



UN GLOBAL COMPACT
COMMUNICATION ON
PROGRESS 2011

SEB

Sustainable perspectives
*How we take responsibility for the
economy, people and the environment*

Corporate Sustainability Report

11

Contents

About us	1
CEO statement	2
Our role and approach	
Contribution to society	4
Material issues	5
Sustainability strategy and performance	6
Governance and risk management	8
Our priorities	
Responsible selling and marketing	10
Responsible ownership	12
Tackling financial crime	14
Sustainable finance and investments	15
Reducing our environmental footprint	18
Valuing our people	20
Investing in communities	22
Access to financial services	24
Indexes and awards, international commitments, contacts	

We are included in research from the following organisations:

- Carbon Disclosure Project (CDP)
- EIRIS
- Vigeo
- Ethix SRI advisors
- Oekom
- Sustainable Asset Management (SAM)
- Sustainalytics



For complete reporting, policies, extensive non-financial data and case studies – visit www.sebgroup.com/sustainability

Cover: The awarded “Oxygen Campaign”, arranged together with the Latvian State Forests during 2011 to promote environmental awareness and plant 2 million trees. **Photographer:** Andrejs Strokins

About this report

SEB’s Corporate Sustainability (CS) Report presents our non-financial performance across an extensive amount of indicators covering the governance/business ethical, environmental and social aspects of our business. It supplements the Annual Report & Fact Book as well as the Annual Review, which covers the Group’s financial performance and corporate governance policies (view at www.sebgroup.com/ir). Our Corporate Sustainability Report describes our approach and presents key achievements and future-oriented work within eight business priorities. To complement this written report, we also publish a CS Fact Book online.

Our CS Report is primarily written for institutional investors, non-governmental organisations (NGO’s) and others with a particular professional interest in the Group’s approach to corporate sustainability. We report on issues material to our stakeholders and we consider the Report an important tool in our stakeholder dialogue.

Scope and principles

We have published a CS Report annually since 2007. The Report covers the preceding fiscal year, January to December 2011. In some cases information for early 2012 is also included to present an up-to-date picture. Facts and figures refer to the Group unless indicated otherwise. The previous report was published in March 2011.

We continue use the GRI G3 guidelines and the Financial Services Sector Supplement (FSSS) as our main reporting framework. We currently report at a self-assessed

B level. Our complete GRI cross-reference table can be found online. As part of SEB’s commitment to the UN Global Compact (UNGC), we report on our activities and performance through a combination of this report and an annual Communication on Progress (COP). Our UN COP table of reference can be found online.

“ We continue our focus on eight business priorities, which we believe are key to creating shared value for SEB and our stakeholders. ”

*Viveka Hirdman-Ryrberg,
Chairman of the Corporate
Sustainability Committee*

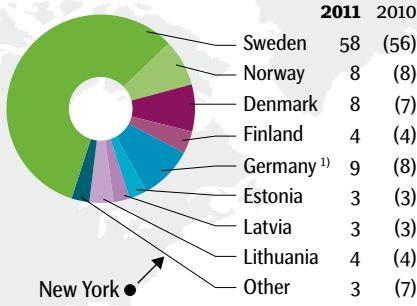
There have been no significant changes from the previous report in scope and boundary. Work has started to integrate our financial and non-financial indicators and reporting. We have expanded our governance metrics to better align with business strategy, including the introduction of more specific community investment metrics. Information is gathered from our reporting systems as well as manually. The report has not been reviewed by an external party; the main reason being our ambition to secure data and process quality as well as geographic reach prior to an extensive external verification.



About us

Operating income¹

Geographical distribution, per cent



SEB's activities principally embrace customers based in the Nordic and Baltic countries and Germany. Sweden is the single largest market, accounting for more than half of operating income in 2011.

1) Excluding centralised treasury operations

Branches and representative offices

SEB representation worldwide



2,700

Corporates and Institutions

SEB is the leading corporate and investment bank in the Nordic countries, serving large corporations, financial institutions, banks and commercial real estate clients with corporate banking, trading and capital markets and global transaction services. Comprehensive pension and asset management solutions are also offered.



400,000

SME customers

SEB offers small and medium-sized corporate customers several customised products that were initially developed in co-operation with SEB's large corporate clients. In addition, numerous services are specifically designed for small companies and entrepreneurs.



4,000,000

Private customers

SEB provides some four million individuals with products and services to meet their financial needs. These include products and services for daily finances, loans, savings, wealth management and life insurance.



Banks have a key role to play

Our mission is to help people and businesses thrive by providing quality advice and financial resources. We aim for financial strength and stability and long-term sustainable economic growth. Ethical, social and environmental considerations are therefore an important part of how we do business and manage our company. We have an opportunity to invest in a better future. We collaborate with local partners to achieve lasting, positive change in areas like small business growth, financial literacy, child and youth development.

Driving change through responsible banking

2011 was in many ways a difficult year. The financial markets were marked by uncertainty and high volatility on the back of the severe sovereign debt situation for many countries in Europe. The global banking system which is so highly intertwined with economic development in society at large thus faced numerous challenges.

Perhaps more than ever, banks have to approach their fundamental role in society based on a long-term perspective, putting a premium on financial stability and continuously building trust and relationships. We do that in SEB. Through a strong balance sheet and sufficient liquidity reserves, we can support our customers as a financial partner in good and bad times.

Over the past years, two priorities have guided us – resilience and flexibility. SEB has a unique role as a financial partner for 2,700 large corporations and financial institutions and increasingly so for 400,000 small and medium-sized companies and 4 million private customers. As the uncertainty in the euro-area increased in 2011, we chose to take the costs of prolonging our funding, increase liquidity reserves and raise the quality in our bond portfolio. We improved our capital ratios further and SEB is now one of Europe's best capitalised banks.

A more integrated bank

Customers today meet a more integrated bank where it is easier to do business. One

effect of this is that despite the continued financial uncertainty, customers chose to increase their business volumes with SEB. Last year's deposits increased by SEK 150bn, corporate lending by SEK 62bn and household lending by SEK 46bn. We executed over a billion transactions on behalf of our customers and also increased the number of meeting points through the rapid development of mobile banking services.

Following the failures of two local banks – Snoras Bank in Lithuania and Krajbanka in Latvia – SEB was appointed to manage the payment of the deposit guarantee in Lithuania. We supported the banks' customers through prolonged opening hours in Latvia and Lithuania, and we could support about 190,000 people with pay-out of deposit insurances.

SEB's approach to sustainability

In SEB, we take a broad approach to corporate sustainability with efforts targeting governance, business ethics, environmental and social responsibility. Our strategy enables us to fulfil our role by helping our

customers, employees and other stakeholders - as well as ourselves - to manage risks and capture opportunities. Long-term relations with our customers are crucial, and we aim for a sound working environment where all employees feel valued and have equal opportunities to develop.

We conduct our work within eight business priorities designed to help us increase our positive contribution to society. These priorities are relevant to our entire busi-

“ Our eight business priorities help us to increase our positive contribution to society. ”

ness and offer guidance to our employees. One important milestone during the year was the formal introduction of three position statements and six sector policies. They guide our approach to responsible lending and investment practices. They are the result of collaboration with important stakeholders including some of our major clients and business partners.

We continue to support international initiatives such as the UN Global Compact, the Equator Principles and the UN

January	February	March	April	May	June
The divestment of SEB's German retail banking business to Banco Santander, as announced in July 2010, was finalised.	SEB's three position statements and six sector policies were adopted by the Group Executive Committee.	We launched a broadened savings offering in Sweden, by introducing Exchange Traded Funds for private individuals. SEB acquired and consolidated DNB's Swedish mortgage portfolio.	The result from our employee survey VOICE was presented. SEB was one of three companies in the Gold category in terms of sustainability work in Latvia. The Oxygen Campaign, initiated in SEB in Latvia, was awarded.	Roll-out of "You are SEB" – a Group-wide employee engagement programme. Launch of the online training and workshops; Sustainability@abank arranged a Sustainability Week for employees in Latvia. Introduction of customer support through Twitter.	Launch of the iPad application "My Economy" in our largest market, Sweden. Lithuania's largest business daily Verslo Žinios and career portal CV.LT. appointed SEB the Most Attractive Employer in the country for the third consecutive year.



Principles for Responsible Investment. The work performed by these organisations, in partnership with companies such as SEB, is vital to secure the transformation to a more sustainable global economic model.

We are included in several sustainability indices, such as FTSE4Good, but we aim for more.

Responsible corporate behaviour a business necessity

The requirements for banks to assume a wider responsibility are increasing. We see this in discussions with our large corporate and institutional clients, and in their requests for proposals. We see it in demands from private customers and politicians – and also from our employees.

