

2014

Sustainable Perspectives

How we create value for people,
the business and the environment



CONTENTS

	This is SEB CEO statement	Front cover 1
	Our role and approach SEB's role in society Global outlook, challenges and opportunities Stakeholder dialogues Material issues A sustainable business strategy Objectives and performance Integrating sustainability into business Driving the agenda	2–3 4–5 6–7 8–9 10–11 12–13 14–15 16–17
	Responsible business Responsible selling and marketing Tackling financial crime Responsible investments Sustainable finance Project financing, examples	18–20 21 22–25 26–29 30
	Environment Reducing our environmental footprint	31
	People and community Valuing our people Investing in communities Access to financial services	32–35 36–38 39
	Governance of corporate sustainability About this report GRI Index Key Performance Indicators Auditor's report Awards, sustainability indices, contacts	40–41 42 43–47 49–55 56 Inside back cover



SEB's approach to sustainability focuses on three areas. Through our work, we aim to create mutual value to our stakeholders and contribute to sustainable development.

THIS IS SEB

SEB IS A RELATIONSHIP bank strongly committed to deliver customer value. We believe in building on our heritage of entrepreneurship, international outlook and long-term perspective. SEB's offerings and services are provided through five divisions.

Merchant Banking

Commercial and investment banking services to large corporate and institutional clients in 20 countries, mainly in the Nordic region and Germany.

Retail Banking

Banking and advisory services to private individuals and small and medium-sized corporate customers in Sweden as well as card operations in the Nordic countries.

Wealth Management

Asset management, including mutual funds, and private banking services to institutional clients and high net worth individuals in the Nordic countries.

Life

Life insurance services for private individuals and corporate customers, mainly in Sweden, Denmark and the Baltic countries.

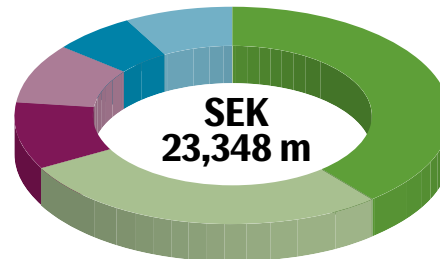
Baltic

Banking and advisory services to private individuals and small and medium-sized corporate customers in Estonia, Latvia and Lithuania.

OPERATING PROFIT PER DIVISION

SEK m

● Merchant Banking	9,088 (8,171)	● Life	2,066 (1,892)
● Retail Banking	6,622 (5,743)	● Baltic	1,445 (1,280)
● Wealth Management	2,258 (1,610)	● Other	1,869 (-569)



Our corporate objectives

To be the leading Nordic corporate bank and to be the top universal bank in Sweden and the Baltic region.

Our strategic priorities

- Long-term customer relationships
- Growth within areas of strength
- Resilience and flexibility

Our vision

To be the trusted partner for customers with aspirations.

Our mission

To help people and businesses thrive by providing quality advice and financial services.

CORPORATES & INSTITUTIONS

SEB's corporate customers in the Nordic region are among the largest in their respective industries. In Germany they range from large mid-corporates to large multinationals. The institutional clients operate both in the Nordic countries and internationally.

3,000
large corporations
and institutions

SME CUSTOMERS

In all, SEB serves approximately 400,000 small and medium-sized companies in Sweden and the Baltic countries. Of these some 246,000 are home bank customers.

246,000
home bank customers

PRIVATE INDIVIDUALS

SEB has approximately 4 million private individuals among its customers in Sweden and the Baltic countries. Of these some 1.3 million are home bank customers. In addition, SEB has around 27,000 private banking customers in and outside Sweden.

1.3
million home bank customers

CREATING VALUE FOR ALL STAKEHOLDERS

SEB IS A BANK WITH A CLEAR AIM to take an active role and contribute to the overall development of society. We strive to meet our stakeholders' expectations in a responsible way to create value for all of them. We do this by integrating sustainability into our core business.



ANNIKA FALKENGREN. PRESIDENT AND CEO

We are experiencing extra-ordinary times. Growth is subdued. Inflation is at very low levels. Interest rates are at historic low levels and even negative, while years of central bank liquidity support has boosted asset prices. In addition, in 2014 we saw heightened geopolitical risks following the distressing events in Ukraine and in the Middle East. The discussions on how to tackle global issues such as increased social challenges and climate change intensified. An environment like this poses even larger demands on corporates to take a long-term perspective and conduct their business in a sustainable way. We strive to do so in SEB.

IN PARTNERSHIP WITH OUR CUSTOMERS

Founded close to 160 years ago in the service of entrepreneurs and enterprise, SEB has a deeply rooted ambition to work in active and close partnership with our customers. The best way we can fulfil our role as lubricant for the overall economy is by building deep customer relationships on the basis of a sound and robust financial position. At the same time, we need to cater to the needs of all

our stakeholders. Therefore, we have taken a clear stance to fully integrate sustainability into our core business.

Our sustainability work is based on international co-operation. We are committed to global initiatives as for example the UN Global Compact, the Principles for Responsible Investments and the Equator Principles. Our core values and internal guidelines such as Code of Business Conduct mirror these principles.

DEEPER UNDERSTANDING AMONG EMPLOYEES

We have taken major steps in our work on sustainability over the past five years. Closing the books on 2014, it is clear that this groundwork has yielded results. Our employees have a much deeper understanding of what sustainability means for us as a bank and how each and every one can make an impact. We see this in our yearly employee survey, Insight.

Our Group wide position statements and sector policies have proven valuable tools in dialogues with our corporate customers and have been tightened, with an increased focus on human rights issues. Back in 2008, we were pioneers in developing green bonds and have since then been the most

active bank in the world in terms of assisting companies and organisations issuing green bonds. The total market more than tripled just last year and has now reached USD 55bn issued globally. We launched our second microfinance fund for institutional clients, investments that are used to fund microloans to individuals in developing countries. In our role as owner and member of corporate nomination committees, we nominated more female directors than in any previous year.

OUR INTEGRATION CONTINUES

Clearly, we have advanced during the past year, moving from sustainability seen as something "additional", now being critical for our future success. This is a journey that never ends. We will continuously work to integrate sustainability aspects into everything we do. We will strengthen dialogues with our customers and other stakeholders, enhance knowledge and engagement, actively using our role in society to be a positive force for sustainable development.

Stockholm, March, 2015

Annika Falkengren
President and Chief Executive Officer

SEB'S ROLE IN SOCIETY

ECONOMIC AND FINANCIAL NEEDS

Financial markets are at the core of creating economic and social value in a modern society. The key role of banks as financial engines is carried out in three main areas:

Financial intermediation

Banks provide solutions for those with money to invest and for those in need of borrowing and act as safe and efficient intermediaries between them.

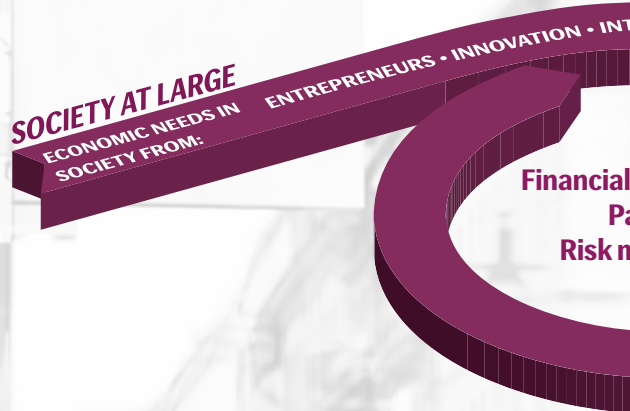
Payments

Banks provide domestic and international payment services, which are the basis for all economic activity.

Risk management

Banks assume risk and assist customers with financial risk management.

As all these areas are essential to society, banks are an integral part of the economy.



Examples:

Corporate, institutional and public sector customers

Financial intermediation	Payments	Risk management
<ul style="list-style-type: none"> • Access to financial markets • Access to capital • Advice • Financing • Asset management 	<ul style="list-style-type: none"> • Cash management • Cards • Giro • Transfers • Trade finance • Foreign exchange • Digital and mobile banking 	<ul style="list-style-type: none"> • Advice • Tools to manage credit, equity, interest and currency risk • Custody • Liquidity management

CORPORATE, INSTITUTIONAL AND PUBLIC SECTOR CUSTOMERS
 FINANCIAL NEEDS IN BUSINESS: ESTABLISHING • SELLING • HIRING • PAYING • EXPANDING • INVESTING • DIVESTING...



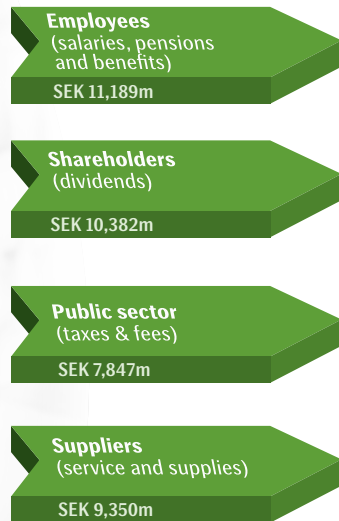
SEB CREATES ECONOMIC VALUE

Like all banks, SEB supports the economy and overall society by providing financial services to private individuals, corporate, institutional and public sector, customers and to society at large. These activities also benefit the Bank's other stakeholders: shareholders, the public sector, employees and suppliers.

PRIVATE INDIVIDUALS
 FINANCIAL NEEDS ARE PART OF EVERYDAY LIFE: GROWING UP • STARTING A FAMILY • WORKING • BUYING A HOME • CONSUMING • RETIRING • INHERITING...



VALUE DISTRIBUTION (SEK 39bn)



Examples:

Society at large

- | | | |
|---|---|--|
| Financial intermediation | Payments | Risk management |
| <ul style="list-style-type: none"> Facilitation of investments Operation of financial markets (money, capital, currency) and clearing Facilitation of access to capital Access to financial markets | <ul style="list-style-type: none"> Domestic payment systems International payment systems | <ul style="list-style-type: none"> Complementary health and pension insurance Economic forecasts Anti-money laundering Economic and specialist knowledge |

Examples:

Private individuals

- | | | |
|---|---|--|
| Financial intermediation | Payments | Risk management |
| <ul style="list-style-type: none"> Consumer loans Accessible savings Mortgage financing Access to financial markets | <ul style="list-style-type: none"> Bank accounts Cards Currencies Payments Giro Internet and mobile banking | <ul style="list-style-type: none"> Health insurance Life insurance Pension Long-term savings Advice |

GLOBAL OUTLOOK, CHALLENGES AND OPPORTUNITIES

AS A BANK we have a central role to play in sustainable development. We have direct as well as indirect impacts on the communities where we operate. As global trends change, we need to continuously develop our operations in order to meet our stakeholders' needs today and tomorrow.



1

GLOBAL ECONOMY

Even though the world economy shows signs of stabilisation and we are seeing increased activity among our Nordic and German corporate customers, the recovery has been sluggish. The macro-economic situation has a major impact on our customers' levels of activity and thus on our business. Record-low and even negative interest rates have resulted in the cost of money never being as low as today. In spite of stimulatory efforts, the economic development remains uncertain.

2

SOCIAL CHALLENGES

At a global level, rising incomes have led to a growing middle class and a reduced share of the very poor. However, we also see deepening income inequality, risking the creation of a big class of people outside the mainstream of society. Unemployment, particularly among youth, is a severe challenge.

In many countries populations are aging rapidly. More resources need to be poured into health care and pensions systems. Private individuals need to take a greater responsibility for their financial security. Public finances will be tested. An inflow of young immigrants can alleviate the problems – but that necessitates successful measures to integrate the new citizens into the national labour and housing markets.

4

DEMANDS ON BANKS ARE CHANGING

Regulatory authorities have taken a more over-arching and in-depth approach to strengthen stability in the financial markets as well as in every individual financial institution. Concurrently, measures have been adopted for improved functionality and infrastructure in the financial markets as well as enhanced consumer protection.

The rapid digital development leads to raised customer expectations on accessibility, efficiency and speed while their demand for qualified advice increases. Safety and security are crucial. New business models are being developed, particularly in the market for payment services, leading to competitive pressure on traditional banking.

3

CLIMATE CHANGE AND RESOURCE STRAINS

The recent reports of IPCC clearly demonstrate the dangers of the present trajectory of greenhouse gas emissions. The oceans are at present buffering some of the effects, but the risks of extreme weather, sea level rise and desertification – to name but a few – are rising. Poor countries with insufficient infrastructure and institutions are likely to suffer most.

As the global population grows, and as incomes rise, production will soar – as will the demands for natural resources. In some areas strains are clearly visible. A rising portion of the global population lacks fresh water. Pollution is rising rapidly in the megacities of the emerging economies. Farmland and wetlands are increasingly scarce. Consequently, there is a need to economize scarce natural resources and produce and consume in a way which creates a minimum of waste. This presupposes large investments and rapid technological change.

=

GREAT BUSINESS POSSIBILITIES

These four trends provide challenges as well as great business opportunities. Companies must act long-term and be good citizens. The strain on natural resources means that companies which are lean, resource-saving and productive have an edge. Those who can tap the talent resources of minorities and excluded groups on the labour market will not only help reduce unemployment, but also gain access to new skills that will be necessary in the future global economy. Banks that integrate social and environmental aspects into their financing and investment activities will strengthen their risk management and be better business partners for their customers.

Simultaneously, the digital development creates opportunities to improve services and accessibility. Moreover, the banking sector as a whole can invest in developing common technology platforms, customer-oriented infrastructure and modern functionality.

Those banks which credibly show that they strive to build a sustainable business strategy will have a head start in creating new long-term business opportunities.

WE ENGAGE WITH STAKEHOLDERS

ACTIVE ENGAGEMENT WITH SEB'S stakeholders is a cornerstone in our efforts to understand their expectations and concerns. Listening and learning from our stakeholders provide us with essential insights, enabling us to respond and address the issues they raise.

We use a range of mechanisms for engagement as well as for gathering and monitoring of feedback across our business. The backbone consists of ongoing and specific surveys, complemented by deeper engagement dialogues. In addition, we participate in industry forums as well as international and national sustainability forums to discuss emerging challenges and trends.

SEB's internal Corporate Sustainability Summit, held in November 2014, enabled us to engage with many employees around sustainability, to learn about priorities and generate ideas for improved processes and products.



STAKEHOLDER	PRIMARY ENGAGEMENT CHANNELS	MAIN ISSUES RAISED DURING 2014
Customers	Tracking and analysis of customer insight surveys, focus groups, feedback and complaints received via our customer advisors and relationship managers, telephone banks, online, and local branch teams. Internal customer insight web portal hosting surveys such as Prospera, Needscope, SEB Brand Tracking, Reputation Index, SKI (Swe), Finansbarometern (Swe).	<ul style="list-style-type: none"> • Long-term customer relations • Proactivity • Customer recognition • Customer service across all meeting points • Accessibility of e-services • Ethics • Transparency and openness
Employees	Annual employee survey, open internal chats with executive management, town hall meetings, value dialogues, SEB Way transformations and weekly continuous development whiteboard meetings, leadership development programmes, everyday learning tools, Workers Councils meetings; annual health and safety reviews.	<ul style="list-style-type: none"> • Development/career opportunities • Organisation and culture • Leadership • Transparency and openness • Health/work life balance • Working with sustainability • Remuneration • Work methods and IT systems
Shareholders, investors and analysts	Surveys such as Bloomberg, RobecoSAM, Vigeo, Sustainabilitys, Oekom and Imug. Road-shows, investor meetings, briefings, engagement dialogues, questions received prior to and during AGM's and in connection with result presentations.	<ul style="list-style-type: none"> • Financial resilience • Sustainable growth and return • Sustainability performance • Human capital • Transparency
Government and regulators	Economic and policy trend analysis, industry forums and meetings.	<ul style="list-style-type: none"> • Regulation • Consumer debt levels
Suppliers and business partners	Questionnaires and individual meetings, supplier screening process.	<ul style="list-style-type: none"> • Strategic partnerships • Accountability
Communities, civil society organisations, consumer advocate groups, media	Research – general public, local community engagements, round table discussions, regular meetings with NGO's, mentoring, volunteering, CS forums, research papers, media coverage.	<ul style="list-style-type: none"> • Job-creation • Ethical behaviour, transparency • Human rights and nuclear weapons • Sustainable performance • Local community support • Profitability versus customer value

VIEWS AND EXPECTATIONS

WHAT DO OUR STAKEHOLDERS THINK of how we perform our sustainability work?
Their views and expectations are critical for our continuous development and ability to create long-term value. Below, representatives from four stakeholder perspectives state their opinions.

MATS ANDERSSON

Chief Executive Officer, AP4 (investor)



What are the strengths of SEB's sustainability work?

No company can be successful in the long run unless corporate sustainability issues are high on its agenda. That is why it has become increasingly important for a long-term investor such as the Fourth Swedish National Pension Fund to follow sustainability efforts of the companies it has invested in, such as SEB. SEB's sus-

tainability report is in many respects a model. There are clear, decomposed goals that can be measured, and as the saying goes: what gets measured gets managed. It is also evident that corporate sustainability is a focal point for SEB's CEO and executive management, which is a prerequisite for the issue to gain priority throughout the organisation.

What can we do better?

An area for further improvement would be to even more clearly connect corporate sustainability strategy to the bank's lending and financing services.

MARIE BAUMGARTS

Head of Corporate Responsibility, Tele2 (supplier and customer)



What are the strengths of SEB's sustainability work?

SEB started out as an early bird in conducting high level stakeholder dialogues and reporting them to the Executive team. That gave a good position early on while others were still trying to figure out the concept. Another strength is the honest ambition and commitment to further integrate sustainability into investments and operations, I think that will serve them well when navigating in a world of constant transformation.

What can we do better?

Speed up and dare more! That goes for all multinationals in general, us included. We, as companies, have a common responsibility in integrating corporate responsibility into our core business processes. This being specifically important for investors in making the right (sustainable) choices.

JUSSI PENTTILÄ

Vice President Finance, Outotec, (customer)



What are the strengths of SEB's sustainability work?

Outotec's mission is "Sustainable use of Earth's natural resources" and Outotec intends to incorporate sustainability into all aspects of its operations. From our perspective we

highly appreciate that SEB's position statements and sector policies are committed to topics like freshwater, mining and metals which are also in the core of Outotec's business.

What can we do better?

We just encourage SEB to continue the good work. Sustainability targets can be reached most efficiently when financial markets and industries continue to integrate cooperation with each other.

ŽYMANTAS MORKVĖNAS

Direktor, Baltic Environmental Forum (NGO)



What are the strengths of SEB's sustainability work?

SEB's most significant contribution for making our environment cleaner and well balanced co-existent with nature is streaming its financial

recourses, promoting more sustainable and "greener" business. To create more favourable conditions for the sustainable business and raising awareness among their clients how they can improve environmental performance could lead to most influential change. It would be important if SEB would fix this course in its environmental business strategy and start taking real steps forward.

What can we do better?

As part of the environmental strategy, the bank could further improve by measuring its environmental performance on the annual basis making it as a standard annual procedure. Moreover, it is important to continue informing bank's staff as well as their clients about the concrete achievements and new goals set for the coming years.

IDENTIFYING THE MATERIAL ISSUES

MATERIALITY IS ABOUT IDENTIFYING THE ISSUES *that are of most concern to our stakeholders as well as to our own business. They influence stakeholders' perception of our performance and impact our ability to create and sustain value. SEB has an established process to identify these issues and to prioritise them.*

WHAT IS MOST
IMPORTANT?

WHY AND FOR WHOM?

OUR PROCESS TO
IDENTIFY THE ISSUES

HOW DO WE
MANAGE THEM?



SEB'S PROCESS FOR IDENTIFYING the most material issues is based on an on-going engagement with our stakeholders in combination with our own assessment of issues that are of strategic importance for business. The main engagement channels with key stakeholder groups, as well as the main issues raised, are described on page 6.

The essential input gained from stakeholders is complemented by desk research on emerging societal, economic, environmental and business trends impacting our business. Issues identified are evaluated from both a stakeholder and a business perspective and how they influence SEB's ability to create and sustain value on a three to five year perspective. This input informs our strategic approach and guides our focus for reporting.

For material Aspects and Boundaries in accordance with Global Reporting initiative G4, please see p 43 – 47 (GRI Index).

