



CLIMATE TRANSPARENCY REPORT 2019

Skandinaviska Enskilda Banken (SEB) AB

About the Climate-related Disclosure Indicators

Climate has been identified as a top priority for PRI signatories, with over 70% of asset owners reporting this as the most important long-term trend they are acting on.

The FSB Task Force's guidance on climate-related financial disclosure aim to create a single framework for disclosure on assessment and management of climate-related risk. The recommendations, supported by investors representing US\$22 trillion, identify four main disclosures, Governance, Strategy, Risk Management, Metrics and Targets, and include specific guidance for asset owners and managers.

As a result, the PRI introduced climate-related disclosure indicators that can be used to align with the TCFD recommendations in the 2019 PRI Reporting Framework.

About this report

This report is an export of only the climate-related indicators from the 2019 Reporting Framework response. The full Public Transparency Report is available here (https://reporting.unpri.org/surveys/PRI-reporting-framework-2019/-AAD17498-C2F9-4522-A310-F08BA24E8DC2/00000000-0000-0000-0000-000000000000/doc/2/-%7C%7C*complete*%7C*public*/Merged/). It shows the responses to all the completed climate indicators, even those you chose to keep private. It is designed for your internal review or – if you wish - to share with your stakeholders.

The PRI will not publish this report on its website if you have designated your 2019 climate reporting as “private”. Otherwise, you will be able to access the Climate Transparency Report of your organisation and that of other signatories on the [PRI website](#) and on the [Data Portal](#).

To easily locate information, there is a **Recommendation index** which summarises the indicators that signatories complete and disclose. The report presents information exactly as it was reported as per signatory preference. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory are presented in this report.

TCFD Recommendations Index

| Strategy and Governance - CC | | | TCFD Recommendation | | | |
|------------------------------|----------|------------|---------------------|----------|-----------------|-------------------|
| Indicator | Reported | Disclosure | Governance | Strategy | Risk Management | Metrics & Targets |
| SG 01.1 | ✓ | Public | | | | |
| SG 01.2 | ✓ | Public | | | | |
| SG 01.3 | ✓ | Public | | | | |
| SG 01.4 | ✓ | Public | | | | |
| SG 01.5 | ✓ | Public | | | | |
| SG 01.6 CC | ✓ | Public | | | | |
| SG 01.7 CC | ✓ | Public | | | | |
| SG 01.8 CC | ✓ | Public | | | | |
| SG 01.9 CC | ✓ | Public | | | | |
| SG 01.10 CC | ✓ | Public | | | | |
| SG 01.11 CC | - | Public | | | | |
| SG 01.12 CC | ✓ | Public | | | | |
| SG 02.2 | ✓ | Public | | | | |
| SG 07.5 CC | ✓ | Public | | | | |
| SG 07.6 CC | ✓ | Public | | | | |
| SG 07.7 CC | ✓ | Public | | | | |
| SG 07.8 CC | ✓ | Public | | | | |
| SG 13.1 | ✓ | Public | | | | |
| SG 13.2 | ✓ | Public | | | | |
| SG 13.4 CC | ✓ | Public | | | | |
| SG 13.5 CC | ✓ | Public | | | | |
| SG 13.6 CC | ✓ | Public | | | | |
| SG 13.7 CC | ✓ | Public | | | | |
| SG 13.8 CC | - | Public | | | | |
| SG 14.1 | ✓ | Public | | | | |
| SG 14.2 | ✓ | Public | | | | |
| SG 14.3 | ✓ | Public | | | | |
| SG 14.4 | ✓ | Public | | | | |
| SG 14.5 | - | Public | | | | |
| SG 14.6 CC | ✓ | Public | | | | |
| SG 14.7 CC | - | Public | | | | |
| SG 14.8 CC | ✓ | Public | | | | |
| SG 14.9 CC | ✓ | Public | | | | |
| SG 15.1 | ✓ | Public | | | | |
| SG 15.2 | ✓ | Public | | | | |
| SG 15.3 | ✓ | Public | | | | |

| Symbol | Status |
|--|---|
| ✓ | The signatory has completed this sub-indicator |
| - | The signatory did not complete this sub-indicator. |
| | This indicator is relevant to the named TCFD recommendation |
| Within the first column "Indicator", indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete. | |

ORGANISATIONAL OVERVIEW

This section provides an overview of your organisation. These characteristics are used to define your peer groups.

