

SEK
SUSTAINABILITY
REPORT
2011



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STATEMENT BY THE PRESIDENT

2011 HAS, IN MANY WAYS, been characterized by turmoil and uncertainty on the global markets. This situation affects liquidity in capital markets and makes it more difficult for exporters to obtain financing. The new Basel III regulations, which make banks less inclined to lend money over long maturities, is another factor that is having an impact.

The ability to ensure access to long-term financing is clearly important maintaining the competitiveness of Swedish exporters in international markets. SEK's mission to ensure financing for the Swedish export industry therefore is, and remains, important to Sweden's economic development. Another key element in the long-term competitiveness of the Swedish export industry is sustainable business, and greater requirements on multinational corporations to act responsibly are constantly increasing. This responsibility applies in equal measure to those institutions providing financing. As a state-owned company and part of the Swedish export credit system, SEK has particular responsibility to contribute to this type of development by putting in place requirements and bringing its influence to bear so that social and environmental aspects are handled in an acceptable manner in those transactions and by those companies that SEK finances.

Increased requirements for sustainable business also create numerous opportunities for Swedish exporters and SEK. We believe that demanding international and national climate targets will contribute to an additional boost in demand for Swedish technology within areas such as energy and waste management. Swedish companies are often held up internationally as models of sustainable business, which could represent a vital competitive advantage for the future.

TOGETHER WITH OTHER institutions, SEK takes an active role in meeting expectations of greater transparency, particularly with regard to lending and managing social and environmental effects in large projects. In general, we are noticing that sustainability issues are receiving greater attention than before in the lending transactions in which we participate. The focus on human rights has also increased in recent years and cooperation has improved between providers of finance in terms of requiring a sustainable business approach. SEK's overarching objective is to ensure financing solutions for Swedish exporters and to be a positive force for sustainable business by putting in place requirements, conducting dialogue and cooperating with other parties.

During the year SEK also became a formal signatory to the 10 principles of the Global Compact; guidelines that for many years have formed the basis for the way we do business.



OVER 2011, SEK further developed its guidelines, procedures and methods regarding sustainability and we are now continuing to gradually improve our ability to measure improvements against targets. Other challenges over the coming year include our work to further clarify the social and environmental requirements that SEK places on companies and banks. In addition, we will be working to strengthen and develop coordination of sustainability work within the area of export promotion and with other state institutions, and to improve the way we manage situations where there is deficient information about social and environmental consequences in the financing of projects. Another important task is to improve the communication of sustainability issues via our website. A challenge in the medium term is to become involved in developing the market for environmental bonds. Demand in this market is still relatively low, but we believe that it will increase as methods for monitoring climate indicators relating to these bonds improves.

By pursuing sustainability issues, increasing our understanding and incorporating sustainability issues in credit decisions, we can make a difference for people, society and the environment. This is a journey that very much involves cooperation with our partners and a balance between the expectations of our various stakeholders and the day-to-day reality in which we operate.

Peter Yngwe, President

DEVELOPMENTS IN 2011

2011 WAS AN eventful year for our sustainability work in many ways. At international level, a number of important international guidelines and agreements regarding sustainable business were revised, including OECD guidelines for multinational corporations. Others are currently under review. This work is taking place in part to reflect the UN's "Guiding Principles on Business and Human Rights," which have received broad international endorsement and led to clarification of companies' responsibilities with regard to human rights. For SEK, the work to revise the OECD's Common Approaches on the environment and officially supported export credits is important. By the end of 2011, negotiations on the agreement were almost complete and we expect it to be signed in early 2012. This will result in increased requirements for social and environmental considerations in export credits throughout the OECD.

Developments at SEK in 2011 have, similarly, related to the revision and development of guidelines, procedures and methods for managing social and environmental risks in financing. In order to enhance our work in this respect, we have, together with EKN, purchased the MapleCroft analytical tool to help us both improve and simplify the categorization, in particular, of risks within human rights and labor relations, and within the area of the environment.

In working to improve our ability to analyze social and environmental risks, we encounter a reality that is often complex, but we are also aware that our influence can make a difference. Our basic approach is, therefore, that it is better to be involved in complex situations so that we can influence a transaction to be more environmentally and socially sensitive through dialogue and cooperation with exporters, financial institutions and stakeholders. Nevertheless, we are acutely aware that it can be difficult to assess the global playing field and, together with other organizations, we often face difficult situations and decisions. Some of the difficulties we encounter in this work are often related to the general way in which the financial system functions, while others relate to our own learning process.

MANY QUESTIONS FROM our stakeholders relate to the export credit system in general and we have therefore considered it important to conduct some of our stakeholder dialogue in cooperation with EKN. Together with EKN we have also begun discussions with the Swedish Trade Council and Swedfund, as part of the task of our organizations, to jointly manage issues relating to social and environmental responsibility.

Together with other government agencies, SEK has continued its work for Swedish environmental technology through the Environmental Technology Group, which supports both small and large Swedish companies in this sector with financing, venture capital and risk mitigation. Over the



year, this group has met companies producing innovative solutions within sustainable development.

The Sustainable Business in China (SSB) project, which was initiated and managed by the Swedish Trade Council, has continued during the year. This project relates to the problem of sourcing for Swedish companies operating on the Chinese market, and primarily concerns training to encourage Chinese suppliers to develop an understanding of the requirements that Swedish companies have with regard to social and environmental responsibility. Together with other organizations involved in this project, SEK visited Shanghai as part of the project to discuss sustainable financing and sustainability reporting. The visit generated real interest in China.

TRANSPARENCY, DIALOGUE AND cooperation are our most important tools for gaining a better understanding of the expectations that our stakeholders have of us, and to prioritize the right things in our sustainability work. In view of our stakeholders' desire for greater transparency, this year we have decided to provide more detailed reporting of our processes and results relating to sustainable financing.

Johan Henningsson, Head of CSR

SEK'S KEY IMPACTS, RISKS AND OPPORTUNITIES

SEK'S IMPACT AND SUSTAINABILITY AND EFFECTS ON STAKEHOLDERS

SEK's main impact on sustainable development and our stakeholders is through its financing activities. From a Swedish perspective, SEK functions as a complement to the banking market to ensure that the Swedish export industry has access to financing. This is significant in terms of creating job opportunities in Sweden and for the development of the Swedish economy. From an international perspective, SEK is involved in financing exports for projects and business activities in other countries. These investments and projects have an effect on the economy, the environment and social aspects in those societies and countries where they are undertaken. In many cases, the effect is positive for a country's economic development, but it can also result in social and environmental risks that the companies involved must manage. SEK and other providers of financing need to understand these risks and ensure compliance with national legislation or international guidelines. SEK believes that social and environmental risks primarily arise in countries with a less developed institutional infrastructure, in countries outside what are known as "high-income OECD countries."

In many cases, exports of Swedish technology have a positive impact on the environment. This can relate to exports of components for pure environmental projects, such as solar energy (see page 20), but it can also relate to deliveries for investments in which Swedish technology reduces energy consumption and increases efficiency. SEK and the promotion of exports in general face a long-term challenge to help Swedish environmental exports grow.

As a small organization with one office in Sweden, SEK has a relatively small impact on the environment, and the social security of our employees is relatively strong owing to extensive regulations in Sweden. As a knowledge-based business, issues regarding stress management, efficiency and professional development opportunities are important tools for creating a good work environment.

SEK adopts a long-term approach to its work on sustainability issues and the above risks and opportunities. We can

bring our influence to bear by gradually incorporating sustainability aspects into our financing activities and in our dialogue with customers and business partners. We prioritize issues based on the expectations of our stakeholders and our opportunities as a state-owned organization to influence in the long term the development of the Swedish economy, sustainable business and environmental technology exports.

Our work to help develop these areas is conducted in cooperation with EKN and in dialogue with Swedish exporters to create clarity within the export credit system. Continued development and expansion of our network within the area of sustainability and stakeholder dialogue strengthens our ability to establish common requirements and a common approach in connection with providing credits and guarantees. We note that both the setting of requirements and information are improving as we significantly increase the coordination of our work, and this provides us with greater opportunities in all areas to meet social and environmental requirements. The revision of the method and process we use for sustainable financing has resulted in simplifying both the gathering and analysis of information. This has also led to clearer allocation of responsibility within the organization. Training of customer and transaction managers is now a key priority.

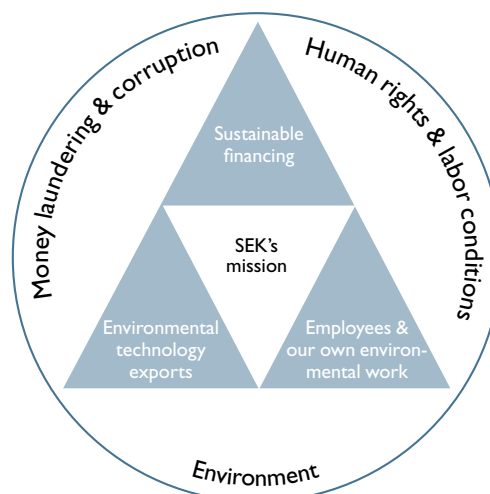
IMPACT ON SEK'S LONG-TERM PROSPECTS AND FINANCIAL PERFORMANCE

The trends we see within sustainable development present both risks and opportunities for SEK's business and development. The ability to attract capital in the international capital markets is of strategic importance for SEK in achieving its mission (see annual report). Issues regarding sustainable business are expected to be of increasing importance for many investors. A transparent and reliable process for managing social and environmental risks in financing transactions is therefore a priority issue for SEK. This involves us meeting increasingly stringent requirements from investors and contributing to Swedish exports for sustainable business.

SEK'S FOCUS AREAS AND GOALS

SEK's focus areas for sustainable development are based on our mission and our key impacts, risks and opportunities (see page 5). SEK's main impact is as a financial institution on the international market. We have a responsibility in our lending operations to set requirements and carry out monitoring so that businesses and projects that we finance are conducted in a responsible manner and comply with legislation, international guidelines and agreements within the areas of money laundering, corruption, human rights, labor conditions and the environment.

This is our primary focus area, which we refer to as sustainable financing. SEK also has a role to play in creating the conditions for Swedish environmental technology to develop and compete on the international market, and this is our second focus area. Our third focus area concerns the impact that our company's own operations have; i.e., our responsibility to minimize our own environmental impact and to be an attractive and responsible employer.



Our sustainability work is based on three areas: Sustainable Financing, Environmental Technology Exports and work within our own business operations, i.e. Employees and our own Environmental Work.

GOALS BY FOCUS AREA

SEK's overall objective for contributing to sustainable development is to ensure access to financial solutions on commercial terms for Swedish exporters and to also be a driving force for sustainable business through dialogue, cooperation and setting requirements.

