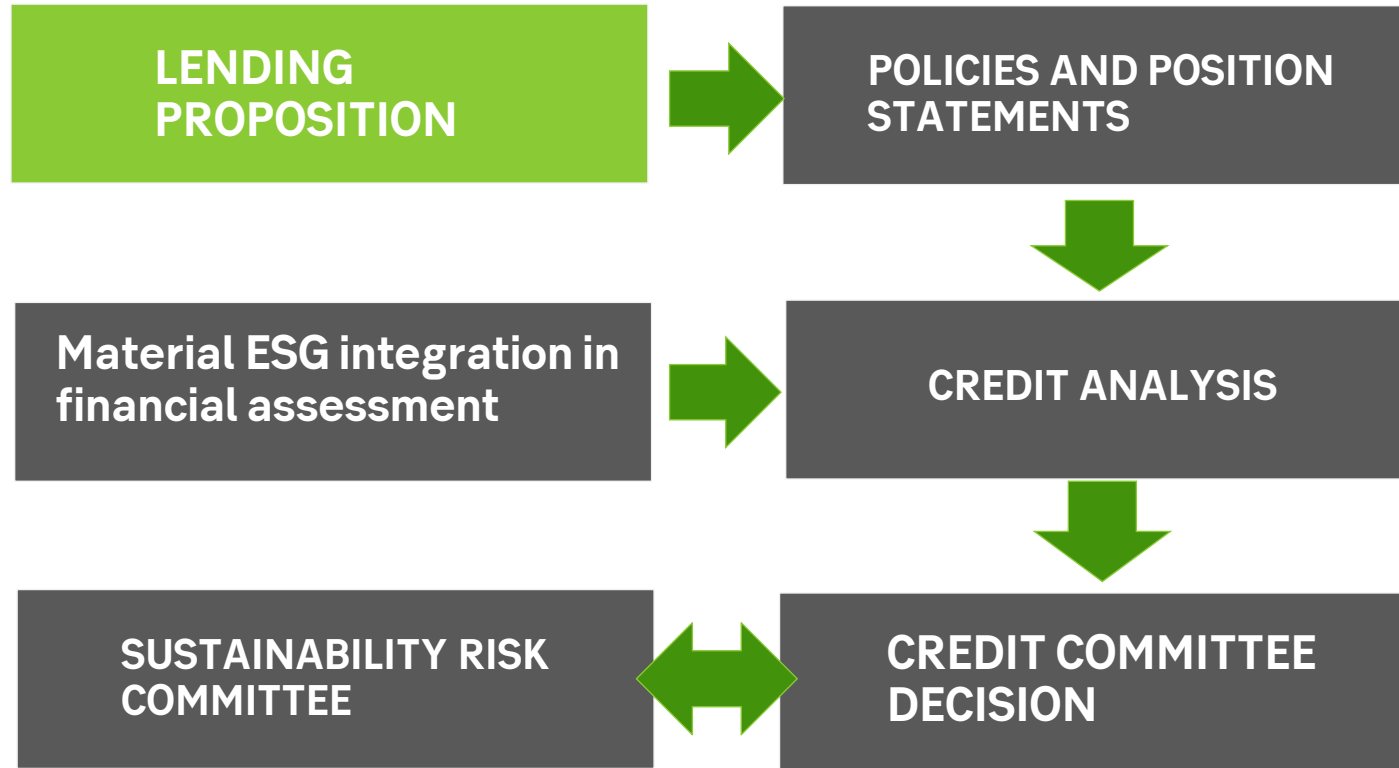
Index Performance: Clean energy (NEX) vs Coal (Stowe)

