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 18 May 2021

Sustainable Banking
1. **Introduction**

Skandinaviska Enskilda Banken AB (publ) (“SEB”) has an ability and responsibility through its provision of universal financial services to contribute to the promotion of sustainable growth and prosperity. 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, Human Rights Policy, Tax Policy, Inclusion and Diversity Policy, Customer Adoption Standards, Corporate Sustainability Governance Instruction and SEB’s position statements\(^1\) as well as sector policies\(^2\). 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 values.

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 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. Concerning the environment, SEB has an important role to play in adjusting its strategy and supporting its customers in the transition towards a low carbon economy in line with the Paris Climate Agreement.

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 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 United Nations’ Sustainable Development Goals (SDGs) will have significant implications on investment needs in developing and

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\(^1\) Freshwater and Child Labour

\(^2\) Arms and Defence, Mining and Metals, Shipping, Forestry, Fossil Fuels, Gambling, Tobacco and Renewable Energy
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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 labor 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 the indisputable leader in sustainable finance in our home-markets and selected strategic areas. SEB believes this position is achieved by continuing the focus on being the trusted advisor to our 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 within all functions combined with established supportive functions, metric targets and incentives to develop in line with our customers’ and stakeholders’ demands.

5.1 SEB builds its ability to reach the goal of indisputable leadership through a continuous enhancement of its capabilities in the field of Sustainability. Progress is measured through KPIs in the following areas:

*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 Corporate Customer classification tools supporting its customer advisory offering, its ability to track its credit portfolio’s impact and raise sustainability related funding in the market.

*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 reach the indisputable leadership and trusted advisor status 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.
Corporate Sustainability

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.

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 Model

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 for corporate sustainability and an organisation to execute such strategy.

The Board fulfils these responsibilities among other things through the approval of (i) the SEB Group Business Plan, which includes the corporate sustainability strategy considerations, (ii) the Corporate Sustainability Policy for the SEB Group, (iii) the Sustainability Governance Instruction for the SEB Group, which outlines the governance structure for the corporate sustainability, and (iv) 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. GESC is a decision-making body that is chaired by the President.

7.4 Sustainable Banking (“SB”) is a first-line, operational body 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
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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).

7.5 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. The sustainability reference includes, for example, references to ESG (Environmental Social Governance), SDG (Sustainable Development Goals), and EU Taxonomy.

7.6 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.

7.7 Each Head of Division, Head of Group Support function and Head of Group Staff function have the responsibility to ensure that procedures and controls are in place in order to implement and adhere to the corporate sustainability objectives, strategy and policies set by the Board, the President and GESC.

7.8 Each Division shall have a Sustainability Business Risk Committee ("SBRC") that shall assess and decide upon a new customer or transactional proposal from a material sustainability risk perspective, before bringing the onboarding or the transaction to a business proposal decided by the relevant decision-making body. Escalation to a divisional SBRC is done by the Client Executive (or equal) when a proposed transaction or customer onboarding either is covered by any SEB sustainability linked policy or could potentially materially deviate from SEB’s sustainability risk appetite.

8. Reporting

SEB shall be transparent in its efforts to support long-term sustainable development of its operations. SEB shall report publicly on the sustainability work in conjunction with the Annual Report. Other external reports follow each international organisation’s reporting routines.

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 and international framework:

<table>
<thead>
<tr>
<th>International Agreement</th>
<th>Description</th>
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<tr>
<td>• UN Sustainable Development Goals</td>
<td>17 globally agreed goals for 2030 developed by governments, the private sector and civil society to achieve a sustainable development for our planet.</td>
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3 State level agreements which partly or wholly relate to business, but with no formal mechanism for business to endorse or join.
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- The Paris Climate Agreement
  An agreement between governments to limit global warming to well below 2 degrees compared to pre-industrial levels.

- Universal Declaration of Human Rights
  An expression by all governments in the United Nations of the rights and freedoms everyone is entitled to.

- The eight ILO Core Conventions on Labour Standards\(^4\)
  8 ILO principles and rights at work that are considered fundamental for the world of work and should be prioritized for ratification into national laws.

- UN Guiding Principles on Business and Human Rights
  A set of guidelines for states and companies to prevent, address and remedy human rights abuses committed in business operations.

- The Children’s Rights and Business Principles
  Principles to guide companies on actions they can take in the workplace, marketplace and community to respect and support children’s rights.

- OECD Guidelines for Multinational Enterprises
  Recommendations addressed by governments to multinational enterprises operating in or from adhering countries. They provide non-binding principles and standards for responsible business 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.

International Framework

- UN Global Compact
  Framework for corporates to implement universal sustainability principles in the areas of human rights, labour rights, environment and anti-corruption.

- UNEPFI – Principles For Responsible Banking
  Strategic sustainability framework for banking to enable a positive contribution to society by integrating the Paris Climate Agreement and SDGs in objectives and business processes.

- UNEPFI – Net Zero Banking Alliance
  The members of the NZBA commit to support the global transition of the real economy to net-zero emissions by 2050.

- Equator Principles
  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.

\(^4\) 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)
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<tr>
<td>• Task Force on Climate Related Financial Disclosure (TCFD)</td>
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<td>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.</td>
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<tr>
<td>• UN supported Principles for Responsible Investments (PRI)</td>
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<td>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.</td>
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<td>• Poseidon Principles</td>
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<td>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.</td>
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<tr>
<td>• Responsible Ship Recycling Standards, RSRS</td>
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<td>A joint bank initiative for ensuring environmentally and socially responsible dismantling and recycling of ships</td>
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