Transparency and dialogue are key for us as we try to meet these demands. One example of this is that SEB, as the only major Swedish bank, has been transparent on disclosing funding costs, and the structure of our pricing on mortgages.

We have also gained recognition for Green Bonds, financial instruments that support climate change mitigation and adaption projects. Since we first launched Green Bonds in 2008, in collaboration with the World Bank, some USD 2bn have been issued.

2011 marked the third year of our efforts to reduce SEB’s own environmental

footprint. We are making progress and have reduced our CO2 emissions by 22 percent against the 2008 baseline. I am proud that SEB was the only Nordic bank to receive an A-ranking in the “Nordic Carbon Disclosure Leadership Index”, in the annual ranking by the Carbon Disclosure Project.

Deploying our resources and skills

Economic, social and environmental challenges remain at the top of the international agenda. Our particular resources and skills can be deployed to assist customers and society at large to understand and adapt to a changing landscape.

Stockholm, March 2012

Annika Falkengren
President and Chief Executive Officer

SEB – an important part of the economy

SEK 680bn
in corporate lending

735 million
number of payments

SEK 260bn
in customer deposits
(private and SME)

SEK 240bn
Credit facilities to SME’s

1.9 million
Customers with a pension solution

55 million
Internet bank, no of visits

July	August	September	October	November	December
<p>SEB was ranked as the best bank in the Nordic and Baltic countries by Euromoney.</p> <p>A “Green Day” was arranged in the Scandinavian House (location of our London office) to raise awareness and engage staff and other rental guests in achieving a greener building.</p>	<p>The result of our second research on the importance of environmental and social responsibility among Swedish SME’s was presented.</p> <p>SEB re-opened a branch in Hongkong.</p>	<p>Sponsored the PRI/Mistra conference on Responsible Investments in Sweden.</p> <p>Launch of Green Car Leasing in the Baltic countries.</p>	<p>Our website, SEB Sustainable Perspectives, was awarded best area specific web site in Sweden.</p> <p>SEB was invited to discuss Green Investments in the UN General Assembly.</p> <p>Top rankings for Best Employer by Universum in Sweden and all three Baltic countries.</p>	<p>SEB divested its Retail business in the Ukraine.</p> <p>We celebrated one year of Swedish customer service on Facebook.</p> <p>SEB was ranked the fifth best company in the Estonian Sustainability Index.</p>	<p>SEB became “Business Bank” of the year, awarded by Privata Affärer in Sweden.</p> <p>We invested in our third climate compensation project.</p>

Contribution to society

The greatest service we can do to the economy, to society and to the environment is to manage our business responsibly, supporting our customers and making SEB sustainable for the long-term. This allows us to continue servicing our customers, pay salaries to employees, payments to suppliers, taxes to governments and dividends to shareholders.

Banks in general play an important role in society, by providing credit and managing financial assets in ways that promote economic growth and prosperity. SEB is a relationship bank which provides private, corporate and institutional customers with financial solutions tailored to their various needs. This includes savings, loans, payments, pensions and asset management for private customers. We provide corporate and institutional clients with services including lending, corporate finance, cash management, foreign exchange, life insurance and debt capital markets activities.

Distribution of economic benefits

In 2011, SEB generated SEK 37.7bn in operating income. We paid a total of SEK 11.4bn in compensation, pensions and benefits (excl social charges) to our employees and SEK 10bn to suppliers. During the year, SEB also paid SEK 3.8bn in dividends to shareholders and SEK 6.5bn in taxes and fees to governments in the different jurisdictions where we operate.

In 2009, the Swedish Government introduced a stability fee for financial institutions. The fee amounts to 0.036 per cent of applicable debts and appropriations. Fees are allocated to a special stability fund which is targeted to reach 2.5 per cent of Sweden's gross domestic product. In 2011, SEB paid SEK 600 million in stability fee to the fund. We contributed SEK 54 million to community investments in the local markets where we are present.

Strong position

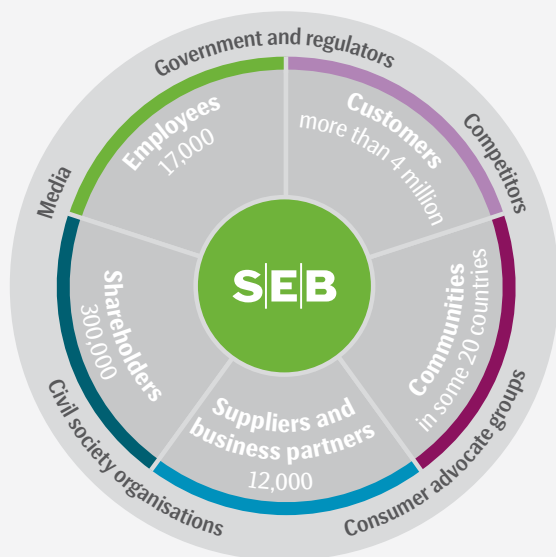
We have a strong position in the Nordic and Baltic markets. This puts emphasis on the importance of standing by our cus-

tomers and providing uninterrupted levels of service. Running a stable and secure business, with well-communicated contingency management routines is key to any system-critical organisation in society.

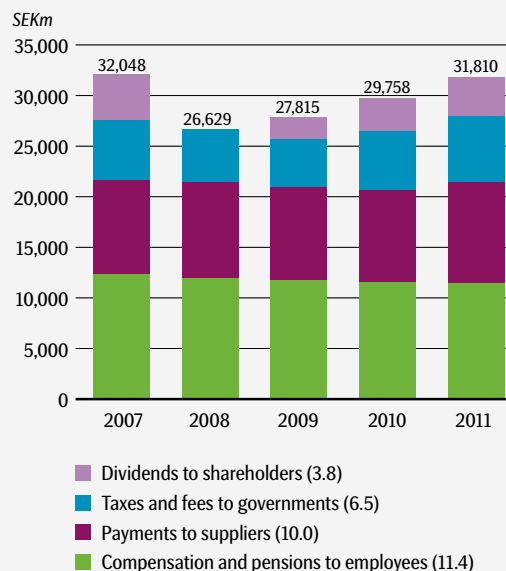
More than half of the largest Nordic companies are SEB customers. We are the largest or the second-largest broker on the local stock exchange in the Nordic and the Baltic markets (Denmark excluded). SEB is the largest bank in Lithuania, and the second largest bank in Estonia and Latvia. The overall deposit volume of SEK 66bn increased by 15 per cent. In Lithuania, the market share is close to 30 per cent.

Taxes and government fees	SEKm	
	2011	2010
Tax on profits	3,046	2,569
Employee social charges	2,487	2,408
Stability fee, (Sweden) + deposit insurance (Group)	995	878
TOTAL taxes	6,528	5,855

Our stakeholders



SEB's value distribution



Material issues and stakeholder engagement

Stakeholder opinions play an integral role when we develop our approach to corporate sustainability and our business priorities. We track stakeholder insights primarily through various ongoing surveys and open dialogue but also through specific sustainability surveys. We aim for transparency and intend to engage all stakeholders.

By listening to our stakeholders we can better understand emerging trends and material issues, and how to prioritise among them. Stakeholder engagement is not only used for managing our environmental and social impact but also for managing our business in a more transparent and efficient way. Input received from surveys and dialogues with customers, employees and other stakeholders are applied directly in the development of our offerings and business practices.

Dialogues and surveys

We conduct a variety of dialogues and surveys to identify issues that are material to our stakeholders. During 2011, we held some 25 stakeholder dialogues throughout SEB, with investors, NGO's, corporate clients and institutions, all of which supplied valuable input. Dialogues are carried out within divisions that have direct customer contact, but also centrally.

From shareholders, SRI analysts and

NGO's we see a request for openness regarding how we work and the processes we use. Examples include talent management and competence development, supply chain management, and how we integrate environmental, social and governmental issues into our business.

Moving forward

A general conclusion is that SEB has clearly moved forward on the issues identified in our latest specifically dedicated stakeholder assessment survey, performed in 2009. We have taken steps towards defining and anchoring a collective understand-

“ Understanding our customers' challenges and opportunities is increasingly important. ”

ing about SEB's approach to corporate sustainability throughout the organisation. We have formulated goals and strategies that connect to and support SEB's overall vision, and we are gradually integrating corporate sustainability into our business. We have also intensified our communication efforts to close the gap between actual and perceived performance.

Customer surveys

We conduct a wide range of surveys to assess how our customers perceive us, including broad surveys on brand position and customer recommendation and specific customer satisfaction surveys. We see an improvement in our corporate reputation, but see that we have more to do on being perceived as a responsible and transparent financial partner.