FOCUS AREA	RESULTS FOR 2011	GOALS 2012
SUSTAINABLE FINANCING SEK's aim is, through our lending operations, to encourage projects and businesses to be more socially and environmentally sensitive.	<ul style="list-style-type: none"> Updated policy for sustainable financing. Purchase of analytical tool for human rights, labor conditions and the environment. 	<ul style="list-style-type: none"> Carry out training of SEK's business units and analysts within the areas of labor conditions, human rights, corruption and the environment. Integrate the monitoring of social and environmental terms and conditions of loans in SEK's business systems. Expand and clarify social conditions in agreements.
SWEDISH ENVIRONMENTAL TECHNOLOGY SEK's aim is to increase new lending for Swedish environmental technology exports.	<ul style="list-style-type: none"> Skr 5,661 million of accepted credits for environmental technology exports. 	<ul style="list-style-type: none"> Clarify SEK's financing products for environmental technology companies via our website.
OUR OWN ENVIRONMENTAL IMPACT Our aim is to minimize our own energy consumption and for the energy we consume to be environmentally certified. Travel undertaken by SEK employees should be climate-friendly and suppliers must respect SEK's code of conduct.	<ul style="list-style-type: none"> CO₂ emissions per m² were 137 tons of CO₂. Emissions from flights < 500 km were 37 tons of CO₂ 	<ul style="list-style-type: none"> Reduce CO₂ emissions per m² to 125 tons of CO₂. Reduce emissions from flights < 500 km to 31 tons of CO₂. Obtain a signed "supplier's code of conduct" from all of SEK suppliers.
AN ATTRACTIVE PLACE TO WORK SEK's aim is to create an attractive workplace where our employees are happy, can develop professionally and have a good work-life balance.	Results of 2011 Employee Survey (%): <ul style="list-style-type: none"> Leadership 72 Organizational efficiency 63 Employee index 73 	Targets for 2012 Employee Survey (%): <ul style="list-style-type: none"> Leadership 75 Organizational efficiency 70 Employee index 75

ABOUT SEK AND HOW ITS BUSINESS OPERATES

SEK IN BRIEF

SEK was founded in 1962, since which time it has provided expertise in international financing. We are an independent niche operator in the financial market, and act as a complement to banks.

SEK'S OPERATIONS

SEK is tasked by the Swedish government to ensure access on commercial terms to financial solutions that benefit the Swedish export industry. We work to promote opportunities for Swedish companies to operate and develop in a global market, and we play a positive role in both trade between countries and for Swedish society.

LENDING IN BRIEF

Export financing is based on cooperation between SEK, EKN and commercial banks. SEK grants loans to foreign purchasers of Swedish capital goods or services and provides financing, EKN guarantees transactions, while the bank puts together the export deal and manages the relationship with the borrowing company. SEK's two main products are direct lending to Swedish exporters and end-customer financing.

FUNDING IN BRIEF

SEK is one of the Nordic region's largest borrowers on the international capital markets and borrowing consists of large global benchmark bonds, other public bond loans and private placements.

IMPORTANT KEY FIGURES FOR 2011

- Operating profit was Skr 1,889.1 million.
- New lending to and for Swedish exporters was Skr 51.2 billion.
- The volume of offers for credits at the end of 2011 was Skr 64.3 billion.

THE EXPORT CREDIT SYSTEM: HOW IT WORKS



EXPORTER

An exporter generates business and turns to a bank for financing. Assisting a customer with financing is sometimes essential in order for a transaction to go ahead. It is increasingly common for purchasers of Swedish export products – such as buses, telecom systems and power plants – to make a deal conditional on financing being provided.

In the Annual Report you can find out about an order won by Ericsson to construct 3G networks in six Indian regional areas for telecom operator Aircel. The deal was made possible by export financing in which SEK, together with a number of Swedish banks and EKN, is providing financing to Aircel.



COMMERCIAL BANK

A commercial bank arranges financing for the deal. The bank acts as arranger, manages the documentation process, negotiates and handles administration.

The bank identifies the best financing solution for the customer on the financial markets. The bank turns to SEK and EKN, the Swedish Export Credits Guarantee Board, for export credits when that is the most competitive solution. This often depends on whether the loan needs to be long-term or needs to be issued in a currency that is difficult to access. When financial crises make it difficult to obtain any long-term loans at all, export credits are an important part of almost all large export deals.

SEK'S LENDING GLOBALLY, SKR MN

New customer financing in 2011 ¹	51,249
of which direct financing	20,549
of which end-customer financing	30,700
Outstanding and agreed but undisbursed loans ²	220,672

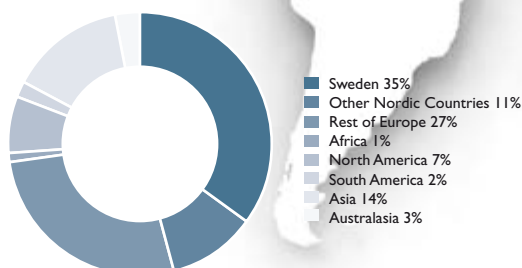
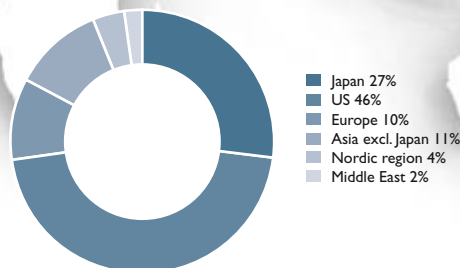
¹ New customer financing refers to new accepted loans and syndicated customer transactions. These include all accepted loans, irrespective of maturity.

² Loans refers to loans granted in the form of interest-bearing securities and loans provided with traditional documentation. SEK's view is that these amounts comprise SEK's actual lending.

SEK'S FUNDING GLOBALLY, SKR MN

New borrowing ¹	47,685
Outstanding senior borrowing	273,245
Outstanding subordinated borrowing	3,175

¹ New borrowing with maturities of more than one year.

SEK'S LENDING GLOBALLY**SEK'S FUNDING GLOBALLY****EKN**

EKN, the Swedish Export Credits Guarantee Board, issues guarantees and insures exporters and banks against the risk of not being paid or against other breaches of contract. A guarantee from EKN provides greater confidence in a transaction and gives the exporter or bank the ability to offer better financial terms. EKN also provides advice on risk management.

The decision to issue a guarantee is based on a commercial assessment of the risk. EKN is funded by the premiums paid by the companies that receive the guarantees.

**SEK**

SEK provides financing and acts as a complement to the banks. With an excellent credit rating, many years of experience and an extensive network of contacts, SEK is also able to borrow money in currencies that are difficult to access and when the financial markets are in turmoil. SEK can also act as co-arranger in export finance transactions and provide financial advisory services.

SUSTAINABILITY GOVERNANCE

SEK intends to be a driving force in the work to develop a Swedish export credit system that can manage environmental and social risks in the optimum way. By sustainability governance we mean the methods and processes that ensure that day-to-day business is in line with our stakeholders' expectations of us, and the policies and guidelines that form the framework for how we operate our business and how we act in various contexts.

SEK's sustainability work is governed by international and national regulations and guidelines, along with our owner directives and the state's owner policy, as well as internal guidelines. The owner directive states that SEK's credit decisions must take account of circumstances such as the environment, corruption, human rights, labor conditions and other relevant considerations. The Swedish state owner policy stipulates that state-owned companies must set an example within sustainable development.

THE WORK OF THE BOARD OF DIRECTORS

Through SEK's policy for ethical, social and environmental responsibility, the Board sets out how the organization should set its priorities and what should be achieved within the area of sustainability. The Board follows up sustainability work by evaluating policies, and through its work, in particular, via its Audit and Credit Committees.

EXTERNAL GUIDELINES AND RECOMMENDATIONS

As a state-owned company operating within the Swedish export credit system, SEK's social and environmental responsibility is governed by the following national and international documents:

- The state's owner policy and guidelines for state-owned companies.
- The OECD recommendation on Common Approaches on the environment and officially supported export credits.
- The OECD convention on combating bribery of foreign public officials in international business transactions.
- The OECD action statement on Bribery and Officially Supported Export Credits.
- OECD guidelines for Multinational Enterprises.
- The Global Compact's 10 principles on the environment, labor conditions, human rights and corruption.

INTERNAL GUIDELINES

SEK is governed by a number of internal guideline documents regarding ethical, social and environmental responsibility:

- SEK code of conduct.
- Policy on ethical, social and environmental responsibility.
- Instruction on social and environmental responsibility.

- Instruction to the Head of CSR.
- Directions for sustainability analysts.
- Method for managing social and environmental risks in financing.

SEK has a number of written guidelines in the form of policies, procedures and instructions to combat money laundering and the funding of terrorism:

- Policy on measures against money laundering, the funding of terrorism and other criminal activities.
- Instruction on measures against money laundering, the funding of terrorism and other criminal activities.
- Procedures for learning about customers.
- List of high-risk countries.

RESPONSIBILITY AND REPORTING

Work on integrating social and environmental awareness and responsibility in SEK's existing organization is constantly being undertaken. The Head of CSR has overall responsibility for coordinating SEK's sustainability work.

In financing, the customer side of the business is responsible for social and environmental risks being managed in accordance with SEK policy. SEK's sustainability analysts have specialist expertise with responsibility for the independent review of sustainability risks in SEK's credit process. For "A Projects" (see page 15 for definition) and other special cases, fulfillment of specified social and environmental requirements must be approved by SEK's Credit Committee.

The Head of CSR reports directly to the President on group-wide matters. The President is responsible, together with other members of executive management, for decisions on matters of a fundamental nature. The Board of Directors reports on its work in the annual corporate governance report. You can find out more about corporate governance, the Board of Directors and the executive management on pages 60–71 of SEK's Annual Report 2011.



STAKEHOLDERS AND MATERIALITY ANALYSIS

SEK's business and the activities that we are involved in financing affect many people, both within and outside Sweden. Just as SEK makes demands of customers and partners, many stakeholders make demands of us on issues that are important to them. Transparency, dialogue and cooperation are therefore important in gaining their support and creating value for them.

Demands on SEK to take account of ethical, social and environmental aspects come from many different parties. SEK endeavors to build good, close relationships with its stakeholders, who affect or are affected by our business operations to varying degrees.

HOW WE ENGAGE WITH OUR STAKEHOLDERS

In order to develop and intensify stakeholder dialogue in a methodical way, we have taken inspiration from the AA1000 Stakeholder Engagement Standard (AA1000SES). This method has helped us identify our stakeholders and categorize them into groups, as well as identify the method to be used for and scope of the dialogue.

Dialogue and cooperation are important tools in gaining their support and creating value for them, and in 2011 we have continued in a structured way to meet our key stakeholders. The exchange of information also helps us better understand the expectations placed on us and to make the right prioritizations in our sustainability work. This also provides us with the opportunity to inform stakeholders about what we do and how we work. The format of the dialogue is often on the terms of the respective stakeholders, primarily in the form of formal meetings but also, for example, as ongoing customer relations, employee surveys, feedback via reports and through media contacts.