MAIN CHARACTERISTICS

| | |
|---|--|
| Name | Skandinaviska Enskilda Banken (SEB) AB |
| Signatory Category | Fund Management - Majority |
| Signatory Type | Investment Manager |
| Size | US\$ > 50 billion AUM |
| Main Asset Class | Multi-Asset |
| Signed PRI Initiative | 2008 |
| Region | Europe |
| Country | Sweden |
| Disclosure of Voluntary Indicators | 11% from 38 Voluntary indicators |

Skandinaviska Enskilda Banken (SEB) AB

Reported Information

Public version

Strategy and Governance

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Investment policy

SG 01

Mandatory

Public

Core Assessed

General

New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 01.1

Indicate if you have an investment policy that covers your responsible investment approach.

Yes

SG 01.2

Indicate the components/types and coverage of your policy.

Select all that apply

| Policy components/types | Coverage by AUM |
|--|--|
| <input checked="" type="checkbox"/> Policy setting out your overall approach <input checked="" type="checkbox"/> Formalised guidelines on environmental factors <input checked="" type="checkbox"/> Formalised guidelines on social factors <input checked="" type="checkbox"/> Formalised guidelines on corporate governance factors <input checked="" type="checkbox"/> Fiduciary (or equivalent) duties <input type="checkbox"/> Asset class-specific RI guidelines <input checked="" type="checkbox"/> Sector specific RI guidelines <input checked="" type="checkbox"/> Screening / exclusions policy <input checked="" type="checkbox"/> Engagement policy <input checked="" type="checkbox"/> (Proxy) voting policy <input type="checkbox"/> Other, specify (1) <input type="checkbox"/> Other, specify(2) | <input checked="" type="radio"/> Applicable policies cover all AUM <input type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM |

SG 01.3

Indicate if the investment policy covers any of the following

- Your organisation's definition of ESG and/or responsible investment and it's relation to investments
- Your investment objectives that take ESG factors/real economy influence into account
- Time horizon of your investment
- Governance structure of organisational ESG responsibilities
- ESG incorporation approaches
- Active ownership approaches
- Reporting
- Climate change
- Understanding and incorporating client / beneficiary sustainability preferences
- Other RI considerations, specify (1)
- Other RI considerations, specify (2)

SG 01.4

Describe your organisation's investment principles and overall investment strategy, interpretation of fiduciary (or equivalent) duties, and how they consider ESG factors and real economy impact.

All SEB fund products shall exclude nuclear and controversial weapons and companies breaching international norms and conventions (human rights, corruption, environment and social issues). Also excluded are companies where more than 20% of their revenues derives from thermal coal extractions (environmental and financial issues). We encourage companies to be a signatory of UN Global Compact and follow OECD's guidelines for multinational companies. As ESG is an integrated part of our investment process, it is included in all investment decisions where possible.

Please find info below about the fund company investment policy approach below (01.5);

SG 01.5

Provide a brief description of the key elements, any variations or exceptions to your investment policy that covers your responsible investment approach. [Optional]

- SEB Investment Management (we) believe that all companies should be responsible for environmental, social and business ethical issues since they have a long-term effect on the return of the funds. Consequently, we have a particular responsibility for making demands, from a broad sustainability perspective, on the companies in which we invest.

- We believe all companies should have a sustainability policy covering the issues that are essential to each company's long-term competitiveness, such as environmental, social and corporate governance. At the same time, a carefully considered sustainability strategy is also essential for a company to be able to maintain and expand its market position and thereby achieve good returns in the long term.