Understanding our customers' challenges and opportunities related to climate change, resource constraints, human rights and other issues is increasingly important. We know this both from dialogues with our larger customers as well as from surveys with small and medium-sized customers. The issue of banks' financial strength and approach to risk management is again a matter of crucial importance, as customers and other stakeholders scrutinise financial institutions more closely in the wake of financial crises.

A broad internal engagement

SEB's employee survey conducted in 2011, shows clear progress on sustainability awareness among our employees. 74 per cent of SEB's employees stated that our work to integrate sustainability is important for the business and the Bank's long-term profitability. There was also a substantial increase in the share of employees that believed SEB is actively working with corporate sustainability, from 42 per cent in 2009 to 68 per cent in 2011.

The issues that matter the most

The issues described below are primarily managed within each business unit. Information on progress in 2011 is presented in this report, in our Annual Report and Annual Review.

Customer relations and service – delivering products and services in a way that builds trust among customers. See Responsible selling and marketing and Access to financial services.

Transparency in pricing – interest rates and fees continued to capture stakeholders' attention during the year. See Responsible selling and marketing and the Annual Review.

Regulatory landscape – adapting to the new regulatory landscape by having a strong balance

sheet and sustainable funding sources, and by maintaining stringent risk management standards. See Governance and Risk Management and the Annual Report.

Financial crime prevention – concerns about IT security, fraud prevention approach, employee screening, etc. and what we are doing about it. See Tackling financial crime and the Annual Review.

Responsible lending and investments – how we address the challenges of a changing world by considering environmental, social and governance issues in our lending and investment practices. See Responsible selling and marketing, Sustainable finance and investments and the Annual Review.

Climate change – including the challenge of reducing our emissions whilst growing our business, and providing customers with solutions to mitigate climate risk. See Reducing our environmental footprint, Sustainable finance and investments and Governance and risk management.

Staff competence – how we ensure employees are given opportunities to develop; how we equip them with the skills required to address future challenges. See Valuing our people.

Diversity and work-life balance – how we build on early progress to ensure that we continue to be a place where the best people want to work. See Valuing our people and the Annual Review.

Sustainability strategy

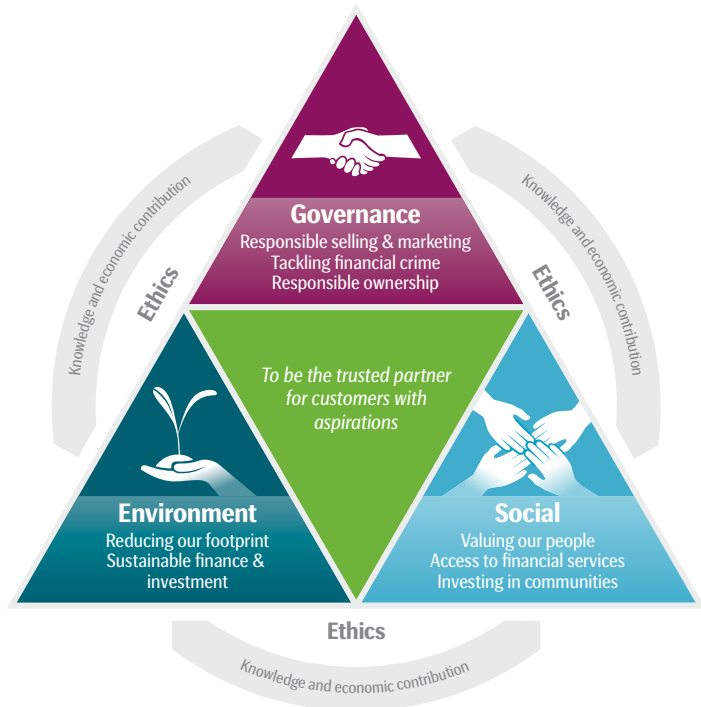
Our vision is to be the trusted partner for customers with aspirations. By taking responsibility for our impact on society and promote a long-term sustainable perspective throughout our business, we aim to strengthen relations with all our stakeholders and thus enhance our reputation. During 2011, we continued our efforts in implementing the corporate sustainability strategy decided upon in late 2009. We made significant progress in many areas, but we also have many things left to do. Our sustainability journey never ends.

Our ambitions

Our goal is to further improve the confidence and trust our customers and other key stakeholders have in SEB. We aim for long-term relations with our customers and depend on our people being engaged and feeling valued. Over the next three years, we will focus on quality advice based on customer insights, good governance, strong business ethics and transparency. We will improve communication about SEB's role and contribution to society.

For well-balanced decisions we will continue to integrate governance, social and environmental aspects throughout the organisation. We will work for increased diversity at all levels and an engaging, healthy and inclusive work environment. We will further explore how we best can support the next generation; entrepreneurship and innovation, financial literacy and children and youth in the communities where we are present. We will continue our efforts to reduce our environmental footprint and resource usage.

Our long-term ambition is to provide space for multi-stakeholder dialogue and engagement around key issues and to propel our industry to higher standards. We view our business from a systems perspective, thinking in closed loop cycles rather than with a linear approach. Sustainability is integrated into our culture and brand.



Eight business priorities

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

Responsible selling and marketing – being true and fair to people
Assist our customers in reaching their financial objectives. Ensure that our customers understand the consequences of our advice and their overall dealings with us.

Tackling financial crime – protecting people and money
Actions to prevent money laundering, fraud and financing of criminal activity.

Responsible ownership – investing money responsibly
Ensure that we perform our ownership role responsibly, promoting good business ethics and governance, and displaying good corporate citizenship.

Reducing our environmental footprint – being gentle to nature
Managing our direct environmental impact.

Sustainable finance and investments – driving change through money
Together with our customers, reduce the risk for negative social and environmental impact related to our finance and investment activities. Work to increase our and our customers' positive contribution through offering sustainable products and services.

Valuing our people – taking good care of our people
Being a modern workplace, attracting the right people and providing scope for individual development by making our people feel valued, included and engaged.

Access to financial services – being accessible for all people
Promoting equal access to financial services regardless of socio-economic standing, ethnic origin or other factors.

Investing in communities – making people and societies grow
Supporting the development of local communities, including support of youth development and the growth of small and medium-sized enterprises.

Objectives 2011	Status	Performance 2011	Objectives 2012
Governance responsibility			
 <ul style="list-style-type: none"> • Continue to act on customer insights to further improve customer experience and Net Promoter Score. • Render product and service offering easier to use and understand. • Continue efforts to improve financial literacy among customers. 		<ul style="list-style-type: none"> • 2nd year of customer excellence programme. Competence development throughout organisation. • Pilot project to redesign lending processes, including > 2000 customer interviews. • Developed financial advisory module for client executives in the Baltic division. • Financial planning tool (private) available on Internet bank. 	<ul style="list-style-type: none"> • Continued customer centred business development based on customer insights. • Launch updated Code of Business Conduct. • Further strengthen transparency.
 <ul style="list-style-type: none"> • Perform a health check on fraud and any risks related to such activity. • Review potential education need to raise awareness among employees. 		<ul style="list-style-type: none"> • Health check carried out, comparing SEB with best practice, legal requirements and auditor benchmarks. Measures are in place for strengthened governance. Action plan includes enhanced pre-employment screening for security reasons. 	<ul style="list-style-type: none"> • Implement updated fraud prevention model with increased focus on proactive measures. Aim to build "fraud proof" banking processes.
 <ul style="list-style-type: none"> • Increase focus on ESG aspects to support engagement and investment analysis. • Deeper engagement with portfolio companies on ESG issues. 		<ul style="list-style-type: none"> • Ownership policy and policy for responsible investments updated. Sector policies launched. Internal education on ESG issues. Refined responsible investing process. • Engagements in collaboration with UNPRI on anti-corruption and transparency, water scarcity, climate reporting, oil sand and responsible business in conflict areas. Own engagements with Swedish holdings. 	<ul style="list-style-type: none"> • Continue to improve PRI implementation. • Integrate ESG aspects into investment process of three of the major investment teams. • Improve engagement process.
Environmental responsibility			
 <ul style="list-style-type: none"> • CO2 emissions –25 per cent from 2008. • Action plan to reduce emissions related to business travel. • Evaluate pilot green branch offices. • Reduce energy consumption. • Improved water and waste management. 		<ul style="list-style-type: none"> • Reduced CO₂ emissions by 22 per cent. • Growth in business travel halted in Q4. New travel policy and increased focus on alternative meeting formats. • Pilot for green branch offices resulted in increased awareness and new ideas for improvement. • Reduced water consumption by –15 per cent. 	<ul style="list-style-type: none"> • Continue CO₂ reduction towards target of –45 per cent. • Reduce electricity consumption with 2.5 per cent per annum on average, in order to reach a 20 per cent reduction by 2020.
 <ul style="list-style-type: none"> • Implement sector policies and position statements. • Increase share of sustainable financing, investments and other savings products. • Develop two new sector policies and/or position statements. 		<ul style="list-style-type: none"> • About 700 client executives participated in training. • CS and policies gradually being included in customer dialogues. • Dedicated financing of renewable energy equipment and solutions amounted to SEK 17bn. • Launch of Green Leasing in each of the Baltic banks. • No new sector policies, focus on implementation. 	<ul style="list-style-type: none"> • Implementation to continue. All relevant clients in Merchant Banking to be assessed by end 2012. • Sustainable financing solutions based on customer insights. • Savings and investment solutions to reflect customer insight and preferences.
Social responsibility			
 <ul style="list-style-type: none"> • Develop action plan on result of Voice employee survey. • Improve employee engagement. • Implement employer value proposition. 		<ul style="list-style-type: none"> • Voice survey indicated improvements in all major areas. Action plans developed for each unit and division. • Roll out of "You are SEB" programme to increase employee engagement. • Collaboration platform, Connect, launched in May 2011. 11 intranet chats with CEO and other senior managers. • Four internal career days held. 	<ul style="list-style-type: none"> • Further employee engagement. • Increased focus on diversity, e.g in leadership training. • Strengthen strategic focus on health and a sound workplace. • Retain and develop SEB's talent pool.
 <ul style="list-style-type: none"> • New initiatives to further facilitate accessibility of, and availability to, SEB's services, based on customer insights. 		<ul style="list-style-type: none"> • Sharing expertise: on average our experts were quoted or interviewed 3 times/week in Sweden in 2011. • Several new mobile applications developed. • SEB in Lithuania and Latvia assisted 50 000 customers of the bankrupt Snoras Bank and Krajbanka so that they could access their money. 	<ul style="list-style-type: none"> • Continue to share expertise and knowledge in all our markets. • Initiatives to further facilitate accessibility of, and availability to SEB's services.
 <ul style="list-style-type: none"> • Harmonise community investments and social partnerships. • Further develop cooperation with Mentor. • Decide upon applicable KPI's to track progress. 		<ul style="list-style-type: none"> • Focus on next generation, but mapping of community involvement not yet complete. • Additional mentoring programmes launched. Support to employees as parents provided through lectures and seminars. • Increased scope for data gathering, targets still to be developed. 	<ul style="list-style-type: none"> • Strategy for community investments and sponsorship to be concluded.

