



Environmental Policy for the SEB Group

derived from the Instruction for the President and Chief Executive Officer

adopted by the President and Chief Executive Officer of
Skandinaviska Enskilda Banken AB (publ)
on 15 November 2018

Group Sustainability

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1. Introduction

Banks play an important role in society, by providing credit and managing financial assets in ways that promote sustainable economic growth and prosperity. Thus, Skandinaviska Enskilda Banken AB's (publ) ("SEB") business has a direct and indirect impact in the markets and communities where it operates. SEB defines Corporate Sustainability as the delivery of long-term value in economic, ethical, social and environmental terms. SEB integrates corporate sustainability in its activities by taking a broad business approach and targeting three areas – Responsible Business, People and Community and Environment.

2. Purpose

The purpose of this Policy is to define the framework and provide a basis for SEB's work to protect the environment. The Policy is supplemented by SEB's position statements¹ and sector policies², which regulate SEB's view on specific key issues and industry sectors that are considered more critical from an environmental and social perspective.

SEB's approach to its environmental responsibility is based on SEB's Corporate Sustainability Policy. SEB's corporate culture and way of working is characterised by its core values: *Customers first, Commitment, Collaboration, Simplicity*.

3. Scope

This Policy applies to the SEB Group and covers SEB's business activities and operations globally.

4. Environmental responsibility statement

Corporations are expected to acknowledge and accept responsibility for managing natural capital and ecosystem services for the benefit of future generations. SEB is aware of its responsibility to contribute to sustainable development and is addressing environmental and social aspects in financing and investments as well as in managing its direct impact. SEB also believes that sound environmental management is good business practice for SEB and SEB's business partners.

Environmental responsibility concerns the impact that SEB, or SEB's business partners, have on living and non-living natural systems, including ecosystems,

¹ Climate Change, Freshwater and Child Labour

² Arms and Defence, Mining and Metals, Shipping, Forestry, Fossil Fuels and Renewable Energy

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land, air and water. Within this responsibility lies monitoring of environmental input (such as material, energy, water) and output (such as emissions, effluents, waste) as well as performance related to biodiversity, environmental compliance, environmental expenditure and the impact of products and services.

SEB expects our clients and portfolio companies to manage natural resources responsibly. We encourage them to implement Forest Stewardship Council (FSC)ⁱ or an equivalent certification scheme where this is practical and reasonable to do. SEB will not provide financial products or services to operations negatively impacting:

- UNESCO World Heritage sitesⁱⁱ,
- wetlands covered by the Ramsar Conventionⁱⁱⁱ,
- International Union for the Conservation of Nature Red List Species^{iv},
- national parks and nature reserves,
- high conservation value forests (HCVF)^v.

SEB will also not trade in, or contribute to trade in, endangered plant and animal species that are on the CITES^{vi} unless it is authorized through CITES licensing system.

5. Environmental management

Managing SEB's environmental impact is important to SEB. Besides complying with applicable environmental laws and regulations in the countries in which SEB operates SEB aims to promote environmental awareness and knowledge by educating and motivating employees and customers. SEB maintains a continuous improvement cycle of environmental management and performance, including revision of long-term and short-term environmental performance targets.

a) Reducing SEB's environmental footprint (direct environmental impact)

As a financial institution SEB's direct environmental impact is relatively small. Nevertheless, SEB has high ambition to reduce its environmental footprint. SEB is committed to:

- work to reduce the direct negative impact of SEB's operations on the environment;
- reduce carbon emissions from our operation;
- being resource efficient and use renewable or recyclable materials; and
- minimise and recycle waste.

b) Finance and investments (indirect environmental impact)

The largest impact SEB, as a financial institution and bank, has on the environment is indirect through the products and services SEB provides to its customers. SEB is committed to:

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In SEB's dealings with customers:

- work with position statements and sector policies to establish a common framework for a proactive and future-oriented dialogue with SEB's clients and portfolio companies, focusing on business opportunities and risk reduction;
- continuously improve SEB's business and risk assessment procedures to further develop SEB's environmental and social considerations; and
- look for opportunities to offer SEB's customers environmental friendly choices in financial products and services, including investment products.