- We believe that companies have a specific responsibility to ensure that business activities are conducted in accordance with the aforementioned policies and strategies. Maintaining openness and transparency, for example, by describing their work in annual reports or in separate sustainability reports is a basic requirement to enable us to continuously monitor and analyse companies' sustainability and business activities.

- International standards and guidelines to which we pay particular attention, including environment, labour legislation, human rights, corruption and controversial weapons, are as follows:

The UN Global Compact, which contains 10 principles regarding human rights, environment, labour legislation and anti-corruption: www.unglobalcompact.org

The OECD's Guidelines for Multinational Enterprises, which cover issues such as human rights, information disclosure, labour and industrial relations, environment, bribery and corruption, consumer interests, competition, etc: www.oecd.org

Climate Change - SEB has adopted a number of sector policies to guide the fund company and other entities of the group, when adopting an approach regarding companies in certain sectors:

<http://sebgroup.com/sv/om-seb/hallbarhet/sa-har-arbetar-vi/policys>

Because the fund company focuses mostly on climate related topics and has signed the Montreal Carbon Pledge, the carbon footprint of our funds is identified, measured and published each year. This information

provides valuable data to unitholders of our funds, and in dialogue with the companies in which the funds have invested or prior to an investment decision.

- All management teams in SEB Investment Management work actively to integrate sustainability in all investment decisions. By incorporating responsibility for environmental, social and corporate governance issues in all investment decisions and company dialogues, we will influence and encourage such companies towards more responsible and sustainable business activities. SEB Investment Management believes consistent integration of various sustainability perspectives in the funds' portfolio structures creates long-term value for our funds unitholders.

- Because the sustainability perspective is integrated in the entire fund management organisation, this policy applies to all SEB Investment Management's own funds, which covers 99 % of all funds actively distributed.

- The sustainability policy, together with the ownership- and voting policies, are reviewed annually and are approved by the board of the fund company.

- The index-funds indices are constructed by MSCI (and not by ISS ESG who does the screening for our actively managed products). We are aware that there can be differences between the service providers, and there is also a time-lag when updating indices. Our ambition is though to exclude the same companies in all SEB funds.

No

I confirm I have read and understood the Accountability tab for SG 01

I confirm I have read and understood the Accountability tab for SG 01

| SG 01 CC | Voluntary | Public | Descriptive | General |
|----------|-----------|--------|-------------|---------|
|----------|-----------|--------|-------------|---------|

| | |
|-----------------------|---|
| SG 01.6 CC | Indicate the climate-related risks and opportunities that have been identified and factored into the investment strategies and products, within the organisation's investment time horizon. |
|-----------------------|---|

The focus during the past years has been on climate related issues. The effect has been:

Starting new funds with a climate focus, ie Green Bond Fund. Interaction with our clients have also guided us in starting new collaborative engagements focused on climate ie IIGCC and CDP (water). Our exclusion criteria have also developed for our sustainable funds and oil, gas and coal extraction is not possible to invest in. The investment process for our sustainable funds also target water scarcity, pollution (carbon emissions) and waste management. We can see a clear link between the best performing companies in these three focus areas and their performance as companies.

During 2018 a new range of products have been launched, factor funds, where we base the strategy on the existing sustainability approach but add best in class as a tool to find the best companies across sectors.

We have also started to measure selected funds for the 1,5 - 2 C scenario through the PACTA tool.

| | |
|-----------------------|--|
| SG 01.7 CC | Indicate whether the organisation has assessed the likelihood and impact of these climate risks? |
|-----------------------|--|

Yes

SG 01.8
CC

Indicate the associated timescales linked to these risks and opportunities.

We try to be as forward looking as possible but have a plan based on three or five years based on asset class / sector.

No

SG 01.9
CC

Indicate whether the organisation publicly supports the TCFD?

Yes

No

SG 01.10
CC

Indicate whether there is an organisation-wide strategy in place to identify and manage material climate-related risks and opportunities.