Governance and risk management

A structure is in place to implement the corporate sustainability strategy throughout SEB. We have specific processes for addressing environmental, social and governance aspects in our risk management. Each manager and employee is ultimately responsible to make the right decision and to be accountable.

During 2011, the former Chairman of the CS Committee, Head of Group Staff and Business Support, handed over the role to the Head of Group Communications. The Chairman of the CS Committee is responsible for Corporate Sustainability in the Group Executive Committee, on behalf of the President and Chief Executive Officer (CEO).

Some key sustainability initiatives have specific governance structures to support them. A Sector Policy Committee oversees the development and implementation of sector policies and position statements. A Carbon Chasing Committee oversees the work to reduce SEB's environmental footprint. In addition, several of the business divisions and countries have established their own local CS councils and dedicated CS-coordinators to drive the sustainability agenda and facilitate the integration of environmental, social and governance factors into the business.

Several policies updated

During the year, both the Corporate Sustainability Policy and the Environmental Policy were updated to reflect SEB's new sector policies and position statements. The CS Policy, which was adopted by the Board of Directors, was also updated to clarify our responsibility to work against corruption and respect for human rights. The updated Environmental Policy clarifies our Environmental Management System as well as our commitment to international initiatives and standards.

➔ *The Corporate Governance Report 2011 can be viewed at www.sebgroup.com. Further information about corporate sustainability governance, including the Corporate Sustainability Policy, is found at www.sebgroup.com/sustainability.*

Risk management

SEB's business success is directly related to our ability to understand our customers' situation and needs and to evaluate, manage and price the opportunities and risks that we encounter. Our investors, customers, employees and other stakeholders expect us to take a responsible approach to our finance and lending activities. Credit risk is the most significant of SEB's risks.

SEB maintains capital resources and has a funding and liquidity position to match. This enables us to always be there for our customers and to meet unforeseen events. With a reported core tier 1 capital ratio of 13.7 per cent (12.2) at year-end 2011, SEB belongs to the group of Europe's best capitalised banks.

We apply a robust framework for our risk management and have long since established independent risk control, credit analysis and credit approval functions supported by a toolbox of advanced internal models.

The cornerstones of SEB's risk and capital management are board supervision, a high level of risk awareness among

staff, an explicit decision making structure, common definitions and principles, and transparency in external disclosures.

Our risk management is constantly evolving to reflect the changing world around us. Sustainability aspects are incorporated into our assessment of potential customers and are featured in the long-term support for our customers.



Governance structure for the corporate sustainability work

Board of Directors	Adopts the Corporate Sustainability (CS) Policy. As applicable, matters are dealt with by the Board or by any of its established committees: The Risk and Capital Committee; the Audit and Compliance Committee and the Remuneration and Human Resources Committee.
Group Executive Committee (GEC)	Decides upon the Group targets and SEB's approach to Corporate Sustainability. Approves the CS Policy. Head of Group Communication holds the CS responsibility in the GEC.
Corporate Sustainability (CS) Committee	Governance, environmental and social issues are overseen by the CS Committee, a sub-committee of the GEC. Chaired by the Head of Group Communication. Responsible for advising the GEC and the executive committee. Has representation from all divisions and key functions.
Group Corporate Sustainability	Coordinates and drives the overall sustainability agenda within SEB. Responsible for the implementation of the CS Policy as well as for reporting on its annual progress. Headed by the Group Head of Corporate Sustainability and supported by the Group Environmental Manager.
Local CS Committees; Business and country coordinators; Program Managers	Manages the business priority work on a daily basis within a specified division, country or staff function (Procurement, Real Estate, HR, IT, Marketing, Security etc).
Managers and employees	Each head of a division, business area, group function is responsible for ensuring that activities carried out and instructions adopted are in accordance with the CS Policy. Employees are expected to act in accordance with the CS Policy.



Integrating sustainability into our business decisions

In 2009, the development of our sector policies and position statements was initiated. Six sector policies and three position statements were formally adopted by the Group Executive Committee in February, 2011. They regulate our view on key issues and industry sectors that are sensitive from an environmental and social perspective. The policies highlight relevant international conventions, guidelines and standards that we wish the companies we do business with to adhere to.

By including environmental and social factors in our business decisions and discussions with customers, we are better equipped to mitigate risks and seize opportunities. Our primary objective is to establish a platform for a proactive and future-oriented dialogue with our customers and portfolio companies on sustainable development – we want to work towards improved business practices.

Working with customers

These policies and statements are now being implemented throughout SEB. They apply to all markets where SEB operates and in all lines of our business. They also apply to SEB-branded investment funds and investment products. They have been developed in consultation with stakeholders, including non-governmental organisations (NGO's) and large corporate customers in the Nordic and Baltic countries and Germany.

As of June 2011, sector policies and position statements are included in the regular business review as well as in the annual credit review for large and medium-sized corporates. By year-end, we have had future-oriented dialogues with more than 30 per cent of those customers, and we have assessed approximately 60 per cent. In addition we have

“By including environmental and social factors in our business decisions and discussions with customers, we are better equipped to mitigate risks and seize opportunities.”

Magnus Carlsson,
Head of Merchant Banking division

had a sustainability dialogue with about 30 per cent of our larger SME customers.

Working with suppliers

Our efforts to secure a sustainable supply chain include the introduction of a self-assessment tool for potential and existing suppliers. We have also revised our general supplier agreement to clarify the responsibility we expect our suppliers to take regarding environmental, social and governance aspects of their business.

Implementation and training

During 2011, we developed a specific online course to train client executives and business advisors in the Merchant Bank-

ing, Baltic and Retail divisions and other key professionals. The training and workshops form a critical part of the implementation of sector policies and position statements into our daily business. About 700 client executives and other key professionals were included in our e-training and/or dedicated workshops, also involving customers and NGO's.

Looking ahead to 2012 and beyond, our priority will be to ensure that our policies and statements are thoroughly integrated into the business, and that business opportunities in key sectors are maximized.

Download statements and policies at: www.sebgroup.com/sustainability.

Position statements

- Climate Change
- Freshwater
- Child Labour

Sector policies

- Arms and Defence
- Forestry
- Fossil Fuels
- Mining and Metals
- Renewable Energy
- Shipping



Responsible selling and marketing

What's the issue?

