



CLIMATE TRANSPARENCY REPORT 2020

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 2020 PRI Reporting Framework.

About this report

This report is an export of only the climate-related indicators from the 2020 Reporting Framework response. The full Public Transparency Report is available here (<https://reporting.unpri.org/surveys/PRI-reporting-framework-2020/-34EE4C4B-5EFF-40E1-B6FF-E7C73DFF5F21/79894dbc337a40828d895f9402aa63de/html/2/?lang=en&a=1>). 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 2020 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 01.6 CC	✓	Public				
SG 01.7 CC	✓	Public				
SG 01.8 CC	✓	Public				
SG 01.9 CC	✓	Public				
SG 01.10 CC	✓	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 14.6 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	13% 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
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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.
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SG 01 CC	Mandatory to Report Voluntary to Disclose	Public	Descriptive	General
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SG 01.6 CC	Indicate whether your organisation has identified transition and physical climate-related risks and opportunities and factored this into the investment strategies and products, within the organisation's investment time horizon.
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Yes

Describe the identified transition and physical climate-related risks and opportunities and how they have been factored into the investment strategies/products.
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A large part of the management company's sustainability work is focused on the environment and climate, for which the management company as an investor has an important role to play in achieving the goals of the Paris Agreement. The management company seeks to increase investment in companies offering solutions to global sustainability challenges, and which contribute to achieving the global Sustainable Development Goals. The management company also seeks to reduce the funds' negative environmental and climate impact by such measures as reducing the proportion of investments in companies that extract fossil fuels.

SEB is a signatory of the Montreal Carbon Pledge and has thereby committed to reporting yearly on its carbon footprint. In 2019, 94 per cent of SEB's equity funds were measured and reported on SEB's website. SEB reports on the carbon footprint from all three central emission areas (scope 1-3) according to the Greenhouse Gas Protocol. For the remaining 6 per cent of the equity funds, there is no official benchmark and in some funds the underlying data is currently insufficient for accurate reporting of carbon footprint. This work provides valuable information for unitholders, through dialogue with the companies in which the funds invest, as well as for investment decisions.

In line with the business plan, SEB continued to strengthen its sustainable investment offering during the year. At year-end, close to 35 per cent (30), SEK 256bn, of SEB's fund company's assets under management were managed according to the fund company's highest level of sustainability criteria (exclusion of production of coal, oil and gas)

In 2019 we tightened our coal criteria which means that SEB Investment does not invest in companies involved in thermal coal extraction, i.e., mining activities in which thermal coal accounts for more than 5 per cent (earlier 20 %) of the company's or group's turnover

In line with TCFD recommendations, we have made scenario analysis for approx 80% of our AUM but could only receive a result on 60%. We used the PACTA modelling tool developed by 2C investing initiative. The output provided an analysis of the portfolio relative to an economic transition consistent with limiting global warming to 2C above pre-industrial levels. This work provides valuable information for unitholders, through dialogue with the companies in which the funds invest, as well as for investment decisions.

We are involved in IIGCC and C100+ where we as a collaboration engage with the world's largest corporate greenhouse [gas] emitters to improve their climate performance and ensure transparent disclosure of emissions

Taxonomy - The taxonomy report, regarded as the cornerstone for all present and future measures of sustainable finance, sets out criteria for 67 economic activities that can make a substantial contribution to climate change mitigation. We will during 2020-2022 continue to work with the implementation of the taxonomy in the investment strategies. We are also a part of the PRI Taxonomy Practitioners Group.

No

**SG 01.7
CC**

Indicate whether the organisation has assessed the likelihood and impact of these climate risks?

Yes

Describe the associated timescales linked to these risks and opportunities.

Climate change is one of the most urgent challenges facing the world today. Scientific evidence points to substantial risks to the planet. SEB recognises the importance of limiting the average global temperature rise to well below 2°C and striving for 1.5°C in line with the Paris Agreement. This makes transition to a low-carbon economy vital. Banks have a crucial role to play in enabling the transition to more efficient low-carbon alternatives. SEB has endorsed the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), a global initiative that aims to increase and harmonise companies' climate-related financial disclosure to stakeholders.