Yes

Describe

SEB have an org-wide strategy related to climate change; Investments, lending, employees and own emissions are covered. During 2018 SEB has strengthened different processes related to credits and at the same time launched new products for the retail-markets such as green leasing and green mortgages.

No

SG 1.12
CC

Indicate the documents and/or communications the organisation uses to publish TCFD disclosures.

Public PRI Climate Transparency Report

Annual financial filings

Regular client reporting

Member communications

Other

SG 02

Mandatory

Public

Core Assessed

PRI 6

New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 02.1

Indicate which of your investment policy documents (if any) are publicly available. Provide a URL and an attachment of the document.

Policy setting out your overall approach

URL/Attachment

URL

Attachment (will be made public)

Attachment

[File 1:Sustainability Policy SEB IMAB 2019.pdf](#)

Formalised guidelines on environmental factors

URL/Attachment

URL

Attachment (will be made public)

Attachment

[File 1:environmental_policy.pdf](#)

Formalised guidelines on social factors

URL/Attachment

URL

Attachment (will be made public)

Attachment

[File 1:corporate_sustainability_policy.pdf](#)

Formalised guidelines on corporate governance factors

URL/Attachment

URL

Attachment (will be made public)

Attachment

[File 1:Ownership Policy for SEB IMAB 2019.pdf](#)

Fiduciary (or equivalent) duties

Sector specific RI guidelines

URL/Attachment

URL

URL

{hyperlink:https://sebgroup.com/sv/om-seb/hallbarhet/sa-har-arbetar-vi/policys}

Attachment (will be made public)

Screening / exclusions policy

URL/Attachment

URL

URL

{hyperlink:https://sebgroup.com/about-seb/who-we-are/organisation/our-divisions/about-the-fund-management-company-seb-im-ab/our-sustainability-work/exclude}

Attachment (will be made public)

Engagement policy

URL/Attachment

URL

Attachment (will be made public)

Attachment

[File 1:Sustainability Policy SEB IMAB_2019.pdf](#)

(Proxy) voting policy

URL/Attachment

URL

Attachment (will be made public)

Attachment

[File 1:Röstningspolicy 2018.doc](#)

We do not publicly disclose our investment policy documents

SG 02.2

Indicate if any of your investment policy components are publicly available. Provide URL and an attachment of the document.

Your organisation's definition of ESG and/or responsible investment and it's relation to investments

URL/Attachment

URL

URL

{hyperlink:https://sebgroup.com/about-seb/sustainability/how-we-work/policies}

Attachment

Governance structure of organisational ESG responsibilities

URL/Attachment

URL

URL

{hyperlink:https://sebgroup.com/about-seb/sustainability/how-we-work}

Attachment

ESG incorporation approaches

Active ownership approaches

URL/Attachment

URL

URL

{hyperlink:https://sebgroup.com/sv/om-seb/vilka-vi-ar/organisation/vara-divisioner/om-fondbolaget-seb-im-ab/vart-hallbarhetsarbete/paverkar/sa-har-paverkar-vi}

Attachment

Reporting

Climate change

We do not publicly disclose any investment policy components

SG 02.3 Additional information [Optional].

SEB has a number of sector policies and position statements regarding different ESG subjects which can be found here:

<https://sebgroup.com/about-seb/sustainability/how-we-work/policies>

Governance and human resources

| | | | | |
|-----------------|-----------|--------|-------------|---------|
| SG 07 CC | Voluntary | Public | Descriptive | General |
|-----------------|-----------|--------|-------------|---------|

| | |
|-------------------|---|
| SG 07.5 CC | Indicate the roles in the organisation that have oversight, accountability and/or management responsibilities for climate-related issues. |
|-------------------|---|