The global financial crisis has increased pressure on banks to be stable and transparent and to conduct their business responsibly. At SEB, our foremost responsibility is to our customers, many of whom have entrusted us with their business for decades. We act with a long-term view through both good times and bad. High ethical standards are an integral part of the way we do business and of the behaviours we foster.

At SEB, we believe it is essential to focus on our customers' needs and to take a prudent approach in all our business dealings. In order to be able to support our customers in a deteriorating market environment, we extended our funding and increased our liquidity buffers during the year. Our capital ratios are among Europe's highest.

Supporting our customers

SEB stands by its customers in good times, and in bad. This principle has broad implications, as became clear when Lithuania's fifth-largest bank (Snoras Bank) and its Latvian subsidiary (Krajbanka) were declared bankrupt. SEB was chosen by the Lithuanian government as the trusted bank to disburse more than 3bn Litai (SEK 7.6bn) of Snoras deposits, insured under the state guarantee scheme. By end-year 80 per cent of the fund was disbursed. In total more than 190,000 citizens in Latvia and Lithuania received compensation payments, and SEB welcomed an additional 50,000 customers.

In Lithuania, SEB was selected by Ernst & Young and United Nations Developing Programme to participate in a study to benchmark the impact of CS on banking activity, running through to 2012. SEB was also recognised the most sustainable bank in Latvia in 2011.

Evaluating the customer experience

2011 marked the second year of a long-term Customer Excellence initiative within SEB. To meet our customers' needs and expectations in all situations, we need to increase our knowledge of their needs. We

also need to coordinate ourselves better internally.

More than 2,000 customer interviews were conducted as part of a pilot study within mortgage lending and corporate retail lending. Numerous tangible proposals for improvement, anchored in deep customer insights, have been developed.

To improve customer satisfaction and customer service we utilise the Net Promoter tool, by which we conduct over 100,000 customer surveys annually. This gives us both an early warning system and a set of indicators to appropriately direct our focus on the areas requiring improvement.

We also gain customer insights through other types of surveys. In February 2012 we launched a new internal Customer Insight Portal, to facilitate access to the wealth of customer information we gather.

avoid products such as loans via mobile phone text messages.

In our Retail Banking division we apply credit scoring methods and information from credit information agencies to gain insight into the customer's entire financial situation before taking our decision.

In Sweden, household mortgage lending grew by SEK 49bn. We advise customers to lower their risk profile and to be prepared to meet significantly higher interest rates than today's levels. In Sweden, we adhere to the 85 per cent national leverage ratio regulations, and SEB's customers can generally borrow a maximum of five times the household income. More than 95 per cent of the mortgage loans have loan-to-values below 75 per cent. We continue to safeguard customers' repayment capacity by requiring amortisations and restrictions on the household debt ratio.

450

corporate and private advisors have taken part in training to obtain the SEB Advisory Diploma

High standards for employees

For our customers it is vital that we have the ability to explain the risks involved in their dealings with us and that our proposed solutions are appropriate to the customer's needs and desired risk taking level. We constantly work with improving standards for employee training, product development, marketing and sales as well as after sales service processes.

Within in the Swedish Retail division we set higher competence requirements on private advisors than most of our peers. Therefore, in addition to the requirement that private advisors must have a SwedSec or Investment Advisors licence (e.g. that they must possess the basic skills and personal qualities required to provide advice on the Swedish securities market), we provide private and corporate advisors with an SEB Advisory Diploma. The training which is mandatory since 2010

Responsible banking

Ensuring that our customers can afford to manage their debt is a key component of all responsible lending. This is why our credit decisions always are based on the customer's individual situation and repayment abilities. Our approach entails fair and ethical marketing, and we consciously

Key performance indicators

	2011	2010	2009	2008
Employees trained in Code of Conduct, per cent	93	93	87	n/a
Certified advisors, private & SME business, per cent	100	100	98	90
Total customer complaints, Retail banking Sweden	6,348	7,264	n/a	n/a
Customer complaints compensation > EUR 10 000	47	91	165	71
Net Customer recommendation score, private Swe	13.32	12.53	7.18	n/a
Net Customer recommendation score, SME Swe	11.25	6.63	0.58	n/a

comprises investments, legal and taxes, insurance, financing and payments. 450 advisors took part in these trainings during 2010 and 2011.

SEB in Estonia has taken lead in improving advisory services and consultation by its 90 private client executives. In 2011, this meant engaging in comprehensive development of a “Financial Advisory Module” for client executives, aimed at improving the advisory quality. The module will be implemented in client meetings in all three Baltic countries and Sweden. In the Baltic division, corporate customer relationships were also strengthened through CS advisory dialogue, where client executives were informed on SEB’s CS strategy during Client Executive Academy meetings.

License for insurance brokers

In early 2012, SEB introduced a license for life insurance brokers. The initiative is the result of collaboration between the major life insurance companies, including SEB, and the Swedish insurance intermediary compound (Svenska försäkringsförmedlarnas förening). The purpose of licensing is to increase consumer protection and transparency in respect of insurance mediation.

Transparent pricing

SEB has for several years been the only major Swedish bank to publicly disclose its funding costs for retail mortgages. The current debate and mistrust among customers and the general public against banks makes transparent pricing a top priority. We are continuously introducing

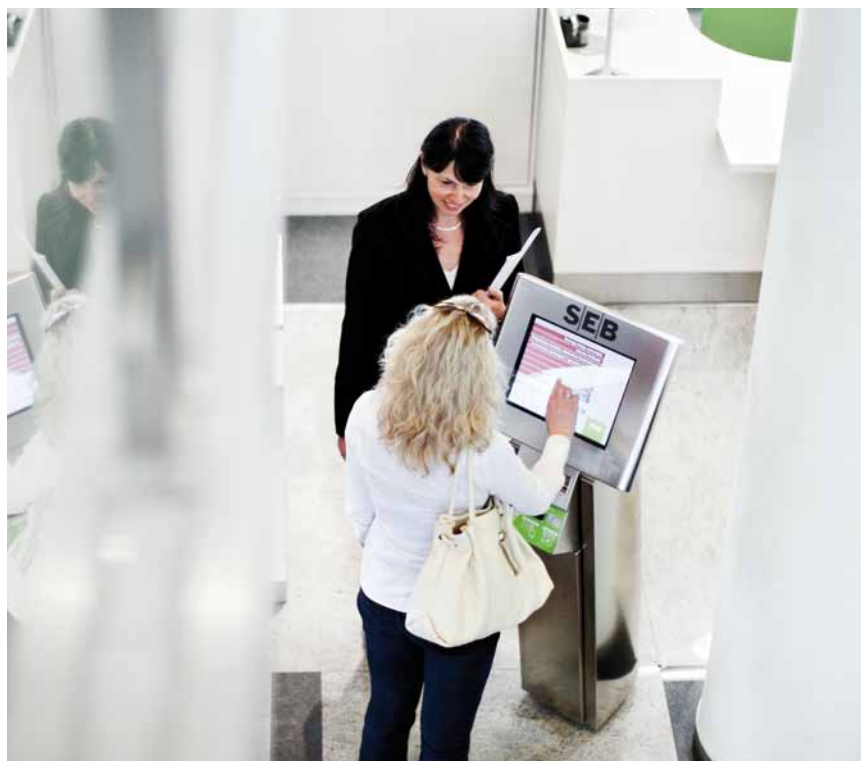
clear pricing models and offerings to simplify everyday life. This includes the Enkla (“Easy”) concept, which now comprises lending, deposits, custody, pensions and SME banking.

Managing customer complaints

We welcome our customers’ feedback, whether it is a compliment, suggestion or a complaint. We receive feedback from our customers through all our channels – by phone, online, in person, by mail, through our

Facebook customer service and, since March 2011, through our Twitter customer service.

We seek to resolve a complaint on the spot, and intend to develop these processes further. If we need additional time to get back, we provide a first response within 48 hours. If we cannot resolve the concern at the first point of contact, we refer the complaint to a dedicated Customer Relations team. Complaints are registered in SEB’s Operational Risk Management Information System.



Code of Business Conduct

SEB’s Code of Business Conduct, which is supported by the Board of Directors, embodies our approach to all our business dealings, including interactions with customers. The Code is based on our four core values: commitment, continuity, mutual respect and professionalism. It highlights certain important issues covered in existing external and internal rules and also includes specific instructions for whistle blowing procedures, e.g. for reporting possible violations to the Code.

The Code is available in eleven languages and has also been developed into a customised e-learning tool. All SEB employees are expected to abide by the Code in their daily work. By year-end, 93 per cent of SEB employees had completed training on the Code.

