



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 13 June 2024

Sustainable Banking

Sustainability Policy

1. Introduction

The SEB Group's purpose is to positively shape the future with responsible advice and capital, today and for generations to come. By providing transition advice, financing and investments, the SEB Group helps its customers on the path towards a low carbon and sustainable economy. Through its ambitions and goals, the SEB Group aims to accelerate the pace towards a sustainable future for people, businesses and society. Integrating sustainability into the SEB Group's everyday business and helping its customers in the transition towards a more sustainable society is fundamental to the SEB Group's ability to positively shape the future.

2. Purpose and context

- 2.1 The purpose of this Policy is to define the framework for sustainability in the SEB Group and provide a governing platform for the SEB Group's sustainability work for all business decisions, including credit and investment decisions.
- 2.2 This Sustainability Policy is supplemented by the Sustainability Governance Instruction, two thematic sustainability policies, and accompanying sector policies which regulate the SEB Group's view on specific key issues in various industry sectors that are considered critical from an environmental and social perspective.

Along with SEB Group's Code of Conduct, additional documents aim to future-proof the SEB Group from a sustainability perspective. Among them are the SEB Group's Anti-Corruption Policy, Inclusion and Diversity Policy, Customer Acceptance Policy, as well as position statements.

3. Scope

- 3.1 This Policy applies to the SEB Group (the parent company Skandinaviska Enskilda Banken AB (publ) and its subsidiaries) and shall be implemented in all parts of the SEB Group taking local rules into account where relevant, excluding SEB Asset Management Holding AB and its subsidiaries, and Gamla Livförsäkrings AB SEB Trygg Liv.

4. Sustainability Statement

- 4.1 The SEB Group aims to be a leading catalyst in the sustainability transition. It is convinced that companies that include sustainability in their operations and business decisions have the prerequisites to be more successful in the long term. The SEB Group is therefore committed to support its customers in the transition towards a sustainable and low carbon economy in line with the Paris Agreement. To this end, the SEB Group is a signatory of both the Net-Zero Banking Alliance and Net Zero Asset Managers initiative aiming at

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transitioning the SEB Group's credit and investment portfolios in line with the 1.5 degrees target.

- 4.2** Achieving the Paris Agreement and the United Nations' Sustainable Development Goals (SDGs) will have significant implications on global investment needs. The SEB Group seeks to contribute to the goals by combining sustainability advisory expertise and sustainable products in the offerings to its customers, enabling them in their contribution to the realisation of society's goals. Thereby, the SEB Group will create value from a financial, social and environmental perspective together with its customers.
- 4.3** In addition, the SEB Group aims to minimise risks for any direct and indirect adverse impact on the climate and environment as well as on human rights and labour rights. Strengthened capabilities within cybersecurity and financial crime prevention is a priority to protect the well-being of the SEB Group's customers and society at large. The SEB Group does not use nor facilitate tax evasion or tax avoidance arrangements.

5. Sustainability Management

- 5.1** As sustainability is integrated into all aspects of commercial activities throughout society, the SEB Group's ability to support its customers will be dependent on a continuous development of sustainability capacity and know-how across the SEB Group, combined with established supportive functions, external and internal metrics and incentives to develop in line with the SEB Group's customers' and stakeholders' demands. SEB publicly communicates its progress through KPIs in, among others, the areas of sustainability activity in finance and investments, carbon exposure in energy financing, and 2030 sector targets in line with the Net-Zero Banking Alliance methodology.
- 5.2** To reach the goal of being a leading catalyst in society's sustainability transition, the SEB Group continuously enhances its sustainability-related capabilities. The following are "*Important Enablers*" to realize the SEB Group's strategic ambitions:
- *Advisory capacity.* The SEB Group aims to provide top-ranking research and advisory capacity. That requires a solid internal "critical mass" of sustainability know-how of public and private research, as well as a solid understanding of the regulatory landscape and its implications.
 - *Customer classification.* The SEB Group develops its customer advisory offering through a Customer Sustainability Classification tool. The tool offers an ability to track the climate impact of the Bank's credit portfolio, and facilitates sustainability-related financing in the market.

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- *Product development.* The SEB Group aims to be at the forefront of developing new sustainable financing and investment opportunities for its customers.
- *Investment offering.* The SEB Group aims to have a comprehensive and competitive investment offering with sustainability risks and sustainability impacts integrated into investment processes and products.
- *Impact.* The SEB Group aims to actively steer its impact in line with its sustainability commitments through the deployment of services, products and capital, and support such transition with transparent metrics.
- *Sustainability Data Management.* The SEB Group continuously develops its efforts to in-source, enhance and produce extensive, correct and timely sustainability data, which will allow capturing sustainability-related business opportunities, measuring impact and supporting its customers in their sustainability transition. Such data will furthermore enable the Group to fulfil external sustainability reporting requirements.
- *Competence development.* The SEB Group invests in its staff's abilities to support customers by continuously offering internal and external training, ensuring a thought-leading position within business-related sustainability activities.
- *Risk management.* Through appropriate sustainability risk due diligence in relevant decision-making bodies, the SEB Group's handling of sustainability-related risks ensures that it conducts its business within the risk mandate set by the President and the Board of Directors.