| | |
|-----------------------|---|
| | Board members or trustees |
| | <input checked="" type="checkbox"/> Oversight/accountability for climate-related issues <input type="checkbox"/> Assessment and management of climate-related issues <input type="checkbox"/> No responsibility for climate-related issues |
| | Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Risk Officer (CRO), Investment Committee |
| | <input checked="" type="checkbox"/> Oversight/accountability for climate-related issues <input checked="" type="checkbox"/> Assessment and management of climate-related issues <input type="checkbox"/> No responsibility for climate-related issues |
| | Other Chief-level staff or head of department |
| | <input type="checkbox"/> Oversight/accountability for climate-related issues <input checked="" type="checkbox"/> Assessment and management of climate-related issues <input type="checkbox"/> No responsibility for climate-related issues |
| | Portfolio managers |
| | <input checked="" type="checkbox"/> Oversight/accountability for climate-related issues <input checked="" type="checkbox"/> Assessment and management of climate-related issues <input type="checkbox"/> No responsibility for climate-related issues |
| | Dedicated responsible investment staff |
| | <input checked="" type="checkbox"/> Oversight/accountability for climate-related issues <input checked="" type="checkbox"/> Assessment and management of climate-related issues <input type="checkbox"/> No responsibility for climate-related issues |
| | External managers or service providers |
| | <input checked="" type="checkbox"/> Oversight/accountability for climate-related issues <input type="checkbox"/> Assessment and management of climate-related issues <input type="checkbox"/> No responsibility for climate-related issues |
| SG 07.6 CC | For board level roles for which have climate-related issues oversight/accountability or implementation responsibilities, indicate how these responsibilities are executed. |

Deciding on relevant policy documents for the group, following up on targets and deciding on investments focusing on sustainability

| | |
|-----------------------|--|
| SG 07.7 CC | For the management-level roles that assess and manage climate-related issues, provide further information on the structure and process involved. |
|-----------------------|--|

Implement guidelines set by the board related to environment, social and employee related topics, all under the group sustainability umbrella

| | |
|-----------------------|---|
| SG 07.8 CC | Explain how the organisation engages external investment managers on the TCFD recommendations and its implementation. |
|-----------------------|---|

- Incorporation of TCFD in Annual Report
- Incorporation of TCFD in regular client reporting
- Request that investment managers complete PRI Climate indicators
- Request responses to TCFD Fund Manager questions in the PRI Asset Owner guide

ESG issues in asset allocation

| | | | | |
|--------------|------------------|---------------|--------------------|--------------|
| SG 13 | Mandatory | Public | Descriptive | PRI 1 |
|--------------|------------------|---------------|--------------------|--------------|

| | |
|----------------|--|
| SG 13.1 | Indicate whether the organisation undertakes scenario analysis and/or modelling and provide a description of the scenario analysis (by asset class, sector, strategic asset allocation, etc.). |
|----------------|--|

- Yes, to assess future ESG factors
- Yes, to assess future climate-related risks and opportunities

| | |
|--|----------|
| | Describe |
|--|----------|

We assess fossil fuel extraction as a significant climate risk. At the same time we are looking for investments in renewable energy. We also incorporate the SDGs in our evaluation. We have started to measure 1,5 - 2 C scenario analysis for selected funds (eq,fi)

- No, not to assess future ESG/climate-related issues

| | |
|----------------|---|
| SG 13.2 | Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between sectors or geographic markets. |
|----------------|---|

| | |
|--|---------------------|
| | We do the following |
|--|---------------------|

- Allocation between asset classes
- Determining fixed income duration
- Allocation of assets between geographic markets
- Sector weightings
- Other, specify
- We do not consider ESG issues in strategic asset allocation

| | |
|----------------|------------------------------------|
| SG 13.3 | Additional information. [OPTIONAL] |
|----------------|------------------------------------|

We have shifted our sustainable (highest level) AuM from 5 % to 30 % in less than 5 years.

| | | | | |
|-----------------|------------------|---------------|--------------------|----------------|
| SG 13 CC | Voluntary | Public | Descriptive | General |
|-----------------|------------------|---------------|--------------------|----------------|

| | |
|-------------------|--|
| SG 13.4 CC | Describe how the organisation is using scenario analysis to manage climate-related risks and opportunities, including how the analysis has been interpreted, the results and any future plans. |
|-------------------|--|

Initial assessment

| | |
|--|----------|
| | Describe |
|--|----------|

Sustainability aspects have to be incorporated into the investment process. The level of sustainability is product specific.