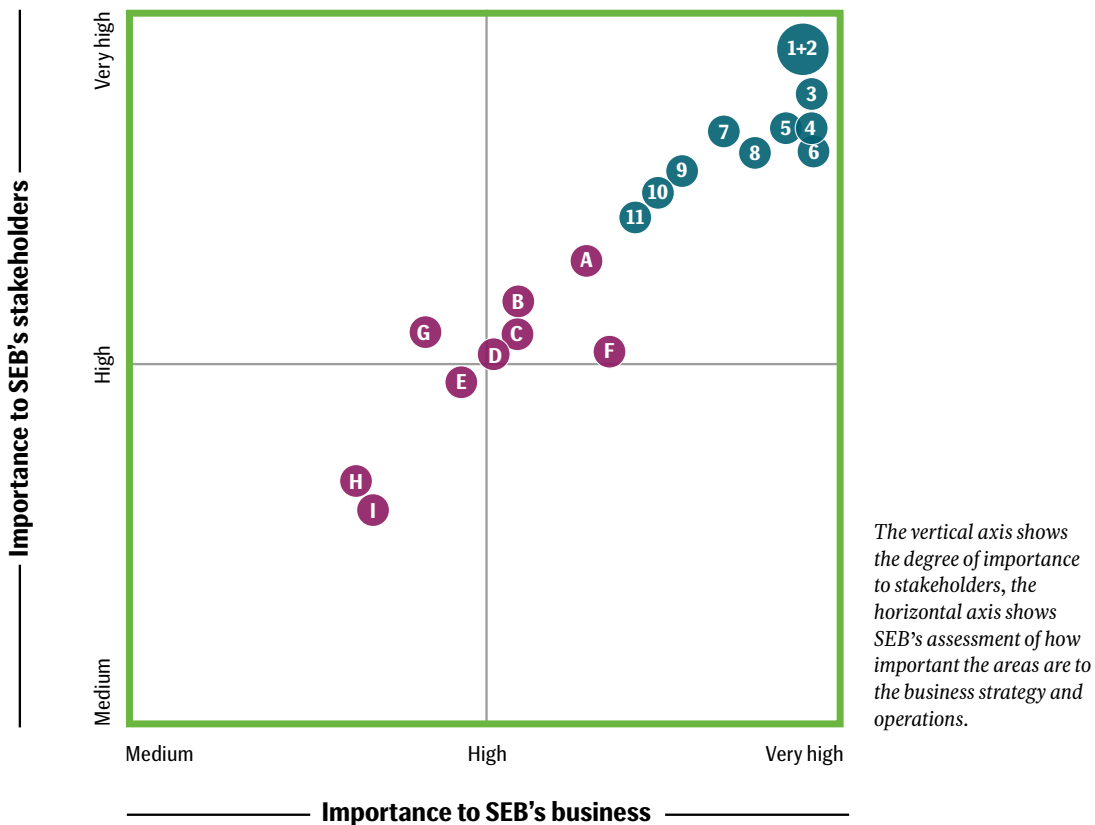
During the year, we have further developed the materiality process established in 2013. In order to facilitate both internal and external understanding of our material issues, we have grouped identified issues. Detailed explanation of these issues can be found at our website www.sebgroup.com/sustainability.

Although many issues remain material over time, we have identified a few issues that have become more important during the year. In 2013, the carbon bubble was seen as an emerging issue which required monitoring. Developments in 2014 clearly illustrate that this is an important issue that we will need to continue to respond to. We do this through our work with integrating ESG in financing and investments.

Digitisation has also become even more important. Altogether, our latest assessment has confirmed that SEB to a large extent has been prioritising the most important issues.

THE ISSUES THAT MATTER MOST

THIS CHART PRESENTS an assessment and rating of issues identified as important, to SEB as well as to our stakeholders. A majority of these issues were ranked as highly relevant for both stakeholders and business, such as customer loyalty (1), financial strength (2) and digitisation (4). Issues like SEB’s direct environmental impact (H) and financial inclusion (I) were seen as less important to all stakeholders as well as for SEB’s business.



IMPORTANT FOR MULTIPLE STAKEHOLDER GROUPS

1. Customer loyalty and experience
2. Financial strength and resilience
3. Responsible selling and consumer advice
4. Digitisation
5. Business ethics and culture
6. Risk management
7. Talent management
8. Employee engagement
9. Integrating ESG in financing and investments
10. Capacity for innovation
11. Data protection

IMPORTANT FOR SOME STAKEHOLDER GROUPS

- A. Sustainability profiled products and services
- B. Resource efficiency in society
- C. Supporting entrepreneurship
- D. Tax transparency and public affairs etc
- E. Responsible sourcing
- F. Working conditions
- G. Engaging in local communities
- H. Direct environmental impact
- I. Financial inclusion

LONG-TERM FOCUS AND RELATIONSHIPS

SEB'S STRATEGIC FOCUS REMAINS. *Long-term customer relationships built upon a strong financial position form the foundation for sustainable profitability. This creates value for our customers, shareholders, employees, suppliers – and therefore for society as a whole.*

SEB WAS FOUNDED in the service of enterprise nearly 160 years ago and has always played an active part in the development of the societies and markets in which it operates. By assisting customers with financing, secure payments and wealth management, SEB promotes economic development and international trade, contributes to financial security and creates value.

In its ambition to be the leading Nordic bank for corporates and financial institutions and the top universal bank in Sweden and the Baltic countries, SEB has adopted a strategy based on three pillars: long-term customer relationships, resilience and flexibility, and growth in areas of strength.

At SEB we offer not only high-quality products and services – we also build long-term relationships by sharing our expertise and know-how with our customers. We safeguard our customers' financial strength by providing a customised, holistic offering.

Our financial strength – stability, resilience and flexibility – is crucial for maintaining the long-term trust amongst our stakeholders. With this trust and our role in society comes a responsibility for how we conduct our business including how we manage ethical, social and environmental aspects. Together they form the foundation for achieving our goals for customer satisfaction, employee engagement and profitability, and create shareholder value.



SEB'S VALUE DISTRIBUTION (SEK m)

SEB contributes to society (examples 2014)

- We support trade**
 - 853 million payments
 - 782 million card transactions
- We finance business activity**
 - Corporate and property management lending SEK 712bn
- We manage customers' securities and investments**
 - Assets under management SEK 1,708 bn and assets under custody SEK 6,763bn
- We provide secure forms of savings**
 - SEK 246bn of deposits from private individuals
- We support local communities**
 - SEK 17m to entrepreneurship and innovation
 - SEK 7m to education and know-how
 - SEK 16m to children and youth
 - SEK 29m to sports and culture

SEB CONTRIBUTION: EXAMPLES

The Relationship Bank in our part of the world



Rewarding relationships

Rewarding relationships are at the core of what we are. We strive to build partnerships based on insight and trust, supporting our customers long-term.

OUR STRATEGY

WE ARE CONVINCED that a business that encompasses a sustainable perspective is more successful long-term. This entails acting responsibly, being increasingly transparent and making sustainability a natural part of how we conduct our business. Our role as a bank and financial institution provides the framework from which we aim to create mutual value and contribute to sustainable progress.

SEB's sustainability strategy targets three areas – Responsible Business, People and Community and Environment. A key aspect of our sustainability work entails our continued commitment to global initiatives such as the UN Global Compact, the UN supported Principles for Responsible Investments, UN's Guiding Principles on Business and Human Rights, the UN Environment Programme Finance Initiative, the OECD Guidelines for Multinational Enterprises and the Equator Principles.



DEFINING THE NEXT STEP

We believe that we have made good progress in integrating sustainability throughout our business and are now in the process of defining the next step. SEB's internal conference, Corporate Sustainability Summit, which was held in November 2014, provided substantial input on key focus areas going forward. This complements essential information derived from our regular assessment of issues that matter. We plan to decide on SEB's forthcoming sustainability plan during the first half of 2015, thereby linking this work closely with SEB's overall business planning, all aimed to secure a sustainable business going forward.

EIGHT BUSINESS PRIORITIES – OUR AMBITIONS

SEB's sustainability strategy is focused on eight business priorities within three areas of responsibility. By focusing our efforts on these priorities we can contribute to better banking governance and protection of the environment, while enhancing our social contribution.

Responsible selling and marketing
Top customer loyalty. Facilitating customers' own control and understanding of their financial situation. Ensure quality advice based on long term needs.

Tackling financial crime
Strengthen processes for a flexible approach to meet changing threats, focusing on security and safety for employees, customers and assets.

Responsible investments
Ensure that we perform our ownership role responsibly, promoting good business ethics and governance. To be the leading Nordic asset manager within responsible investments.









Sustainable finance
Increasing dialogues on important sustainability issues with customers, using internal policies and international guidelines as key tools. In all business decisions consider environmental, social and governance aspects. Increase share of positive impact financing.









Valuing our people
Top number of employees engaged and proud to recommend SEB as an inclusive and sound workplace with scope for individual development. Increased diversity at all levels.

Access to financial services
Improve accessibility of our banking services, using new technology and innovation. Sharing our expertise to customers and the broader community. Make it easier for customers to interact with the bank on their own choice and regardless of physical ability.

Investing in communities
As a corporate citizen we engage for future generations. Sustaining and developing long-term partnerships with people and organisations, together building a society we all want to be in.

Reducing our footprint
Continue managing our direct environmental impact. Be resource effective, reduce energy consumption and CO2 emissions. Increase focus on sustainability aspects in relations with suppliers and other business partners.

	 Responsible selling and marketing	 Tackling financial crime	 Responsible investments	 Sustainable finance
OBJECTIVES 2014	<ul style="list-style-type: none"> • Further improve customer satisfaction. • Further focus on the customers' entire economy and needs. • Building on long-term relationship with all customers and continue the strategic focus on entrepreneurship. 	<ul style="list-style-type: none"> • Transaction monitoring: More sophisticated risk grading of transactions. 	<ul style="list-style-type: none"> • Increased communication on active ownership activities and impact analysis • Create overarching responsible investment framework for all asset classes. • Continue to develop and refine ESG investment products for all distribution channels. 	<ul style="list-style-type: none"> • Enhanced focus on sustainability in strategy discussions. • Develop and roll-out roundtable discussions on corporate sustainability. • Review of existing sector policies. • Additional focus on EP III training linked to project-related corporate loans.
STATUS				
PERFORMANCE 2014	<ul style="list-style-type: none"> • Customer experience strengthened, reflected in the SKI-index (Swedish Quality Index). Among the major banks on the private market in Sweden, SEB increased the most and the number 2 position was confirmed. On the corporate side SEB increased more than industry average. • Launch of new holistic and simplified savings offering and customer offering targeting young entrepreneurs. 	<ul style="list-style-type: none"> • Strengthened internal collaboration. • Additional resources with IT-security competence. • Implementation of additional transaction limits, creating a stop loss for fraud. • Ability to stop payments to known mule accounts. 	<ul style="list-style-type: none"> • External blog activity started. Acknowledged as one of the owners that managed to nominate the highest number of women to boards in listed companies. • Responsible investment framework covering all asset classes launched. • Launch SEB Microfinance Fund, II and Domestica II (real estate fund). 	<ul style="list-style-type: none"> • The sector policy for arms and defence clarified and sharpened. • Implementation of the new Equator Principles (EP III). • CS part of ongoing dialogue with most medium and large corporate clients. • Targeted training of client executives in the Baltic banks. • Energy related loan portfolio includes 27% renewable energy, and less than 2% of coal.
OBJECTIVES 2015	<ul style="list-style-type: none"> • Further enhance customer experience and satisfaction in all segments. • Secure relevant and holistic advisory based on the customer's whole economy and needs. • Taking further steps in supporting entrepreneurs and engaging in local communities. • Review and update of SEB's Code of Business Conduct. 	<ul style="list-style-type: none"> • Launch of new e-learning tools to increase awareness of Know-Your-Customer process and risks of money laundering. • Launch of documentary film on fraud and money laundering cases. • Explore how Big Data can be used for early fraud detection. 	<ul style="list-style-type: none"> • Continued ESG integration in portfolio management. • Enhance communication to support customers around responsible investments. • Further development of ESG focused products, such as green bond fund. 	<ul style="list-style-type: none"> • Continue to grow green product range. • Increase share of renewable energy financing. • Enhanced trainings on sustainability throughout SEB. • Continued focus on dialogues with clients around sustainability, to use this as a tool for better understanding of client needs.

 <p>Valuing our people</p>	 <p>Access to financial services</p>	 <p>Investing in communities</p>	 <p>Reducing our footprint</p>
<ul style="list-style-type: none"> • Further improve employee engagement, e.g. through value dialogues and activities from diversity initiatives. • Aligning work environment to OHSAS 18001, international occupational health and safety management systems (Swe). • Implementing the global leadership programme Art of Execution. 	<ul style="list-style-type: none"> • Develop and enhance the digital and mobile offering for private and corporate customers. • Further focus on multi-channel banking (based on sound advisory) making it easier for all customers to interact with the bank. 	<ul style="list-style-type: none"> • Deepen employee social engagement as a tool for health support. • Further develop engagement in local communities towards youth. • Strengthen internal awareness of entrepreneurship and of our community investments. 	<ul style="list-style-type: none"> • Assessment of our largest suppliers (covering 80% of spend) from a sustainability perspective. • Continue CO2 reduction towards target of -45% by 2015. • Reduce electricity usage with 2.5% per year on average
			
<ul style="list-style-type: none"> • Improved Employee Engagement index 75 (70) as a result from several engagement activities across SEB. • Alignment of OHSAS 18001 accomplished. Certification yet to be done. • Art of Execution implemented globally. Three programmes accomplished during 2014, covering 75 leaders. 	<ul style="list-style-type: none"> • All digital customer interfaces were updated with the aim to enhance customer experience and user friendliness. • In 2014, 96 per cent of Swedish retail customer interactions took place in a digital and mobile environment. Access to financial information has improved and errands that were to be carried out in a branch office is now possible in other channels. 	<ul style="list-style-type: none"> • Mentor is part of health program. Feel good by doing good. • Support for children and young adults widened in 2014, reaching 10,000 members of the future generation. • Increased communication of community investments. 	<ul style="list-style-type: none"> • 176 of our largest suppliers, covering 60% of our spend, assessed. • Direct CO2 emissions reduced by about 42% since 2008. • Reduction in electricity use comparing 2014 vs 2013 by 11%. • Travel distance increased comparing 2014 vs 2013 by 10%.
<ul style="list-style-type: none"> • Further improve Employee Engagement (+1) through different initiatives encouraging dialogue and collaboration cross organisation. • Certification of OHSAS 18001, international occupational health and safety management systems. • Implementation of development program for potential leaders; Green House. • Increased gender balance at senior managerial level. 	<ul style="list-style-type: none"> • Further improvements and more accessibility for the customers' entire economy in all digital and mobile interfaces. • Further steps in improving customer value through the multi-channel concept with the aim to further enhance accessibility and simplicity for the customer. 	<ul style="list-style-type: none"> • Strengthen impact measures. • Further improve governance and enhance knowledge about our commitments. • Further steps into supporting entrepreneurs in local communities. 	<ul style="list-style-type: none"> • Continue to assess our largest suppliers to cover 70% of our spend. • Continue CO2 reduction towards target of -45% by 2015. • Reduce electricity usage with 5% per year on average. • Increase our renewable electricity consumption to over 90% of total electricity consumption. • Reduce CO2 emissions from company cars by 10% vs. 2014. • Reduce paper consumption by 11% vs. 2014.

INTEGRATING SUSTAINABILITY INTO BUSINESS

SEB BELIEVES IN *taking an active part and contributing to the development of society. We are convinced that the best way to do this is by integrating sustainability into our core business, in our daily way of working throughout the organisation. Over the past years, we have made progress within all areas but still have challenges to overcome.*



**CECILIA
WIDEBÄCK WEST**

Head of Corporate Sustainability

What are SEB's main sustainability achievements in 2014?

Our Corporate Sustainability Summit, held in November 2014 with 300 participants, clearly showed that the whole of SEB now is on board on the sustainability journey. People are involved and engaged and realise that sustainability is for real and a critical factor for future business success. Besides valuable inspiration from external speakers, the most important contribution was the exchange of ideas and the lively discussions around important sustainability topics. I am convinced that many of the ideas generated will be realised going forward.

What main sustainability challenges does SEB have?

We need to build on the momentum created and further enhance knowledge and understanding of the many important sustainability issues. We need to strengthen our processes as well as our communication. There is a great need to further promote climate friendly and resource efficient solutions. Partnering with clients and other stakeholders, on how we best use our resources towards sustainable development.



**JOACHIM
ALPEN**

Co-head of Merchant Banking

What are your main sustainability achievements in 2014?

The development of green bonds has been impressive with USD 55bn issued globally, more than tripled compared to 2013. SEB remains the world leader and 2014 has been a year when we expanded globally. We have also intensified our work, more staff than ever before participated in discussions on our sector policies and position statements to clarify what we consider best practice. These are important in our strategic dialogue with our clients, as well as a corner stone for decisions made in Merchant Banking's business committee.

What main sustainability challenges do you have?

As a bank we have indirect impact on how our clients invest. The main driver for us is to deepen the relationships with our clients and to ensure that our employees always include the responsible business aspects into decisions. What new products can we find to meet our clients' needs? How can we strengthen our support even more? We are proud to be the speaking partner and facilitator for both institutions and corporates who strive to make more sustainable investments.



**MATS
TORSTENDAHL**

Head of the Retail Banking

What are your main sustainability achievements in 2014?

Most of our customer interactions take place or start in a digital or mobile environment. During the year we have taken further steps in developing all our channels with the aim to improve the customers' access to financial information and advisory. Simplicity, accessibility and advisory are key for our customers and by providing them with core competence and user friendly solutions we help them in managing their own finances. Customer interactions in mobile or digital environments reduce the need for traveling but also, by using secure digital signatures, the use of paper documentation declines.

What main sustainability related challenges do you have?

We have noticed a surging demand for green customer offerings primarily related to savings. This is something we will continue to develop in all customer segments. We will also strengthen the advisory around private savings and further promote a sound amortisation culture for all our private customers. It is important for the customers' long-term financial resilience and crucial from a sustainability perspective.



**CHRISTOFFER
MALMER**

Head of Wealth Management

What are your main sustainability achievements in 2014?

Through active ownership we work to increase the number of women on boards of companies we invest in. In 2014 we managed to nominate more female directors than in any previous year. We also continued to increase our range of sustainability related products. This now comprises equities, fixed income, real estate, private equity, hedge funds and microfinance, which makes us unique among the Swedish banks. Within our fixed income funds, we also opt for green bonds wherever investment guidelines, liquidity and performance objectives permit.

What main sustainability related challenges do you have?

Our clients increasingly demand more from us in terms of sustainability products and stewardship. Sustainability has no precise definition and is to some extent a moving target. SEB's ambition is to be at the forefront. We want to support our customers in their ambitions to make sustainable investments. This includes enhanced communication about our offering and how we work with sustainability in our fund range.



**VIVEKA
HIRDMAN-RYRBERG**

Chair of the Corporate Sustainability Committee

What are SEB's main sustainability achievements in 2014?

For several years we have step-by-step worked to integrate sustainability aspects into the business and to make it a core capability. We have thoroughly elaborated our position statements and sector policies, increased awareness among employees all across SEB and reviewed several business processes. Thus, we have made a solid

ground work. In 2014, we saw that this work paid off in various external acknowledgements. Internally, among our people, we also see true engagement and a willingness to contribute to making SEB a sustainable value creator in society.

What main sustainability challenges does SEB have?

We see increasing demands on us of how we handle our

indirect impact, how we promote sustainability and sustainable businesses. This is also an opportunity for us, for example by being a driving force as we have been in developing green bonds. We also see that our stakeholders have higher expectations on us, that we should promote transparency, simplicity and speed – not least in a more digitised world.



**PETER
DAHLGREN**

Head of the Life division

What are your main sustainability achievements in 2014?

The final size of the pension increasingly depends on the yield individuals manage to get by making own investment choices both in the public pension, in occupational pension schemes and in private savings. Consequently, the need for clarity and information about our services grows. By organising "Occupational Pension Days" in 2014, for all SEB employees, we took one important step to create awareness of pensions in general and of the occupational pension plan (BTP) in particular. We will bring this concept further and offer our large corporate customers this as a service in addition to their occupational pension plans.