A large part of the management company's sustainability work is focused on the environment and climate, for which the management company as an investor has an important role to play in achieving the goals of the Paris Agreement. The management company seeks to increase investment in companies offering solutions to global sustainability challenges, and which contribute to achieving the global Sustainable Development Goals. The management company also seeks to reduce the funds' negative environmental and climate impact by such measures as reducing the proportion of investments in companies that extract fossil fuels.

In SEB's business, addressing climate change means for example that lending, investments and business development decisions should take climate impact into account. In line with the 2019-2021 business plan, SEB aims to further develop ways of working, to focus on managing risks and opportunities related to climate change and to classify its credit and investment portfolios.

In line with TCFD recommendations, we have made scenario analysis for approx 60% of our AUM. We used the PACTA modelling tool developed by 2C investing initiative. The output provided an analysis of the portfolio relative to an economic transition consistent with limiting global warming to 2C above pre-industrial levels.

Taxonomy - The taxonomy report, regarded as the cornerstone for all present and future measures of sustainable finance, sets out criteria for 67 economic activities that can make a substantial contribution to climate change mitigation. We will during 2020-2022 continue to work with the implementation of the taxonomy in the investment strategies. We are also a part of the PRI Taxonomy Practitioners Group.

No

**SG 01.8
CC**

Indicate whether the organisation publicly supports the TCFD?

Yes

No

**SG 01.9
CC**

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

Yes

Principles for Responsible Banking

SEB has committed to complying with the UN initiative Principles for Responsible Banking. This means that the bank undertakes to continuously strengthen its positive impact on society in accordance with the UN Development Goals. Sustainability is an integrated part of SEB's business since many years and we have an ambition to act as a role model within the financial industry. Sustainability is one of the key strategic investment areas in our new business plan - The signing of the principles means that SEB is committed to continue adapting its business strategy to align and contribute to the UN Development Goals and the Paris Climate Agreement.

Climate Change & TCFD

Climate change is one of the most urgent challenges facing the world today. Scientific evidence points to substantial risks to the planet. SEB recognises the importance of limiting the average global temperature rise to well below 2°C and striving for 1.5°C in line with the Paris Agreement. This makes transition to a low-carbon economy vital. Banks have a crucial role to play in enabling the transition to more efficient low-carbon alternatives. SEB has endorsed the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), a global initiative that aims to increase and harmonise companies' climate-related financial disclosure to stakeholders. As part of this endorsement the bank is working to implement the recommendations, under the sponsorship of the Chief Risk Officer, targeting four main areas - governance, strategy, risk management, and metrics and targets.

During 2019 SEB enhanced its method for estimating the consequences of climate change. Within SEB Investment Management we have made scenario analysis for approx 80% of our AUM but could only get result for 60%.

Climate change governance at SEB The Board of Directors oversees SEB's sustainability work and has adopted the Corporate Sustainability Policy, which includes SEB's environmental commitment. The Board of Directors also oversees SEB's risk management framework. SEB's position statement on Climate Change is approved by the President.

Taxonomy

The European Commission's Action Plan on Sustainable Finance took important steps in 2019 when its Technical Expert Group, TEG, published four reports with recommendations on what is needed to reorient capital flows towards investments made to achieve sustainable and inclusive growth: • report on the EU Taxonomy • report on the EU Green Bond standard • report on Climate Benchmarks and Disclosure • guidelines on how to report climate-related information, the EU's Non-Binding Guidelines on Non-Financial Reporting

The taxonomy report, regarded as the cornerstone for all present and future measures of sustainable finance, sets out criteria for 67 economic activities that can make a substantial contribution to climate change mitigation. SEB, which has been one of 35 members in the TEG, considers all reports as important tools for increasing comparability and clarity of what is to be defined as sustainable, and thus creating the conditions for investors to make long-term sustainable decisions.

No

SG 1.10 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
- We currently do not publish TCFD disclosures

Governance and human resources

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

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Risk Officer (CRO), Investment Committee

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Other Chief-level staff or heads of departments

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Portfolio managers

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Dedicated responsible investment staff
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- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

External managers or service providers
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- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

SG 07.6 CC	For board-level roles that have climate-related issue oversight/accountability or implementation responsibilities, indicate how these responsibilities are executed.
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Climate change governance at SEB The Board of Directors oversees SEB's sustainability work and has adopted the Corporate Sustainability Policy, which includes SEB's environmental commitment. The Board of Directors also oversees SEB's risk management framework. SEB's position statement on Climate Change is approved by the President.