Incorporation into investment analysis

Inform active ownership

| | |
|--|----------|
| | Describe |
|--|----------|

We conducted nearly 900 stakeholder dialogues during 2018, either in corporation with others, via PRI, IIGCC, Hermes EOS or by ourselves.

Other

| | |
|-------------------|----------------------------------|
| SG 13.5 CC | Indicate who uses this analysis. |
|-------------------|----------------------------------|

Board members, trustees, C-level roles, Investment Committee

Portfolio managers

Dedicated responsible investment staff

External managers

Investment consultants/actuaries

Other

| | |
|-------------------|--|
| SG 13.6 CC | Indicate whether the organisation has evaluated the impacts of climate-related risk, beyond the investment time-horizon, on the organisations investment strategy. |
|-------------------|--|

Yes

No

| | |
|--|------------------------------|
| | Please explain the rationale |
|--|------------------------------|

We currently do not have the tools for evaluation.

| | |
|-------------------|--|
| SG 13.7 CC | Indicate whether a range of climate scenarios is used. |
|-------------------|--|

Yes, including analysis based on a 2°C or lower scenario

Yes, not including analysis based on a 2°C or lower scenario

No, a range is not used

**SG 13.8
CC**

Indicate the climate scenarios the organisation uses.

| Provider | Scenario used |
|---------------------------------------|--|
| IEA | <input type="checkbox"/> Beyond 2 Degrees Scenario (B2DS) |
| IEA | <input type="checkbox"/> Energy Technology Perspectives (ETP) 2 Degrees scenario |
| IEA | <input type="checkbox"/> Sustainable Development Scenario (SDS) |
| IEA | <input type="checkbox"/> New Policy Scenario (NPS) |
| IEA | <input type="checkbox"/> Current Policy Scenario (CPS) |
| IRENA | <input type="checkbox"/> RE Map |
| Greenpeace | <input type="checkbox"/> Advanced Energy [R]evolution |
| Institute for Sustainable Development | <input type="checkbox"/> Deep Decarbonisation Pathway Project (DDPP) |
| Bloomberg | <input type="checkbox"/> BNEF reference scenario |
| IPCC | <input type="checkbox"/> Representative Concentration Pathway (RCP) 8.5 |
| IPCC | <input type="checkbox"/> RPC 6 |
| IPCC | <input type="checkbox"/> RPC 4.5 |
| IPCC | <input type="checkbox"/> RPC 2.6 |
| Other | <input type="checkbox"/> Other (1) |
| Other | <input type="checkbox"/> Other (2) |
| Other | <input type="checkbox"/> Other (3) |

SG 14

Mandatory to Report Voluntary to Disclose

Public

Additional Assessed

PRI 1

SG 14.1

Some investment risks and opportunities arise as a result of long term trends. Indicate which of the following are considered.

- Changing demographics
- Climate change
- Resource scarcity
- Technological developments
- Other, specify(1)
- Other, specify(2)
- None of the above

SG 14.2

Indicate which of the following activities you have undertaken to respond to climate change risk and opportunity

- Established a climate change sensitive or climate change integrated asset allocation strategy
- Targeted low carbon or climate resilient investments

Specify the AUM invested in low carbon and climate resilient portfolios, funds, strategies or asset classes.

| | trillions | billions | millions | thousands | hundreds |
|---------------|-----------|----------|----------|-----------|----------|
| Total AUM | | | 188 | 000 | 000 |
| Currency | SEK | | | | |
| Assets in USD | | | 20 | 932 | 606 |

Specify the framework or taxonomy used.

Internal ESG guidelines, exclusion of fossil fuel extraction companies.