What main sustainability challenges do you have?

The increasing interest for sustainable pension savings enhances the need for pedagogical and clear communication to customers. Furthermore, also our investments and fund offering are externally reviewed and ranked from a sustainability perspective. We need to address how to be more transparent about our processes and offerings.



**DAVID
TEARE**

Head of the Baltic division

What are your main sustainability achievements in 2014?

It feels great to have such motivated and engaged employees in the Baltics. In 2014, we boosted awareness and general understanding of what sustainability means to us. Internalising sustainability is an important step towards making it a natural part of our daily activities to better serve customers. Running a series of internal sessions with an exercise focused on individual sustainability journeys has been key to achieving this. Furthermore, many employees have shown great initiative within their teams and business areas.

What main sustainability challenges do you have?

Better understanding of client needs is always a top priority. We continuously strive to act on this understanding by providing new and improved services for our customers. This is a challenge as the banking environment is changing so rapidly; our clients are also becoming more demanding, which is a great impetus for us to deliver even higher quality! Looking forward, we seek to leverage employee engagement to generate the most modern and innovative solutions for our clients.



**MARTIN
JOHANSSON**

Head of Business Support

What are your main sustainability achievements in 2014?

In 2014, we have taken further steps to integrate sustainability issues in the operations. 176 company groups have responded to sustainability issues in the newly developed screening process. Internally, digitisation and reducing traditional paper mailings to customers has given the continued positive effect of 25 tonnes less paper consumption annually and more satisfied customers. Overall, SEB has reduced the number of letters with 2.5 million letters in 2014. The commitment among employees increases to help young people to prepare for the world of work (collaboration with Mentor) and to help students achieve their dreams in the school competition Dream Challenge.

What main sustainability challenges do you have?

We will continue to engage more employees to support young students in our community. Our colleagues value the possibility to participate in the activities, to feel pride and to contribute with their knowledge. Our sustainability goals push us to use new technology and increase the number of digital meetings to reduce travel and reduce carbon emissions.



**JOHAN
ANDERSSON**

Chief Risk Officer

What are SEB's main sustainability achievements in 2014?

We have now reached a good deal of maturity throughout the Bank in applying our CS framework in the day-to-day business process, often discussing sustainability aspects and sometimes declining business entirely due to this. Furthermore, the sector policy for the arms and defence industry has been clarified and tightened, there is increased focus on human rights issues with exporting companies and the sustainability perspective has been strengthened in the New Product Approval Process.

What main sustainability challenges does SEB have?

With the risk of sounding very traditional, one of a bank's primary contributions to a sustainable society is responsible credit granting, meaning not lending more than the customers have the capacity to repay. In the present extreme low interest rate environment, many clients may be tempted to borrow more than is good for them. The cornerstones of banking; responsible lending decisions and responsible financial advisory, therefore remain more important than ever.

DRIVING THE AGENDA

SEB ACTIVELY ENGAGES in collaboration forums connected to our business. We are involved in general and sector specific groups, as well as in cross-sector contexts, in all home markets. SEB is not allied to any political parties. We do not provide financial support to any political parties, nor do we make any other type of political donation.

SWEDISH BANKERS' ASSOCIATION

This network aims to contribute to a sound and efficient regulatory framework that facilitates for banks to help create economic wealth for customers and society. The Association drives important issues and highlights the effects of regulations on the Swedish financial market and the Swedish economy. Discussions are held with decision-makers in Sweden in parliament, the government, the National Bank and the FSA and other authorities. SEB's CEO Annika Falkengren is the chairman of the Executive Board since 2014.

The regulators have continued to focus on the function, efficiency and stability of the financial markets. SEB is monitoring regulatory developments closely, at the global, European and local levels via Swedish Bankers' Association, the Swedish Securities Dealers Association and other similar domestic and international associations. SEB is in frequent contact with the regulators and responds, via industry organisations, to a great number of consultations.

FINANCIAL COOPERATION FOR CHILDREN

Swedish Financial Coalition Against Commercial Sexual Exploitation of Children is a cooperation where Swedish banks and financial institutions, IT- and telecom companies interact with ECPAT (End Child Prostitution and Trafficking), the Swedish Police, the Swedish Financial Supervisory Authority and the Swedish Departments of Justice and Finance. The purpose is to prevent and obstruct payments for documented sexual abuse of children through the Swedish financial system.

AMONG OUR INTERNATIONAL COMMITMENTS



SEB has representatives in various international finance forums. Lena Anderson, a trade finance specialist within Merchant Banking, is a representative in for example the **International Chamber of Commerce (ICC)** in Paris and The Institute of International Banking Law & Practice (IIBLP), based in Washington DC.



Cristina Rooth, a lawyer within SEB's Merchant Banking division, is the lone representative from the Nordic region on the **Legal Committee at the ICC**, an 'under committee' within the Banking Commission, the largest out of 13 reference groups within the ICC and particularly known as a rule-making body in trade finance.



Eszter Wijkman, Senior Advisor and Client Executive, Merchant Banking, represents SEB in **The Bankers Association for Finance and Trade, BAFT**. The association serves as the leading forum for bringing the financial community and its suppliers together to collaborate on shaping market practices, influencing regulation and legislation through global advocacy. It develops and adapts new and existing instruments that facilitate the settlements of products and service offerings for clients, providing education and training and contributing to the safety and soundness of the global financial system.

TOOLS AND TRAINING SUPPORT INTEGRATION OF SUSTAINABILITY INTO THE BALTIC BUSINESS

As a leading financial services firm SEB seeks to be a stable and trusted partner for our clients as well as for our partners and employees. Integrating sustainability into our processes is key to enhance trust and competence.

Seeking to increase awareness of sustainability within the Baltic banks we have both empowered and engaged a high number of employees through the exercise "My CS Journey". This tool helps employees to understand what they have done in the past, what they are doing now, and what they hope to achieve in the future, related to sustainability. At the start of 2014 the bank ran a series of training sessions for client executives. An integral part of this

training programme was a session on sustainability. During this occasion executives learnt about the bank's approach to sustainability, as well as case studies linked to the sector policies and position statements (read more on page 26). This forms the basis of a solid understanding for client executives when developing customer relations. This has also increased competence and allows us to build trust by sharing our values with clients.

The New Product Approval Process was strengthened in 2014 with a series of training sessions and workshops for employees involved. Awareness and understanding of CS has increased. Additionally, employees now have a framework with which to assess CS risks and opportunities when preparing to review new or adjusted services.



Some 20 workshops were held at SEB's Corporate Sustainability Summit 2014. From the left: Peter Urban, Wealth Management, Lars Millberg, Merchant Banking and Heidi Urbach, Retail Banking.

HIGHLIGHTS FROM CS SUMMIT 2014

A SUSTAINABILITY CONFERENCE gathered some 300 employees from all SEB with the purpose of focusing on the next steps in SEB's sustainability work. The conference hosted guest speakers like Ronnie Leten, CEO of Atlas Copco, Johan Kuylenstierna, Executive Director at Stockholm Environment Institute and Tom Beckman, Creative Director at Prime. Some 20 workshops were held, aiming to share knowledge and identify concrete actions for creating value for all SEB's stakeholders.

The participants agreed that SEB's most important accomplishments to date have been the invention of green bonds in 2009, the bank's position statements and sector policies in matters of ownership and credit granting, the launch of a microfinance fund, support for young and aspiring entrepreneurs, and establishing a clear structure for sustainability work.

CONCRETE IDEAS TO TAKE FURTHER

Going forward, the most important issues identified were to continue earning external trust, increase transparency, and to integrate sustainability even further into the business activities. A series of concrete ideas was also discussed which will be taken further.

Speaking at the conference, Viveka Hirdman-Ryrberg, Head of Group Communications and Chair of SEB's Corporate Sustainability Committee, said: "We began by setting a strategy for our sustainability work. We have now taken the next step where sustainability is integrated in the Bank's overall strategy. Most important is how we run our core business, how we lend, invest, and how we identify opportunities and manage risks in a long-term sustainable manner."



Annika Falkengren, CEO SEB, with guest speaker Ronnie Leten, CEO Atlas Copco.

»SUSTAINABILITY IS NOT A PROJECT, BUT AN INTEGRAL PART OF THE BANK'S STRATEGY. LONG-TERM PERSPECTIVE AND SUSTAINABILITY ARE TWO SIDES OF THE SAME COIN.«

Annika Falkengren, President & CEO



Fredrik Boheman, Head of SEB in Germany

RESPONSIBLE SELLING AND MARKETING



WHAT'S THE ISSUE?

Relationships and trust are the foundation of everything we do as bank. Our customers entrust us not only their money but also their aspirations and their plans for the future. In a society with a high rate of change, where uncertainty and complexity increases, there is a growing need to feel secure and confident, not least for the finances.

It is our job to share our knowledge, provide responsible advice, tools and opportunities for our customers to make wise choices.

»1 200 employees have at 60 occasions, accomplished Code of Business Conduct class room trainings.«

THE STARTING POINT for all our business is built upon our core values – commitment, mutual respect, continuity and professionalism. They permeate our way of working and form the foundation of our corporate culture.

RESPONSIBLE ADVISORY

Integrity and high ethical standards shall permeate everything we do. Our Code of Business of Conduct is an important tool that guides us in our business relations when needed.

We strive to make sure that our customers understand the consequences of our advice and we continuously deepen and broaden knowledge and understanding

among employees. With the SwedSec license, all employees who work with advising towards customers have a clear proof that they have relevant experience in both investment advisory and insurance broking.

We want to ensure that our customers have a sound financial position and we were the first Swedish bank to introduce amortisation requirements for mortgages when value ratios are above 70 per cent.

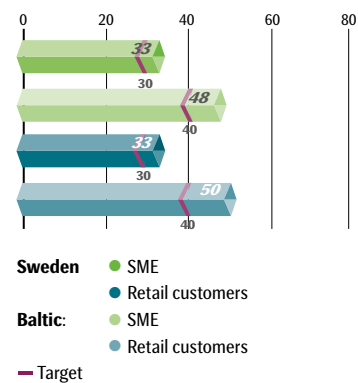
FACILITATING DAILY FINANCES

SEB wants to make it easier for customers to gain control and get a comprehensible view of their financial situation. We offer comprehensive solutions; customer targeted packages as well as more individually adapted portfolios and investment advice.

Our advisory offering to small and medium-sized enterprise (SME) customers caters not only to company and owner financial needs, but also the needs of employees. By the Enkla (“Simplicity”) concept, we make banking easy to understand and to use. It comprises lending, deposits, custody, pensions and SME banking. In 2014, we launched “Enkla firman student”, an offering to student entrepreneurs, making it easier to run a business while studying.

In Lithuania, a new financial advisory concept was introduced, to be launched in all three Baltic countries during 2015.

NET PROMOTER SCORE 2014



EURO INTRODUCTION IN LITHUANIA

On January 1, Lithuania became the 19th country to join the euro zone. Preparation for the change to the euro in SEB Lithuania started more than a year and a half ago and the change process itself went smoothly. A euro adoption related campaign was run advising customers of the most effective and simple transition from one currency to another. On January 1, 2015, EUR 1.9 million was withdrawn by customers at our bank branches and at ATM's. EUR 740,000 (LTL 2.6 million) was exchanged in cash and the amount deposited at cash-in ATMs was LTL 1.3 million.

RESPONDING TO CUSTOMER COMPLAINTS

Customers can submit comments via multiple channels – in person at the office, over the phone and web channels in various forms. Our ambition is to address a complaint directly and as close to the source as possible. If the employee who receives the case cannot resolve the issue, we contact the customer within 72 hours with information regarding decisions to act or if the matter should be further investigated.

There is a special customer relations team that handles appeals in cases where the customer still does not feel satisfied. All complaints are registered in SEB's operating risk information system.

SEB'S CORE VALUES

<p>COMMITMENT</p> <p>We are all dedicated to that everything we do creates stronger customer relations.</p>	<p>PROFESSIONALISM</p> <p>We make it easy for people to do business with us by sharing our knowledge and being accountable for our actions.</p>	<p>MUTUAL RESPECT</p> <p>We are open and always strive to earn the trust of others as well as from each other.</p>	<p>CONTINUITY</p> <p>We learn, challenge and take action based on our long experience.</p>
--	--	---	---

GROWING DEMAND FOR DIGITAL SERVICES



BANKS, AS OTHER SECTORS, face a growing demand for digital services, particularly among younger customers. In 2014, 96 per cent of our Swedish retail customer interactions took place in a digital environment. The availability of relevant, accessible and targeted information becomes increasingly important as people need to make the right decisions in everyday matters.

As this development continues, we will put more efforts in growing digital availability and service offering.

During the year, we have made several improvements for our customers. Among other things, a new Internet bank for business customers was launched with new functionalities and a new interface. The bank's largest and most visited website, www.seb.se was also updated.



PAPERLESS BRANCHES REDUCE PAPER VOLUMES

Last year, SEB piloted paperless service in five of the Estonian branches. The innovation was received very well by the customers, and all of the bank's branches in the country now offer the service. When signing a contract, customers can use a national ID card with a built-in electronic chip or a Mobile-ID to identify themselves. SEB then makes the contracts available in the Internet Bank, or e-mail them in an encrypted format at the client's request. With its new service, the bank wants to make life easier for clients, as well as reduce paper consumption which at present is 24 tonnes annually. SEB expects the paperless service to reduce the volume of paper documents created in the branch network by 60 per cent by the end of 2017.

APPRECIATED DIGITAL COIN JAR

The digital coin jar that was launched in Estonia 2012 has become appreciated by customers. When customers pay with a debit card, SEB's systems round the amount to the nearest euro and deposit the

difference in a special savings account. In the end of 2014 around 64,000 contracts had saved EUR 9.2m (50,000 contracts and EUR 4.2m in 2013). The Digikassa service is free of charge and is available to all customers with a debit card.



TACKLING FINANCIAL CRIME



WHAT'S THE ISSUE?

Financial crime is a major international problem. Preventing this type of crime is a high priority for SEB, especially as it is constantly changing, and the consequences for societies and the economy can be substantial. SEB is a major provider of loans, payments and other financial services and it is our responsibility to protect our customers and the assets that we manage.



SEB DEVOTES considerable resources to prevent financial crime and its damaging effects on our customers, our business and on local and global economies. We collaborate with partners locally and internationally, train our employees, monitor transactions and check our customers according to the Know-Your-Customer process (KYC) and against sanctions lists.

WE FOCUS ON THREE KEY AREAS:

- Fraud prevention, -detection and -response
- Actions to prevent money laundering and financing of terrorism
- Compliance with government sanctions against criminal suspects

STRENGTHENED COLLABORATION

During 2014 considerable strides have been taken in strengthening internal collaboration in the effort to combat financial crime. Primarily Security, Information Security and IT Security have been brought closer through effective collaboration foras. By doing this, we consolidate and apply SEB's key capabilities and perspectives that are required to fight financial crime in a structured way.

CYBERCRIME

There is broad consensus throughout the banking industry that cybercrime is at the top of the list of current and most likely long term fraud-threats. SEB is taking active measures to stay on top of that threat. Firstly, our central security function has been strengthened by employing additional resources with IT Security background. Secondly, "Big Data" is being explored in order to leverage the vast amount of data that we have on transactions and customer behaviour in our e-banking channels. The purpose is to find and stop fraudulent transaction in real time. Thirdly, the continuous development of authentication solutions and processes to issue them forms a cornerstone in SEB's anti-fraud efforts. Finally, transaction limits have been implemented that in effect create "stop loss" for fraud.

KYC PROGRAMME IMPORTANT TOOL

SEB put large efforts into combatting money laundering, and believes that a sound KYC programme is the best method of preventing that. Based on a professional relationship with customers, this is an important tool to achieve an appropriate level of Customer Protection. We abide by European Union legislation on anti-money laundering (AML) and KYC. We apply enhanced due diligence for customers, products and countries, where there is a perceived risk that the Bank is used for money laundering and financing of terrorism.

WHISTLE-BLOWING

SEB has an established whistle-blowing process. Most reports of suspected irregularities are still made to local managers. Reports are also regularly made to the Head of Compliance and Head of Internal Audit, mostly via telephone or the specific email address. Notifications come from employees, but complaints also come from customers, suppliers and other stakeholders. All reported incidents or circumstances are promptly investigated and, when applicable, reported to the bank's CEO and the Audit and Compliance Committee.

INCREASING AWARENESS

Ensuring that employees understand the basic characteristics of fraud and money laundering forms one of the most effective measures in fighting financial crime. During 2015, SEB will launch a new e-learning to increase awareness of the KYC process and risks of money laundering. A documentary film where actual fraud and money laundering cases are dramatized will also be launched. The purpose is to create awareness around concepts such as the importance of segregation of duties, of screening of new hired employees and that no future or existing customer can be of such importance that it warrants a deviation from the normal AML processes.

RESPONSIBLE INVESTMENTS



WHAT'S THE ISSUE?

SEB is one of the largest institutional investors in the Nordic region, investing in companies world-wide on behalf of private, corporate and institutional clients. We believe that businesses that actively manage the environmental, social and governance (ESG) aspects of their business are more able to reduce risks and costs, seize opportunities and to attract capital. Guided by the UN supported PRI, we therefore invest to pursue long-term value creation.

INTEGRATION OF SUSTAINABILITY IN OUR INVESTMENTS

ACTING RESPONSIBLY as an investor and owner forms an important part of the mandate given by our customers. The 2014 Eurosif SRI study (www.eurosif.org) showed that assets managed with a responsible investment strategy continues to increase in Europe, growing at a double-digit rate annually since 2011. From our side, we see an increase in demand for products with a sustainable profile (ESG), mainly from institutional clients.

We work to proactively integrate ESG factors in our investment decisions, by supporting the portfolio managers, team by team. This is an on-going process for us, and we continuously develop and refine the way we work with it.

In 2014, asset under management in SEB's fund com-

panies amounted to SEK 513bn of which 99 per cent were managed according to the UN supported PRI (Principles for Responsible Investments). The number of Socially Responsible Investment/ethical funds was 18 (17).

In the evaluation and selection process of external fund managers, we consider whether the respective fund manager is a signatory to PRI or not. In total, 70 per cent (65) all our external fund managers have signed the PRI.

We include sustainability aspects as part of all product development discussions. The ESG team is always involved to ensure that relevant sustainability elements are taken into account from the start.

OUR INVESTMENT OFFERING CONTAINS THREE LEVELS

GENERAL OFFERING

This comprises all our investments and funds, managed by SEB. We exclude companies involved in certain activities from our investment universe such as the production or marketing of illegal weapons (anti-personnel landmines, cluster munitions, chemical and biological weapons) and in the development or production phases of nuclear weapons programmes. Read more at www.sebgroup.com/activeownership. We also apply our active ownership programme to most of our assets where we have equity holdings, (read more on page 24).



SUSTAINABILITY PROFILED PRODUCTS

This product range carries an ESG profile, i.e. we include or exclude investments based on sustainability criteria. We now have products in this category in all our major asset classes; equities, fixed income, real estate, private equity and hedge funds, introduced in 2014. Among our equities funds, we offer for example Sweden Ethical and Ethos Swedish Equities, for which we have measured the carbon footprints, and had that compared to the funds' benchmarking indices. The footprints of these funds were significantly lower than that of the benchmarks. On the fixed income side we were one of the first to launch an SRI fund containing corporate bonds. For our institutional clients we have several products available, e.g. with in the High Yield, Private Equity and Real Estate segments.



POSITIVE IMPACT INVESTMENTS

Our investors are becoming increasingly interested in investments that have a broader positive impact than just the financial returns. Two product categories responding to that demand are green bonds and our two microfinance funds, described on page 25. To further respond to this demand we will in 2015 launch a green bond fund, which will be open for investments from private as well as institutional clients (read more about green bonds on page 29). In addition, we provide our clients with the opportunity to invest in the Schroder ISF Global Climate Change Fund, which invests in companies that are part of the solution to the climate change challenge.



ACTIVE OWNERSHIP



ACTIVE OWNERSHIP IMPLIES that we use our influence as shareholders in the companies we invest in, with the purpose of improving the performance of these holdings. The dialogues can revolve around business opportunities, or around risk mitigation. We are a long-term investor and our work as active owner is thus our main tool to create long-term value in our investments and for our clients.