SEK'S STAKEHOLDER DIALOGUE

Stakeholder group	Expectations of SEK	Forums for dialog	SEK's operations
Owner	SEK aims to: <ul style="list-style-type: none"> • Meet economic targets 	<ul style="list-style-type: none"> • Annual Meeting 	<ul style="list-style-type: none"> • Proposed dividend for 2011 is Skr 420 million
The state and the system for the promotion of exports	SEK aims to: <ul style="list-style-type: none"> • Ensure access to financial solutions that are of benefit to the Swedish exports industry. • Develop financial solutions for Swedish environmental technology exports. • Set requirements for a sustainable approach to business when granting credits. • Manage corruption risks in international transactions. 	<ul style="list-style-type: none"> • Meetings • Working groups • Consultation meetings • Seminars 	<ul style="list-style-type: none"> • SEK's new lending for 2011 amounted to Skr 51.2 billion (48.7), which is an increase of 5.1 percent on the previous year. • Updated written guidelines on social and environmental responsibility. • Coordination of financing opportunities by state organizations takes place within the Environmental Technology Export Group. • SEK participates actively in sustainable enterprise networks. • SEK has officially endorsed the Global Compact since 2011.
Customers	SEK aims to: <ul style="list-style-type: none"> • Coordinate social and environmental requirements and monitoring with EKN. • Develop financial solutions for Swedish environmental technology exports. 	<ul style="list-style-type: none"> • Ongoing business dialogue • Individual meetings • Customer survey • Meetings of the Environmental Technology Export Group 	<ul style="list-style-type: none"> • Coordination with EKN takes place through the working group on the responsible provision of lending and guarantees. • Dialogue with exporters about stipulated requirements for credits.
Employees	SEK aims to: <ul style="list-style-type: none"> • Comply with international principles within the area of sustainability. • Work constantly to improve the efficiency of its organization. 	<ul style="list-style-type: none"> • Employee survey 	<ul style="list-style-type: none"> • SEK has moved to new offices with high environmental standards. • Start of projects to increase efficiency within the business. • Basic level training focusing on SEK's business operations has been offered to all staff.

Stakeholder group	Expectations of SEK	Forums for dialog	SEK's operations
NGOs	SEK aims to: <ul style="list-style-type: none"> • Increase transparency in the financing of transactions with a significant environmental and social impact and transactions in high-risk countries. • Provide information about and supply tools to help companies combat corruption. • Encourage international projects to take account of environmental and social issues. 	<ul style="list-style-type: none"> • Individual meetings • Seminars • Reports 	<ul style="list-style-type: none"> • SEK has increased transparency of sustainability risks in its lending. • SEK and other suppliers of finance set requirements for dialogue with the local community in A Projects. • SEK is constantly developing its method for evaluating and monitoring borrowers and projects for which it has provided lending.
Banks, multilateral financial institutions	SEK aims to: <ul style="list-style-type: none"> • Cooperate, conduct dialogue and exchange experiences about terms and conditions for and the assessment of environmental and social risks in lending. 	<ul style="list-style-type: none"> • Individual meetings 	<ul style="list-style-type: none"> • SEK manages sustainability issues in cooperation with other financial institutions, particularly EKN. • Dialogue is undertaken with banks and multilateral financial institutions for greater coordination.
Investors	SEK aims to: <ul style="list-style-type: none"> • Ensure transparency in its management of sustainability issues in lending. • Manage emerging interest in environmental bonds. 	<ul style="list-style-type: none"> • Ongoing business dialogue 	<ul style="list-style-type: none"> • SEK has increased the information it provides about processes and governance of the sustainability aspects of its lending. • SEK is evaluating the possibility of issuing environmental bonds.
Media	SEK aims to: <ul style="list-style-type: none"> • Increase information about A projects in relation to total lending. 	<ul style="list-style-type: none"> • Individual meetings 	<ul style="list-style-type: none"> • SEK has increased the information it provides about sustainability risks and A Projects.

SEK'S NETWORKS WITHIN THE AREA OF SUSTAINABILITY

OECD working groups on environmental issues and human rights – Two working groups within the OECD have been set up to discuss and handle issues ahead of the OECD's recommendation on Common Approaches on the Environment in officially supported export credits.

The Swedish Partnership for Global Responsibility – A project belonging to the unit for international trade policy at the Swedish Ministry of Foreign Affairs that deals with issues relating to corporate social responsibility. This initiative means that business, labor market partners and NGOs are being encouraged to actively promote work on human rights, better environment, basic labor conditions and anti-corruption measures based on the principles of the UN's Global Compact and the OECD's guidelines for multinational corporations.

Networks relating to sustainability issues in state-owned companies – A network relating to sustainability issues in state-owned companies was started in 2009. The aim is to exchange experiences, discuss and examine various issues in detail.

The EKN/SEK working group on the responsible provision of lending and guarantees – SEK and EKN have created a joint working group on the responsible provision of lending and guarantees. The aim is to coordinate on the categorization of environmental and social risks in order to clarify for exporters what requirements are specified in jointly managed transactions.

The Environmental Technology Export Group – Cooperation between 11 state organizations for environmental technology exports, see page 20–21.

Swedish ICC CSR Reference Group – The Reference Group monitors the UN's Global Compact and is the spokesperson organization for global business on issues regarding corporate social and ethical responsibility in society.

Swedish Sustainable Business in China (SSB) – A three-year project run by the Swedish Export Council in China focusing on knowledge transfer and relationship building to strengthen the development of sustainable business in trade between Sweden and China.

MATERIALITY ANALYSIS HELPS US PRIORITIZE ISSUES

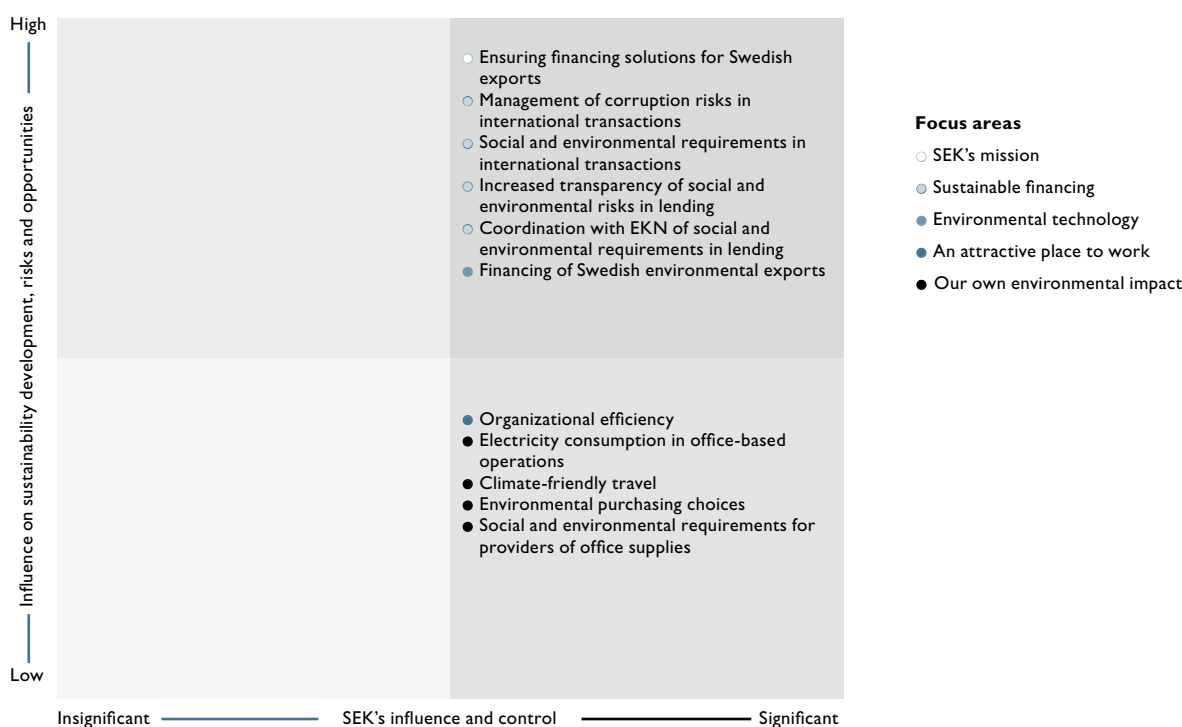
Materiality analysis is an important part of SEK's sustainability work. It is used to identify those aspects of sustainability that are key to SEK's business operations and to our stakeholders. This analysis enables us to identify issues within the areas of economy, environment and social responsibility that require management and governance. Materiality analysis is a dynamic process that develops each year and comprises a weighted assessment of aspects highlighted by stakeholders and the company's own management.

The following factors are important in identifying key areas:

- SEK's mission
- International guidelines and agreements
- Overall issues raised by SEK's stakeholders
- SEK's ability to influence transactions
- Common practice by similar organizations

SEK stakeholders are welcome to provide their views on the prioritization of these areas.

MATERIAL SUSTAINABILITY ISSUES IN SEK'S OPERATIONS



The top-right box of the diagram contains those sustainability aspects that are both important to stakeholders and for sustainable development, and that SEK is also able to influence. The bottom-right box contains aspects that SEK is able to influence but that are not deemed to be as important by our stakeholders.

SEK's governance, reporting and focus areas are established based on the aspects contained in both boxes on the right-hand side of the chart.

SUSTAINABLE FINANCING

The greatest impact that SEK has on the environment and society is through the financing it provides. In order to set requirements and support Swedish exporters and their customers in achieving the highest environmental and social standards, we have developed guidelines and procedures that, together with OECD regulations, form the framework for our management of social and environmental risks.

In its financing transactions SEK takes account of the impact on the environment, people and society in the projects or business activities to which the financing relates. By reviewing and, where necessary, monitoring the activities that SEK is financing, SEK endeavors to put in place sufficient requirements to counter the negative environmental and social impacts. The review of environmental and social aspects is an important part of SEK's credit decisions.



Per Edlundh
Associate Director,
Structured Finance

"My experience is that although borrowers and financiers have different perspectives on a deal, there's a shared understanding of how

we can use clear requirements to better manage social environmental risks and corruption in financing transactions. It's particularly important in large projects to highlight all sustainability issues and assess each of these based on a range of social and environmental aspects in accordance with OECD Common Approaches and IFC and World Bank standards. The extensive requirements for environment and social considerations are then put in place and regularly monitored throughout the period of credit."

SEK POLICY ON SUSTAINABLE FINANCING

In its financing transactions SEK takes account of the impact on the environment, people and society in the projects or business activities to which the financing relates. SEK follows the OECD's Common Approaches on officially supported financing.