Debt margins for clean energy and coal term loans



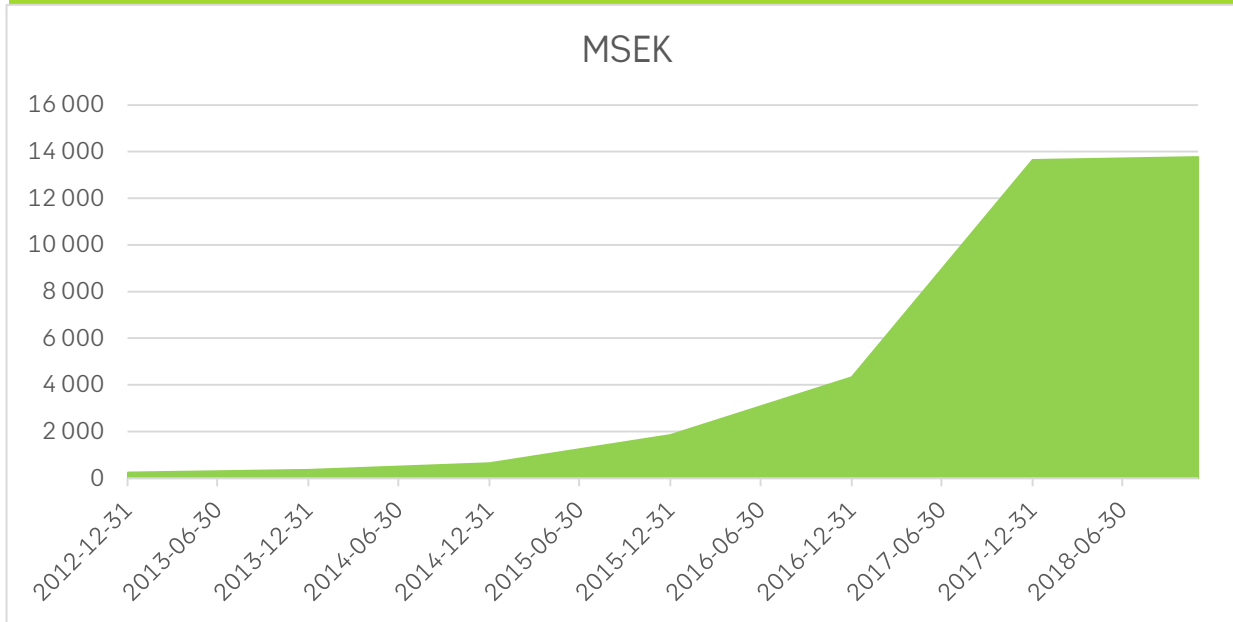
Source: Bloomberg LP, BloombergNEF Note: Weighted average margins for term loans priced with US Libor. Above values in basis points

SEB's credit granting process and ESG



Sustainability funds a success in growth and profitability...

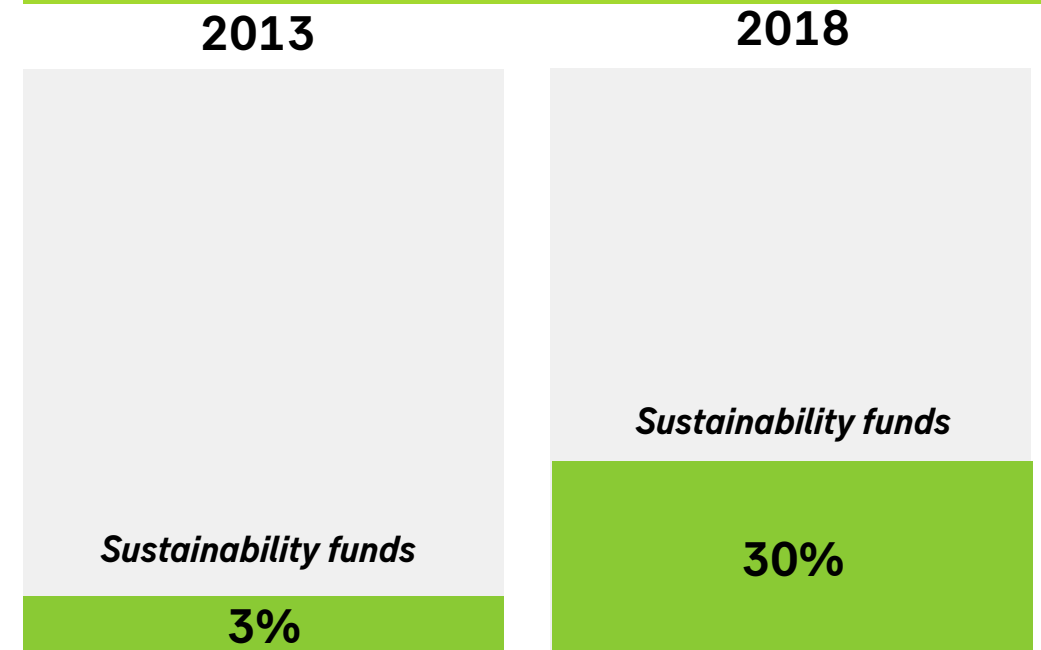
AuM inflow to Sustainability Fund Global