ACTIVE OWNERSHIP – CORPORATE GOVERNANCE

For our equities investments, we practice active ownership by voting at company annual general meetings (AGM) and by participating in the Nomination Committee in Swedish companies. During 2013 – 2014 we participated in 30 Nomination Committees, in companies where we are one of the largest shareholders. This was an increase from 20 the previous year. We focus on topics such as incentive programmes and board diversity with a particular focus on female board representation. In 2014, 22 new board members were nominated of which 15 (68 per cent) were women.

SEB supports the Swedish, Finnish and Danish SIF's (Sustainable Investment Forum), as well as the Swedish investor collaboration Sustainable Value Creation. As part of our Swesif engagement, SEB, together with five other Swedish financial institutions, made the new version of the sustainability profile available in the Swedish premium pension system.

22 new board members were nominated of which **15** (68 per cent) were women.

We held **239 (196)** ESG dialogues with portfolio companies during 2014.

ACTIVE OWNERSHIP – ESG

We apply a two-tiered approach to active ownership in the area of environmental, social and governance aspects (ESG) – we do proactive thematic engagements in collaboration with other investors, and we have individual dialogues with companies regarding potential areas of improvements. The latter involves mitigation of ESG risks, as well as capitalisation of business opportunities related to sustainability. Examples of companies that we have had ESG dialogues with over the year include Stora Enso and TeliaSonera. In total, we held 239 (196) dialogues with portfolio companies during 2014.

In collaborations with a number of international investors via the PRI Clearing house, we have over the years been working on the themes of anti-corruption, as well as hydraulic fracturing ('fracking') in the shale gas industry. In addition, we collaborate with a number of Swedish institutions, and have initiated a discussion around taxation and tax evasion for our equity holdings.

THE CHALLENGE OF FINDING WOMEN ELIGIBLE FOR BOARDS

IN THE NOMINATION COMMITTEES, we actively focus on increasing the share of female board members. The main challenge is to find suitable and willing candidates. Today, the number of eligible women with experience from executive positions in larger companies and public organisations is limited. In addition, it is our view that these candidates, while they still have operational roles in companies, are to a lesser extent than their male equivalents inclined to take on external assignments. Female candidates may be less encouraged by their managers, than male candidates in similar positions. Additionally, women that have recently ended their executive careers are in high demand and can often not take on more board memberships for time reasons.

Our approach in the past three years has been to continuously raise the issue in the Nomination Committees where we are represented, as well as in discussions with companies and in ownership foras. However, it takes time to change culture and our society. So we try to find new ways of reaching qualified women. One way of doing this is to expand our horizon to look for candidates outside of the corporate world, as well as candidates outside of Sweden. These individuals bring new perspectives and experiences relevant for the companies we invest in.



»However, it takes time to change culture and our society. So we try to find new ways of reaching qualified women.«



TWO MICROFINANCE FUNDS

As the first Swedish bank, SEB launched a microfinance fund in 2013, which invests in microfinance institutions (MFI's) in emerging and frontier markets worldwide. Following the success of that, we launched a second fund in 2014. We now have more than SEK1bn in assets under management in microfinance, invested in more than 40 MFIs in more

than 25 countries. Through these MFI's, we reach more than six million individuals, a majority of which are women. Through microfinance, these persons or small businesses get access to basic financial services such as loans, bank accounts and savings deposits; services that they otherwise would have to live without, since they normally are excluded from the banking system.

In March 2014, we invited clients to come on a field trip to Sri Lanka and Cambodia, to get an on-the-ground experience of how microfinance works in practice. We visited microfinance institutions as well as micro businesses, where our clients got the opportunity to discuss with the persons themselves on how they utilise the products and services they get access to.

SUSTAINABLE FINANCE



WHAT'S THE ISSUE?

As a large corporate bank, we are convinced that we can influence the development towards a more sustainable economy. We aim to support sustainable business practices and believe that by improving our own work, we can influence others for real and lasting change. We want to collaborate with our clients and support them as they develop their business practices.

RESPONSIBLE LENDING AND RISK MANAGEMENT

One of a bank's primary contributions to a sustainable society is responsible credit granting, meaning not lending more than the customers have the capacity to repay. SEB's principle as regards risk is that we take on risk only to create customer value and long term shareholder value.

SEB's risk culture is based on long experience, strong customer relations and sound banking principles. The business areas are responsible for their respective risks. That is where the most important work is done. That is why long-term relations and good knowledge and understanding of the customer and repayment capacity remain the core aspects of SEB's credit culture. Read more about Risk management in the Annual Report, p 28-33.

WORKING WITH CLIENTS

We believe that all companies over time must embrace sustainable processes and we engage more with clients on sustainability to become a better business partner. Initially, SEB's primary focus was on large corporates as well as medium sized corporates in Sweden.

Many of our clients have been working with different aspects of sustainability for many years. Our aim is to better understand our clients' strengths and weaknesses as well as challenges and opportunities and thus better identify their changing needs.

Increasingly, we now also engage with our corporate

customers in the Baltic states where we see a growing interest for these issues. Many clients already have sustainability as part of their day-to-day business although others regard sustainability as a relatively new concept.

In our aim to support our clients, we have close dialogues and monitor risks also rising from geopolitical challenges. Several of our clients have been directly affected by the sanctions against Russia and experience loss of export revenues, increased risk on receivable quality and lower investment activity. The challenge here is to manage client expectations in the face of this present macro uncertainty.

POLICIES – SEB'S POSITION

SEB has taken a position on three specific sustainability issues – climate change, child labour and access to fresh water – and established policies for six industry sectors – arms and defence, forestry, fossil fuels, mining and metals, renewable energy and shipping.

The purpose of these statements

and policies is to establish a common framework for a pro-active and future-oriented dialogue on key issues with our clients, as well as for internal guidance.

During 2014, the sector policy for the arms and defence industry was clarified and tightened to show SEB's stance against nuclear weapons and an increased focus on

human rights issues.

These statements and policies form an integral part of the Credit Policy for Corporate Sustainability, which was further strengthened during the year.

We have also intensified our work, more staff than ever before participated in discussions on our sector policies and position statements to clarify what we consider best practice. These are important in our strategic dialogue with our clients, as well as a corner stone for decisions made in Merchant Banking's business committee. Sustainability aspects are often discussed and at times business is declined entirely due to these aspects.



JOINT ACTION FOR SUSTAINABLE DEVELOPMENT

The Swedish Leadership for Sustainable Development consists of 23 Swedish multinational companies, three organizations and the Swedish International Development Cooperation Agency (Sida). The network works together, within and across sectors, to take leadership for sustainable business and at the same time reduce poverty and find long term solutions to today’s major development challenges. SEB is a member since the summer 2014.

Focus is on five thematic priorities; decent work, environmental impact, anti-corruption, information and communication technology (ICT) for development and sustainable financing.

Committed at CEO level, the network is collaborating around topics such as how to combat corruption and promote transparency and integrity, use of ICT as tools for development, mobilize institutional capital for sustainable investments, support entrepreneurship and create decent jobs in developing countries at the same time as gaining sustainable growth in our businesses.

The overall target of Sweden’s development cooperation is to ensure that those in poverty have the ability to improve their living conditions; the individual person is always the focus of our work.



EQUATOR PRINCIPLES

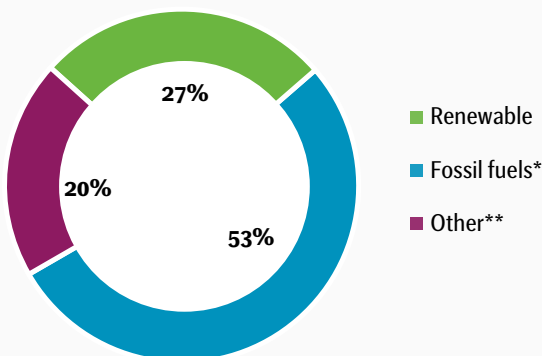
In 2007, SEB adopted the Equator Principles (EP), a voluntary set of guidelines used by financial institutions to assess the social and environmental impact of large projects and to help their customers to manage them. SEB has during the year taken part in the EP annual meeting and in workshops intended

to streamline the implementation of the EP as well as further develop the understanding of the principles among international financial institutions, development agencies and private banks.

2014 was the first year EP has been mandatory not only for project financing, but also for project-related corporate loans above USD 100m

and where the client has effective operational control. Moreover, the tenor of the loan should be at least two years and our part of the financing at least USD 50m. We have for 2014 only had two such transactions, one category A and one category B. As regards project finance, SEB was involved in nine transactions under the Principles, all categorised as B.

Total energy portfolio (%)



* Coal accounts for less than 2% of the total portfolio.
 ** Mainly infrastructure (e.g. district heating and transmission).

REVIEW OF ENERGY RELATED LOAN PORTFOLIO

SEB’s energy related portfolio is monitored on a regular basis, from a risk and business perspective.

In total the energy related portfolio represents 6 per cent of the total loan portfolio and amounted to SEK 125 bn.

About 53 per cent of the portfolio is related to fossil fuels with less than 2 per cent related to coal. Renewable energy represents 27 per cent of the portfolio which includes wind power, solar power, bioenergy and hydro power.

We will continue to monitor the development of the overall energy related portfolio as well as that for project finance. The aim is to increase the share of renewables and decrease of fossil related.

SUPPLY CHAIN SCREENING PROCESS

RESPONSIBLE SOURCING – ASSESSING OUR SUPPLIERS

SEB has a strong ambition to contribute to sustainable growth and to make a difference to customers, staff and the society at large. For us, it's of vital importance that we have close relationships and interact with all our stakeholders, also our suppliers.

We are convinced that having suppliers with high performance as regards environmental, social and ethical aspects creates greater values for us as well as for our suppliers.

FUNDAMENTAL CODE OF CONDUCT

In our Supplier Code of Conduct we express the importance of having a sustainable supply chain and what we expect from our suppliers. The Supplier Code of Conduct is fundamental to our sourcing process and is essential for our assessment of suppliers. We are using EcoVadis sustainability monitoring platform for managing assessment and rating of our suppliers. The EcoVadis platform combines sustainability assessment expertise and data management tools which will allow for our suppliers to demonstrate their sustainability best practices. The target is to increase the average sustainability rating in the supplier community that delivers products and services to SEB.

The result from the monitoring is not only used by SEB as an important input in the supplier selection, but also for measuring and developing current suppliers'

sustainability performance. For suppliers that receive low rating, SEB will support the supplier in driving a positive development of the scoring, with the ambition to improve the rating year to year.

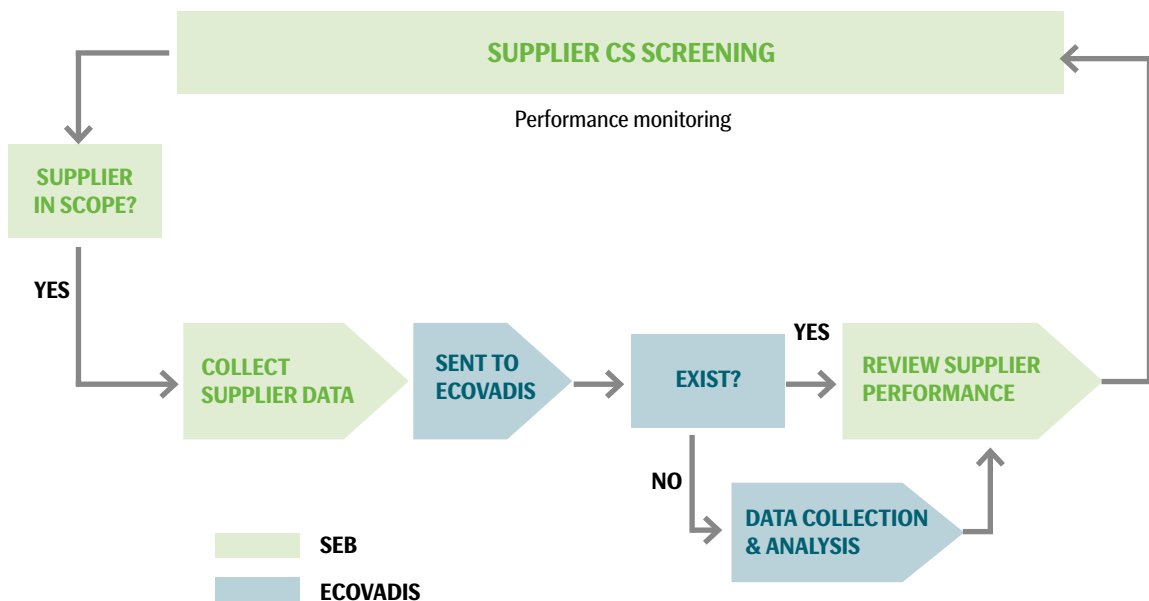
SUSTAINABILITY MONITORING PLATFORM

As regards new suppliers the use of EcoVadis sustainability monitoring platform is part of SEB's sourcing assessment. The assessment result is an important criterion in the qualification process. Suppliers will get an invitation from SEB to fill in the evaluation form on the monitoring platform. Suppliers with no EcoVadis rating, or low scoring suppliers, showing unwillingness of improvement, will in due time be excluded from SEB's sourcing activities.

RESULTS FOR 2014

We have during 2014 assessed 176 company groups representing more than 500 of our suppliers. These suppliers correspond to 60 per cent of our annual spend. Of these suppliers 103 are performing well, while 2 are to be seen as high risk suppliers due to limitations in policies and performance. SEB will during 2015 work with low performing suppliers to improve the scores.

For 2014, we set a target to assess 80 per cent of our supplier spend. This target has not been reached due to a higher complexity in the screening process than expected. For 2015, we have therefore revised our assessing target to 70 per cent of our supplier spend.

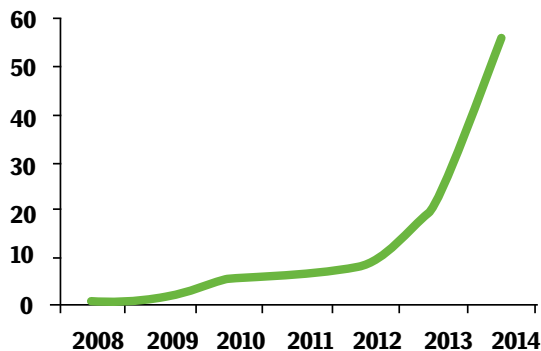


GREEN BONDS 2014 – A BOOMING MARKET

THE MARKET FOR GREEN BONDS is booming. In 2014, more than three times as many green bonds were issued compared to the previous year. The number of investors who finance environmentally friendly investments by buying green bonds through SEB has continued to rise, reaching nearly 300 worldwide.

The range of green bonds has widened in terms of credit quality, maturity, geographies and currencies, giving investors the opportunity to build more diversified green portfolios. Several green bonds indices have been launched and a number of major investors (e.g. Barclays and Zurich Insurance) have committed to large investments in green bonds.

Green bonds, accumulated issue volume, USD billion



Source: Climate Bonds Initiative

WHAT AND WHY?

The green bond concept was developed in 2007/2008 by SEB and the World Bank as a response to increased investor demand for engagement in climate-related opportunities. A green bond is an investment vehicle that integrates the fiduciary element of fixed income products with climate mitigation and adaptation awareness. At the same time, it is a tool that raises industry engagement by encouraging investments in sustainable projects, processes and technologies with a transparency that allows investors to understand challenges and thus diversify risk.

SEB THE LEADING GREEN BOND UNDERWRITER

For the seventh consecutive year, SEB was the most active bank in the world in terms of helping companies and organisations issue green bonds. This is the result of early initiative in the area and a long-term vision, which has given SEB a larger network of investors, issuers, environmental organisations and policy-makers. Our ambition is to maintain the role of industry thought-leader, where quality is more important than quantity.

PROMINENT DEALS

SEB participated in over 25 transactions in 2014. Prominent deals include German development bank KfW, which in July issued its first green bond for EUR 1.5 billion; the Province of Ontario in Canada, which SEB helped to market; and Bergen’s energy company’s BKK, which issued the first Green Bond in the Norwegian market in September (for NOK 1.1bn).

refinancing is accepted, the size of environmental, social and governance (ESG) requirements for issuers, and the degree to which impact reporting should be part of re-reporting.

GREEN BOND PRINCIPLES

Some of these discussions above are conducted within the framework for the Green Bond Principles (GBP), which was formed in 2014 by a global consortium of investment banks. The purpose is to help issuers and investors deploy capital for green

projects. SEB is a member of GBP’s executive committee and advocates a strict interpretation of regulations over green bonds.

“It has been a great pleasure, as a co-founder of the green bond market, to take part in the ongoing development of the market and thereby acknowledge the trust we have been shown by our investors and the issuers we represent,” said Christopher Flensburg, Head of Sustainable Products and Product Development at SEB.

DEBATE ON BEST PRACTICE

Against the backdrop in recent years of rapid growth and increased involvement by various actors, the market for green bonds can be increasingly described as an established part of the financial market and a source for earmarked environmental funding.

However, debate on best practice for the market is buoyant, not least when it comes to the definition of what is ‘green’, the extent to which



LATVIA

SEB has for the company Getliņi ECO financed the construction of greenhouses adjacent to an old landfill. Methane gas collected from the landfill is used for electricity production in a combine heat and power plant. Heat produced in the power plant will be used for heating the greenhouses and growing of plants.



Photo: Solvita Alksne

PROJECTS AIMING FOR ENVIRONMENTAL BENEFITS

ESTONIA

SEB has in 2014 financed energy group Utilitas project in Tallinn. Utilitas will renovate the heat district heating network in Tallinn. When finalized, the project will reduce the heat losses by 46,000 MWh annually. This investment is in a 25 years perspective estimated to save over EUR 50m.

NORWAY

The first-ever corporate green bond in the Norwegian market was issued in October 2014 by the company BKK, one of the largest power utilities in Norway. The use of proceeds from the NOK 1,1bn green bond will be used for hydro power projects in Norway. SEB was the sole book runner for the green bond. The bond will enable BKK to further promote the transition to low carbon and climate resilient growth.

FINLAND

SEB arranged the financing for a 27MW onshore wind park in Sodankylä, Lapland in Finland. The project con-

sists of 9 turbines with an output of 3MW and designed for moderate wind conditions. The park will generate sufficient energy to supply 28,000 homes. Compared to a coal fired power station, the wind farm will be able to reduce annual CO2 emissions by around 110,000 tonnes.

LITHUANIA

SEB has during 2014 financed a waste-to-energy projects for Grigiškės Group, a hygienic paper/cardboard producer. All three biofuel boilers have been constructed improving and expanding energy production from waste fractions not possible to recycle. In addition, new group company – Klaipeda Recycling UAB – was established in order to manage/optimize waste paper recycling in Lithuania.

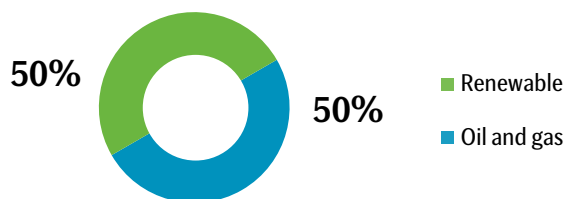
ESTONIA

In 2014, SEB has financed 20 intercity busses for Tallinna Linnatranspordi AS. These low emitting busses are the first busses following the EURO 6 standard in Estonia. The EURO 6 standard states a further reduction in environmentally harmful emissions, particular pollutants such as nitrogen oxides, hydrocarbons and particulate matter. For example, nitrogen oxides are reduced by 80 per cent compared to previous EURO 5 standard for busses.

SWEDEN

SEB has during 2014 taken part in a number of wind power projects in Sweden. One project financed is the construction of the 46.2 MW wind farm in Brotorp in the county of Småland. The wind farm will hold 14 Vestas V126 – 3.3MW turbines.

PROJECT FINANCE ENERGY PORTFOLIO



REDUCING OUR ENVIRONMENTAL FOOTPRINT



WHAT'S THE ISSUE?

Global warming is one of the most serious threats to both humanity and our planet. More and more research emerges, arguing that the speed of climate change is increasing and substantial preventive actions are needed.

Although the direct environmental impact of our operations is limited, we have the obligation and opportunity to do what we can to limit our footprint.