- Phase out your investments in your fossil fuel holdings
- Reduced portfolio exposure to emissions intensive or fossil fuel holdings
- Used emissions data or analysis to inform investment decision making
- Sought climate change integration by companies
- Sought climate supportive policy from governments
- Other, specify
- None of the above

SG 14.3 Indicate which of the following tools the organisation uses to manage climate-related risks and opportunities.

- Scenario analysis
- Disclosures on emissions risks to clients/trustees/management/beneficiaries
- Climate-related targets
- Encouraging internal and/or external portfolio managers to monitor emissions risks
- Emissions-risk monitoring and reporting are formalised into contracts when appointing managers
- Weighted average carbon intensity
- Carbon footprint (scope 1 and 2)
- Portfolio carbon footprint
- Total carbon emissions
- Carbon intensity
- Exposure to carbon-related assets
- Other emissions metrics
- Other, specify
- None of the above

SG 14.4 If you selected disclosure on emissions risks, list any specific climate related disclosure tools or frameworks that you used.

We use ISS Ethix Climate Solutions database for calculating the carbon footprint for equity funds. We disclose carbon emission for our equity funds (scope 1, 2 and 3). Two versions, one summary for retail clients and one in depth-analysis which include scope 3, for fund managers and institutions. They are all public on SEB's web-site.

We use MSCI ESG data for climate metrics - information in the ESG integration process

For engagements with issuers and companies regarding climate change we are participating in collaborations within e.g IIGCC, PRI and other collaborations to influence issuers, companies and countries.

We also engage with sovereigns through PRI/for signing the global investor letter to G7 and G20 governments on climate change.

To get deeper insight regarding the 2 degree scenario analysis we have collaborated with WWF and the 2 Degree Investing Initiative.

For the screening part - exclusion of coal extraction companies and coal, gas and oil extraction companies we use ISS Ethix data

| SG 14 CC | Voluntary | Public | General |
|----------|-----------|--------|---------|
|----------|-----------|--------|---------|

| | |
|-------------------|---|
| SG 14.6 CC | Please provide further details on these key metric(s) used to assess climate related risks and opportunities. |
|-------------------|---|

| Metric Type | Coverage | Purpose | Metric Unit | Metric Methodology |
|--|--|---------------------------------|-------------|---|
| Climate-related targets | <input type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input checked="" type="checkbox"/> Minority of assets | Reduce overall carbon emissions | Kilo | ISS Ethix Climate Solutions methodology |
| Carbon footprint (scope 1 and 2) | <input type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input checked="" type="checkbox"/> Minority of assets | Reduce overall carbon emissions | Kilo | ISS Ethix Climate Solutions methodology |
| Portfolio carbon footprint | <input type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input checked="" type="checkbox"/> Minority of assets | Reduce overall carbon emissions | Kilo | ISS Ethix Climate Solutions methodology |
| Total carbon emissions | <input type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input checked="" type="checkbox"/> Minority of assets | Reduce overall carbon emissions | Kilo | ISS Ethix Climate Solutions methodology |
| Carbon intensity | <input type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input checked="" type="checkbox"/> Minority of assets | Reduce overall carbon emissions | Kilo | ISS Ethix Climate Solutions methodology |
| Exposure to carbon-related assets | <input type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input checked="" type="checkbox"/> Minority of assets | Reduce overall carbon emissions | Kilo | ISS Ethix Climate Solutions methodology |

| | |
|-----------------------|---|
| SG 14.7 CC | Describe in further detail the key targets. |
|-----------------------|---|

| Targettype | Time Frame | Description | Attachments |
|---|------------|-------------|-------------|
| <input type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target | | | |
| <input type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target | | | |
| <input type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target | | | |
| <input type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target | | | |
| <input type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target | | | |

SG 14.8
CC Indicate whether climate-related risks are integrated into overall risk management and explain the risks management processes for identifying, assessing, and managing climate-related risks.

- Process for climate-related risks is integrated into overall risk management
- Process for climate-related risks is not integrated into our overall risk management

Please describe

Lack of methodology for measuring, and also lack of data.