AuM Sustainability Criteria

SEB Sustainability Fund Global is our most sold fund 2018

AuM Sustainability Criteria (SEB Fund Company)



Total AuM Sustainability Criteria 11%

Q1:



New sustainable credit fund
focusing on Nordic floating rate notes

We asked our customers about their preferences



Exclude, include and engage to create change in society

Engagement themes	2018	2017	2016
Human rights (Access to medicine + Extractive sector)	52	52	52
Palm oil	24	25	25
Environment (Thermal coal usage + IIGCC Climate Change)	177	114	14
Corporate tax	50	50	-
Total engagement dialogues with portfolio companies	885	791	516
Nomination committees	33	31	36

 **Total ban of tobacco in all sustainability funds as of March 15**

Micro finance funds – SEB among the largest in Europe

\$ 777 m

23.6 million
micro-borrowers

49
developing
countries



New innovations in the impact, risk, return space

ESG Operations

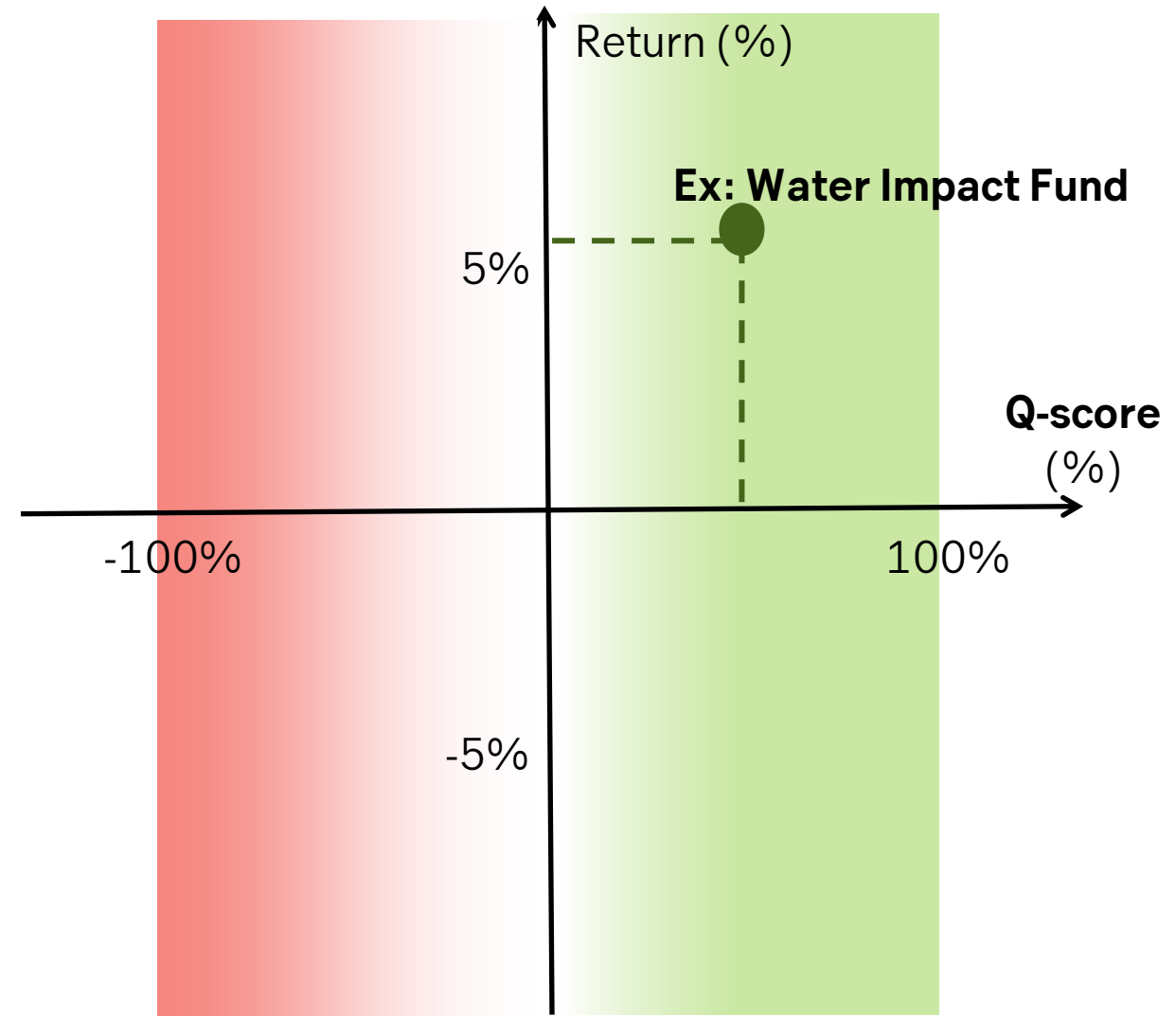
Impact

Impact Metric Tool

	Carbon intensity
	Waste intensity
	Water stress intensity
	Diversity
	Labour conditions
	Corporate governance
	Job creation
	Neg. environmental impact
	Pos. environmental impact
	Neg. social impact
	Pos. social impact

Q-score

Portfolio Return and Q-score





Sustainability a new strategic initiative

1 Upgrade policies

2 KPIs in performance management

3 Sustainability in KYC process

4 Classification of credit portfolio

5 Grow sustainability total AuM

6 Analytics team & advisory service

7 Sustainability innovation center

Targets and KPIs related to the Sustainability strategic initiative

Area	Description	Result 2018	Result 2017	Target 2019–2021
Innovation	<ul style="list-style-type: none"> Create sustainable finance innovation centre to develop and launch new sustainable products and services 	Decided		Establish (2019)