6. Stakeholder Engagement

6.1 The SEB Group's stakeholders take an interest in sustainability. Owners, creditors, customers, suppliers and employees are all important stakeholders, as is society at large. The SEB Group values their opinions, priorities and preferences. The SEB Group's position and importance in society combined with its stakeholders' views form the foundation for SEB Group's Sustainability commitments and strategy.

7. Sustainability Governance Framework

7.1 The *Board of Directors* of Skandinaviska Enskilda Banken AB is responsible for the management of the affairs and the organisation of the SEB Group. In respect to sustainability, this includes the SEB Group Business Plan, the SEB Group's sustainability strategy, the Sustainability Policy for the SEB Group, the Sustainability Governance Instruction for the SEB Group, the Thematic Policies for the SEB Group, and the Annual and Sustainability Report.

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- 7.2** The *President and Chief Executive Officer* is responsible for the execution of the SEB Group's sustainability strategy and implementation of the governance structure set by the Board.
- 7.3** The *Group Executive Sustainability Committee* (GESC) is established by the President to manage the execution of the sustainability strategy in the SEB Group. GESC is a decision-making body that is chaired by the President.
- 7.4** The *External Sustainability Advisory Board* (SESAB) is established by the President to provide strategic intelligence concerning sustainability.
- 7.5** The Chief Sustainability Officer (CSO) is appointed by the President. The CSO is a member of GESC and the Group Risk Committee and is an additional member of GEC. The CSO is the Head of Sustainable Banking.
- 7.6** *Sustainable Banking* is an organisation established by the President to support the execution of the sustainability strategy. Sustainable Banking is a first line Group Function that is responsible for coordinating and driving the overall sustainability agenda in close collaboration with Divisions, Group Staff and Support functions and the CRO function.
- 7.7** The *Sustainable Product and Transaction Committees* (SPTC) are committees administrated by Sustainable Banking that decide on the right for Business Areas and Business Units in the SEB Group to use any sustainability reference in the marketing, distribution or labelling of products, services or individual transactions.
- 7.8** Each Head of Division, Head of Group Support function and Head of Group Staff function is responsible for ensuring that sustainability-related governance structures, including procedures and controls, are in line with the SEB Group's Business Plan as well as sustainability policies and instructions set by the Board, the President and GESC.
- 7.9** Each Division shall have a committee to assess any potential deviations from the SEB Group's sustainability policies and instructions in relation to new customers or transactional proposals through a *Sustainability Business Risk Committee* (SBRC) or equivalent.

8. Reporting

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

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9. Sustainability commitments

9.1 The SEB Group recognises the importance of participating in and supporting international commitments that enable businesses to operate in a more sustainable way. The SEB Group supports the following international agreements and international frameworks (i.e., nation state-level agreements which partly or wholly relate to business, but with no formal mechanism for business to endorse or join):

| International Agreement | Description |
|--|---|
| <ul style="list-style-type: none">• UN Sustainable Development Goals | 17 globally agreed goals for 2030 developed by governments, the private sector and civil society to achieve a sustainable development for the planet. |
| <ul style="list-style-type: none">• The Paris Agreement | An agreement between governments to limit global warming to well below 2 degrees compared to pre-industrial levels. |
| <ul style="list-style-type: none">• The Universal Declaration of Human Rights | An expression by all governments in the United Nations of the rights and freedoms everyone is entitled to. |
| <ul style="list-style-type: none">• The eight ILO Core Conventions on Labour Standards | 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">• The 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. |
| <ul style="list-style-type: none">• 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. |
| <ul style="list-style-type: none">• The 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. |

9.2 The SEB Group is a member of, or has signed, the following business-related commitments:

| International Framework | Description |
|--|--|
| <ul style="list-style-type: none">• UN Global Compact | 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">• Principles for Responsible Banking | A UN supported 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">• Net-Zero Banking Alliance | A UN supported alliance, where the members are committed to aligning their lending and investment |

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portfolios with net-zero emissions by 2050.

- Principles for Responsible Investments
A UN supported framework with six investment principles that offer a menu of possible actions for incorporating ESG issues into investment practice to better align investors with broader objectives of society.
- The Net Zero Asset Managers initiative
The members have committed to achieve net zero alignment by 2050 or sooner, drawing on the Net Zero Investment Framework to deliver these commitments.
- 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.
- Poseidon Principles
A global bank initiative to reduce the emission of greenhouse gases from shipping consistent with the International Maritime Organisation's ambitions.
- Responsible Ship Recycling Standards (RSRS)
A joint bank initiative for ensuring environmentally and socially responsible dismantling and recycling of ships.
- Task Force on Climate-related Financial Disclosures (TCFD)
The TCFD was an industry-led initiative created to develop a set of recommendations for voluntary climate-related financial disclosures for use by companies. In fall 2023, the Financial Stability Board announced that the work of the TCFD was completed. TCFD's recommendations on climate-related disclosures will be incorporated into the ISSB's Standards.