TARGET SETTING AND REPORTING

In 2009, SEB decided to reduce the annual CO₂ emissions by 45 per cent by 2015, compared to baseline 2008. This reflected our ambition to address a broader range of environmental issues. Energy use, paper consumption and business travel represent the most material direct impact of our operations on the environment. At the end of 2014, we have reached a reduction of 42 per cent.

Our approach to reduce our carbon footprint starts with accounting for our CO₂ emissions related to the operations over which we have control, such as energy and electricity use in our own buildings, paper consumption and business travel (scope 2 and 3 emissions).

We include emissions from eleven countries, accounting for more than 94 per cent of our income and 96 per cent of our employees. We monitor our direct environmental footprint on a quarterly basis and report on the information in our CS report and in specific reports, such as the Carbon Disclosure Project (CDP).



CARBON EMISSIONS AND ENERGY USE

During the year, SEB's total CO₂ emissions amounted to 24,600 tonnes. Energy use in our offices and branches has decreased by 25 per cent since 2008. Our electricity consumption has decreased 32 per cent for the same period. One reason for the decrease is the move to new energy efficient buildings in Denmark and Germany but also our continuous effort to improve energy efficiency in our present buildings. This, combined with the switch to renewable energy sources, has reduced our carbon emissions from energy consumption by almost 63 per cent compared to 2008, corresponding to about 14,700 tonnes CO₂.



BUSINESS TRAVEL

SEB has during 2014 improved the collection of travel data, making it possible to account for travel emissions more accurately. Through the end of 2013, we have used one aggregated emission factor, dating back to 2008, for all our air travelling. This emission factor is out of date and from 2014, we have used emission factors dedicated to specific types of flights, i.e. domestic, short haul (continental) or long haul (inter-continental).

This revised method of calculation and changed emission factors have resulted in lower emissions from travel in 2014, in comparison with 2013, even though air travel have increased. However, efficiency of air planes, fuels and engines have improved since we began measuring and consequently, up to date emission factors for air travel have been lowered.

For comparability, we have restated emissions related to air travel for previous years. For each year, we have used the actual total distance travelled while applying the 2014 distribution of flight types (domestic, short- and long haul), as the more granulated data is unavailable. We have then multiplied each type of flight type kilometre with its specific emission factor for that year. The emissions from these three types of flights have then been summarised to give the total emissions from air travelling for each year.



RESOURCE EFFICIENCY

We have continued our efforts to reduce paper consumption including internal printing and external physical mailing. Besides the reduction of resources, this is important from a customer satisfaction perspective. Our retail business in Sweden has during 2014 decreased the physical mailing to customers by 2.5 million letters, by making more contract notes and account statements available electronically. Our total paper consumption was reduced by a further 12 per cent in 2014 compared to 2013. Since 2008, it is reduced by 65 per cent.

In our major data centre we have continued to improve the energy efficiency. As an example we have through exchange of equipment and optimisation of processes reduced our energy consumption by 5 per cent at our computer centre in our premises in Rissne. We have also increased the use of video conferences during 2014 by 35 per cent compared to 2013. For more information, please see CS Fact Book page 55.

VALUING OUR PEOPLE



WHAT'S THE ISSUE?

Banking is all about people. We therefore strive to be a sound workplace that attracts and retains people who want to grow and develop, and who are committed to helping our customers reach their goals. We want our people to feel valued, included and engaged. The well-being of our employees is essential for us as well as for our stakeholders.

Our goal is to have a high number of employees who are dedicated and proud, and can recommend SEB as an inclusive and sound workplace with opportunities for individual development. Our core values – commitment, mutual respect, professionalism and continuity – permeate our business and our culture. They form the basis for how we behave towards each other and how we want our customers, partners and other stakeholders perceive us.

EMPLOYEE SURVEY

SEB puts great emphasis on the annual employee survey, Insight, in which we measure employee engagement, effectiveness and confidence, among other things. The results from the 2014 Insight show strong improvement on all of these points. Job satisfaction is high, as is confidence in the Bank's future. 86 per cent (81) of respondents said they are satisfied with SEB as a workplace, and the two main indices "Employee Engagement" and "Performance Excellence", rose to 75 per cent (70) and 78 per cent (74), respectively – both above average for the financial industry.

The survey pointed to a need for employees to even more clearly see the connection between their own role and the bank's overall vision as well as for more dialogue. In 2014, we involved all employees in open meetings around these improvements areas and SEB has developed several tools for dialogue, cooperation and activity planning, including easy-to-understand handbooks about driving change and team development. The goal is to create a common language and a robust framework for developing individuals, teams and the organisation as a whole.

All across SEB, we have had about 150 meetings of various sorts, such as "Value Dialogue", and "Market Place", which are ways of visualising different parts of

PEOPLE STRATEGY – with SEB’s people strategy we aim to ensure that SEB has the organisational capabilities to meet a changing environment. This strategy, which emanates from our core values and business plan, is built on four cornerstones.

Professional people. SEB professionals take pride in serving customers and show accountability and responsiveness. They know they matter, are dedicated, ready to help, contribute and collaborate.

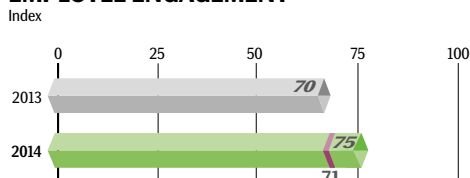
Effective organisation. SEB is an inclusive, business-driven organisation where people feel respected and valued as professionals. SEB is an agile organisation that has the capacity to adapt to changing market needs.



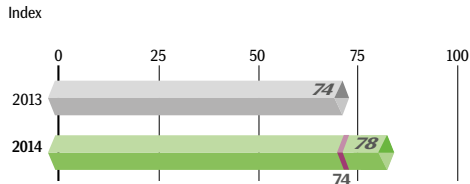
Great leaders in SEB induce a strong sense of purpose to the business. They care about and develop their people, operate with and through teams, are role models and promote the right mind set and behaviours.

High performing teams. We build and acknowledge interaction between teams and reward behaviours that drive to add value. Leaders and team members work in a dynamic, mature and trustful way, collaborating towards common goals.

EMPLOYEE ENGAGEMENT



EMPLOYEE PERFORMANCE EXCELLENCE



— Finance sector, benchmark

the value chain, strengthening relationships and creating a holistic view.

DEVELOPMENT AND LEARNING

In 2014, SEB was ranked as one of the most attractive employers in both Sweden and the Baltic countries, particularly among young, working business graduates. We know that an important prerequisite for attracting the most engaged and best employees is to offer opportunities for development. We also believe that this is of utmost importance for our ability as a bank to meet changes and our stakeholders’ future needs.

We stress learning and development as integral parts of everyday work. Modern methods and effective and proven tools are used to facilitate learning, such as web-based training in a number of areas. We also offer distinct learning paths for various professional roles. Formal continuous education plans with distance training are complemented with opportunities for hands-on practical training.

LEADERSHIP IN CHANGE

SEB has a long tradition of working with leadership development. In a world characterised by continuous change and challenging business environments, managers are becoming subject to ever-higher demands. They shall inspire, serve as models and create conditions for employees and teams to develop our business in the best way possible. This is critical for generating sustainable results – for us as well as for our customers.

By offering global development programmes we make it possible for employees to build necessary leadership qualities and develop both personally and as team members.

SEB puts great emphasis on strengthening collaborations both within and between teams and units, and in this way creating added value for our customers. We are working to constantly adapt to changing conditions and to use our resources in the right way in order to refine our approach in the organisation.

AMBASSADORSHIP

	2014
I am very satisfied with SEB as a place to work	86 (+5)
I would highly recommend SEB as a place to work	76 (+7)

»Leadership in SEB is rapidly shifting from the “what” and “how” to also include an inspirational “why”. Being guided by a higher purpose and creating customer value together, unleashes the talent in everyone – a key to continue to attract the best people«, says Staffan Åkerblom, Head of Leadership & Organisational Development.



FOCUSING ON DIVERSITY

INCREASING DIVERSITY *in the business is important for SEB, both as regards gender and ethnicity. We work to improve our processes – how we recruit, develop and communicate – and we put special focus on our talent development programme.*

SEB has the ambition to reflect the diversity of the communities where we are active, and we have for several years worked with improving diversity and providing equal opportunity. The ambition is that all employees will experience the same opportunities to develop, regardless of their gender, ethnic origin, age, sexual orientation or faith.

Increasing diversity is important for our business. We believe that diverse perspectives increase creativity, the ability to solve problems better and contribute to better decisions. Thereby, it benefits our customers as well as social development in society in general.

In 2014, 43 per cent (42) of SEB’s managers were women. Among senior managers the level was 25 per cent (26). SEB’s goal is to have an equal gender balance in all leadership positions and thus, we are not satisfied.

RECRUIT, DEVELOP AND COMMUNICATE

We work systematically to improve our processes on how we recruit, develop employees and communicate. Since several years, it is SEB’s ambition to always have at least one from each gender among the final candidates for manager positions. In the process of identifying talented individuals, the Global Talent Review, we put special focus on women who are ready to take on a bigger job. We have also increased focus on ethnicity.

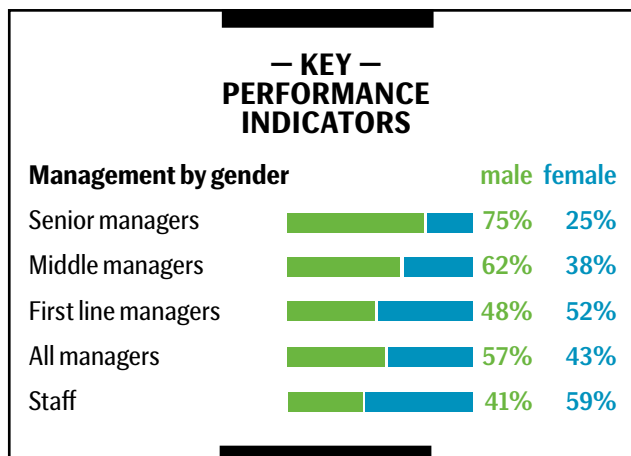
At SEB Group level, scorecards are used to measure and follow up gender equality within the divisions as well as for SEB as a whole. Managers are also trained to take the gender perspective into account and more consciously

coach women in their development.

Other initiatives have been taken, such as lectures by external speakers, project to investigate the differences in sick-leave between men and women etc.

GENDER SALARY MAPPING

Since 2011, SEB in Sweden has a special focus on equal pay. During autumn 2014, SEB and Financial Sector Union have conducted a party joint salary survey. The survey, conducted with the support of an independent external consultant, included around 800 people in a number of common professional roles. In eleven cases unreasonable differences were found, which resulted in adjustments.



BUSINESS BENEFITS OF DIVERSITY

ROBERT CELSING, HEAD OF MARKETS, SEB MERCHANT BANKING

At the Merchant Banking division, Robert Celsing, Global Head of FX-Trading, was awarded the Financial Sector Union Manager Award 2014.

Chairman Magdalena Olofsson handed him the diploma with the motivation: “Celsing sees the individual and is good at giving feedback. Although he puts the business and customers’ interest first, he does not forget that his employees really are

the ones who do the work.”

Celsing was grateful for the award: “I believe that leadership is a balance act. Sometimes you have to make tough decisions, sometimes you have to act smoothly. You should lead at the front, but at the same time support and lift employees. You have to be visionary – but not lose focus on the details.”

Robert Celsing noted that people diversity is basically about having the same approach as when diversifying a portfolio to reduce risk.

“The same applies to an organisation. One must genuinely believe in the business benefits of diversity for it to happen.”



HEALTH AND WORK ENVIRONMENT

A safe and sound work environment combined with a perception of good health and work life balance form the foundation for our employees' performance and job satisfaction. Health and work environment are closely linked to each other and are important components in the Bank's business plan. SEB's health strategy focuses on preventive measures rather than on taking action after an employee's ability has been diminished as a result of an illness.

We strive to inspire, motivate and raise the knowledge of our managers and employees about the significance of lifestyle and the work environment for individuals, the company and society. The Bank's health strategy is based on the latest research findings and on recommendations from SEB's health science council.

REHABILITATION AND SUPPORT

SEB supports employees who become ill and have no or limited possibilities to work. We offer various kinds of support for the employee during this period, in order to manage coming back to work. Managers have the ultimate responsibility for rehabilitation. Besides health insurances, SEB in Sweden also offers the Employee Assistance Pro-

SICKNESS-RELATED ABSENTEEISM

Sickness-related absenteeism, both short- and long-term absences, continues to be low within SEB in Sweden despite a general rising trend in society. Total sickness-related absenteeism in Sweden was 2.4 per cent, which is low compared with other industries and peers. However, the differences between women's and men's sick leave-rates still remain (3.37 per cent and 1.46 per cent), just like in the rest of the Swedish society. During 2014 we started analysing these facts in cooperation with experts from Stockholm School of Economics. Conclusions indicate that the differences are closely related to the professional role, for example that women more often have roles with no possibilities to work from home, such as in telephone support functions. Further identification of relevant activities will continue during 2015.

gramme, an opportunity for employees to get support from a registered psychotherapist through a phone service.

Employees who are exposed to threats, as for example in branch offices, get support from an SEB security department and if needed from a psychologist. Guidelines on how to handle situations that are perceived as threatening are available for all employees on internal web pages.

LABOUR RIGHTS

SEB follows local collective agreements and national legislations as regards labour rights in the countries where we are present. We believe in having a strong employee engagement. The ongoing cooperation with the European Works Council (EWC) has increased furthermore and we have now established meetings on a quarterly basis. The employee engagement in terms of higher membership rates in trade unions have increased during 2014 in the Baltic countries as well as in Sweden.

EMPLOYEE STATISTICS

	2014	2013	2012
Number of employees, average	16,742 ¹⁾	17,096	18,168
Sweden	8,352	8,53	8,876
Germany	894	1,013	1,174
Baltic	5,100	5,047	5,111
Employee turnover, %	8.9	11.1	9.3
Sick leave, % (in Sweden)	2.4	2.4	2.6

1) Average number of full-time equivalents 15,714.

INVESTING IN COMMUNITIES



WHAT'S THE ISSUE?

As a bank, we are an integrated part of society, and we know that what we do has an impact. Therefore, we want to contribute to building a society we all want to, and can, be part of. In addition to the role that our business plays, we support local communities. We share both time and money and work with carefully chosen partners.

ship, Business Challenge and SUP46 Start-Up People of Sweden. In 2014, we met about 13,000 entrepreneurs through our partnerships. Also in Finland, SEB supports young entrepreneurs through Junior Achievements.

SEB has a wide range of activities towards entrepreneurs also in all three Baltic countries. Some of the examples include the Estonian project, "Brain Hunt" that aims to find innovative and environmentally friendly innovations. In Lithuania, SEB partners with the magazine "BznStart" in the project "240 Minutes of Charge" for businesses ready for challenges. Examples in Latvia include the "Contest of ideas", the TV broadcast for start-ups "Company Secret" and the award for developing companies, "Gazelle".

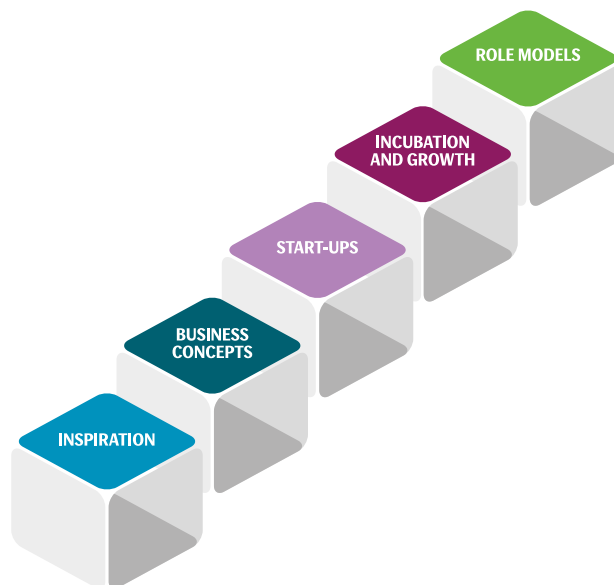
At SEB, we engage for future generations. We support the development of local communities, in partnership with organisations and institutions in our home markets. We focus on entrepreneurship and innovation, children and youth and education and knowhow. For us, it is important to have a mutual exchange of ideas of how we can contribute, and of the value the partnership brings to us.

SUPPORTING ENTREPRENEURS AT ALL LEVELS

SEB has a long tradition of supporting entrepreneurs and small companies, through our core business in collaboration with organisations that support entrepreneurship.

We believe that society benefits from an increased number of entrepreneurs that develop businesses and create future growth and jobs. Therefore, we want to encourage and support both future and present entrepreneurs at all levels.

During 2014, we have strengthened our support for entrepreneurs through new partnerships. In Sweden, in addition to several already established partnerships we now also work with the Swedish Prince Daniel's fellow-



NETWORKS FOR INNOVATION

In March 2014, almost 600 of SEB's SME clients participated at the conference Innovation LAB. Meetings were held in Tallinn, Riga and Vilnius and served as a source of inspiration for small businesses to innovate and develop their business. SEB offered a range of lectures and helped innovators, business people and business advisors to inspire each other, share success stories, practical information and useful advice.

In Sweden, SEB organised sev-

eral network meetings for innovation-driven companies and investors during the year. One example is the collaboration between SEB and Karolinska Institutet, The Royal School of Technology (KTH) and the incubator company Sting (Stockholm Innovation & Growth). A similar investor evening was held in SEB in Malmö. Six innovative companies linked to Lund University, Malmö University, Research Park Medeon and the incubator Minc, had the opportunity to present their ideas.

SUPPORTING YOUTH



An eight year old girl plays the trumpet in an orchestra in Stockholm. The global, concept El Sistema, spread all over Sweden, not only helps children and youth to learn how to play an instrument but also promotes good leadership.

PROMOTION OF MUSIC AND GOOD LEADERSHIP

Children and youth is the future, and we believe that all efforts to provide good living conditions to children and teenagers are vitally important, for our common future. SEB has a broad engagement, both at national levels and in the local communities.

Since 2005, we support the Royal Philharmonic Orchestra in Stockholm and Gothenburg Symphony Orchestra. In 2014, we extended our partnership to also include support for the school orchestra concept El Sistema. This worldwide movement started in Venezuela in 1975 by conductor José Antonio Abreu. El Sistema is now spread all over the world, including Sweden, and has proven to be a successful method, not only to train young musicians, but also to combat exclusion and drug abuse. El Sistema also promotes good leadership and entrepreneurship.

In Gothenburg, SEB will in 2015 contribute to an international youth camp where 3,000 children and young people gather to play, sing and dance. SEB also collaborates with the Chamber Orchestra Riga Sinfonietta and the Estonian National Opera.

HUNDREDS OF EMPLOYEES IN MENTOR ACTIVITIES

SEB has partnered with the charity organisation Mentor since 1997, which strives to counter youth violence and drug use. During the year, more than 100 SEB employees were active in various Mentor activities and hence encountered more than 3,000 young people and their parents in Sweden, Latvia and Lithuania.

Over the years, lots of people have been mentors and served as role models and a bridge into adulthood for young people, often from disadvantaged environments.

BROAD BALTIC ENGAGEMENT

In all the Baltic countries SEB contributes to children and youth in need of extra support. In Estonia, SEB Charity Fund is the largest charity foundation, creating better opportunities in life for children from foster homes, giving them opportunities to have a childhood experience similar to the one in ordinary families. Through SEB's support, 1,000 children could participate in various activities.

In Latvia we partner with SOS Children Villages and The Livslust Foundation where SEB provides financial support for hundreds of young people, and is involved with employees as volunteers.

In Lithuania, SEB organises with TV3 the "Dreams come true" campaign to raise money to provide support orphans with education, health treatment, and other necessary aid.

PROMOTING A HEALTHY LIFESTYLE

Within our community engagement we also promote health and wellness initiative and support various events and organisations in our home markets. In 2014, over 75,000 people participated in SEB supported running competitions such as SEB Tallinn Marathon.

We are the main sponsor of the Swedish Tennis Association. Together we run SEB Next Generation, supporting more than 1,000 boys and girls around the Nordic region between 10 and 15 years old.

In Estonia, we support SEB Tallink Tennis Team and Estonian Tennis Federation. 700 children had the opportunity to try tennis for free and 60 youth Grand Prix competitions were held.

