

2019
March

SEB and UN's Sustainable Development Goals





Contributing to a sustainable future

The United Nation's Sustainable Development Goals (SDGs) have set the global agenda for nations, businesses and societies on how to achieve sustainable economic growth, social inclusion and environmental protection. The financial sector has here a critical role to play to close this investment gap.

Through an active partnership with SEB's customers, the bank supports and contributes to many of the 17 SDGs. We add value and contribute directly and indirectly. However, we have identified and prioritises four of the goals that are clearly linked to the business strategy and sustainability approach, and where the operations have a fundamental impact:



These four goals are closely connected to the bank's strong heritage of entrepreneurship, international outlook and long-term perspective, as well as our daily business.

SEB has developed a wide range of sustainable products, policies and processes that are aligned with the SDGs. We have been a pioneer in offering green bonds and micro-finance funds, and we conduct systematic sustainability work in our investment operations. Through our history we have had strong focus on combating financial crime.

On the following pages we outline examples of our contribution, development during 2018 alongside ongoing engagement and operations. We report within the areas of our framework: *Sustainable Financing*, *Sustainable investments*, *Innovation and Entrepreneurship*, *Responsible and Proactive Advice* and *Our People*.

Read more about SEB's sustainability work and performance in the Annual Report 2018, p. 67–73. For information on how we contribute to goal 16 (e.g. fight financial crime etc), please see Annual Report, p. 49.

SEB is committed to supporting its customers in their work on transitioning to sustainable solutions. Thereby we contribute to sustainable development in society.

Sustainable Financing



Impact bonds

2018 was the 10th anniversary of the world's first **green bond** for institutional investors, issued by the World Bank and initiated by SEB. In 2018, SEB was the fifth largest underwriter and our global share of underwriting was 3.7 per cent, (USD 5bn). SEB has issued one green bond (2017) of SEK 4.9bn. The proceeds are used to provide green loans to investments in e.g. renewable energy, energy efficiency sustainable forestry and green buildings. In 2018, half of the portfolio consisted of renewable energy projects.

SEB has participated in the issuance of a **social bond**. When the Dutch bank NWB issued an Affordable Housing Bond of EUR 2bn., SEB was a joint lead manager. NWB issued the Housing Bond with the overall aim to provide affordable high quality living for lower income groups in the society such as youth and older people, who are facing challenges to find affordable living.

Green mortgages

In 2018, SEB was the first large bank in Sweden to launch green mortgages. The loans are available to anyone with housing that fulfils specific requirements, contributing to increase of renewable energy and energy efficiency. *Read more at www.seb.se*

Our engagement with TCFD and EU Commission

In line with the recommendations from TCFD, SEB is investigating ways to measure the climate impact of the credit portfolio and assets under management in terms of carbon emissions. SEB is represented in the EU Commission's Technical Expert Group which in collaboration, develops an EU classification system, a taxonomy, creates a green bond standard, improve the disclosure of climate-related information and develop a category of low-carbon indices. SEB believes that this work will be crucial for enhancing the financing of sustainable growth in EU.

7.2 Increase global percentage of renewable Energy by 2030, 7.3 Double the global rate of improvement in energy efficiency, 9.4 Upgrade all industries and infrastructure for sustainability, 11.1 By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums, 13.2 Integrate climate change measures into policies and planning, 17.16 Enhance the global partnerships for sustainable development.

Among the SDG targets

7.2 and
7.3

9.4

11.1

7.2 and
7.3

13.2

17.16

Sustainable Investments



SEB is one of the largest **microfinance fund** managers in Europe. We manage six microfinance funds with a total value of around SEK 7bn, reaching more than 23 million entrepreneurs in about 50 developing countries. The microfinance funds contribute to financial inclusion and provide small business finance, supporting economic growth and the achievement of a broad set of the SDG's.

Access to financial products enables growth of micro and small to medium enterprises and fosters job creation and economic development. Access to financial services can curb income inequality, increasing economic opportunities and well-being over time. Availability of financial products that provide access to solar energy can increase productivity and quality of life. They contribute to many savings and education-linked financial products and help families invest in learning opportunities.

In 2018, SEB broadened the impact investing offering with **SEB Impact Opportunity Fund**. The fund has been developed in close collaboration with a few institutional investors and invests within areas as energy, financial inclusion, education and agricultural development. In contrast to the other microfinancing funds, which have five-year terms, the new fund do not have any set maturity date. Those who invest in the fund will stay between six and nine years.