Openness and modest

Business gifts and entertainment are customary ways to strengthen business relationships, and SEB employees are involved

on both the receiving and giving end. In order to ensure that we do not receive or give gifts intended to influence business decision-making, the Group Executive Committee adopted a new Instruction for Gifts and Business Entertainment during 2011. SEB’s behaviour shall be characterised by openness, moderation, and a benefit must never be of such nature that it typically should be seen as affecting the behaviour of the recipient in an improper manner.



Responsible ownership

What's the issue?

Businesses that actively manage the environmental, social and governance impact of their business are more able to reduce risks and costs, and to attract capital and seize opportunities. As a large institutional shareholder and real estate investor, SEB seeks to engage with portfolio companies to pursue long-term value creation. Acting responsibly forms an important part of the mandate given by our customers.

It is our firm belief that well-run companies that manage their risks and capitalise on opportunities related to environmental, social and governance (ESG) issues will increase shareholder value over time. As a responsible owner, we strive to create value in companies we invest in by influencing them to improve on their work with corporate sustainability. We signed the UN Principles for Responsible Investment (UNPRI) in 2008, which guides our work with responsible ownership and investing.

How we work

SEB is one of Sweden's largest institutional shareholders. As such, we attended 30 AGM's in Sweden during 2011. In addition, our German fund company, SEB Asset Management AG, participated in some 40 German annual general meetings. As relates to environmental and social aspects, we mainly exercise our influence via dialogues with companies, either directly through the ESG team or our portfolio managers, or indirectly via our ESG research provider. In 2011, we had 259 dialogues of this kind.

We strive to collaborate with other investors where we have common agendas, regarding governance as well as environmental and social aspects. This is predominantly done via UNPRI's Engagement Clearinghouse, which is a forum created specifically for collaborative engagement activities.

Our exclusionary criteria are based on adherence to international conventions on bans of certain types of weapons. Examples of these are cluster munitions and anti-personnel landmines. We also provide

SRI funds, where ESG aspects play a larger role in the selection of companies.

Progress 2011

In our work with responsible ownership we focus on relevant themes and topics. In 2011, these themes were climate change, water scarcity, responsible business in conflict zones and anti-corruption. Some examples of what we did under the respective topics are:

- **Climate change:** The quality of data is increasingly important when assessing how well companies are responding to the challenges from climate change. In 2011, SEB took the leading role in a global PRI initiative focusing on improving the quality of climate change data in companies. Together with 13 other international investors, we contacted 98 carbon intensive companies globally with a bottom quartile Carbon Disclosure Leadership Index score (see www.cdproject.net for further information) to encourage them to improve their climate reporting. The initiative saw significant improvements in the companies we had dialogues with.
- **Water scarcity:** We supported the CDP Water Disclosure programme by participating in the PRI initiative encouraging

companies in water intensive industries to measure and disclose their water impact. Again, the result of the initiative was a measurable improvement of the dialogues.

- **Responsible business in conflict zones:** The SEB ESG team participates in an expert group within the UN Global Compact and UNPRI, working on how companies can do business in conflict zones and other complex environments in a better way.
- **Anti corruption:** in mid-2011, the UK Bribery Act came into force in the UK. This encompasses all companies globally affiliated with the UK. We contacted the relevant companies in our Swedish portfolios to assess how prepared they were for the legislation. Furthermore, we participated in a PRI initiative aiming at improving general transparency regarding anti-corruption measures in companies.

PRI implementation

Our involvement in the UNPRI has increased over the years. We see the PRI as useful and important tools when practicing responsible ownership. From 2010 to 2011, our result increased on all seven indicators¹.

SEB UNPRI score*

*Reported in May each year

	Trend	Score	2011 Median	2011 Quartile	2010 Score	2010 Median	2010 Quartile
Governance, policy and strategy	(↑)	0.81	0.81	2	0.74	0.79	3
Principle 1	(↑)	0.19	0.67	4	0.01	0.62	4
Principle 2	(↑)	0.80	0.73	2	0.01	0.70	4
Principle 3	(↑)	0.87	0.75	2	0.85	0.75	2
Principle 4	(↑)	0.81	0.59	1	0.58	0.58	2
Principle 5	(↑)	0.95	0.75	1	0.73	0.75	3
Principle 6	(↑)	0.79	0.62	2	0.55	0.58	3
<i>No. of peers</i>			257			339	

P1 – We will incorporate ESG issues into investment analyses and decision-making processes.

P2 – We will be active owners and incorporate ESG issues into our ownership policies and practices.

P3 – We will seek appropriate disclosure on ESG issues by the entities in which we invest.

P4 – We will promote acceptance and implementation of the Principles within the investment industry.

P5 – We will work together to enhance our effectiveness in implementing the Principles.

P6 – We will each report on our activities and progress towards implementing the Principles.

1) The indicator where we have the most room for improvement is principle 1, regarding ESG integration, which is also the current focus for our activities. We expect that indicator to be in line with the other indicators by year-end 2012. We measure our result against similar institutions, i.e. excluding fixed income and hedge funds since that is most representative for our business.

Responsible investment model

In 2011, we refined our responsible investing model as a part of the implementation of SEB's corporate sustainability strategy. The model consists of four main elements:

I. Active dialogue and voting: The foundation for our work with responsible investments is active ownership. This is displayed in the way we work through the nomination committees, through voting at AGM's, and through our engagement with company management.

II. ESG integration and exclusion: As a signatory to the UNPRI, we are committed to integrate ESG aspects into our investments. We do this in our Private Equity and Property portfolios, as well as in our SRI equity portfolios. Towards the end of 2011, we started a project to integrate the most important ESG aspects in our mainstream



equity portfolios, a project, which will be ongoing throughout 2012. The SEB sector policies will provide guidance in this work. Since 2010 we exclude companies involved in the manufacturing and marketing of cluster munitions and anti-personnel

landmines from our investments in our own branded products.

III. Responsible products and sustainable investments: Our client base is large and diverse, and we have a corresponding range of products combining the ESG strategies of exclusion, positive screening, integration and thematic investments. Our ambition is to continuously develop our offering in line with the developments on the different markets where we are present.

IV. Transparency and reporting: A core part of SEB's responsible investment strategy is to be transparent to stakeholders. We report on our corporate governance work and our priorities. Our UNPRI Reporting and Assessment, describing our work with UNPRI implementation, is publicly available on the UNPRI website (<http://www.unpri.org/reporting/result.php>).

Green Real Estate through SEB's German Asset Management business

Climate change and carbon mitigation regulation have a direct impact on the Real Estate sector. It is estimated that real estate represents some seven percent of global greenhouse gas emissions, mainly from lighting, heating and cooling, hot water and ventilation. As a consequence, the sector is in focus for legislators' carbon mitigation strategies. Improved energy efficiency in buildings also results in cost reductions, making green property relevant from a commercial as well as legislative perspective.

SEB's German Asset Management business is the SEB Group's specialist investment house for real estate investment funds. It works in a structured way to improve portfolio properties in line with sustainability criteria while matching the tenants' needs and requirements. Examples of activities include actions to prevent water pollution and protect the soil, as well as investments in environmentally-friendly infrastructure. The economic benefits are clear – stronger brand value, lower operating costs, higher rental incomes and lower depreciation costs.

In 2011, our German Asset Management team launched the Carbon Footprint



Via Laurentina, Rome, Italy (www.sebassetmanagement.de)

Programme, which examines the heating, cooling and electricity consumption as well as the carbon dioxide emission of real estate properties. The programme is to be applied for both existing portfolio properties and in acquisition decisions.

One example of the Carbon Footprint Programme is the real estate portfolio "Via Laurentina" in Rome. The office building was bought in 2003, and was refurbished

in close cooperation with the tenants. As a result, the "Via Laurentina" is the first building in Italy to be awarded the LEED Gold Green Building certificate for a refurbishment, documenting the building's ecological sustainability, high user comfort and low operating costs. An example of this is that water consumption was reduced by nearly 80 percent and energy consumption by nearly 40 per cent.



Tackling financial crime

What's the issue?

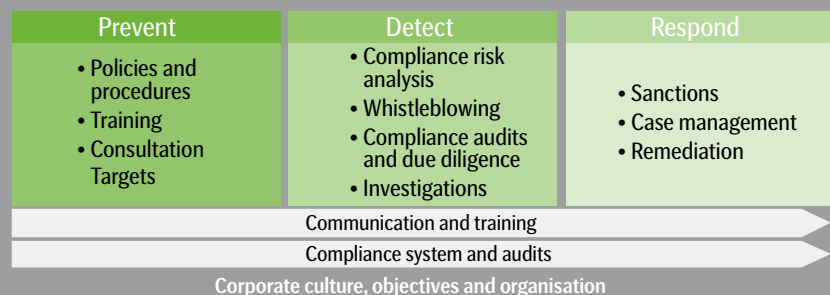
Preventing financial crime is a high priority for banks, given the magnitude of the problem and the possible consequences on local and global economies. As a major provider of credit, payment systems and other financial services, SEB plays an important role in the societies where we operate. It is our responsibility to protect the people we serve and the money we handle.