KNOWLEDGE AND EDUCATION



KNOWLEDGE AND EDUCATION

We actively support research and education through a number of programmes with universities, both by contributing to professorships and research projects and by well-established partnerships for students at universities in Sweden and around the Nordics.

SSE Riga was established in 1993 as a joint project between a Swedish institution of higher education and the Latvian Government with the purpose of offering managerial training in business. The ownership structure now provides a foundation for future development and has been made possible through generous financial support from SEB and the two other Swedish banks active in the Baltic countries.

Since 2012, we support SSE Riga Sustainable Business Centre. 720 scholarships were granted in 2012 to students from the Baltic States over five years, reducing their

annual SSE Riga tuition fees from EUR 6,000 to EUR 3,500.

SEB also grants scholarships for best achievement for students in Latvia in cooperation with several universities and institutions.

In 2014, SEB supported the production of Baltic Shadow Economy Index Development, the Baltic Retirement Readiness Index, introduced by SEB Baltic Trygg Liv and provided expert knowledge in several export seminars with customers.

In Lithuania, SEB contributed to the annual conference of the Lithuanian Financial Markets Institute. The activity was focused on specific Lithuanian financial market problems analysis and solutions based on scientific research. 300 persons participated, among them 40 SEB clients.



MITT LIV

SEB collaborates with Mitt Liv (My Life) in Gothenburg since 2011. Mitt Liv works to increase diversity and inclusion in the Swedish labour market. Through mentoring, training and expanded network of contacts, the organisation wants to open doors for people of foreign origin.

SEB employees volunteer as mentors for one year. The mentees are immigrants, often women, who have recently arrived in Sweden, and who despite often extensive education

have not managed to enter the Swedish labour market.

STELLA

The mentoring program Stella was founded in 2004 by the women's network Carpe Competencia, with the aim of guiding the next generation of women leaders. The annual program over the years has had over 300 mentees and mentors as participants, committed leaders of listed companies, lengthened in the media and enabled exchanges across generations.

COMMUNITY INVESTMENTS



● Sports and culture	29.4
● Youth	16.2
● Entrepreneurship and innovation	16.7
● Education	6.7

ACCESS TO FINANCIAL SERVICES



WHAT'S THE ISSUE?

Access to finance and banking services is crucial to economic growth. A responsible bank makes its services available to all, regardless of socio-economic standing, ethnic origin, disability or other factors. By sharing our specialist knowledge and developing tools and channels, we empower people to make more informed financial decisions and contribute to better functioning societies.

SPREADING OUR KNOWLEDGE

We continuously work to improve access to our services and to improve financial literacy in society. In Sweden, our experts produce several reports every year within



areas like macro, investment and house hold economy. Since long, SEB's experts and reports are highly respected. Our macro-economic expert Chief Economist Robert Bergqvist is one of the most quoted persons in Swedish media.

SEB's household economist in Sweden actively shares advice and knowledge about savings, mortgages and welfare issues. They are engaged in the network "Like Your Finances" formed by the Swedish Financial Supervisory Authority on behalf of the Ministry of Finance. The aim is to boost consumer personal financial skills and increase the financial confidence. The network conducts educational projects in personal finance for various targeted groups such as pensioners, students and immigrants.

In addition, SEB's experts hold lectures and trainings both externally and internally on personal finance and wel-

fare, in total about somewhere around 150 times in a year.

SEB was the first bank in Lithuania to establish the position of a household economist in 2004 and to start active educational activities that would help strengthening the skills of private individuals in managing their finances. Since then, the household economist continuously via articles, seminars and lectures provides valuable advice to people on family finance management issues. Various reports are published, such as Lithuanian Household Outlook, Baltic Household Outlook and Housing Affordability Index.

In 2014, SEB in Lithuania participated in the Financial Education Week with other financial market players. Among other things, this resulted in about 7 000 children participating in Facebook test and about 1 000 school children having lectures in classes.

In Latvia, during Financial Competence Week, experts from SEB conducted lectures and seminars by educating youth on the skills of practical money use.

ACCESSIBILITY THROUGH CHANNELS AND TOOLS

We use our tools and services and our core competencies to provide greater access to financial services.

In Estonia, SEB launched Foorum – a new digital portal, in 2014. Here, SEB presents analyses and expert opinions, as well as articles written by journalists. Topics range from finance to management. Articles published on Foorum are available for anyone who is interested in various topics related to finance, better life planning and management.

To complement our branch offices and customer visits, SEB's telephone customer service is open 24 hours a day, all year. In Sweden, personal customer service is available in 25 languages. Our expanded social media presence provides additional contacts with customers. We currently offer customer service via Facebook and Twitter in Sweden, Estonia and Latvia and via Facebook in Lithuania where it also is possible to access contact centre via Skype free of charge – much appreciated by clients calling from abroad.

WINDOW TO THE FUTURE

SEB is the founder and member of the Window to the Future Alliance, which was established in 2002. The alliance develops – in cooperation with the country's municipalities and the Government – public Internet access centres in regions. It also finances and organises trainings for the population on how to use the Internet. Currently, Window to the Future has a strong focus on safer ways for using the Internet.



INVOLVING USERS AND ACCESSIBILITY EXPERTS

In 2014, we upgraded the Swedish Internet bank with a new interface. In the development we involved users and accessibility experts in order to create better accessibility for all individuals with their different needs and abilities.

We also offer the security tool "Digipass", adjusted for customers that are visually impaired to conduct banking services via the Internet, the Telephone bank and the self-service Bank by Phone. In Latvia, SEB has cooperated with the non-governmental organisation for disabled persons, Apeiron, with an aim to improve access to branches and ATM's.

GOVERNANCE OF CORPORATE SUSTAINABILITY

GOOD CORPORATE GOVERNANCE is essential for how we run our business. This allows us to work effectively towards the same goals, also as regards sustainability aspects. High ethical and professional demands on the organisation and employees are crucial and a prerequisite for creating value.

SEB's corporate sustainability work is based on Swedish laws and regulations as well as the internationally recognised guidelines and initiatives that we are committed to. In particular, we emphasise the UN Global Compact, a strategic policy initiative for businesses that are committed to aligning their operations and strategies based on ten principles covering the areas of:

- Human rights
- Labour standards and conditions
- Environment
- Anti-corruption

Every year, we report how the principles have contributed to or affected our work. We do this in the document Communication on Progress, published on our web site www.sebgroup.com.

In addition, SEB is committed to the Principles for Responsible Investments (PRI), the UNEP Finance initiative, the UN's Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises and the Equator Principles.

The internal framework, which mirrors the above, primarily consists of our core values, SEB's corporate sustainability related policies, Ethics policy and our Code of Business Conduct (see adjacent chart).

GOVERNANCE STRUCTURE FOR THE CORPORATE SUSTAINABILITY WORK

Board of Directors

Decides on the Corporate Sustainability (CS) strategy, adopts the CS policy. As applicable, matters are dealt with by the Board or by any of its established committees; the Risk and Capital Committee; the Audit and Compliance Committee and the Remuneration and Human Resources Committee.

President and Chief Executive Officer (CEO)

Decides on the development and the execution of the corporate sustainability approach, in line with the strategy set by the Board. Adopts the Environmental Policy, the Human Rights Policy as well as Position Statements and Sector Policies.

Corporate Sustainability (CS) Committee

An operational steering group assigned by the president and CEO. Sets the agenda for SEB's sustainability work, follows-up on the development, practices and progress and decides on policies (*see adjacent chart*). Chaired by the Head of Group Communications, member of the Group Executive Committee.

Group Corporate Sustainability

Responsible for SEB's day-to-day management of the corporate sustainability activities in accordance with the directives of the Board. Co-ordinates and drives the overall sustainability agenda within SEB, ensures implementation and reports on progress.

Local CS Committees; Business and country coordinators; Programme Managers

Manage the sustainability work on a daily basis within the specified division, country or staff function. Report on progress.

Managers and employees

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 the CS Policy.

For information about corporate governance at SEB, please see the Corporate Governance report in the 2014 Annual Report, pages 44–61 or <http://sebgroup.com/about-seb/corporate-governance>



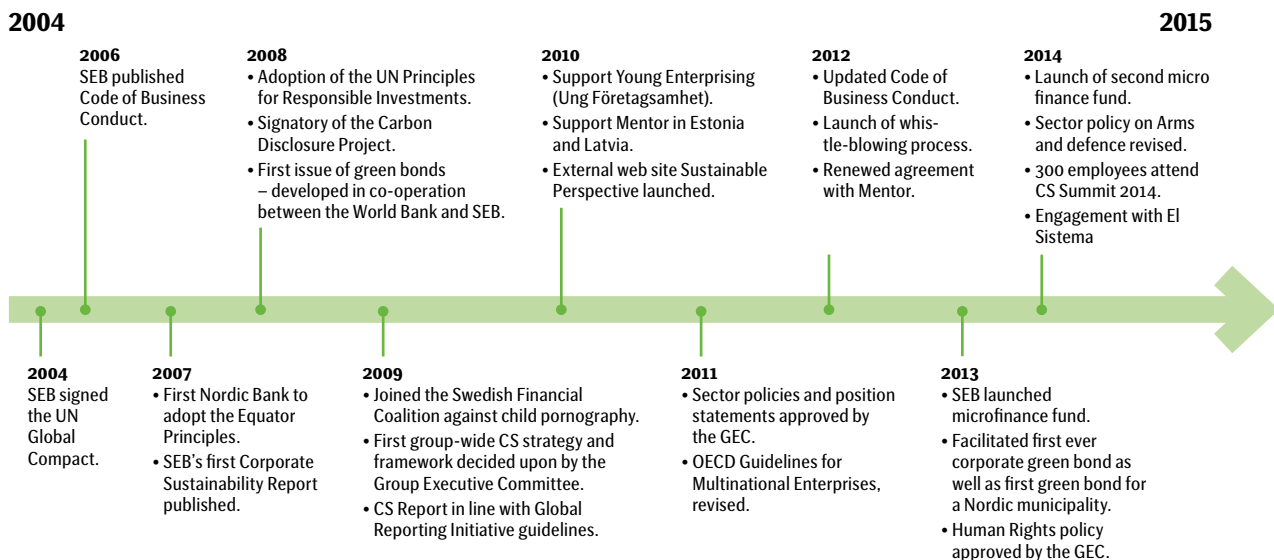
The purpose of the Corporate Sustainability Policy is to define the framework for sustainability in SEB and provide a governing platform for SEB's work.

MEMBERS OF SEB'S CORPORATE SUSTAINABILITY COMMITTEE 2014

<p>Viveka Hirdman-Ryrberg * Johan Andersson * Pontus Bergekrans Klas Eklund Marcus Franzén Jukka Honkaniemi</p> <p>Martin Johansson * Ingrid Jönsson Maria Rönnberg</p>	<p>Chair, Head of Group Communications Chief Risk Officer Head of Investments, Life Division Senior Economist Head of Procurement Head of Corporate Coverage, Merchant Banking Head of Business Support Head of Region South, Retail Banking Head of Talent Management, Group HR</p>	<p>Jonas Solehav David Teare * Moritz Wendt</p> <p>Cecilia Widebäck West ADDITIONAL MEMBERS Alexander Gibb</p> <p>Elisabet Linge Bergman Johan Vieweg</p>	<p>Environmental Manager Head of Baltic Division Head of Institutional Clients, Wealth Division Head of Corporate Sustainability</p> <p>Sustainability Coordinator, Baltic Division Sustainability Communications Head of Risk Management, Business Support</p>
--	--	---	---

* Member of the Group Executive Committee

YEARS OF ACTION



WORKING WITH HUMAN RIGHTS

We are committed to the UN Guiding principles on Business and Human Rights which, in addition to the UN Global Compact, provide the framework for our work to respect human rights.

POLICIES AND GUIDELINES

- UN Global Compact signatory since 2004
- Code of Business Conduct since 2006
- Equator Principles signatory 2007
- Group wide position statements since 2011
- Group wide sector policies since 2011
- Human Rights Policy since 2013
- Code of Conduct for Suppliers since 2014
- Sector policy for arms and defence revised in 2014 with a clear stance against nuclear weapons, and an increased focus on human rights.

TRAINING AND PRECAUTIONARY ACTIONS

We did a mapping of human rights and labour standard practices across all SEB sites in 2012, which provided an important foundation for the Human Rights Policy adopted in 2013.

Position statements and sector policies are integrated into risk framework for business and credit decisions relevant to country, sector and company. It started in 2011 and is continuously evolving. The Credit Policy on

Corporate Sustainability was revised in 2014, with an increased emphasis on human rights concern in the credit process. Decisions are made by the established decision fora such as business and credit committees. When applicable, Group Corporate Sustainability is engaged and/or matters are escalated.

SUSTAINABILITY RISKS ARE INTEGRATED

Sustainability risks are integrated in investment decisions. All investments and funds managed by SEB are screened. We exclude companies involved in certain activities such as the production or marketing of illegal weapons (anti-personnel landmines, cluster munitions, chemical and biological weapons) and in the development or production phases of nuclear weapons programmes. In addition, we apply our active ownership also to other risks related to human rights.

Human rights are included in a number of different training within SEB, such as in Code of Business Conduct, corporate sustainability, sector policies, equator principles and leadership training.

We are an active member of the Swedish Financial Coalition Against Commercial Sexual Exploitation of Children since 2009. The coalition works to prevent and obstruct payments for documented sexual abuse of children through the Swedish financial system.

ABOUT THIS REPORT

THIS REPORT DESCRIBES SEB'S APPROACH and present targets, guidelines, measures and key achievements related to the Group's contribution to sustainable development. The process to define what to include in this report includes feedback from previous reports from internal and external stakeholders, the identification of material issues (described on pages 8 – 9), best practice within Corporate Sustainability (CS) reporting as well as important events during the year.

The reporting organisation's name is Skandinaviska Enskilda Banken AB (Publ) ("SEB"), headquartered in Stockholm, Sweden. The report comprises the entire organisation of the SEB Group, except as specifically stated in connection with certain indicators.

SEB has published a CS report annually since 2007. The report covers the preceding fiscal year, January to December 2014. In some cases information for early 2015 is included. The previous report was published in March 2014. There has been no significant change from the previous report in scope and boundary. Applicable organisational changes for the SEB Group are described in the Annual Report 2014 (AR), page 34. For details on

accounting policies, please see AR pages 72–84. The information in this report is obtained from various internal systems and reports.

Our main reporting framework is the Global Reporting Initiative, GRI, G4 guidelines for the Financial Services Sector. SEB reports in accordance with the G4 core. Previously, SEB has used the GRI G3 guidelines and the Financial Services Supplement for reporting. Key aspects of SEB's sustainability work, such as risk management, corporate governance and staff composition, remuneration and benefits, are included in the annual accounts and consolidated accounts of SEB. These are audited by PwC, please see Auditor's report AR p. 155. SEB's auditor PwC has also been engaged to perform a limited review of the full CS Report, including a GRI application check. Our GRI index is found on pages 43–48.

As part of SEB's commitment to the UN Global Compact, we report on our activities and performance through a combination of this report and an annual Communication on Progress (COP). Our COP table of reference can be found online at www.sebgroup.com/sustainability.

GRI INDEX SEB 2014

A GRI application check of our reporting has been made by PWC, according to which SEB reports in accordance with GRI G4 - Core.

Page references relate to the Corporate Sustainability

Report 2014 (CS), the inside front cover (CS IFC), inside back cover (CS IBC), the Annual Report 2014 (AR) and www.sebgroup.com/sustainability (www).

STANDARD DISCLOSURES

GRI	TITLE OF THE DISCLOSURE	PAGE REFERENCE	OMISSIONS
-----	-------------------------	----------------	-----------

STRATEGY AND ANALYSIS

G4-1	CEO statement	CS 1	
G4-2	Key impacts, risks and opportunities	CS 5, 10 - 11	

ORGANISATIONAL PROFILE

G4-3	Name of the organisation	CS IBC	
G4-4	Primary brands, products, and services	CS IFC, AR IFC, AR 8-9	
G4-5	Location of the organization's headquarters	CS IBC	
G4-6	Countries of operation	CS IFC, AR IFC, AR 8-9	
G4-7	Nature of ownership and legal form	AR 26-27	
G4-8	Markets served	CS IFC; AR IFC, AR 8-9	
G4-9	Scale of the organization	CS IFC, AR IFC, AR 34-41, 97, CS 51	
G4-10	Employees	CS 51- 54	
G4-11	Collective bargaining agreements	CS 35, 53	
G4-12	Supply chain	CS 28	
G4-13	Significant operational or other changes during the reporting period	AR 34, CS 28	
G4-14	Precautionary approach or principle	CS 22-28	
G4-15	Externally economic, environmental and social charters, principles, or other initiatives	CS 1, 16, 23 24, 27, 36-38, CS IBC, www	
G4-16	Memberships of associations (such as industry associations) and national or international advocacy organisations	CS 1, 16, CS IBC, www	

IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES

G4-17	Entities included in the organization's consolidated financial statements	AR 127 - 129	
G4-18	Process for defining the report content and the Aspect Boundaries	CS 8, 42	
G4-19	Material Aspects identified	CS 8- 9, 44	
G4-20	Aspect Boundary inside organisation	CS 44	
G4-21	Aspect Boundary outside the organisation	CS 44	
G4-22	Effect of any restatements of information provided in previous reports, and the reasons for such restatements.	CS 31, 42	
G4-23	Significant changes from previous reporting periods in the Scope and Aspect Boundaries	CS 42	

STAKEHOLDER ENGAGEMENT

G4-24	Stakeholder groups engaged by the organisation	CS 6	
G4-25	Basis for identification and selection of stakeholders with whom to engage	CS 6	
G4-26	Approach to stakeholder engagement	CS 6 -9	
G4-27	Topics and concerns raised through stakeholder engagement	CS 6, 8	

REPORT PROFILE

G4-28	a. Reporting period (such as fiscal or calendar year) for information provided.	CS 42	
G4-29	a. Date of most recent previous report	CS 42	
G4-30	a. Reporting cycle	CS 42	
G4-31	a. Provide the contact point for questions regarding the report or its contents.	CS IBC	
G4-32	a. Report the 'in accordance' option the organization has chosen. b. Report the GRI Content Index for the chosen option (see tables below).	CS 42 Report in accordance with Core	
G4-33	External assurance for the report	CS 42, 56	

GLOBAL REPORTING INITIATIVE G4 MATERIAL ASPECTS AND BOUNDARIES G4-20 AND G4-21

All aspects are material across the SEB Group, in all geographic locations where we operate.