SEB Fund company has for several years been engaged for **reducing carbon emissions**. We have actively supported power generation companies, where coal as an energy source exceeds 10 per cent, in finding sources of energy other than coal. The focus of the work is primarily on European power companies. Since 2017 SEB is also engaged, together with Institutional Investors Group on Climate Change (IIGCC), in targeting the world's 100 largest carbon emitters in order to reduce emissions globally.

Among the SDG targets

4.1 and
4.4

5.A

8.5

7.2 and
7.3

10.1

13.2

4.1 Free primary and secondary education **4.4** Increase the number of people with relevant skills for financial success, **5.A** Equal rights to economic resources, property ownership and financial services. **8.5** Full employment and decent work with equal pay, **10.1** Reduce income inequalities, **13.2** Integrate climate change measures into national policies, strategies and planning.

Innovation and entrepreneurship



We support **innovation and entrepreneurship** to drive sustainable economic development and contribute to creating new jobs and growth in society. In 2018, more than 15,000 new start-ups were financed by SEB. Via the Entrepreneurial staircase we partner with entrepreneurship organisations that support business owners at various levels.

SEB has for many years arranged a **Financial Literacy Roadshow**, where SEB employees have visited schools with the aim of increasing young people's financial literacy. During the last three years more than 20,000 youths have gained better knowledge about salaries and taxes, budgeting and long-term savings while gaining inspiration for the future.

We support Ungdomar.se, one of Sweden's largest digital meeting places for young people aged 13 to 25. The **We Change Tour** is an initiative that inspires and includes young people in societal development and helps them find solutions that contribute to achievement of the UN's Sustainable Development Goals.

Among the SDG targets

8.3 and
8.6

9.5

4.4

17.16

4.4 Increase the number of people with relevant skills for financial success, 8.3 Promote policies to support job creation and growing enterprises, 8.6 Promote youth employment, education and training, 9.5 By 2030, encouraging innovation and substantially increasing the number of research and development workers. 17.16 Enhance the global partnership for sustainable development,

Responsible and proactive advice



One way to deepen the advising and relationship with the customers is the **SDG customer survey** that was conducted in 2018 for the second consecutive year. This time we asked 250,000 Swedish customers with savings in equity funds which sustainability areas they believe we should focus on, based on the UN's 17 Sustainable Development Goals. The answer showed that customers (just as in 2017 when 3,000 customers took part in the survey) assigned top priority to three of the goals – 13, 6 and 4.

As a result of the survey, last year SEB joined the Institutional Investors Group on Climate Change (IIGCC), in targeting the world's 100 largest carbon emitters in order to reduce emissions globally. In 2019 SEB will expand its focus on clean water and sanitation and has therefore joined the Carbon Disclosure Project (CDP). We will thus intensify our focus on water management and encourage companies to report their water usage and climate impact.

In 2018, SEB launched the **Impact Metric Tool**, a quantitative framework for assessing the sustainability of a customer portfolio of listed equities or securities.

The aim is to increase the industry transparency regarding responsible investment, provide investors with additional information in the fund selection process, and to define global challenges through the UN's SDGs. In 2018 more than 20 customer portfolios were analysed and in 2019 SEB will analyse all SEB-branded funds by this tool.

Among the SDG targets

13.1

6.1 and
6.3

4.1

17.16

4.1 Free primary and secondary education, **6.1** Safe and affordable drinking water for all. **6.3** Improve water quality, wastewater treatment and safe reuse, **13.1** Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters, **17.16** Enhance the global partnership for sustainable development.

Our People



As an employer SEB will always support people with aspirations, and the bank firmly believes that diversity and inclusion are decisive for success.

In 2018 SEB increased its focus on **inclusion and diversity** in the organisation. SEB's first Inclusion and Diversity Policy was adopted by the Board in 2018. A governance structure was established, which includes a steering group with members from the Group Executive Committee and divisional management.

Moreover, an Inclusion and Diversity Index was created and integrated into SEB's employee survey. Special attention has been put on issues concerning sexual harassments where processes for raising concerns are established, such as external and internal whistleblowing channels.

A safe and sound work environment combined with good health and work/life balance form the foundation for SEB's employees' performance and job satisfaction. In Sweden, SEB's level of sick leave remains low, at 2.9 per cent, compared with other industries as well as the financial sector.

All of SEB's employees are covered by collective or local agreements or labour law. A continuous dialogue is carried on with employees, employee representatives and with trade unions. SEB has had a European Works Council (EWC) since 2003.

Among the SDG targets

5.5 and
5.C

3.8 and
3.D

3.8 Achieve universal health coverage including financial risk protection, **3.D** Improve early warning systems for health risks, **5.5** Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making, **5.C** Adopt and strengthen sound policies for the promotion of gender equality.