It is the responsibility of the companies involved to manage environmental and social aspects in accordance with local legislation and international principles. International standards should be applied where these are stricter than the standards of the country where the project is undertaken. By reviewing and, where necessary, monitoring the activities that SEK is financing, SEK endeavors to put in place sufficient requirements to counter the negative environmental and social impacts. The review of environmental and social aspects is an important part of SEK's business decisions.

For the financing of A Projects, SEK requires an environmental and social consequence analysis that meets the IFC Performance Standards and IFC environmental and health and safety guidelines. An action plan must be presented where this procedure is deviated from.

SEK emphasizes the importance of the private sector's responsibility in respecting human rights. States have primary responsibility for protecting human rights and companies have a responsibility to take due account by identifying potential risks for negative impacts from their business operations and addressing such risks. Human rights are part of SEK's review of social conditions in the financing of a transaction.

SEK refrains from involvement in transactions in which the social conditions and environmental effects are deemed unacceptable. An application for export credit may be rejected if SEK's review shows strong negative environmental and social conditions, or if the necessary information is not received and is not expected to be received. As access to information may be limited at the point at which an application is made, an application may be made conditional on the transaction meeting SEK's requirements for social and environmental considerations based on a review to take place at a later stage.

SEK does not tolerate corruption in the transactions that it finances. Moreover, SEK wishes to play a part in encouraging primarily small and medium-sized companies to improve their management of corruption issues in international transactions.

SEK requires a process for identifying and categorizing social and environmental impacts in connection with financing. Where there is a risk of negative social or environmental impact, a review is conducted, along with monitoring, where necessary. The extent and form of the review is adapted to the size of financing, the level of the identified risks and SEK's ability to influence the situation.

SEK endeavors to establish common requirements and common action with guarantee institutions and other financial institutions on environmental and social issues. This means that SEK is able, within reason, to adapt its requirements to other financial institutions in a project.

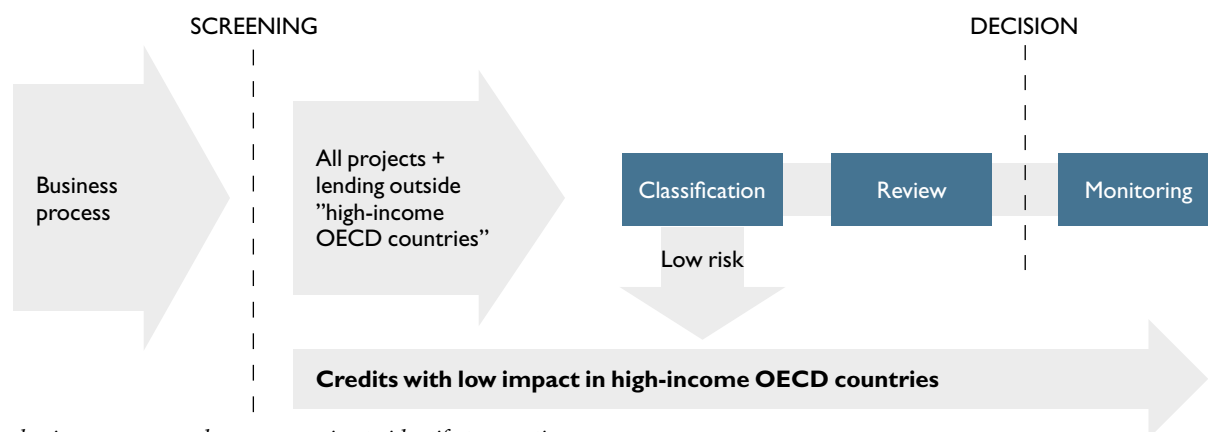
Extracts from SEK's policy on ethical, social and environmental responsibility.

OUR PROCESS FOR SUSTAINABLE FINANCING

SEK reviews transactions both in order to fulfill requirements to “know our customer” and from a sustainability perspective. In order to “know its customer,” SEK must ascertain the identity of the actual customer and obtain information about the aim and nature of the business relationship, as well as undertake ongoing monitoring.

Our review process for identifying and classifying the social and environmental impact follows the steps set out in the chart below. Where a risk of negative impact is identified, a review is undertaken, along with monitoring where necessary. The process for managing social and environmental risks consists of the following stages:

- a) Screening
- b) Classification
- c) Review
- d) Credit decision
- e) Monitoring



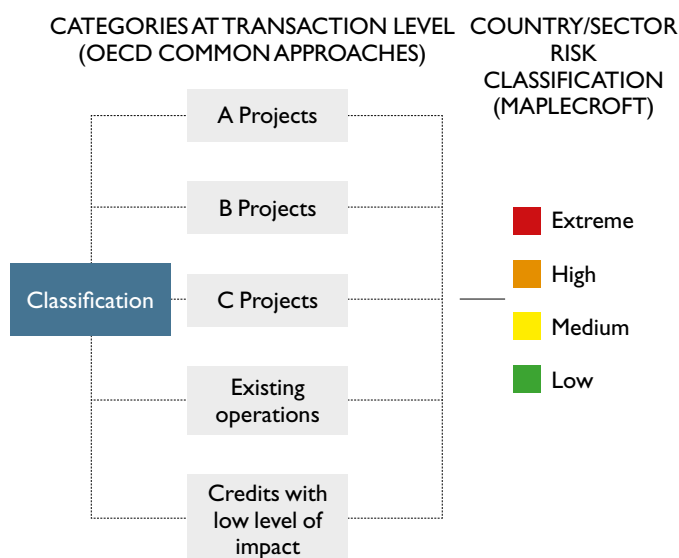
The business process undergoes screening to identify transactions with a low impact for counterparties domiciled in “OECD high-income countries,” which are exempted from classification. Credits that are deemed to have a low level of impact are operating credits, liquidity placements and factoring. Other credits are classified irrespective of region. This update to SEK’s method was developed in 2011 and will be used in full from February 2012.

METHOD FOR CLASSIFYING SOCIAL AND ENVIRONMENTAL RISKS

Classification of social and environmental risks takes place at transaction level and at country/sector level. Counterparties are categorized using MapleCroft’s methodology (see information panel below), while transactions are classified based on a scale from A to C in line with the OECD’s agreed Common Approaches. If a transaction or a counterparty is classified as high-risk within one of the areas of the environment, labor conditions, corruption or human rights, SEK puts in place requirements that must be fulfilled before the transaction is accepted. Similarly, SEK can decide that an independent follow-up and monitoring of the project should be carried out over the duration of the project with regular reporting to SEK.

IFC PERFORMANCE STANDARDS

SEK assesses sensitive projects, known as A Projects, against the standards developed by International Finance Corporation (IFC). IFC, which is part of the World Bank, has developed eight standards for defining the customer’s role and responsibility for receiving financing. These standards include labor conditions, work environment, health and safety, land acquisition and involuntary resettlement. For further information, see www1.ifc.org



The method for classifying A, B, C Projects and existing business operations adheres to OECD Common Approaches guidelines.



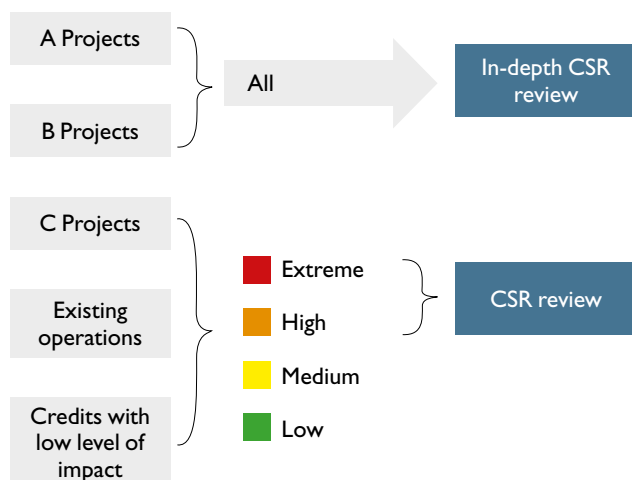
Martina Åstrand,
Corporate Social Responsibility
Credit Management

"It's exciting to be involved, together with companies and banks, in a development that improves the way we obtain information relating to A or B Projects. This provides us with good opportunities to carry out a more in-depth analysis of social and environmental risks.

It's also important that the sustainability analysis has gained strong acceptance within SEK and that sustainability risks are more clearly included in our credit decisions."

WHAT IS AN A, B AND C PROJECT?

Financial institutions have a common way of classifying projects based on social and environmental risks. Projects with a potentially significant negative environmental and/or social impact that are irreversible are known as A Projects. Projects with a limited negative environmental and/or social impact are known as B Projects. C Projects are projects deemed to have minimal or no environmental or social impact.



The social and environmental review undertaken by customer/transaction managers is aimed at ensuring that the counterparty has the capacity to manage identified social and environmental risks. Sustainability analysts are contacted where necessary for further analysis and questions.

SOCIAL AND ENVIRONMENTAL REVIEW

Transactions with counterparties in high-risk countries/sectors are reviewed additionally to ensure that the counterparty has the capacity to manage identified risks. A and B Projects are reviewed to ensure that the project is carried out in accordance with international standards and OECD Common Approaches guidelines.

IN-DEPTH SOCIAL AND ENVIRONMENTAL REVIEW

The following parameters apply for those A and B Projects that require an additional in-depth social and environmental review:

- Description of the financial institutions participating in the transaction and SEK's role in managing social and environmental issues.
- Description of the current licensing process and the country's legislation relating to work environment, the environment and human rights and their application in practice.
- The project's fulfillment of IFC Performance Standards and IFC guidelines for the environment and health and safety.
- The project's positive and negative effects on the economy and the environment.
- The effects of the project on human rights and management of issues such as health, safety and other labor conditions.
- Results of consultation with the local community and other stakeholders.
- Issues of significance for SEK's reputation risk.
- Recommendation for any measures/action plan/clauses.
- The in-depth review results in a conclusion about whether the project meets/is expected to meet SEK's policy for social and environmental responsibility and all Common Approaches.

MAPLECROFT ANALYTICAL TOOL FOR SOCIAL AND ENVIRONMENTAL RISKS

In order to improve classification, particularly of social risks in conjunction with credits and guarantees, the analysis company MapleCroft developed a risk classification system for both country and sector level for EKN and SEK in late 2011.

This analysis tool improves and simplifies classifications based on three indices: Labor rights and protection index, human rights risk index and environmental regulatory framework index.