CATEGORY/ SUB category	ASPECTS	BOUNDARY	SEB MATERIAL ISSUE	SUPPORTING STRATEGIC DOCUMENTS
Economic	Economic performance	Material inside and outside of SEB - in particular for our customers, employees and shareholders	Financial strength and resilience	Corporate Governance, SEB Business plan, Code of Business Conduct
Economic	Economic performance	Material outside of SEB - in particular for our customers and shareholders/investors	Risk management	Corporate Governance Report, Risk Policy, Credit Policy
Economic	Indirect Economic Impacts	Material inside and outside of SEB - in particular for our customers, employees and the communities in which we operate	Supporting entrepreneurship	Code of Business Conduct, Corporate Sustainability Policy, Sponsorship policy,
Economic	Indirect Economic Impacts	Material inside and outside of SEB - in particular for our customers, employees and the communities in which we operate	Engaging in local communities	Code of Business Conduct, Corporate Sustainability Policy, Sponsorship policy,
Economic	Indirect Economic Impacts	Material inside and outside of SEB - in particular for our customers, employees and the communities in which we operate	Financial inclusion	Code of Business Conduct, Corporate Sustainability Policy, Sponsorship policy,
Economic	Procurement Practices	Material inside and outside of SEB - in particular for our suppliers, customers and the communities in which we operate.	Responsible sourcing	Supplier Code of Conduct, Procurement Instruction, Code of Business Conduct, Ethics Policy, Environmental Policy, Human Rights Policy,
Social / Product and Service	Product and services	Material inside and outside of SEB - in particular for our customers, employees and shareholders/investors.	Customer loyalty and experience	Business strategy and business plan, Code of Business Conduct, Corporate Sustainability Policy
Social / Product and Service	Product portfolio	Material outside of SEB - in particular for our customers, shareholders/investors and society at large	Integrating ESG in financing and investments	Corporate Sustainability Policy, Environmental Policy, Human Rights Policy, Credit Policy, Position Statements and Sector Policies, Credit Policy on Corporate Sustainability
Social / Product and Service	Active ownership	Material outside of SEB - in particular for our customers, shareholders/investors and society at large	Integrating ESG in financing and investments	Ownership Policy, Corporate Sustainability Policy, Environmental Policy, Human Rights Policy, Position Statements and Sector Policies
Social / Product and Service	Product portfolio	Material outside of SEB - in particular for our customers, shareholders/investors and society at large	Sustainability profiled products and services	Corporate Sustainability Policy, Environmental Policy, Human Rights Policy, Position Statements and Sector Policies
Social / Product and Service	Product portfolio	Material inside and outside of SEB - in particular for our customers, employees and shareholders/investors	Digitisation	Code of Business Conduct, Corporate Sustainability Policy, Human Rights Policy
Social / Product and Service	Product portfolio	Material inside and outside of SEB - in particular for our customers, employees and shareholders/investors	Capacity for innovation	Code of Business Conduct
Social / Product Responsibility	Product and service labelling	Material outside of SEB - in particular for our customers	Responsible selling and consumer advice	Code of Business Conduct, Corporate Sustainability Policy, Ethics Policy, Human Rights Policy
Social / Product Responsibility	Marketing and communications	Material outside of SEB - in particular for our customers	Business Ethics and culture	Code of Business Conduct, Corporate Sustainability Policy, Ethics Policy, Human Rights Policy, Marketing Communication Instruction
Social / Product Responsibility	Customer privacy	Material outside of SEB - in particular for our customers	Data protection	Code of Business Conduct, Information Security, IT Instruction
Social / labour practices and decent work	Training and education	Material inside and outside of SEB - in particular for our existing and potential employees, and for our customers and investors.	Talent management	People strategy, Corporate Sustainability Policy, Human Rights Policy
Social / labour practices and decent work	Employment	Material inside and outside of SEB - in particular for our existing and potential employees, and for our customers and investors.	Employee engagement	Business Plan, People strategy, Corporate Sustainability Policy, Human Rights Policy
Social / labour practices and decent work	Diversity and equal opportunities	Material inside of SEB - in particular for our existing and potential employees.	Working conditions	Code of Business Conduct, Human Rights Policy, Security Policy
Social / Society	Anti-corruption	Material inside and outside of SEB - in particular for our employees, customers and shareholders.	Business Ethics and culture	Code of Business Conduct, Ethics Policy
Social / Society	Local communities	Material inside and outside of SEB - in particular for our employees, customers, suppliers, shareholders and the communities in which we operate.	Engaging in local communities	Code of Business Conduct, Corporate Sustainability Policy, Sponsorship policy, Human Rights Policy
Social / Society	Public policy	Material outside of SEB - in particular for our shareholders and the communities in which we operate.	Tax transparency and public affairs	Corporate Governance, Code of Business Conduct,
Environment	Environment overall	Material inside and outside of SEB - in particular for our employees, customers, suppliers, shareholders and the communities in which we operate.	Resource efficiency in society	Corporate Sustainability Policy, Environmental Policy, Position Statements on Climate Change and Freshwater and Sector Policies
Environment	Emissions	Material inside and outside of SEB - in particular for our employees, suppliers and the communities in which we operate.	Direct environmental impact	Corporate Sustainability Policy, Environmental Policy, Position Statements on Climate Change and Freshwater

GRI G4	TITLE OF THE DISCLOSURE	PAGE REFERENCE	OMISSIONS
GOVERNANCE			
G4-34	Governance structure	AR 44-57, CS 40-41	
Ethics and Integrity			
G4-56	Values, principles, standards and norms of behaviour such as codes of conduct and codes of ethics.	CS IFC, CS 40-41, www	
Disclosures on Management Approach			
G4-DMA	a. Report on why the Aspects are material b. Management of the material Aspect or its impacts. c. Evaluation of the management approach	a. CS 6-11, 44; c. CS 8, 11-17, 44, www b. CS 11-15, 40-41, 44, www; c. CS 8, 11-17, 44	
SPECIFIC STANDARD DISCLOSURES			
Economic			
DMA			
Economic Performance			
	<i>Generic DMA:</i> a. Report on why the Aspects are material. b. Management of the material Aspect or its impacts. c. Evaluation of the management approach .	a. CS 2-3, 10 b. AR 6 - 7, 28 - 33, 34 - 43, 44 - 61 c. AR 34 - 43	
Market Presence			
	Generic DMA	a. CS 18 b. CS IFC, CS 19 - 20, AR 12 - 13	
Indirect Economic Impacts			
	Generic DMA	a. CS 22, 26, 36, 39 b. CS 23 - 30, 36 - 39 c. CS 12 - 13	
	Aspect specific DMA	a. CS 22 -30, 36 - 39 b. CS 39	
Procurement Practices			
	Generic DMA	a. CS 28 b. CS 28 c. CS 13, 28	
	Aspect specific DMA	CS 28	
Financial Services, Sector Disclosures			
Community involvement	Generic DMA	CS 11, 13, 36 - 39	
Aspect: Economic Performance			
G4-EC1	Direct economic value generated and distributed	CS 2-3, 10, 49	
Financial Services, Sector Disclosures			
G4-EC2	Financial implications and other risks and opportunities for the organisations activities due to climate change	CS 1, 5, 23, 26 - 27, 29 - 30, www	
G4-EC 8	Significant indirect economic impacts, including the extent of impacts	CS 2 -3, 4 - 5	
Environmental			
Energy			
	Generic DMA	a. CS 31, 8-9, 44 b. CS 1, 10 - 13, 14 - 15, 31 c. CS 13, 31	
	Aspect specific DMA	SEB is not subject to regulations on energy or emissions.	
Emissions			
	Generic DMA	a. CS 31 b. CS 1, 10 - 13, 14 - 15, 31 c. CS 13, 31, 55	
Aspect: Energy			
G4-EN3	Energy consumption within the organisation	CS 11, 13, 31, 55	
G4-EN4	energy consumption outside of the organisation	CS 11, 13, 31, 55	
G4-EN6	Reduction of energy consumption	CS 31, 55	
Aspect: Emissions			
G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	CS 55	
G4-EN17	Other indirect greenhouse gas (GHG) emissions (Scope 3)	CS 55	
Financial Services, Sector Disclosures			
G4-EN19	Reduction of greenhouse gas (GHG) emissions	CS 11, 13, 31, 55	
G4-EN23	Effluents and waste	CS 55	

GRI G4	TITLE OF THE DISCLOSURE	PAGE REFERENCE	OMISSIONS
CATEGORY: SOCIAL			
Sub-Category: Social - Labour practices and decent work			
DMA			
Employment			
	Generic DMA	a. CS, 6, 8-9, 32, 44 b. CS 1, 10 - 13, 21, 32 - 35, AR 22 - 23, 87 - 97, CS 21, 28	
	Aspect specific DMA	CS 21, 28	
Labor/Management relations			
	Generic DMA	a.b. CS 1, 10 - 13, 21, 32 - 25, AR 87 - 97, c. CS 1, 10 - 13, 32 - 35, 53	
Occupational Health and Safety			
	Generic DMA	a.b. CS 1, 10 - 13, 21, 32 - 25, AR 23, 33, c. CS 1, 10 - 13, 32 - 35	
	Aspect specific DMA	CS 35, 53	
Financial Services, Sector Disclosures (Occupational Health and Safety)			
	Policies and practices regarding threats and violence in place to assist workforce members, their families, or community members	CS 35, 21	
Training and Education			
	Generic DMA	a. CS 6, 8-9, 32 - 33, 44 b. CS 1, 11, 13, 32 - 35 c. CS 1, 13, 33, 54	
Diversity and Equal Opportunity			
	Generic DMA	a. CS 6, 8-9, 32 - 33, 44 b. CS 1, 11, 13, 32 - 35 c. CS 1, 13, 33, 53 - 54	
Aspect: Employment			
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region	CS 52	Employee turnover by gender omitted due to method change. To be reported for 2015
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations	CS 32 - 35, AR 58 - 59, 87 - 97	
Aspect: Occupational Health and Safety			
G4-LA5	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programmes	CS 35, 53	
Aspect: Training and Education			
G4-LA10	Programs for skills management and lifelong learnings that support the continued employability	CS 32 - 33, 54	
Aspect: Diversity and Equal Opportunity			
LA12	Composition of governance bodies and breakdown of employees	CS 51-53, AR 44 - 57	
Sub-Category: Human Rights			
DMA			
Investment			
	Generic DMA	a. b. CS 1, 5 - 6, 8-9, 11, 14 - 15, 23 - 27, 28, 41, 44 c. CS 12 - 13, 42	
	Aspect specific DMA	CS 22 - 23, 26 - 27, 28, 34, 42	
Aspect: Investment			
G4-HR1	Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	CS 23-24, 26 - 27, www	

GRI	TITLE OF THE DISCLOSURE	PAGE REFERENCE	OMISSIONS
G4			
Sub-Category: Society			
DMA			
Anti-corruption			
	Generic DMA	a. 18, www (Code of business Conduct) b. CS 1, 11-13, 16, 19 - 21, 22 - 27, AR 52, c. CS 12 -13, AR 109	
	Aspect specific DMA	a. 18, www (Code of business Conduct) b. CS 1, 11-13, 16, 19 - 21, 22 - 27, AR 52, c. CS 12 -13, AR 109	
Public Policy			
	Generic DMA	a. CS 6, 8-9, 16, 44 b. CS 1, 10 11, 16, 19	
	Aspect specific DMA	CS 16, 24, AR 60 - 61	
Aspect: Anti-corruption			
G4-SO4	Communication and training on anti-corruption policies and procedures	CS 19, 21, AR 52, 109, www	
Aspect: Public Policy			
G4-SO6	Total value of political contributions by country and recipient/beneficiary	CS 16 - None	
FINANCIAL SERVICES, SECTOR DISCLOSURES			
Local communities			
G4-FS14	Initiatives to improve access to financial services for disadvantaged people	CS 39	
Sub-Category: Product Responsibility			
DMA			
Product and Service Labelling			
	Generic DMA	a. CS 6, 8-9, 18, 44 b. 5, 10 - 19, AR 11 - 21, c. CS 12 - 13, AR 11 - 21, 156	
	Aspect specific DMA	CS 19, AR 11 - 21, 156	
Marketing Communications			
	Generic DMA	a. CS 6, 8-9, 18, 44 b. 5, 10 - 19, AR 11 - 21, c. CS 12 - 13, AR 11 - 21, 156	
Customer Privacy			
	Generic DMA	a. CS 8-9, 20 - 21, 44, AR 33, 61 b. CS 18 - 21, AR 33, 61 c. AR 33, 109	
Financial Services, Sector Disclosures			
Product and Service Labelling	Generic DMA	CS 11-13, 18 - 20, 44, AR 6-7, 10-21, 156	
Product Portfolio	Aspect specific DMA	CS 14 - 15, 19 - 20, 22 - 27, 29 - 30, 44, www	
Active Ownership	Aspect specific DMA	CS 22 - 25, www	
Aspect: Product and Service Labelling			
G4-PR5	Results of surveys measuring customer satisfaction	CS 19, AR 7, 11, 15, 19, 156	
FINANCIAL SERVICES, SECTOR DISCLOSURES			
Product Portfolio/Audit			
G4-FS6	Percentage of the portfolio for business lines by specific region, size (e.g. micro/ SME/large) and by sector	AR 8 - 9, 82 - 83	
G4-FS7	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose	CS 19 - 20, 23, 25, 50	
G4-FS8	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose	CS 29 - 30, CS 50	
Active ownership			
G4-FS10	Number of companies with which engagement dialogues has been held	CS 23 - 24, 50	
G4-FS11	Percentage of assets subject to positive and negative environmental or social screening	CS 23 - 24, 26 - 27	



KEY PERFORMANCE INDICATORS

ECONOMIC INDICATORS						
DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED	NOTE	UNIT	2014	2013	2012	2011
Total income generated	1	SEK m	96,600	84,854	92,032	91,209
VALUE DISTRIBUTED						
Interest expense		SEK m	28,681	30,896	36,159	39,262
Fee and commission expense		SEK m	5,112	4,469	4,716	4,848
Insurance expenses, net	2	SEK m	15,873	7,936	12,773	9,548
Other operating costs	2	SEK m	6,310	6,299	6,444	7,424
Employee salary and other compensation		SEK m	9,431	9,084	9,536	9,676
Employees - pension costs, benefits, education and other staff related costs	1	SEK m	1,758	2,279	2,351	2,162
Employee social charges		SEK m	2,571	2,666	2,709	2,487
Dividends (shareholders)	3	SEK m	10,382	8,719	6,004	3,795
Tax on profit (for details see below)	1	SEK m	4,129	3,338	2,093	2,942
Stability fee and Deposit insurance		SEK m	1,147	1,114	1,098	995
Financial assistance received from government		SEK m	0	0	0	0
Economic contribution to community investments	4	SEK m	69	55	53	53.8
This year's profit that is reinvested into the bank		SEK m	8,836	6,052	5,628	7,024
TAX BY GEOGRAPHY (comparable with note 2, group by geography, page 81, SEB Annual Report 2014)						
Sweden		SEK m	-2,096	-1,762	-510	-1,548
Denmark		SEK m	-360	-391	-343	-284
Finland		SEK m	-232	9	-182	-47
Norway		SEK m	-574	-508	-700	-309
Latvia		SEK m	-33	-45	-25	-139
Estonia	5	SEK m	0	0	0	0
Lithuania		SEK m	-200	-73	-58	-158
Germany		SEK m	-258	-315	-106	-48
Other	6	SEK m	-376	-253	-169	-409
Total		SEK m	-4,129	-3,338	-2,093	-2942
COMMUNITY INVESTMENT						
Economic contribution to community investments, share of operating profit	4	%	0.3	0.3	0.4	0.4
Economic contribution to community investments, of which Donations	4	SEK m	69	55.3	53	53.8
		SEK m	1	n/a	n/a	n/a
Economic community investments, by theme						
Entrepreneurship (incl entrepreneurship among children and youth)		SEK m	16.7	7	n/a	n/a
Children and youth		SEK m	16.2	19.5	n/a	n/a
Sports and culture		SEK m	29.4	24.5	n/a	n/a
Education and know how		SEK m	6.7	4.3	n/a	n/a
Other		SEK m	0.3	n/a	n/a	n/a
Economic contribution by Country						
Sweden		SEK m	42.7	32	n/a	n/a
Estonia		SEK m	7.4	5.3	n/a	n/a
Latvia		SEK m	6.8	4.9	n/a	n/a
Lithuania		SEK m	4.1	2.7	n/a	n/a
Denmark		SEK m	3	2.8	n/a	n/a
Norway		SEK m	3.6	2.8	n/a	n/a
Finland		SEK m	2.4	2	n/a	n/a

NOTES

- Restated 2011, reflecting changes in the Group's accounting policies relating to the accounting of defined benefit plans as well as organisational changes.
- Supplier cash expense, includes applicable VAT, partly included in insurance expenses and in other operating expenses.
- Dividends for the fiscal year, paid out to shareholders the following year. Proposed.
- Community investments included in other operating costs.
- In Estonia no income tax is paid unless profit is distributed as dividend. No deferred tax liability is recognised related to possible future tax costs on dividends from Estonia. The tax rate applicable to dividends is 21 per cent.
- Income tax expense for Other countries includes Great Britain SEK -107m, United States SEK -103m and Luxembourg SEK -96m.

RESPONSIBLE BUSINESS INDICATORS

RESPONSIBLE SELLING AND MARKETING	NOTE	UNIT	2014	2013	2012	2011
Savings product Digikassa, aggregate amount saved (Estonia)		SEKm	79.6	36.3	n/a	n/a
Savings product Digikassa, number of contracts (Estonia)		Number	64,089	50,000	13,000	n/a
Savings product Digikassa, average amount saved per contract (Estonia)		SEK	1,290	722	n/a	n/a
CUSTOMER FEEDBACK						
Total customer complaints, Retail banking Sweden	1	Number	4,205	4,781	6,125	6,348
Total customer complaints, Retail banking Baltic (Estonia, Latvia and Lithuania)	1	Number	25,205	17,476	20,482	n/a
Net promoter Score, Private advisory, Baltic		NPS	50	41	43	n/a
Net promoter Score, SME advisoty, Baltic		NPS	48	37	37	n/a
Net promoter Score, Private advisory, Sweden		NPS	33	26	19	n/a
Net promoter Score, SME 0-5 advisory, Sweden		NPS	33	24	19	n/a
Best Nordic bank for corporations, Prospera		rank	1	2	1	4
Best client relationship bank in Sweden, Prospera		rank	1	2	1	1
TACKLING FINANCIAL CRIME						
Employees completed anti-money laundering education		%	99	93	90	93
Employees completed fraud prevention education		%	54	53	51	49
Employees completed information security education		%	75	75	n/a	n/a
Suspicious market transactions (MAD) reported		Number	31	21	20	35
Branch office robberies (Sweden, Estonia, Latvia and Lithuania)		Number	0	1	3	1
Card fraud costs, Nordic countries		SEKm	53	50	50.9	34.2
REPOSIBLE INVESTMENTS						
Total assets under management (AuM) – Investment Management		SEKbn	1,635	1,408	1,228	1,175
Assets managed in accordance with PRI	2	SEKbn	513	n/a	n/a	n/a
Number of Socially Responsible investment/Ethical funds		Number	18	17	16	15
Total assets under management in SRI/ethical funds, share of total AuM		%	2.27	1.93	1.72	1.26
Total assets under management in SRI/ethical funds		SEKm	37,195	27,271	21,135	14,848
Wherof assets managed for institutional clients		SEKm	19,320	15,150	12,383	9,172
Total engagement dialogues with portfolio companies		Number	239	196	247	259
SUSTAINABLE FINANCE						
Green Bonds – money raised since inception		USDbn	7.7	3.5	2.5	2
Green Bonds – number of issues, current year		Number	27	n/a	n/a	n/a
Green Bonds – number of investors, cumulative		Number	293	195	n/a	n/a
Green Bonds - number of investors, current year		Number	103	n/a	n/a	n/a
Green car leasing, number of cars (Estonia, Latvia and Lithuania)		Number	1,028	1,360	408	n/a
Green car leasing, amount (Estonia, Latvia and Lithuania)		SEKm	146	162	23	n/a
Eco-renovation projects, number (Estonia, Latvia, Lithuania)		Number	166	244	210	n/a
Eco-renovation projects, amount (Estonia, Latvia, Lithuania)		SEKm	160	229	288	n/a
Equator Principles, number of investments		Number	9	11	3	12
of which Category A transactions approved		Number	0	0	0	1
of which Category B transactions approved		Number	9	8	0	7
of which Category C transactions approved		Number	0	3	3	4
Project relatec corporate loans, EP applicable		Number	2	n/a	n/a	n/a
of which Category A transactions approved		Number	1	n/a	n/a	n/a
of which Category B transactions approved		Number	1	n/a	n/a	n/a
of which Category B transactions approved		Number	0	n/a	n/a	n/a

NOTES

- 1) Number of customer complaints in the three Baltic banks include issues raised in relation to ATM's, that is not the case for Sweden
- 2) Funds managed by SEB through SEB Fund companies.