Financial crime is a large-scale international problem. At SEB, we devote considerable resources to prevent its damaging effects on our business, our customers and society. We focus on three key areas:

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

Fraud prevention has been a priority for SEB in recent years, including the launch of a new fraud prevention strategy and training of 9,300 SEB employees in 2009 – 2011. We are strengthening our focus on proactive measures, by reviewing fraud issues earlier in the business processes. Our core fraud combating units are Security, Compliance, Internal Audit, Information Security, Human Resources and Risk Control. They work together to strengthen fraud prevention management. This includes assisting business and support functions in building and maintaining "fraud proof" banking processes.

Fraud prevention model



Fraud prevention health check

During 2011, a review of the governance of fraud risks and management within the Group's main business areas in ten sites was undertaken by our Internal Audit team. The review included an evaluation of the overall adequacy of the fraud prevention measures within SEB. We wanted to evaluate the Group's overall governance and management of fraud risk as compared with best practice, legal requirements and external auditor benchmarks. As the audit report showed, strong measures for fraud prevention are in place at SEB. The focus of future work includes strengthened governance in terms of policies and procedures as well as enhancement of pre-employment screening processes.

Employee awareness training

Enhancing employee awareness about fraud trends and combating techniques is key to successful financial crime prevention. We provide all our employees with general and tailored training depending on position. All employees must pass our general anti-money laundering (AML) e-learning programme.

Know Your Customer (KYC)

In order to prevent and combat financial crime, international agreements as well as common measures and rules are necessary. We abide by European Union legislation on AML and KYC. We apply enhanced due diligence for customers, products and countries, where there is a perceived risk that the Bank is used for money laundering and financing of terrorism.



Financial Coalition Against Child Pornography

Work in the Swedish Financial Coalition against Child Pornography is beginning to yield results.

According to the Swedish police, the number of commercial Internet sites has been reduced significantly and there are indications that the area is becoming commercially less interesting for criminals. The purpose of the Coalition, which had 20 members at year-end 2011, is to join forces to prevent and obstruct payments for documented sexual abuse of children through the Swedish financial system.

During the year, we continued our efforts to increase awareness about the issues. SEB also monitored transactions and served as the main contact for the Swedish police. In November, we hosted the semi-annual meeting, with some 50 guests and employees receiving in-depth information from the Swedish police, Interpol, the Coalition steering group and End Child Prostitution and Trafficking, ECPAT. Effective from January 2012, we are represented in the Coalition steering group through our Head of Group Corporate Sustainability.

Key performance indicators

	2011	2010	2009	2008
Employees completed anti-money laundry education	96	98	89	n/a
Employees completed fraud prevention education	52	49	43	n/a
Markets and sites with "Know-Your-Customer" (KYC) process and instructions	21	21	19	n/a
Suspicious market transactions (MAD) reported, number	35	23	58	43
Branch office robberies (Sweden and the Baltic countries)	1	0	3	n/a
Card fraud costs, Nordic, SEKm	34.2	39	85	120



Sustainable finance and investments

What's the issue?

To address the many social and environmental challenges that the world faces, new thinking, innovations and financial assistance are needed. Banks can play an important role by creating financial solutions and assisting customers in their sustainability efforts. By including environmental and social factors in our business decisions and discussions with customers, we are better equipped to mitigate risks and seize opportunities.

In our role as a large corporate bank and asset manager we have considerable indirect impact. We want to work together with our clients in order to drive sustainable growth, protect the environment and contribute positively to society. Our newly adopted position statements and sector policies guide our employees in their dialogues with our customers about the future.

Financing a low-carbon economy

We are committed to finance the transition to a low-carbon economy with innovative financing solutions. By improving knowledge and expertise on low-carbon technologies, and by arranging the finance that will help bring these technologies to markets at scale, we can make a major contribution to a low-carbon future as well as generate new revenues. These are opportunities we take seriously.

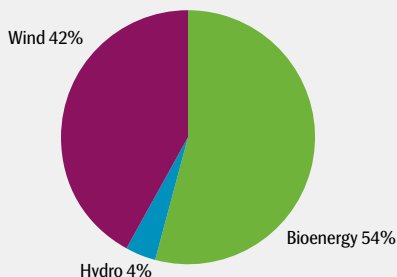
One of our most significant climate contributions is to assist our large industrial and commercial property clients in their efforts to reduce environmental footprint. Over the last years we have established knowledge and capability within SEB to support low-carbon solutions and renewable energy.

Renewable energy

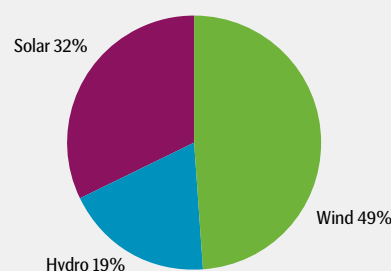
We are committed to financing new clean tech, energy efficiency and renewable energy transactions. In 2011, SEB provided SEK 17bn in dedicated financing of renewable energy projects and manufactures of renewable energy equipment. About 80 per cent of the financing of renewable energy equipment manufacturers were

Dedicated financing of renewable energy projects and equipment

Financing of renewable power producers, SEK 13.3bn



Financing of renewable energy equipment manufactures, SEK 3.7bn



concentrated to wind and solar energy while well over 90 per cent of the financing of renewable power producers were for bio energy and wind power.

In 2011, SEB granted over EUR 15 million in renovation loans for apartment buildings in Estonia and Latvia, especially targeting energy savings. On average, the financed projects provide 40 per cent savings in energy cost per building. More buildings are being completely renovated with complex work to significantly improve energy efficiency.

The framework for transforming societies towards a low-carbon economy includes trading of carbon emission rights and certificates for green electricity. We aim to support our corporate customers also in this area. We currently provide advisory and risk management tools such as forward and future contracts for carbon emissions rights and green electricity certificates.

In chasing carbon emissions, every step counts. During 2011, we developed an app

(to date available in Swedish) that visualises the carbon savings customers can achieve by using e-invoicing. In addition to reducing emissions, there is also cost savings compared to normal handling of invoices.

Supporting SME

A survey, performed by our Business Economist during spring 2011, showed that small and medium-sized enterprises (SME) see a clear customer demand on environmental and socially responsible products. They believe those issues will become even more important in the future. These aspects already affect their business orientation and profitability.

Our current transactions within the SME sector range from financing renewable energy projects to financing development and manufacturing of products and technologies that address a wider range of sustainability concerns. Examples of the companies we serve are engaged in climate-friendly engine technology, weather forecasting solutions that contrib-

Key performance indicators

	2011	2010	2009	2008	2007
World Bank Green Bonds – money raised since inception, USDbn	2	1.6	1	0.3	n/a
Green Car loans, total number	1,500	2,000	1,300	910	n/a
Green car loans as a per cent of total car loans, number	50%	50%	n/a	n/a	n/a
Equator Principle transactions, total number	12	10	0	7	6
Number of Socially Responsible Investment/ethical funds	15	16	14	14	13
Total assets under managements in SRI/ethical funds, SEKm	14,848	16,008	11,105	6,413	8,318
SRI/ethical funds share of total assets under management, per cent	1.26%	1.21%	0.87%	0.56%	0.65%

ute to reduced energy consumption, and recycling systems.

Profiled offerings for private individuals

For the retail market, SEB offers some climate friendly products. Since 2006 in Sweden, we offer a Green Car Loan for financing at subsidised interest rate levels of cars that meet national environmental certification criteria. In 2011, we approved some 1,500 Green Car Loans. In autumn 2011, we also launched a new Green Leasing product in the Baltic markets, granting favourable leasing terms for new environmentally friendly cars meeting EU environmental criteria.

USD 2bn

Money raised for World Bank Green Bonds since inception

Green Bonds

In 2008, SEB pioneered the issuance of Green Bonds, working closely with the World Bank on its inaugural Green Bond issue. Since then, SEB has assisted the World Bank and its affiliate the International Finance Corporation in issuing a total of USD 2bn in Green Bonds (close to 60 per cent of total global investments of USD 3.4bn). These bonds fund investments in countries throughout the world, and are designed to mitigate climate change or help people and communities adapt to it. At the end of 2011, 88 investors had invested in Green Bonds through SEB, ranging mainly from Pension Funds, Life Companies, Insurance Companies to Asset Managers and Swedish Municipalities.