Sustainable Finance	<ul style="list-style-type: none"> Green loan portfolio Green mortgages 	SEK 16bn Launched	SEK 13.2bn	Increase Establish baseline (2019), increase
	<ul style="list-style-type: none"> Green bond issuance, ranking in the Nordic countries ¹⁾ Gradually shift credit portfolio towards increased sustainable financing 	1	1	Keep Classify and set targets (2019)
Sustainable Investment	<ul style="list-style-type: none"> Total Assets under Management (AuM) managed with sustainability criteria SEB funds managed with sustainability criteria, share of AuM SEB funds assessed with human rights criteria, share of AuM SEB impact and thematic funds³, total AuM 	11%² 30 % 100 % SEK 8bn	8% ² 25% 100%	Increase Increase Keep Increase
People	<ul style="list-style-type: none"> Integrate sustainability KPI's into incentive programmes for senior managers 	Decided		Define and launch (2019)
	<i>Gender by management type, (m/f, %):</i> <ul style="list-style-type: none"> Group Executive Committee (GEC) Senior management 	77/23% 66/34%	83/17% 69/31%	Increase balance in senior management
Business Ethics and Conduct	Employees that have completed training in Code of Conduct ⁴	90%	85%	100%
Environment direct impact	Reduce total carbon emissions with 20 % 2016– 2020	23,198 tonnes	23,797 tonnes	18,500 tonnes ⁵ (2020)

1. Bloomberg
2. Includes only SEB funds assessed with sustainability criteria
3. Includes among others Micro Finance Funds, Impact Opportunity Fund, Green Bond Fund
4. Includes consultants, excludes employees on leave of absence
5. See comment about re-calculation in above text (Environment, direct impact)

Financing opportunity:
€ 270bn(*additional*)

SEB

Energy
efficiency
30%



Electrification
of transportation
€ 80bn

Power
€ 100bn

Water & Waste
€ 90bn



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