PEOPLE

HEADCOUNT	NOTE	UNIT	2014	2013	2012	2011
Total headcount, including part-time employees		Number	16,767	16,717	17,474	18,862
Headcount by division and support function						
Merchant Banking	1	%	14	14	15	14
Retail Banking (including SEB Kort)	1	%	21	21	21	22
Wealth Management		%	6	6	6	6
Life		%	8	8	8	7
Baltic		%	18	18	18.5	17
Business Support		%	24	25	23.5	21
Group Staff and control function		%	9	8	8	8
Other	2	%	0	0	5	5
Headcount by region						
Sweden		%	50	50	50	47
Lithuania		%	15	13	n/a	n/a
Latvia		%	9	9	n/a	n/a
Estonia		%	7	8	n/a	n/a
Baltic		%	n/a	n/a	29	28
Nordic countries (excl Sweden)		%	8	9	9	8
Germany	2	%	5	6	6	12
Other	2	%	6	5	6	5
Headcount by age						
-29		%	16	17	18	20
30-39		%	30	30	30	30
40-49		%	29	30	30	29
50-		%	24	24	22	21
Employees by gender						
Male		%	44	43	44	43
Female		%	56	57	56	57
Employees by employment type						
Permanent	3	%	96	97	n/a	n/a
Temporary	3	%	4	3	n/a	n/a
Permanent, (male/female)		%	44/56	n/a	n/a	n/a
Temporary, (male/female)		%	41/59	n/a	n/a	n/a
Employees working part-time		%	1,423	n/a	n/a	n/a
Employees working part-time, (male/female)		%	21/79	n/a	n/a	n/a
EMPLOYEE TURNOVER						
Total employee turnover	4	%	8.9	11.1	9.3	9.3
Employee turnover by country /region						
Sweden		%	5.8	7.4	n/a	n/a
Lithuania		%	12.1	12.5	n/a	n/a
Latvia		%	12.2	9.2	n/a	n/a
Estonia		%	8.6	13.6	n/a	n/a
Nordic countries (excl Sweden)		%	10.7	16.6	n/a	n/a
Germany		%	12.9	23.5	n/a	n/a
Average length of employment						
Less than 2 years (share of employees)		%	13	11	14	16
2-4 years (share of employees)		%	17	18	20	18
5-9 years (share of employees)		%	24	25	26	18
10 or more years		%	46	46	40	47

NOTES

- | | |
|---|--|
| 1) In 2013, Mid- Corporate including Public sector in Sweden moved from Merchant Banking to Retail | 4) Definition of total employee turnover: Total leavers divided by the average population for the period |
| 2) Retail Banking operations in Ukraine divested in 2012, Retail Banking operations in Germany divested in 2011 | 5) Only Sweden |
| 3) In previous report (2013) consultants were included in "temporary". | 6) External spend in relation to av FTEs present |
| | 7) Wallenberg, IBS, Artex, ASP |
| | 8) LinA, MIP |

PEOPLE						
HEADCOUNT	NOTE	UNIT	2014	2013	2012	2011
RECRUITMENT						
Employee growth rate, net change		%	0.3	-4.5	-9.0	0.2
Employee growth rate, net change		Number	50	-756	-1,388	102
Joiners, total headcount			1,467	n/a	n/a	n/a
Sweden		Number	468	n/a	n/a	n/a
Estonia		Number	110	n/a	n/a	n/a
Latvia		Number	137	n/a	n/a	n/a
Lithuania		Number	374	n/a	n/a	n/a
Nordic countries (excl Sweden)		Number	150	n/a	n/a	n/a
Germany		Number	52	n/a	n/a	n/a
Leavers, total headcount		Number	1,496	1,882	2,488	1,838
of which retired		Number	166	148	139	141
Sweden		Number	482	n/a	n/a	n/a
Estonia		Number	119	n/a	n/a	n/a
Latvia		Number	187	n/a	n/a	n/a
Lithuania		Number	272	n/a	n/a	n/a
Nordic countries (excl Sweden)		Number	153	n/a	n/a	n/a
Germany		Number	118	n/a	n/a	n/a
Share of leavers that are voluntary		%	96	88	96	97
Internal job market						
Internal job postings	5		1,033	892	1,049	1,284
External recruitments	5		521	224	285	833
Number of internal career days, etc	5		2	4	5	4
EMPLOYEE ENGAGEMENT AND PERFORMANCE MANAGEMENT						
Employee survey Insight						
Employee participation rate in employee survey		%	84	85	n/a	n/a
Share of employees "I am confident in the future of SEB"		%	86	81	n/a	n/a
Share of employees "I would highly recommend SEB as a place to work"		%	76	69	n/a	n/a
Share of employees who think their manager fosters an open, honest and transparent culture		%	81	78	n/a	n/a
Employee engagement index		Index	75	70	n/a	n/a
Performance Excellence Index		Index	78	74	n/a	n/a
Employees that understand how their targets are linked to SEB's vision, strategy and goals		%	80	78	n/a	n/a
I am satisfied with my opportunities for development.		%	64	60	n/a	n/a
The coaching I receive from my manager is helpful in improving my performance		%	75	69	n/a	n/a
My work environment is accepting of individual differences (religion, cultural background, ethnicity, lifestyle, gender, etc)		%	91	88	n/a	n/a
Engagement						
Number of intranet chats with executive management conducted		Number	9	10	12	11
Total number of questions in chats		Number	390	300	350	500
Average employee participation rate in chats (live or passive reading afterwards)		%	46	55	48	45
Number of employee meetings for value dialogues, round table meetings etc.		Number	153	n/a	n/a	n/a
NOTES						

1) In 2013, Mid- Corporate including Public sector in Sweden moved from Merchant Banking to Retail
 2) Retail Banking operations in Ukraine divested in 2012, Retail Banking operations in Germany divested in 2011
 3) In previous report (2013) consultants were included in "temporary".

4) Definition of total employee turnover: Total leavers divided by the average population for the period
 5) Only Sweden
 6) External spend in relation to av FTEs present
 7) Wallenberg, IBS, Artex, ASP
 8) LinA, MIP

PEOPLE						
HEADCOUNT	NOTE	UNIT	2014	2013	2012	2011
DIVERSITY AND EQUAL OPPORTUNITIES						
Gender by region (male/female)						
Sweden		%	49/51	49/51	49/51	49/51
Lithuania		%	30/70	29/71	n/a	n/a
Latvia		%	26/74	26/74	n/a	n/a
Estonia		%	24/76	49/51	n/a	n/a
Baltic		%	n/a	n/a	27/73	27/73
Nordic countries (excl Sweden)		%	57/43	58/42	57/43	56/44
Germany		%	56/44	56/44	58/42	59/41
Gender by management type - all managers (male/female)						
Senior managers (top mgmt fd) (male/female)		%	75/25	74/26	76/24	77/23
Middle managers (male/female)		%	62/38	62/38	61/39	62/38
First line managers (male/female)		%	48/52	49/51	50/50	46/54
Staff (male/female)		%	41/59	43/57	42/58	41/59
Number of nationalities represented in global trainee programme		Number	4	4	5	6
Individuals identified in Global Talent Review		Number	1,757	n/a	n/a	n/a
Individuals identified in Global Talent Review (male/female)		%	60/40	n/a	n/a	n/a
LABOUR/MANAGEMENT RELATIONS						
Percent of employees with collective or local agreement		%	100	100	100	n/a
Percentage of employees covered by collective bargaining agreements – Sweden		%	100	100	100	100
Number of countries represented in EWC		Number	12	n/a	n/a	n/a
Share of employees represented in EWC vs potential maximum		%	100	n/a	n/a	n/a
Number of employees represented in EWC		Number	16,492	n/a	n/a	n/a
Share of employees represented in EWC		%	97.5	n/a	n/a	n/a
Number of meetings between management and EWC		Number	5	n/a	n/a	n/a
Number of meetings/consultations in cooperation with EWC		Number	8	n/a	n/a	n/a
HEALTH AND WORKPLACE SAFETY						
Sick-leave rate, share of ordinary working hours	5	%	2.41	2.44	2.55	2.5
Short-term sick leave rate	5	%	1.67	1.83	1.66	1.60
Female	5	%	2.23	2.54	2.10	1.80
Male	5	%	1.12	1.12	1.22	1.30
Long-term sick leave rate	5	%	0.74	0.66	0.89	1.10
Female	5	%	1.14	1.06	1.35	1.70
Male	5	%	0.34	0.26	0.43	0.40
Share of documented annual work environment reviews	5	%	84	90	73	n/a
Share of employees participating in wellness check (biannual)	5	%	n/a	74	n/a	n/a
Employee assistance Programme Samtastöd på telefon						
Number of calls	5	Number	180	200	150	n/a
Countries with programme		Number	2	2	2	n/a
Share of employee covered by Safety/health & safety management system/certification		%	99	99	99	99

NOTES

- 1) In 2013, Mid- Corporate including Public sector in Sweden moved from Merchant Banking to Retail
- 2) Retail Banking operations in Ukraine divested in 2012, Retail Banking operations in Germany divested in 2011
- 3) In previous report (2013) consultants were included in "temporary".
- 4) Definition of total employee turnover: Total leavers divided by the average population for the period
- 5) Only Sweden
- 6) External spend in relation to av FTEs present
- 7) Wallenberg, IBS, Artex, ASP
- 8) LinA, MIP

PEOPLE						
GENERAL INDICATORS	NOTE	UNIT	2014	2013	2012	2011
COMPETENCE AND DEVELOPMENT						
Highest educational level achieved						
University > 3 years		%	55	53	51	52
University < 3 years		%	9	10	10.5	10
Upper secondary school		%	27	28	28	28
Compulsory school		%	3	3	4.5	4
Other/unspecified		%	6	7	6	6
Employees that understand how their targets are linked to SEB's vision, strategy and goals, Insight survey		%	80	78	n/a	n/a
I am satisfied with my opportunities for development, Insight survey		%	64	60	n/a	n/a
The coaching I receive from my manager is helpful in improving my performance, Insight survey		%	75	69	n/a	n/a
Money invested in training and development per employee (average)	5,6	SEK	7,992	7,025	7,273	n/a
Hours spent on training and development in total		Hours	186,782	n/a	n/a	n/a
Hours spent on "rapid-e-learnings", webinars, films etc		Hours	60,194	n/a	n/a	n/a
Employees taking part of "rapid-e-learnings", webinars, films, etc		Number	14,344	n/a	n/a	n/a
Employees taking part of formalised training programmes		Number	6,896	n/a	n/a	n/a
Employees participating in leadership programmes by application (m/f)	7	Number	398/446	n/a	n/a	n/a
Employees participating in leadership programmes by nomination (m/f)	8	Number	210/197	n/a	n/a	n/a
COMPENSATION & BENEFITS						
Total employee remuneration (including social charges)		SEK m	13,760	14,029	14,597	13,933
Short-term variable cash compensation in relation to total employee remuneration		%	4	5	7	10
Redundancy costs		SEK m	138	267	413	135
NOTES						

- 1) In 2013, Mid- Corporate including Public sector in Sweden moved from Merchant Banking to Retail
- 2) Retail Banking operations in Ukraine divested in 2012, Retail Banking operations in Germany divested in 2011
- 3) In previous report (2013) consultants were included in "temporary".

- 4) Definition of total employee turnover: Total leavers divided by the average population for the period
- 5) Only Sweden
- 6) External spend in relation to av FTEs present
- 7) Wallenberg, IBS, Artex, ASP
- 8) LinA, MIP

ENVIRONMENTAL INDICATORS						
GENERAL INDICATORS	NOTE	UNIT	2014	2013	2012	2011
Number of offices reporting (whereof branch offices)			297(279)	302 (282)	316 (294)	376 (335)
Net internal area of reporting offices covered		m ²	413,465	426,297	438,915	401,724
Full-time employees (FTE) covered		FTE	15,714	15,851	16,578	16,704
CARBON DIOXIDE (CO2) EMISSIONS						
Total CO2 emissions	1	Tonnes	24,614	28,501	28,497	34,590
CO2 emissions from energy consumption		Tonnes	8,706	9,543	9,308	11,120
CO2 emissions from business travel		Tonnes	12,947	15,496	15,154	18,761
CO2 emissions from paper consumption		Tonnes	983	1,139	1,203	1,540
CO2 emissions from company cars		Tonnes	1,978	2,323	2,832	3,169
Total CO2 emissions / employee		Tonnes	1.57	1.8	1.7	2.1
ENERGY CONSUMPTION						
Total energy consumption (in buildings)		MWh	102,198	115,930	112,348	121,406
Electricity		MWh	72,826	80,570	85,114	91,758
Change in electricity consumption compared to the year before		%	-9	-5	-7	-16
Other energy sources		MWh	29,371	35,360	27,233	29,648
Renewable energy percentage of total electricity consumption		%	79	82	87	72
Total energy consumption/m ²		MWh/m ²	0.25	0.27	0.26	0.30
Total energy consumption/employee		MWh/FTE	6.5	7.3	6.8	7.3
Voluntary carbon offsets purchased		Tonnes	0	0	0	38,598
RESOURCE EFFICIENCY						
Paper						
Total paper consumption		Tonnes	850	972	1,014	1,290
Graphic paper consumption		Tonnes	371	398	453	605
Supplies paper consumption		Tonnes	479	573	560	685
Environmentally labelled paper consumption		Tonnes	785	823	863	978
Environmental paper use share of total		%	92	85	85	76
Total paper consumption / employee (FTE)		Tonnes	0.05	0.06	0.06	0.09
Waste						
Waste generation		Tonnes	2,093	2,944	2,422	1,945
Total waste generation / employee (FTE)		Tonnes	0.13	0.19	0.15	0.12
Waste recycling		Tonnes	1,272	1,537	1,760	1,709
Percentage waste reused or recycled		%	61	52	73	88
Water						
Total water consumption in buildings		m ³	171,600	165,873	142,132	130,442
Total water consumption / employee (FTE)		m ³	10.92	10.46	8.57	7.81
BUSINESS TRAVEL & COMPANY CAR FLEET						
Total business travel	2	Million km	71.9	64.9	63.2	76.2
Total business travel / employee		Km	4,576	4,094	3,812	4,564
Total air travel	4	Million km	67.4	61.2	59.2	71.7
Domestic		Million km	6.4	5.8	5.7	6.8
Short-haul		Million km	41.1	37.3	36.1	43.7
Long-haul		Million km	19.9	18.1	17.5	21.2
Train travel (Sweden)		Million km	4.5	3.7	4.0	4.5
Environmentally certified company cars share of company car fleet	3	%	61	52	39	63
LEGAL COMPLIANCE & MONETARY FINES						
Reported environmental prosecutions		Number	none	none	none	none
Monetary value of significant fines due to non compliance with environmental laws and regulations		SEKm	0	0	0	0

NOTES

1) Courier, taxi and security transportation is not included in emissions scope. Train and flight data is collected through our travel agency. Paper data is collected through invoices. Company car emissions data is comprised by type of car and actual or estimated annual driven distance. Energy data is collected via on-line reporting and invoices. We draw on guidance from the Greenhouse Gas Protocol for our carbon reporting. We currently account for the CO2 emissions from operations over which we have control, such as energy and electricity use in our own buildings, paper consumption and business travel (Scope 2 and 3). We include the emissions from Sweden, Norway, Finland, Denmark, Estonia, Latvia, Lithuania, Germany, United Kingdom, Luxembourg and Switzerland, accounting for more than 94 per cent of our income and 96 per cent of our employees.

2) Excluding leasing car mileage.

3) 2012 changed to EU definition of environmental certified cars.

4) Air travel is restated. Please find explanation of recalculations on page 31.

AUDITOR'S LIMITED ASSURANCE REPORT

TO THE READERS OF THE SEB CS REPORT AND CS FACT BOOK

Introduction

We have been engaged by the management of Skandinaviska Enskilda Banken AB (publ) ("SEB") to undertake an examination of SEB's Corporate Sustainability (CS) Report ("Sustainability Report") for the year 2014.

Responsibilities of the Board of Directors and Executive Management

The Board of Directors and the Group Management are responsible for the preparation of the Sustainability Report in accordance with the applicable criteria, as explained on page 42 in the Sustainability Report, and are the parts of the Sustainability Reporting Guidelines (published by The Global Reporting Initiative, GRI) which are applicable to the Sustainability Report, as well as the accounting and calculation principles that the Company has developed. This responsibility includes the internal control relevant to the preparation of a Sustainability Report that is free from material misstatements, whether due to fraud or error.

Responsibilities of the auditor

Our responsibility is to express a conclusion on the Sustainability Report based on the limited assurance procedures we have performed.

We conducted our limited assurance engagement in accordance with RevR 6 Assurance of Sustainability Reports issued by FAR. A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of the Sustainability Report, and applying analytical and other limited assurance procedures. The procedures performed in a limited assurance engagement vary in nature from, and are less in extent than for, a reasonable assurance engagement conducted in accordance with IAASB's Standards on Auditing and Quality Control and other generally accepted auditing standards

in Sweden. The procedures performed consequently do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance conclusion.

Our procedures are based on the criteria defined by the Board of Directors and the Group Management as described above. We consider these criteria suitable for the preparation of the Sustainability Report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion below.

Conclusion

Based on the limited assurance procedures we have performed, nothing has come to our attention that causes us to believe that the Sustainability Report is not prepared, in all material respects, in accordance with the criteria defined by the Board of Directors and Group Management.

Stockholm, 4th March 2015

PricewaterhouseCoopers AB



Peter Nyllinge
Authorized Public Accountant



Fredrik Ljungdahl
Expert member of FAR



Awards and recognitions 2014

Awarded by

Customers

Best bank for large corporates in Nordic region	Prospera
Best bank of the year, Sweden and Estonia	Euromoney
Best bank, in Sweden, Estonia, Latvia and Lithuania	The Banker
Best Private Bank in Sweden, Estonia, Latvia and Lithuania	The Banker and Professional Wealth Mgmt
Best Private Bank in Sweden	Euromoney
Best Internet Bank in Estonia and Latvia	Global Finance Award

Employees

2nd most attractive employer, Lithuania	Verslo Žinios & CV L:T
---	------------------------

Sustainability

Included in The Sustainability Yearbook 2014	RobecoSAM
Global 100	Corporate Knights

Sustainability indices

Index provider

OMX GES Sustainability Sweden Index	Nasdaq OMX/GES
OMX GES Sustainability Nordic Index	Nasdaq OMX/GES
FTSE4Good	FTSE
ECPI Indices	ECPI
STOXX Global ESG Leaders Indices	STOXX
Ethibel EXCELLENCE Investment Register	Forum Ethibel

International commitments

UN Global Compact
Principles for Responsible Investments (PRI)
UN Environment Programme Finance Initiative (UNEP FI)
OECD guidelines for Multinational Enterprises
Equator Principles
United Nations Guiding Principles on Business and Human Rights
Carbon Disclosure Project (CDP) and CDP Water Disclosure
ICC Business Charter on Sustainable Development
Swedish Financial Coalition Against Commercial Sexual Exploitation of Children (national)

Contact us

Cecilia Widebäck West	Head of Group Corporate Sustainability
Contact:	Tel: +46 8 763 50 00, e-mail: cs@seb.se
Internet:	www.sebgroup.com/sustainability

Name and Head office

Postal Address:	Skandinaviska Enskilda Banken AB SE-106 40 Stockholm, Sweden
Visiting address:	Kungsträdgårdsgatan 8, Stockholm, Sweden
Corporate registration number:	502032-9081



Please recycle me!

This report is associated with a carbon footprint of 21 g CO₂-equivalents per m² printed product, corresponding to 0.2 kg CO₂-equivalents per report. The selected printing company is climate compensated and has ISO14001 environmental certification. If you no longer have use for this report, please recycle it.



The FSC logo identifies products which contain wood from well-managed forests certified in accordance with the rules of the Forest Stewardship Council.

© Copyright Skandinaviska Enskilda Banken AB, 2015. All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted, in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise, without the prior written permission of Skandinaviska Enskilda Banken AB.

About SEB

SEB is a leading Nordic financial services group. As a relationship bank strongly committed to deliver customer value, SEB in Sweden and the Baltic countries offers financial advice and a wide range of financial services. In Denmark, Finland, Norway and Germany the Bank's operations have a strong focus on a full-service offering to corporate and institutional clients. SEB's activities are carried out with a long-term perspective to fulfill the Bank's role to assist businesses and markets to thrive. The international nature of SEB's business is reflected in its presence in some 20 countries worldwide. SEB serves more than 4 million customers and has around 16,000 employees.

Our responsibility

We know that the way we act affects the world in which we operate. It is our responsibility to make sure that we do business in an ethical and sustainable way, attending to our customers' needs and protecting people and the environment. By being a well-managed and profitable company, we can use our resources, time, money and knowledge of our people to contribute to society.

This report presents our company from a sustainable perspective and covers our performance 2014 – how we govern and manage our business responsibly in order to create value for our stakeholders. Our actions span the spectrum from small details to complex questions on the global business agenda.

Visit us: www.sebgroup.com/sustainability

Contact us: cs@sebgroup.com