SOCIAL AND ENVIRONMENTAL ASSESSMENT OF PULP MILL IN URUGUAY

In 2011 SEK was involved in financing a new pulp mill in Uruguay. The mill, with an annual production capacity of 1.3 million tons of paper pulp, will be built by Stora Enso's and Arauco's joint-venture company, Montes del Plata. A consequence analysis was conducted as part of this project by an independent consulting firm in order to identify the social and environmental impact of the project. This was also a requirement from SEK and other financiers and guarantors as the project was classified as an A Project. The consequence analysis assessed the project in relation to IFC performance standards and the Inter-American Development Bank's policy. SEK has participated in a number of site visits in order to gain an understanding about the site for the pulp mill and other issues, such as the impact on the local population. SEK's analysis, which was based on the independent consulting reports, indicated that the project was well prepared from a sustainability perspective. The analysis also highlighted positive effects such as employment opportunities in Uruguay and the

surplus of green electricity produced by the pulp. The deficiencies that were identified could be managed through the terms and conditions of the lending agreement. SEK's Credit Committee decided to approve the financing from a sustainability perspective.



LIMITATIONS AND DILEMMAS

SEK's aim is to make informed decisions and be transparent with regard to environmental and social risks, but dilemmas and limitations arise. One such dilemma concerns the ability to obtain sufficient information.

The reasons for this vary and may, for example, relate to SEK becoming involved in a transaction at a late stage or taking over financing that has already been arranged. Regardless of the type of transaction involved, it can also be difficult in many countries to obtain certain information.

As a lender, SEK complies with the Swedish Act on Banking and Financing Activities, which in various ways limits our ability to be fully transparent. For example, SEK is not permitted to provide information that can be traced to an individual transaction, and this is also stipulated in SEK's code of conduct.

INTERACTION WITH CUSTOMERS/BUSINESS

PARTNERS

SEK conducts ongoing dialogue with exporters and business partners, especially in the financing of large projects. This dialogue relates to the coordination of procedures for evaluating social and environmental considerations.

CLASSIFICATION OF COUNTRIES AND COUNTERPARTIES

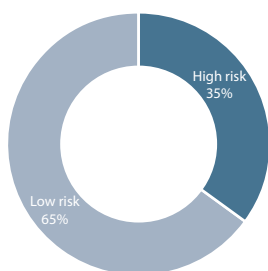
Country and counterparty limits always include classification of social and environmental risks. By the end of 2011, 43 (40) countries and 689 (764) counterparties* had been classified.

* Companies, banks, public organizations and municipalities.

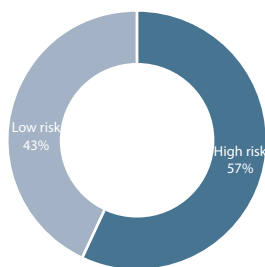
SOCIAL AND ENVIRONMENTAL RISK IN SEK'S LENDING PORTFOLIO

This section lists social and environmental risks in SEK's lending. Classification is made using the MapleCroit analytical tool (see page 15).

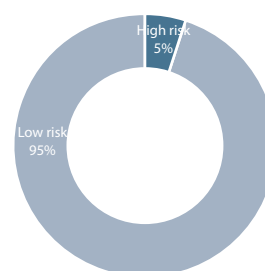
HIGH SUSTAINABILITY RISK
as a percentage of all lending
in 2011



HIGH SUSTAINABILITY RISK
as a percentage of end-
customer financing in 2011

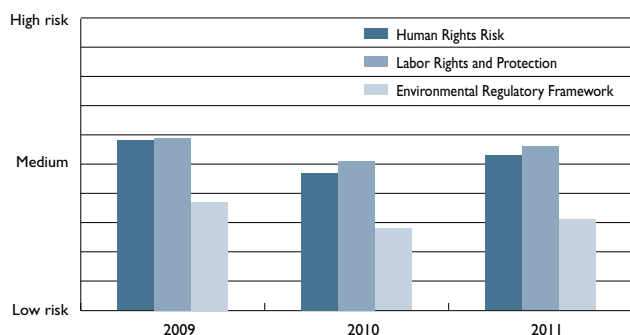


HIGH SUSTAINABILITY RISK
as a percentage of direct
financing in 2011



High social and environmental risk exists primarily within the end-customer financing segment.

BREAKDOWN OF SUSTAINABILITY RISKS IN SEK'S END-CUSTOMER FINANCING



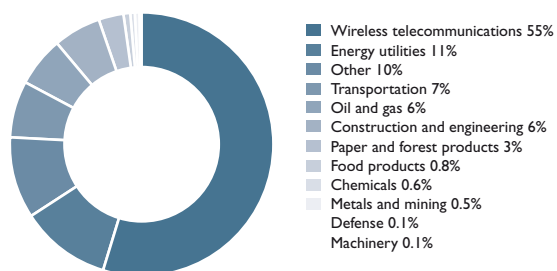
The end-customers of Swedish exporters that SEK finances are based primarily in countries with high social risk (labor conditions and human rights). The trend over a three-year period shows that this relatively high social risk in connection with end-customer financing is constant.

PROJECT-RELATED LENDING, GROUPED BY OECD COMMON APPROACHES (NUMBER OF PROJECTS)

	A Projects	B Projects	Total
2009			n.a.
2010	0	5	5
2011	4	8	12

2011 PROJECT-RELATED LENDING BY REGION (NUMBER OF PROJECTS)

Region	A Projects	B Projects	Total
Europe & Central Asia	2	3	5
Latin America & Caribbean		1	1
East Asia & Pacific			0
South Asia	1	2	3
Sub-Saharan Africa		1	1
North America		1	1
South America	1		1

SEK'S NEW LENDING BY SECTOR**SOCIAL AND ENVIRONMENTAL REVIEW AND MONITORING**

In 2011 approximately 9 percent of SEK's transactions were reviewed by sustainability analysts, according to the breakdown below.

	2011 number	2010 number	2009 number
Reviews by sustainability analysts	44	27	n.a.
Site visits to A Projects*	2	1	n.a.
Incidents	0	0	n.a.

* Site visits carried out by SEK employees or consultants hired by SEK/EKN.

SEK'S ECONOMIC IMPACT

SEK's responsibility includes contributing to strengthening Sweden's competitiveness in the global market. Our business aims to promote Swedish companies' opportunities to operate and develop in the global marketplace. Many of the investments that SEK is involved in financing also have a significant positive impact on economic development and standards of living in those countries where the investments are made.

Our transactions have a positive and long-term impact on exports, which are so important for Sweden's economy and well-being. The economic value generated by our business is distributed in various ways to a number of different stakeholders.

The table summarizes the economic value that SEK generates and that benefits our stakeholders. These statistics are based on financial accounts and further information about SEK's financial reporting is available in SEK's 2011 Annual Report.

SEK'S ECONOMIC VALUE CREATION IN 2011

Skr mn				
Value created	Stakeholder	2011	2010*	2009
Income from interest	Borrowers	10,223	12,183	13,306
Subsidies	State	–	–	–
Value distributed				
Interest expenses	Lenders	–8,352	–10,285	–11,312
Supplier costs	Suppliers	–203	–192	–159
Salaries and benefits	Employees	–283	–259	–312
Taxes	State	–490	–1,048	–641
Dividend	Owner	–420	–2,191	–518
Sponsorship	Society	–0.1	–0.1	–0.1

* Changes to 2010 Sustainability Report: Tax for 2010 has been amended due to the late change in last year's annual accounts between the end-of-year statement and the annual report.



SWEDISH ENVIRONMENTAL TECHNOLOGY

Demand for technology with minimal environmental impact is constantly increasing. The final report presented by Swentec to the Swedish government in November 2010 showed that sustainable urban planning, transport, energy, water supply and sanitation and waste management constitute areas of particular interest to Sweden.

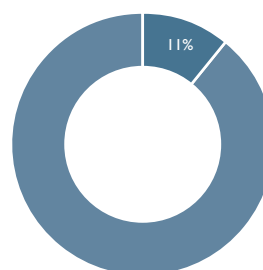
THE SWEDISH ENVIRONMENTAL technology sector employs around 40,000 people and has sales of around Skr 120 billion, according to Statistics Sweden and Swentec. The global environmental technology market is growing by 10-15 percent a year and exports of Swedish environmental technology increased from Skr 22 billion to Skr 39 billion between 2004 and 2009. These figures do not include municipal activities such as the management of water treatment plants.

In other words, there is great potential for an increase in Swedish exports of environmental technology and to create new job opportunities in this sector – particularly for small and medium-sized companies throughout Sweden.

The Swedish government's strategy for the development and export of environmental technology 2011 – 2014, "the environmental technology strategy," adopts an overall approach to support this development and to create good opportunities for exports of Swedish environmental technology – from research and development through the domestic market to exports. The strategy defines environmental technology as any technology that is less harmful

to the environment than available alternatives, which is the same definition used by the EU's environmental technology cooperation group, ETAP. In its draft budget for 2011, the Swedish government has proposed that Skr 100 million a year, Skr 400 million in total, be set aside for investments in environmental technology.

FINANCING OF ENVIRONMENTAL TECHNOLOGY AS A PERCENTAGE OF SEK'S NEW LENDING (VOLUME OF ACCEPTED CREDITS) IN 2011



In 2011, lending (volume of accepted credits) for environmental technology exports totaled Skr 5,661 million, or approximately 11 percent of SEK's new lending. The financing of environmental technology includes financing of deliveries or projects and businesses within renewable energy: hydropower, solar energy, bioenergy and wind power.

EXPORTS FOR A PLACE IN THE SUN

Spain's Abener Energia S.A., a subsidiary of Abengoa, works with sustainable energy solutions and is also a successful designer and constructor of solar power stations. These stations make a major contribution towards environmental energy supply and they are well-suited for building in desert areas, resulting in a negligible impact on local communities.

Siemens Industrial Turbomachinery (SIT) AB in Finspång, a leading manufacturer of steam and solar turbines, was awarded an order for steam turbines for Abener Ener-

gia's construction of 16 solar power stations in Algeria, the US and Spain. SEK is providing a substantial share of financing for the total order of around EUR 300 million. Citibank and Deutsche Bank are the lead arrangers of the loan and Deutsche Bank is also administering the loan, which is 95 percent guaranteed by EKN. The loan will be paid out over two years, followed by a repayment period of 8.5 years with half-yearly installments.

"It's incredibly exciting to be financing renewable energy," says Jan Brickner, who is managing the deal at SEK.



Foto: Abengoa

SEK CONTINUES ITS WORK WITHIN THE ENVIRONMENTAL TECHNOLOGY EXPORT GROUP

The Environmental Technology Export Group consists of SEK, EKN, Swedfund, ALMI, the Swedish Trade Council, the Swedish International Development Cooperation Agency (Sida), VINNOVA, the Swedish Agency for Economic and Regional Growth, the Swedish Energy Agency, Invest in Sweden and the Swedish Ministry of Enterprise, Energy and Communications, which replaced the Swedish Environmental Technology Council (Swentec) in 2011. The purpose of this informal group of 11 state organizations is to contribute in the long term to sustainable economic development by supporting Swedish environmental technology companies in the process of internationalization. It does this by offering different types of financing, risk capital and

risk mitigation in connection with increased environmental technology exports, along with financial advisory services.