Climate change strategy SEB is committed to supporting its customers in the transition to a more sustainable world and actively participates in the global green transformation. Activities include international initiatives such

as implementing the TCFD recommendations

Each Head of division, business area and group function is responsible for ensuring that activities are carried out and instructions are in accordance with applicable policies, such as e.g corporate sustainability policy, sector policies and position statements. The Management in the Fundcompany is in charge of monitoring and developing the work around climate change, which includes governance and strategy development. The head of Sustainability is responsible for coordinating and developing the work around climate change and also responsible for informing the organisation about new industry standards and developments in the area in order to manage it.

SG 07.7 CC	For management-level roles that assess and manage climate-related issues, provide further information on the structure and processes involved.
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SEB has endorsed the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), a global initiative that aims to increase and harmonise companies' climate-related financial disclosure to stakeholders. As part of this endorsement the bank is working to implement the recommendations, under the sponsorship of the Chief Risk Officer, targeting four main areas - governance, strategy, risk management, and metrics and targets. During 2019 SEB enhanced its method for estimating the consequences of climate change. SEB Investment Managements Head of Sustainability is part of the working group.

SG 07.8 CC	Indicate how your organisation engages external investment managers and/or service providers on the TCFD recommendations and their implementation.
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- Request that external managers and/or service providers incorporate TCFD into mainstream financial filings (annual financial reports, other regulatory reporting or similar)
- Request incorporation of TCFD into regular client reporting
- Request that external managers complete PRI climate indicator reporting
- Request responses to TCFD Fund Manager questions in the PRI Asset Owner Guide
- Other
- We do not engage with external managers and/or service providers on the TCFD recommendations and their implementation

ESG issues in asset allocation

SG 13	Mandatory	Public	Descriptive	PRI 1
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SG 13.1	Indicate whether the organisation carries out scenario analysis and/or modelling, and if it does, provide a description of the scenario analysis (by asset class, sector, strategic asset allocation, etc.).
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- Yes, in order to assess future ESG factors
- Yes, in order to assess future climate-related risks and opportunities

	Describe
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- Yes, we have started to carry out scenario analysis for approx 60 % of our AUM (equities and Corporate fixed income). We have been using the PACTA tool to understand climate related risks and opportunities.
- No, our organisation does not currently carry out scenario analysis and/or modelling

SG 13.2	Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between sectors or geographic markets.
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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 CC	Mandatory to Report Voluntary to Disclose	Public	Descriptive	General
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SG 13.4 CC	Describe how your organisation is using scenario analysis to manage climate-related risks and opportunities, including how the analysis has been interpreted, its results, and any future plans.
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- Initial assessment

Describe

SEB has committed to complying with the UN initiative Principles for Responsible Banking. This means that the bank undertakes to continuously strengthen its positive impact on society in accordance with the UN Development Goals. The signing of the principles means that SEB is committed to continue adapting its business strategy to align and contribute to the UN Development Goals and the Paris Climate Agreement.

Yes, we have started to carry out scenario analysis for approx 80% of our AUM (equities and Corporate fixed income). We have been using the PACTA tool to understand climate related risks and opportunities. The PACTA-analysis shows that our exposure to both high and low-carbon activities at the time was lower than the equity benchmark. Our total equity and corp bonds exposure to sectors included in the scenario analysis is 10.5 per cent and our exposure to oil, gas and coal production is below 1.5 per cent of total equity and corporate bonds under management.

We believe tools such as PACTA are an important development, helping us as an asset manager to manage risk and opportunities. The output also get insight to have more informed engagement dialogues.

We have identified a few activities to develop our climate related work going forward;

- Evaluate the new tool - temperature score from 2 C scenario initiative which will be launched during 2020
- Extend CO 2 measurement (carbon footprint) to other asset classes e.g corporate bonds and mixed funds
- Evaluate other climate tools on the market to find metrics and targets that could be integrated in the internal risk model
- Evaluating portfolios in line with the taxonomy and the new green bond principles. We are participating in the PRI Taxonomy Practioners group.
- Develop methods for physical climate risk analysis
- Continue to engage with companies to help a support to a net-zero carbon economy e.g through IIGCC and Climate Action 100+
- Continue to educate our portfolio managers on climate related risks