SG 14.9
CC Indicate whether the organisation undertakes active ownership activities to encourage TCFD adoption.

- Yes

Please describe

We encourage all companies to report on TCFD

- No, we do not engage

| | | | | |
|--------------|--|---------------|--------------------|--------------|
| SG 15 | Mandatory to Report Voluntary to Disclose | Public | Descriptive | PRI 1 |
|--------------|--|---------------|--------------------|--------------|

SG 15.1 Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.

- Yes

SG 15.2 Indicate the percentage of your total AUM invested in environmental and social themed areas.

%

2

SG 15.3

Specify which thematic area(s) you invest in, indicate the percentage of your AUM in the particular asset class and provide a brief description.

Area

- Energy efficiency / Clean technology

Asset class invested

- Listed equity

% of AUM

5

- Fixed income - SSA

% of AUM

4

- Fixed income - Corporate (financial)

% of AUM

4

- Fixed income - Corporate (non-financial)

% of AUM

4

- Fixed income - Securitised
- Private equity
- Property
- Commodities
- Hedge funds
- Inclusive finance

Brief description and measures of investment

More than 30 % of AUM = All ESG Funds

One SRI Fund (external managed) on the SEB platform invests globally in equity and equity instruments based on an analysis of how climate change is expected to effect the economy

Our investors are becoming increasingly interested in investments that have a broader positive impact than just the financial returns. To further respond to this demand we launched a green bond fund during 2015 and the AUM of that fund has increased 10 times since launch, which shows the significant client interest.

Fixed Income - Green Bonds accounts for 4% of the AUM for the asset class fixed income. Around

30% of the investments in green bonds are related to energy efficiency. This relates to all instruments within fixed income- SSA, Corp fin and corporate non-fin.

Renewable energy

Asset class invested

- Listed equity
- Fixed income - SSA

% of AUM

4

- Fixed income - Corporate (financial)

% of AUM

4

- Fixed income - Corporate (non-financial)

% of AUM

4

- Fixed income - Securitised
- Private equity
- Property
- Commodities
- Hedge funds
- Inclusive finance

Brief description and measures of investment

Fixed Income - Green Bonds accounts for 4% of the AUM for the asset class fixed income. Around 50% of the investments in green bonds are related to renewable energy. This relates to all instruments within fixed income- SSA, Corp fin and corporate non-fin.

Green buildings

Asset class invested

- Listed equity
- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)

% of AUM

4

- Fixed income - Securitised
- Private equity
- Property

% of AUM

100

- Commodities
- Hedge funds
- Inclusive finance

Brief description and measures of investment

Our real estate management has a focus to invest and develop "green buildings" and so far around 10 % of AUM is allocated to such projects but more or less all new project are "green".

Fixed Income - Green Bonds accounts for 4% of the AUM for the asset class fixed income. Around 20% of the investments in green bonds are related to green buildings.

- Sustainable forestry
- Sustainable agriculture
- Microfinance

Asset class invested

- Listed equity
- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)

% of AUM

100

- Fixed income - Securitised
- Private equity
- Property
- Commodities
- Hedge funds
- Inclusive finance

As the first bank in Sweden, SEB started a microfinance fund in 2013, and have since then started another six funds; an investment product with clear sustainability profile. About 40 of SEB's institutional clients have invested in the funds, investments that will be used to provide microfinance services to small business owners and entrepreneurs in South America, Africa and Asia. "Microfinance is about enabling people who are outside the financial system to get access to basic financial services such as credits, savings and insurance. "Microfinance is a way for our clients to get a stable return on their investment, at the same time as the money is doing something good for people who really need it." The money in the fund is used to directly finance 23 million entrepreneurs in more than 50 developing countries. The institutions are selected based on their work with social impact, as well as on their credit quality. The assets in the funds exceed 7 bn SEK.

- SME financing
 - Social enterprise / community investing
 - Affordable housing
 - Education
 - Global health
 - Water
 - Other area, specify
- No