In SEB's dealings with suppliers and business partners,

- consider the environmental performance of suppliers and contractors, as well as the environmental impact of products and services, in the context of the procurement process; and
- apply SEB's Code of Conduct for Suppliers³ which defines SEB's framework and requirements for supply chain partners.

6. Stakeholder engagement

SEB strives to address environmental issues that are relevant and meaningful for SEB as a bank and the markets in which SEB operates. Engaging with SEB's stakeholders and incorporating their feedback is therefore instrumental to the success of SEB's environmental work. SEB also acknowledges the role SEB can play in collaborating with stakeholders on issues and challenges of mutual interest and concern.

7. Governance

The Board of Directors oversees management's role in ensuring that SEB's environmental commitment is promoted and maintained across the Group in a responsible and sustainable manner.

The President and Chief Executive Officer has overall responsibility for the Group's environmental policies and performance.

The Corporate Sustainability Committee is responsible for setting the sustainability agenda, recommending policy decisions as well as monitoring and following up the development of SEB's sustainability priorities, such as SEB's environmental priorities. This includes incorporating environmental considerations into the lending process for customers across the Group, as well as into the investment management process, and monitoring the Group-wide emission reduction programme.

³ Please refer to SEB's Supplier Code of Conduct, <http://sebgroupp.com/about-seb/sustainability/how-we-work/supply-chain-management>

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The Chief Sustainability Strategist is responsible for consistent development and implementation of this Policy across the group, initiating an annual review and reporting on progress.

The Head of each Division, Business Support or Group Staff Function is responsible for ensuring that activities are carried out in accordance with this Policy.

8. Reporting and Disclosure

Environmental reporting helps create awareness of the issues and provides management with the possibility to track performance on agreed goals. SEB shall report publicly on the bank's environmental performance on, at least, an annual basis. The annual reporting shall be finalised in conjunction with the Annual Report, as a separate report, integrated or a combination. Other external reports follow each international organisation's reporting routines.

9. International commitments

SEB recognises the importance of participating in and supporting international commitments that enable businesses to operate in a more sustainable way. SEB is committed to:

- UN Global Compact
- OECD Guidelines for Multinational Enterprises
- UN supported Principles for Responsible Investments (PRI)
- UN Environment Program Finance Initiative (UNEPFI)
- Equator Principles
- Carbon Disclosure Project
- CDP Water Disclosure Project
- Global Investor Statement on Climate Change
- The Montréal Carbon Pledge

This Policy, in combination with these voluntary international guidelines and conventions, represents the fundamental framework for SEB's environmental work.

ⁱ The United Nations Educational, Scientific and Cultural Organization (UNESCO) seeks to encourage the identification, protection and preservation of cultural and natural heritage. The UNESCO World Heritage List includes over 900 properties forming part of the cultural and natural heritage which the World Heritage Committee considers as having outstanding universal value, such as a forest, mountain, lake, desert, monument, building, complex, or city that is considered to be of outstanding importance to the common heritage of humanity. <http://whc.unesco.org/en/list>

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ⁱⁱⁱ The Convention on Wetlands of International Importance, called the Ramsar Convention, is an intergovernmental treaty that provides the framework for national action and international cooperation for the conservation and wise use of wetlands and their resources <http://www.ramsar.org/sitelist.doc>

^{iv} The International Union for Conservation of Nature (IUCN) Red List of Threatened Species™ is widely recognized as the most comprehensive, objective global approach for evaluating the conservation status of plant and animal species. <http://www.iucnredlist.org/>

^v High Conservation Value Forests (HCVF) –are forests of outstanding and critical importance. This could be due to the presence of endangered wildlife, an unusually high number of rare plant species or areas that are in or contain rare, threatened or endangered ecosystems. It could also be because the forest is of critical importance to local people because it provides them with food, water, income or sites of cultural significance. It also includes forest areas that provide basic services of nature in critical situations (this includes: protection of watersheds, protection against erosion and destructive fire). <http://www.fsc.org/1113.html> Also refer to High Conservation Value Network providing a global toolkit for identification of HCVF <http://www.hcvnetwork.org/resources/global-hcv-toolkits/global-hcv-toolkits>

^{vi} CITES (the Convention on International Trade in Endangered Species of Wild Fauna and Flora) is an international agreement between governments. Its aim is to ensure that international trade in specimens of wild animals and plants does not threaten their survival. <https://www.cites.org/>