- Incorporation into investment analysis
- Inform active ownership

Describe

For investments outside the Nordic region, SEB cooperates with other investors through organisations such as the Institutional Investors Group on Climate Change (IIGCC), PRI Clearinghouse and Hermes Equity Ownership Services, one of the world's leading actors in corporate dialogues. In total during the year SEB conducted 1,564 engagement dialogues

We have been involved in IIGCC and Climate Action 100 + since Dec 2017. C100+ is a five-year initiative to ensure the world's largest corporate greenhouse gas (GHG) emitters take critical action to align with the goals of the Paris Agreement. For example companies have been asked to provide enhanced corporate disclosure in line with the final recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and, when applicable, sector-specific Global Investor Coalition on Climate Change (GICC) Investor Expectations on Climate Change guidelines to enable investors to assess the robustness of companies' business plans against a range of climate scenarios, including well below 2°C, and improve investment decision-making.

Progress report for 2019 shows that 70% of companies have set long-term quantitative targets for reducing GHG emissions. However, only 9% of companies have targets that are aligned with either the IEA Beyond 2°C Scenario or the IEA 2°C Scenario. A further 9% of companies are aligned with emissions reductions pledged by governments as part of the Paris Agreement via Nationally Determined Contributions. 35% are not aligned with any of these scenarios, and the remainder were either not assessed (39%) or had insufficient public disclosure (8%). One in five (20%) of Climate Action 100+ focus companies have set or committed to set an SBT (Science based targets).

Going forward;

- We are part of the PRI Taxonomy practitioners group and hope to collaborate/engage together with other investors with selected companies on the taxonomy
- Based on our findings when measuring 2 C scenarios engage with selected companies
- Continue dialogue through the IIGCC and Carbon Action 100 + programme

- Other

SG 13.5 CC	Indicate who uses this analysis.
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- 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 your organisation has evaluated the potential impact of climate-related risks, beyond the investment time horizon, on its investment strategy.

- Yes
- No

Please explain the rationale

We are currently evaluating different methods and tools

SG 13.7
CC

Indicate whether a range of climate scenarios is used.

- Analysis based on a 2°C or lower scenario
- Analysis based on an abrupt transition, consistent with the Inevitable Policy Response
- Analysis based on a 4°C or higher scenario
- No, a range is not used

SG 13.8
CC

Indicate the climate scenarios your organisation uses.

Provider	Scenario used
IEA	<input checked="" type="checkbox"/> Beyond 2 Degrees Scenario (B2DS)
IEA	<input type="checkbox"/> Energy Technology Perspectives (ETP) 2 Degrees scenario
IEA	<input checked="" type="checkbox"/> Sustainable Development Scenario (SDS)
IEA	<input checked="" type="checkbox"/> New Policy Scenario (NPS)
IEA	<input checked="" 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
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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			256	000	000
Currency	SEK				
Assets in USD			26	749	664

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 CC	Voluntary	Public		General
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SG 14.6 CC	Provide further details on the key metric(s) used to assess climate-related risks and opportunities.
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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	SEB Sustainability Global Fund Reduce overall carbon emissions. Target to align with Paris Agreement	Alignment with Paris Agreement according to TCFD recommendations	Carbon footprint for the fund - The method that the Swedish Fund Association promotes (in line with TCFD recommendations) PACTA methodology
Weighted average carbon intensity	<input type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input checked="" type="checkbox"/> Minority of assets	Equities Monitoring - Compare Fund carbon performance to benchmark. Reduce overall carbon emissions. Information included in the investment process. Reporting externally	kg CO2e/SEK 1000	New method that the Swedish Fund Association promotes (in line with TCFD recommendations). Measured by ISS ESG
Carbon footprint (scope 1 and 2)	<input type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input checked="" type="checkbox"/> Minority of assets	Equities Monitoring - Compare Fund carbon performance to benchmark Reduce overall carbon emissions. Reporting externally	kg of CO2e and tCO2e	Company annual carbon emissions from our provider - ISS ESG.
Portfolio carbon footprint	<input type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input checked="" type="checkbox"/> Minority of assets	Equities Monitoring - Compare Fund carbon performance to benchmark. Reduce overall carbon emissions. Reporting externally	kg of CO2e and tCO2e	Company annual carbon emissions from our provider - ISS ESG
Carbon intensity	<input type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input checked="" type="checkbox"/> Minority of assets	Equities Monitoring - Compare Fund carbon performance to benchmark. Reduce overall carbon emissions	Kg CO2e/SEK 1000	Company annual carbon emissions from our carbon data providers
Exposure to carbon-related assets	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Assess exposure in carbon intensive sectors	Alignment with Paris agreement according to TCFD recommendations	PACTA methodology. The methodology has limitations due to that there is no coverage of other sectors than the most carbon intensive sectors.