During the year, together with other organizations in the Environmental Technology Export Group, SEK has continued to support Swedish environmental technology exports with financing, with a particular focus on the energy sector. In addition, cooperation with other state organizations and dialogue with Swedish industry has led to advisory assignments for SEK Advisory Services. Looking to 2012 and beyond, discussions are being held with companies like Hexicon, whose environmental technology is based on renewable energy.

HEXICON – AN EXAMPLE OF SWEDISH ENVIRONMENTAL TECHNOLOGY WITHIN RENEWABLE ENERGY

Hexicon is a giant floating energy platform consisting of six large horizontal wind turbines from appropriate European turbine manufacturers and 30 smaller vertical wind turbines from companies such as Sweden-based Vertical Wind and 15 wave energy converters, primarily from the established Australia-based company Oceanlinx. The Hexicon platforms will be located out to sea. The company's founders come from the shipbuilding and offshore oil industries, including Kockums, and have used their experience from these industries to combine offshore/shipbuilding technology with traditional wind power technology. Discussions have been underway for some time with a number of purchasers in various EU countries, the US and a number of smaller countries, as well as countries in Asia and South America.

The first platforms will be constructed to be used primarily within the EU, either in Sweden, Malta or Cyprus,

and will all be primarily constructed at Kockums/Thyssen Krupp in Karlskrona and Germany. These platforms may also receive EU assistance through the EU Commission's NER300 program. 60 percent of the platforms are of Swedish origin. The German portion accounts for about 30 percent, and other aspects for about 10 percent.

Hexicon has presented its combined environmental and energy project to the Environmental Technology Export Group. A number of organizations in this group will now assess how best, both individually and together, to support Hexicon in various markets in the internationalization process with export assistance and financing of this environmental technology, which is based on eco-friendly, renewable energy.

Hexicon is an excellent example of how Swedish business, in cooperation with export promotion and financial institutions working within the Swedish export credit system and with other state organizations, can contribute to sustainable economic growth and eco-friendly development in Sweden and other countries.

SUSTAINABLE SOLUTIONS WITH THE HELP OF SEK

SEK provides financial advisory services in connection with the structuring and implementation of large projects. The company has in-depth expertise within the energy, environmental, water and transport sectors and a core aim to contribute to sustainable development.

INDIA – BIOGAS PILOT PROJECT

SEK is acting as an adviser to the Indian and Swedish governments on a biogas pilot project. The main aim of this project is to demonstrate the possibilities in terms of profitability and positive environmental effects from the construction of a biogas facility in New Delhi.

The facility will contribute to reducing greenhouse gas emissions by producing fuel for buses and taxis. Sweden-based Läckeby Water Purac AB was chosen as the supplier of the biogas plant after an economic analysis by SEK demonstrated that their facility was the most cost-effective and the most environmentally sustainable option.

FIFTH YEAR OF SUCCESSFUL PROJECT IN UKRAINE

The energy efficiency project in Ukraine, UKEEP, is now in its fifth year and is managed by SEK on behalf of the EBRD. The project is funded by the Swedish and Austrian governments in order to reduce energy consumption in Ukraine through investments in companies in the private sector. Three Ukrainian banks have now provided a total of EUR 100 million of financing for more than 50 projects. These projects are estimated to contribute to energy savings equivalent to annual energy consumption by all households in Stockholm.



SWEDISH SOLUTIONS FOR A MORE SUSTAINABLE ENVIRONMENT IN THAILAND

The city of Om-Noi is located 50 km west of Bangkok and is an important area for both industry and tourism. Unfortunately, the waste water in the area is not treated at all, and is released directly into the region's rivers and canals. Polluted water is then used both by local people and the service sector, including tourism.

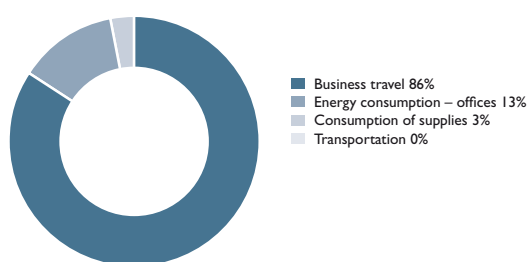
In July 2011 Sweco, SEK and Thailand's wastewater management authority (WMA) signed an agreement on a feasibility study for the construction of a wastewater treatment plant; Bankable Solution Proposal Study for a Wastewater Treatment Project in Om-Noi District, Thailand. The study will review existing infrastructure, the environmental impact and support provided during a tender process and for financing to construct a treatment plant. The study is being jointly financed with Skr 5 million from the Swedish Ministry of Foreign Affairs, and the remainder by WMA and other Thai stakeholders.

A large number of Swedes visit Thailand each year as tourists and some of them require medical treatment during their visit to the country. SEK is therefore also involved in another project in which Sweden and Thailand are working together to look at how medical advice in Thailand can be made more effective. This project offers opportunities for the export of Swedish communication equipment and medical technology.

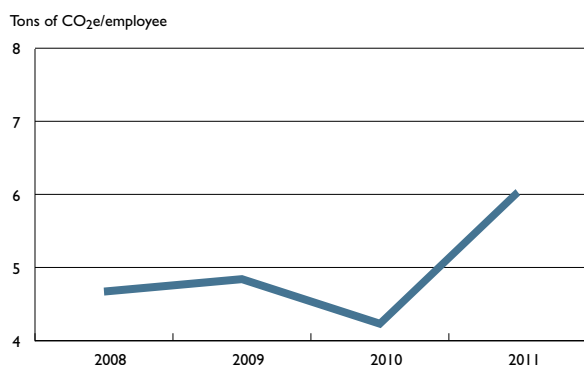
SEK'S ENVIRONMENTAL FOOTPRINT

SEK's own environmental impact consists primarily of emissions due to business travel and energy consumption at its offices. In 2011 business travel by staff accounted for approximately 86 percent of SEK's total CO₂ emissions, with flights accounting for 74 percent of the climate impact of business travel. Estimated carbon dioxide emissions from business travel during the year totaled approximately 1,097 tons (792) of CO₂ equivalents. In terms of greenhouse emissions per employee in 2011, these have increased by 43 percent, primarily as a result of an increased number of flights.

EMISSIONS BY AREA IN 2011 (TONS OF CO₂E)



EMISSIONS PER EMPLOYEE



Measures taken to reduce energy consumption at SEK's offices have led to a five percent reduction since 2010. The company's move to the Waterfront Building property in central Stockholm has contributed to this. The property features many resource- and energy-efficient systems. Its glass facades absorb heat from the sunlight, while cooling is generated using water from the nearby Klara Lake. It has not yet been possible to measure precisely the full effect of the move to Waterfront Building, and we will be able to initially do this at the end of 2012. The company's ongoing work to reduce the environmental impact of its office-based operations is being undertaken in a joint forum with the participation of the owner of Waterfront Building and other tenants in the property.

The climate impact from energy consumption at the offices accounted for 13 percent of SEK's total climate impact in 2011. This is almost double the figure for the previous year and is due in part to changes in emissions factors for calculating emissions, and in part to the percentage of non-environmentally certified electricity increasing substantially since 2010. The largest share of consumption consists of shared electricity at Waterfront Building and its related data center, for which there are no other eco-friendly alternatives. The Nordic electricity mix has a higher climate impact per kilowatt hour than certified renewable electricity, which has a significant effect on the total climate impact from our offices.

In order to reduce the climate impact of its offices, SEK aims to switch to certified renewable electricity where possible.

POLICY ON ENVIRONMENTAL CHOICES FOR BUSINESS TRAVEL

SEK endeavors to minimize the environmental impact when selecting the mode of travel. If possible, meetings and travel should be coordinated with colleagues. For travel within Sweden, travel by train should take priority over flights where possible. When booking flights, CO₂ offset should be chosen where possible. Airlines with new fleets should be chosen in preference to companies with older aircraft as these have lower emissions.

SEK'S CLIMATE IMPACT 2008-2011 IN ACCORDANCE WITH GRI (EN16 AND EN17)

Summary of emissions from business operations	Tons CO ₂ e 2008	Tons CO ₂ e 2009	Tons CO ₂ e 2010	Tons CO ₂ e 2011	% of total 2011	Change 2010-2011
Total direct and indirect greenhouse gas emissions	79	83	96	179	14 %	88 %
Other relevant indirect greenhouse gas emissions	786	895	825	1129	86 %	37 %
Total	865	979	921	1309	100 %	42 %

CLIMATE-NEUTRAL THROUGH CARBON OFFSET

Since 2008 SEK has offset those carbon dioxide emissions that it has so far been unable to eliminate. We choose to offset carbon emissions by investing in Clean Development Mechanism (CDM) projects that lead to lower emissions to the corresponding extent. This involves SEK purchasing carbon reductions from climate projects in developing countries that are covered by UN and EU system regulations and that are part of the Kyoto Agreement. For SEK, this means investing resources in the Kangping wind park in north-east China.

**INITIATIVES TO REDUCE OUR ENVIRONMENTAL FOOTPRINT**

Since 2008, SEK has worked on numerous different initiatives to reduce its environmental footprint, such as the following:

- Moved into environmentally certified office building (LEED Standard Gold)
- Motion-sensitive lighting in the office toilets
- Section-based lighting outside office hours
- Opting to purchase eco-friendly supplies
- Company bicycle scheme
- Introduced a two-stage procedure for printouts from printers
- Train as first choice for domestic travel
- Prioritization of local produce

POLICY FOR ENVIRONMENTAL CHOICES IN THE PROCUREMENT OF GOODS AND SERVICES

When procuring goods and services from various suppliers, SEK takes into account factors that affect the environment and health and safety. Insofar as possible, environmentally labeled goods should be purchased.

Environmental indicators	Measure	2011	2010	2009
Total energy consumption	GJ	6,713	7,095*	5,837
Energy consumption per full-time employee	GJ/employee	31	33*	29
Greenhouse gas emissions (energy)	Tons	167	84	53
Greenhouse gas emissions (other)	Tons	1,141	836	925
Greenhouse gas emissions per full-time employee	Tons of CO ₂ /employee	6.03	4.22	4,84

* The item for energy consumption at our offices has been updated based on new information for 2010 that was received in 2012.

COMBATING FINANCIAL CRIME

SEK always aims to operate as a long-term, reliable cooperation partner, employer, supplier of finance and company in society.