SG 14.7
CC

Describe in further detail the key targets.

Targettype	Baseline year	Target year	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 risk management processes used for identifying, assessing and managing climate-related risks.
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- Processes for climate-related risks are integrated into overall risk management

Please describe

Yes, we have started to carry out scenario analysis for approx 80% of our AUM (equities and Corporate fixed income). We have been using the PACTA tool to understand climate related risks and opportunities. We are also a part of the PRI Taxonomy Practioners group working on to understand how to implement the taxonomy.

- Processes for climate-related risks are not integrated into overall risk management

SG 14.9 CC	Indicate whether your organisation, and/or external investment manager or service providers acting on your behalf, undertake active ownership activities to encourage TCFD adoption.
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- Yes

Please describe

Yes we do -We encourage all companies to report on TCFD. Either directly with companies or through collaborations like IIGCC and through Hermes EOS.

- No, we do not undertake active ownership activities.
- No, we do not undertake active ownership activities to encourage TCFD adoption.

SG 15	Mandatory to Report Voluntary to Disclose	Public	Descriptive	PRI 1
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SG 15.1	Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.
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- 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

Percentage of AUM (+/-5%) per asset class invested in the area

5

Fixed income - SSA

Percentage of AUM (+/-5%) per asset class invested in the area

4

Fixed income - Corporate (financial)

Percentage of AUM (+/-5%) per asset class invested in the area

4

Fixed income - Corporate (non-financial)

Percentage of AUM (+/-5%) per asset class invested in the area

4

Fixed income - Securitised

Private equity

Property

Hedge funds

Inclusive finance

Brief description and measures of investment

SEB funds managed with sustainability criteria, share of Fund company AuM is 35% (earlier 30%)

New fund Lyxor SEB Impact Fund invests in companies that operate in five areas related to the UN Sustainable Development Goals: sustainable energy, water availability, food and agriculture, resource efficiency and social improvement.

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. The fixed income fund SEB FRN Fond Hållbar was launched in 2019. The fund, which includes investments in Nordic corporate bonds with variable interest rates, excludes companies that extract fossil fuels and invests in green bonds where the capital is earmarked for climate and environmental projects. At year-end the fund had approximately SEK 7.6bn in assets under management.

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

Percentage of AUM (+/-5%) per asset class invested in the area

4

- Fixed income - Corporate (financial)

Percentage of AUM (+/-5%) per asset class invested in the area

4

- Fixed income - Corporate (non-financial)

Percentage of AUM (+/-5%) per asset class invested in the area

4

- Fixed income - Securitised
- Private equity
- Property
- 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)

Percentage of AUM (+/-5%) per asset class invested in the area

4

- Fixed income - Securitised
- Private equity
- Property

Percentage of AUM (+/-5%) per asset class invested in the area

100

- 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)

Percentage of AUM (+/-5%) per asset class invested in the area

100

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

SEB is one of Europe's largest microfinance fund managers. Through some 60 microfinance institutions, SEB's funds offer loans to people with lower income in developing countries, who are often excluded from financial markets. Microfinance is today the most established asset class within the field of impact investments, with its success founded on the ability to offer investors both an attractive financial return and contribute to socioeconomic development for this target group. SEB manages 7 microfinance funds (including Impact Opportunity Fund) with a total value of approximately SEK 9bn (7), reaching more than 25 (23) million entrepreneurs in 59 (40) developing countries

SEB Microfinance II final report

https://sebgroup.com/siteassets/press_sv/bilagor/ovriga/seb_microfinance_fund_ii_final_report_march2020_sek.pdf

SEB Microfinance I final report

https://sebgroup.com/siteassets/press/attachments/other/seb_microfinance_fund_i_final_report_march_2019.pdf

- SME financing
- Social enterprise / community investing
- Affordable housing
- Education
- Global health
- Water
- Other area, specify

No