MONEY LAUNDERING AND THE FUNDING OF TERRORISM

SEK complies with laws on action against money laundering and the financing of terrorism, which involves systematic risk assessment and the adaptation of processes, internal guidelines and routines in line with the assessed risk. SEK has an obligation to close channels used by money launderers and to protect the company from being used for money laundering and the funding of terrorism. It is therefore important for SEK to initially get to know its customers as part of the know your customer work and to regularly follow up on its customers. Employees within relevant business areas have also been trained in methods, trends and patterns within the areas of money laundering and the funding of terrorism. At the end of 2011, 98 percent of staff within the relevant business areas had undergone training.

CORRUPTION AND BRIBERY

SEK's code of conduct states that corruption, bribery, hidden provisions or other unethical or illegal benefits are not tolerated. In other words, we have a zero tolerance policy on employees accepting or making bribes for themselves or

on behalf of the company. Work to combat corruption and bribery is a priority area for SEK as the company often provides lending for business and projects in countries with a high risk of corruption. Loan agreements contain anti-corruption clauses for the transaction in question and SEK also requires all credit applicants to certify that bribery will not occur in the export transactions in question. All employees have a duty to provide information about corrupt relationships and may be jointly liable if knowledge about corrupt circumstances is not reported.

SEK'S PROCESS FOR COMBATING CORRUPTION RISKS IN LENDING

- Incident escalation and country risk assessments
- Cooperation with EKN on anti-corruption tools for export credits
- Anti-corruption clauses in loan agreements with end-customers

SEK follows the OECD Council Recommendation on Bribery and Officially Supported Export Credits and active "know your customer" work is also included as an important tool to manage corruption risks. In 2011, SEK started a major training program in the area combatting of corruption. By the end of the year, 54 percent of employees in relevant business areas had undergone training.



AN ATTRACTIVE PLACE TO WORK

As an employer, SEK aims to offer work that gives staff responsibility and that allows them to develop professionally in a healthy and stimulating work environment. We believe a work environment that is respectful and trusts its employees is essential in order to attract, retain and develop our skilled and motivated staff.

BY THE END of 2011, SEK had a total of 232 (235) employees and staff turnover for the year was 9.48 (7.66) percent. In 2011, a total of 22 (18) left employment with SEK and 26 (35) new employees were recruited.

LEADERSHIP

Leading People – Creating Growth Through Trust is the title of the company's Management Philosophy. It is based on responsible leadership, which is founded on well-established core values and is essential for creating an effective and efficient organization.

During the year, the company's ongoing leadership programs for managers at all levels focused on working together on the company's management philosophy and organizational development, SEK's core values and an in-depth examination of leadership based on lean production principles (a philosophy of finding continual improvements in all stages of work). In this year's employee survey, the area of Leadership improved its index score from 70 to 72 percent.

EMPLOYEE DEVELOPMENT

In 2011, SEK introduced an improved process for employee performance reviews, including group-based discussions as well as individual meetings. The aim of this is to better incorporate the needs and objectives of employees, teams and SEK based on the company's business plan and in accordance with SEK's core values. In 2011, the percentage of staff who had a performance review with their line manager increased to 92 (86) percent. The goal for 2012 is for everyone to apply the new process and for the percentage of performance reviews to increase to 100 percent.

An important aspect of SEK's appeal as an employer is the offer of internal opportunities in the company to take on new challenges. Greater internal turnover of staff is not only important in encouraging a broader transfer of skills and know-how, but it is also key to retaining skilled staff within the organization. SEK's internal staff turnover for 2011 was 6.0 percent, which corresponds to 14 employees who moved jobs within the organization.

TRAINING

In addition to internal development and training, SEK also strives to provide external training. In 2011, approximately 7,900 hours were spent by employees on external training

courses, which corresponds to an average of 5.5 (4) days per employee.

During the year, SEK developed a cooperation program with IFL Executive Education at Stockholm School of Economics. A full-day's basic training course focusing on SEK's business and products has been developed and offered to all employees. In 2011, 172 people participated in three individual sessions of this course, corresponding to approximately 1,400 hours of training. A bespoke advanced training course in financial economics consisting of three modules was also developed, and two sessions of the first module were run in autumn 2011. The aim of this course is to strengthen business-critical skills among SEK staff within areas such as Bonds and Interest Rates, Risk and Return and Fixed-income Derivatives. The remaining two modules are planned for spring and autumn 2012.

HEALTH

SEK's level of absence due to sickness of 2.4 (2.6) percent remains low. The company's strategy is to identify those staff that require particular support as early as possible so that we can take action such as discussions and rehabilitation measures at an early stage. These measures aim primarily to help employees avoid long-term sick leave or to return to work, preferably to their previous job. As absence due to sickness has been shown to be primarily due to stress-related causes, the company has a number of initiatives to prevent stress in the workplace.

An extensive ergonomic review of all workstations was carried out at the start of 2011 following SEK's move to new offices in December 2010. During the year, other health-related initiatives were developed, such as the opening of a new company gym in the middle of 2011. SEK also offers a fitness allowance for external activities and massage during work hours. The goal for 2012 is to further expand the range of healthy activities so that all employees are able to find an activity that suits them, regardless of interests and physical abilities. Current figures show that less than two thirds of staff (62.5 percent) use any of SEK's health-related benefits.

EMPLOYEE SURVEY

Our employee survey is an important measure of how satisfied employees are with their jobs, their collaboration with colleagues, opportunities for professional development and our corporate culture. Additional subject areas were added to the survey in 2011, including Employee Participation, which immediately received a high index rating of 87 percent. The response rate has once again improved on the previous year to 89.4 (88.2) percent. The index indicating confidence in management increased by 17 percent, from 45 to 62 percent, while Organizational Efficiency rose from 53

to 63 percent. Other subject areas that achieved high levels included Health and Skills, with 81 and 79 percent respectively. Overall, the employee index achieved a level of 73 (70) percent.

EMPLOYEE INDEX

	Result 2010	Result 2011	Goal 2012
Leadership	70	72	75
Organizational efficiency	53	63	70
Employee index	70	73	75

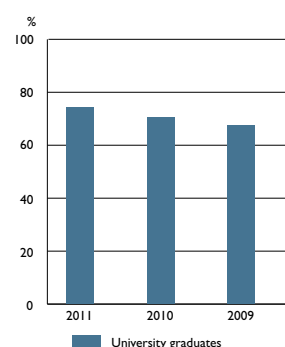
EQUALITY AND DIVERSITY

SEK always aims to consider diversity and equality in both internal and external recruitment. This is reflected in the wide age range of employees (25-68 years old) and the equal gender balance in both management and the company as a whole. Women account for three out of eight of SEK's executive management, four out of eight Board members and 47 percent of all employees.

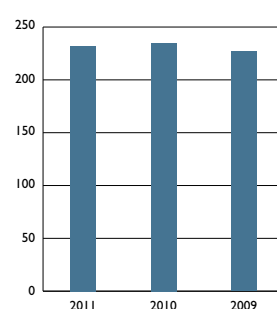
An organization that is diverse and that has international experience is of great importance for SEK's ability to create close customer relationships in projects around the world. In addition to the business benefits this offers, it also contributes to a more dynamic and diverse work environment that creates added value and job satisfaction for staff. The survey carried out in spring 2011 shows that around 30% of staff have a foreign background, while approximately 55% of employees have lived outside Sweden for more than a year, and 66% speak two or more languages in addition to Swedish.

SEK has well-developed and documented processes in the event of discrimination, harassment, bullying or victimization. All incidents reported to HR are handled on a case-by-case basis and then resolved. No cases of discrimination were reported to HR during the year.

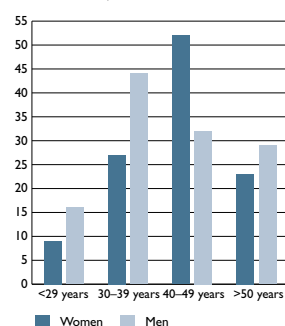
LEVEL OF EDUCATION



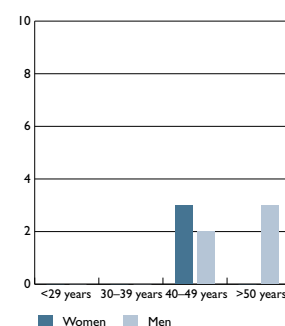
NUMBER OF EMPLOYEES



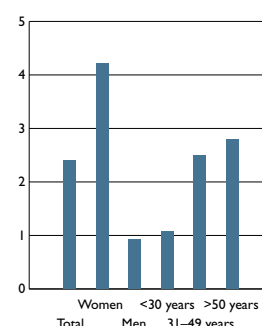
BREAKDOWN BY AGE AND GENDER, NUMBER



BREAKDOWN OF EXECUTIVE MANAGEMENT BY AGE AND GENDER, NUMBER



ABSENCE DUE TO ILLNESS



	2011	2010	2009
Total number of employees ¹	232	235	227
... of which management	42	39	37
... of which non-management	190	196	190
... of which permanent employees	219	226	217
... of which non-permanent employees	13	9	10
... of which full-time employees ²	225	229	217
... of which part-time employees ³	7	6	10
... of which in Sweden	231	234	226
... of which in Singapore	1	1	1

¹ Employees who have not yet started are not included.

² Full-time employees refers to the level of employment to which the employee is entitled to work.

³ Refers to employment contracts drawn up for a level of employment of less than 100%.

	2011	2010	2009
Number of employees who left employment	22	18	12
... of which women	5	5	6
... of which men	17	13	6
... of which under the age of 30	3	1	2
... of which aged 30–50	16	14	6
... of which over the age of 50	3	3	4



GRI REPORT

Listed below are those indicators that SEK reports in its annual report and sustainability report for 2011 in accordance with the Global Reporting Initiative (GRI G3).

Indicator	Indicator's content	Reference
Strategy and analysis		
1.1	Statement from the most senior decision-maker of the organization about the relevance of sustainability to the organization and its strategy.	Page 3, 4
1.2	Description of key impacts, risks and opportunities.	Page 6
Organizational profile		
2.1	Name of the organization.	Page 33
2.2	Primary brands, products, and/or services.	Page 7, 8
2.3	Operational structure of the organization, units, business areas, subsidiaries and joint ventures.	Annual Report page 80
2.4	Location of organization's headquarters.	Annual Report page 80
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	Annual Report page 80
2.6	Nature of ownership and legal form.	Annual Report page 60
2.7	Markets served.	Page 9, Annual Report page 38
2.8	Scale of the reporting organization.	Page 8, 9, 28, Annual Report page 44
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	No significant changes
2.10	Awards received in the reporting period.	Page 11
Reporting information		
3.1	Reporting period.	Page 32
3.2	Date of most recent previous report.	Page 32
3.3	Reporting cycle.	Page 32
3.4	Contact point for questions regarding the report.	Page 32
3.5	Processes for defining report content.	Page 12
3.6	Boundary of the report.	Page 33
3.7	State any specific limitations on the scope or boundary of the report.	Page 32
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	Page 32
3.9	Description of measurement methods.	Page 32
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement.	Page 32
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	Page 32
3.12	Table identifying the location of the Standard Disclosures in the report.	Page 29, 30
3.13	Policy on external authentication.	Page 31
Governance, commitments and engagement		
4.1	Governance structure of the organization.	Annual Report page 60–61
4.2	Chairperson's position in the organization.	Annual Report page 60, 62
4.3	Number of members of the highest governance body that are independent and/or non-executive members.	Annual Report page 62
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	Annual Report page 62–63
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including severance agreements) and the organization's performance.	Annual Report page 65–66
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	Annual Report page 63
4.7	The qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics.	Annual Report page 68–69
4.8	Core values, codes of conduct, and principles relevant to economic, environmental, and social performance.	Page 9
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social issues.	Page 9
4.10	Processes for evaluating the highest governance body's own performance.	Annual Report page 63
4.11	Explanation of whether and how the precautionary principle is addressed by the organization.	Annual Report page 58–59
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	Page 9
4.13	Membership in associations.	Page 9, 11
4.14	List of stakeholder groups engaged by the organization.	Page 10–11
4.15	Basis for identification and selection of stakeholders with whom to engage.	Page 10
4.16	Approaches to stakeholder engagement.	Page 10–11
4.17	Key topics and concerns that have been raised through stakeholder engagement.	Page 10–11

Indicator	Indicator's content	Reference
Financial sector supplement		
Disclosure on management approach		Page 13–18
FS1	Policies with specific environmental and social components applied to business lines.	Page 9
FS2	Procedures for assessing and screening social and environmental risks in business lines.	Page 14–15
FS3	Processes for monitoring clients' implementation of and compliance with environmental and social requirements.	Page 14
FS5	Interactions with clients and business partners regarding social and environmental risks and opportunities.	Page 16
FS6	Percentage of the portfolio by sector, specific region and size.	Page 18
FS11	Percentage of assets subject to social or environmental screening.	Page 16
Economic impact		
Disclosure on management approach		Annual Report page 60–67
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and the public sector.	Page 19
EC4	Significant financial assistance received from the public sector.	No financial assistance
Environmental impact		
Disclosure on management approach		Page 9, 13–16, 20–21, 23–24, Annual Report page 43
EN4	Indirect energy consumption by primary source.	Page 24
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	Page 24
EN16	Total direct and indirect greenhouse gas emissions by weight.	Page 23
EN17	Other relevant indirect greenhouse gas emissions by weight.	Page 23
EN28	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with laws and regulations.	None
Social impact		
Disclosure on management approach		Page 26–27, Annual Report page 42–43
LA1	Total workforce by employment type, employment contract and region.	Page 28
LA2	Total number and rate of employee turnover by age group, gender and region.	Page 28
LA10	Average hours of training per year per employee by employee category.	Page 26
LA12	Percentage of employees receiving regular performance and career development reviews.	Page 26
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership and other indicators of diversity.	Page 27, 28
Human rights		
Disclosure on management approach		Page 9, 13–16, Annual Report page 43
HR1	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.	Page 17
HR4	Total number of incidents of discrimination and actions taken.	None
Organization's role in society		
Disclosure on management approach		Page 25
SO2	Percentage and total number of business units analyzed for risks related to corruption.	Page 17
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	Page 25
SO4	Actions taken in response to incidents of corruption.	None
SO7	Total number of legal actions taken against the organization for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	None
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	None

Auditor's Review Report on AB Svensk Exportkredit's Sustainability Report

To the readers of AB Svensk Exportkredit's Sustainability Report

INTRODUCTION

We have been engaged by the Board of Directors of AB Svensk Exportkredit to review the contents of AB Svensk Exportkredit's Sustainability Report for 2011. The Board of Directors and the executive management are responsible for ongoing activities regarding the environment, health and safety, quality, social responsibility and sustainable development, and for the preparation and presentation of the Sustainability Report in accordance with the applicable criteria. It is our responsibility to express an opinion on the Sustainability Report based on our review.

FOCUS AND SCOPE OF THE REVIEW

We have performed our review in accordance with recommendation RevR 6 Assurance of Sustainability Reporting issued by the Swedish Institute of Authorized Public Accountants (FaR). A review consists of making inquiries, primarily of persons responsible for preparing the Sustainability Report, and applying analytical and other review procedures. A review has a different aim and a much less comprehensive scope compared to the aim and scope of an audit in accordance with the IAASB auditing and quality control standards and other generally accepted auditing standards. The auditing measures carried out during a review do not make it possible for us to achieve such certainty that we have become aware of all important circumstances that might have been identified if an audit had been carried out. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

The criteria on which our review is based are the parts of the Sustainability Reporting Guidelines G3, published by The Global Reporting Initiative (GRI), that are applicable to the Sustainability Report, as well as the accounting and calculation principles that the Company has developed and disclosed. We consider these criteria suitable for the preparation of the Sustainability Report. Our review comprises the content disclosed in the GRI Index on pages 29–30 and the pages referred to in this index.

Our review has, based on an assessment of materiality and risk, included the following procedures:

- a. An update of our knowledge and understanding of AB Svensk Exportkredit's organization and activities,
- b. An assessment of suitability and application of the criteria regarding stakeholders' need for information,
- c. An assessment of the outcome of the Company's stakeholder dialogue,
- d. Interviews with the responsible management at selected business units in order to assess if the qualitative and quantitative information stated in the Sustainability Report is complete, accurate and sufficient,
- e. Studied internal and external documents in order to assess if the information stated in the Sustainability Report is complete, accurate and sufficient,
- f. An evaluation of the systems and processes used to obtain, manage and validate sustainability information,
- g. An evaluation of the model used to calculate carbon dioxide emissions,
- h. Analytical review of the information stated in the sustainability report,
- i. A reconciliation of financial information with the company's Annual Report for the 2011 financial year,
- j. An assessment of the company's declared application level according to GRI guidelines,
- k. An assessment of the overall impression of the Sustainability Report, and its format, taking into consideration the consistency of the stated information with applicable criteria,
- l. A reconciliation of the information reviewed with the sustainability information in the company's annual report for the 2011 financial year.

CONCLUSION

Based on our review, no circumstances have come to our attention that cause us to consider that the Sustainability Report has not, in all material respects, been prepared in accordance with above-stated criteria.

Stockholm, March 16, 2012
Ernst & Young AB

Jan Birgeron
Authorized Public Accountant

ABOUT SEK'S SUSTAINABILITY REPORT 2011

SEK is reporting its sustainability work for the fourth year in accordance with the international Global Reporting Initiative (GRI G3) standard. SEK's Sustainability Report for 2010 was published in March 2011. We comply with the GRI framework and guidelines in our reporting of results for the relevant period. Reporting corresponds to level B under GRI and selected indicators are reported in the GRI Index on pages 29–30.

The Sustainability Report for 2011 has been reviewed by Ernst & Young.

SCOPE AND LIMITATIONS OF THE SUSTAINABILITY REPORT

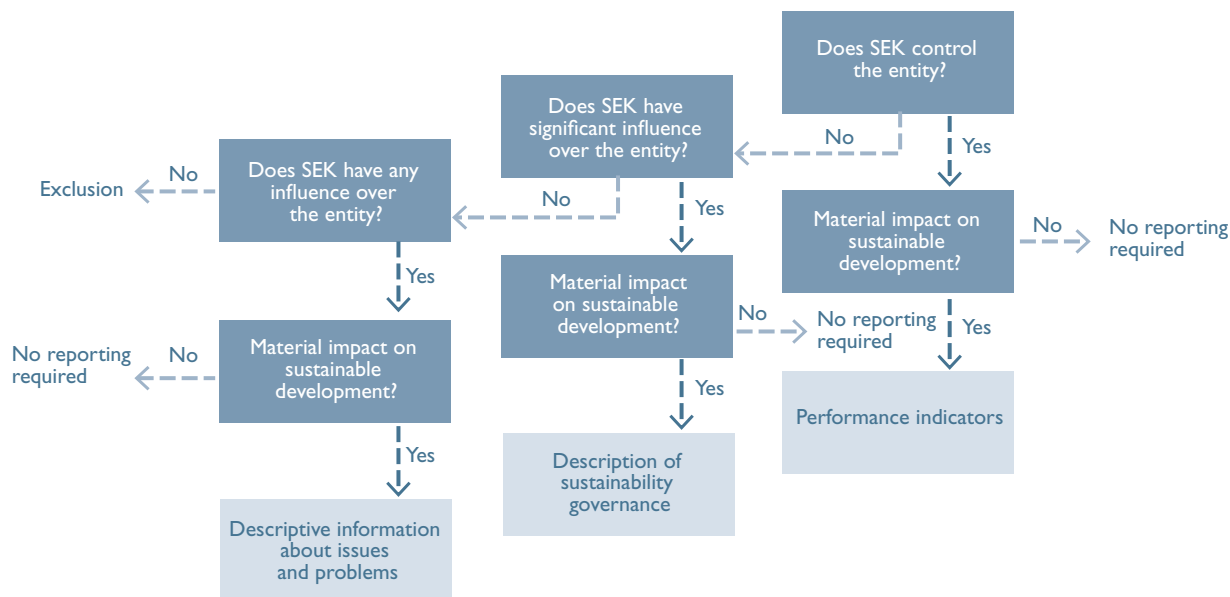
The aim of the Sustainability Report is to measure, present and take responsibility in respect of our stakeholders, both within and outside the organization, for what we have achieved in our work on sustainable development. SEK's

Sustainability Report for the 2011 financial year covers all of SEK's units and subsidiaries, unless otherwise stated, that form part of operations for which SEK controls financial and operational policies and procedures. SEK also has influence, to varying degrees, over large defined projects that SEK finances. In some of these cases its influence may be significant. SEK reports governance and important issues regarding lending to large projects and lending to "high-risk" countries/industries.

ACCOUNTING PRINCIPLES

SEK equates credits with investment decisions. In 2010, SO₃ was reported as the percentage of new employees that have undergone anti-corruption training. In 2011, SEK is reporting the percentage of employees who have undergone anti-corruption training within business areas identified as relevant.

GRI STRUCTURE FOR DETERMINING THE SCOPE OF REPORTING



SEK's sustainability work and reporting are limited to entities over which SEK has control or significant influence through "upstream" (suppliers) or "downstream" (distribution and customers) relations.

Control refers to the ability to control the company's financial and operational policies in order to benefit from these activities. Significant influence refers to the ability to participate in an entity's financial and operational policy decisions, but not to control these policies.

The principle for delimitation consists of various relationships that imply different levels of accessibility to information and, thereby, different opportunities to influence. Determining the significance of a particular entity depends on the extent to which such entity influences sustainable development.

For more information, please contact SEK's Communications Department or the Head of CSR.

SEK

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