During the year, we participated at various events and seminars, promoting Green Bonds and the environmental and social benefits. These included, among others, the SSgA Green Bond Summits, the UNPRI Webinar “Green bonds – a viable alternative for fixed income investors?”, the United Nations General Assembly, and the Environmental Finance & Carbon Finance Conference. In early 2012, the Green Bonds were discussed in a UN

forum again, this time in cooperation with INCR, the Investor Network on Climate Risk. Some 500 senior managers from US investors, representing assets of USD 26tn, participated. SEB was represented by Christopher Flensburg on the “Financing Clean Energy Structure” panel. Visit www.sebgroup.com/greenbonds to learn more.

Responsible investments

We support sustainable development by offering investment products designed to meet a variety of concerns and responsible investment preferences among SEB’s customers. Assets under management in the 15 funds we offer with a socially responsible investment profile amount to almost SEK 15bn.

The funds are managed using a combination of negative screening, positive screening, ESG integration and thematic approach. The norm-based screening is the foundation for most funds, and combined with other approaches depending on the preferences of the clients. We also apply company engagement to these products, with the aim of improving company performance related to ESG. Please see page 12 for further information.

Equator Principles

In 2007, SEB adopted the Equator Principles (EP), a voluntary set of guidelines



used by financial institutions to assess the social and environmental impact of large projects and to help their customers to manage them. Signatory financial institutions are required to apply the Principles to project finance deals amounting to more than USD 10 million.

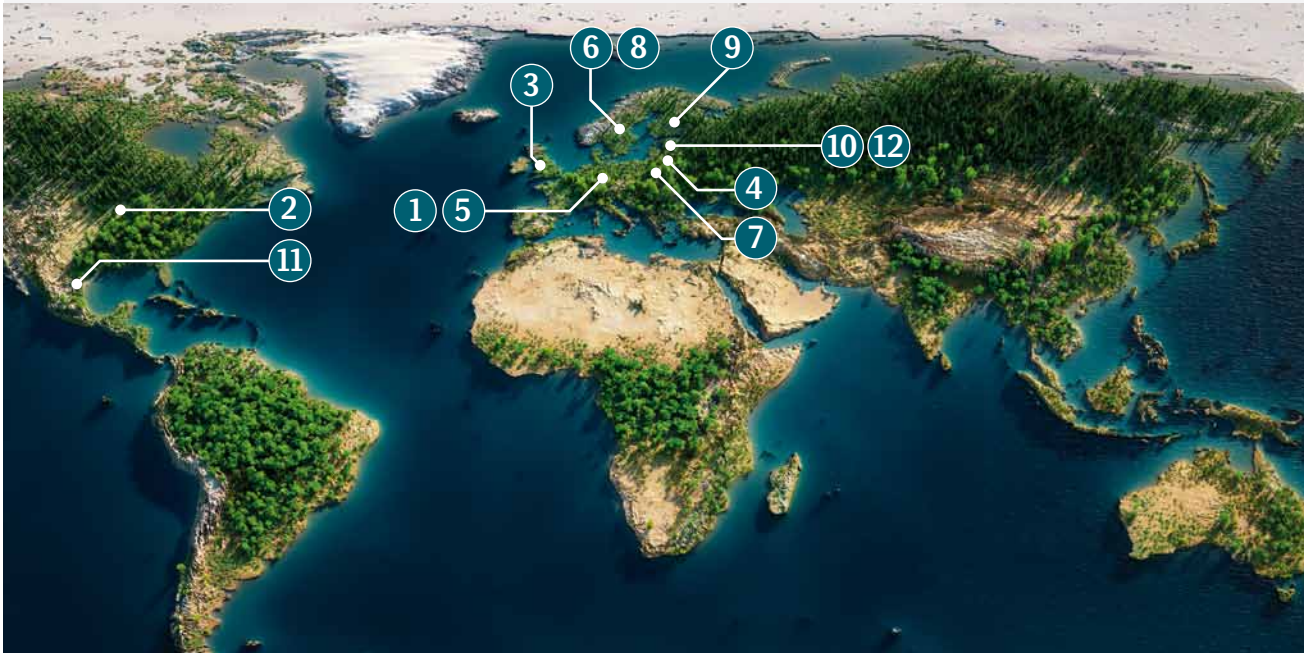
The Principles, which typically apply to complex installations such as power plants, refineries and waste treatment plants, have contributed to developing and operating such large projects in accordance with good international practice.

During 2011, SEB was involved in twelve financings reported under the Principles. SEB also participated in the consultation process, together with the Equator Principles Association and other signatory banks, regarding an assessment of whether the Principles should apply also to corporate loans tied to specific assets. Should such lending eventually be included, the number of SEB transactions under the EP’s will significantly increase, due to the nature of SEB’s business.

In October, a tailored EP training was arranged for 30 advisors and client executives in the international team.



Supporting economic progress, environmental protection and social development worldwide

**1 Germany: Wind energy to 445,000 households**

SEB participates in the financing of Global Tech I, one of Germany's most ambitious wind farm projects. Global Tech I is one of the first commercial offshore wind farms in the German Sea, and will have 80 wind turbines capable of serving the electricity requirements of 445,000 households.

2 USA: Natural gas storage

SEB finances the development of a natural gas storage field 25 miles southwest of the Opal Hub in Unita County, Wyoming, USA. The project comprises the conversion of an existing but depleted oil and gas field into a storage facility, thus re-utilising a large share of the existing infrastructure. The use of natural gas offers a number of environmental benefits over other fossil fuels.

3 UK: Croydon street lighting

SEB has provided finance in a Public Private Partnership to replace and maintain 46,000 street lights and street signs for the London Boroughs of Croydon and Lewisham. The PPP project, which stretches over 25 years, is expected to contribute to better night safety and lower crime rates in the Boroughs.

4 Latvia: Solar energy equipment producer

SEB has financed the company Sidrabe that through vacuum coating technologies produces the special photovoltaic foil overlay for producing energy. This unique material has been exported to major energy companies.

5 Germany: Environmental approach in plant expansion

SEB co-finances the expansion of a new coking coal plant at Hüttenwerke Krupp Mannesmann in Duisburg, Germany together with KfW, a government-owned development bank. Due to the project's environmental approach, it was able to benefit from financing via KfW's Environment and Energy Efficiency Programme. Besides increased energy efficiency, emissions of particulates, nitrogen oxides and sulfur oxides will be reduced.

6 Sweden: Gabrielsberget wind farm

SEB has provided finance to both the southern and northern phases of the Gabrielsberget wind farm project in north of Sweden. Once completed, the 40 turbines in the wind farm will generate 250 GWh of electricity each year.

7 Lithuania: Gas-powered ferry

SEB in Lithuania has issued guarantees covering the obligations of UAB Vakarų Baltijos laivu statykla to construct the world's largest gas-powered ferry, MF Boknafjord. The ferry's hull design and efficient engine technology combined with changing from diesel to natural gas will reduce CO₂ emissions by 25 per cent, and eliminate emissions of particulates and sulphur oxides.

8 Sweden: Lingbo SPW AB wind farm

In Lingbo, situated in mid-Sweden, SEB has provided finance to a wind farm project including three wind turbines with a total power of 6 MW. Forecasted output is 20 GWh annually.

9 Finland: Ii Olhava wind farm

The Ii Olhava wind farm in northern Finland will significantly contribute to an increase in Finnish wind energy production. SEB has financed eight wind turbines for the company TuuliWatti with a total capacity of 24 MW. The Finnish government's launch of a new feed-in tariff system for renewable energy is expected to contribute to speedier build-up of wind energy in Finland.

10 Estonia: Finance boom to eco-renovations

In 2009, SEB in Estonia began a co-operation with the Credit and Export Guarantee Fund Kredex, providing clients with more favourable credit conditions and lower interest for apartment building renovations that offer a minimum of 15 per cent in energy savings. The number of loans approved has increased from 25 loans in four years to nearly 80 in 2011 alone. Experience shows that energy savings of up to 50 per cent is achievable if the renovation is approached holistically.

11 Clean buses to Mexico

SEB has been engaged in export financing of some 800 Volvo buses to Mexico. The new buses, the Volvo 9700 series, complies with Euro V exhaust requirements and will replace older, less environmentally-friendly coaches.

12 Estonia: Wind energy installations

SEB is a major provider of sustainable finance in the Baltic countries. In the Estonian market, SEB finances around 25 per cent of the total wind energy installations. In 2011, SEB financed 29.4 MW of new wind farms (wind parks) in Estonia.



Reducing our environmental footprint

What's the issue?

Many scientists believe that global warming is one of the most serious threats to both humanity and our planet. More and more research emerges, arguing that the speed of climate change is increasing and substantial preventive actions is needed. Although the direct environmental impact of our operations is limited, we have the obligation and opportunity to do what we can to limit our footprint.

In 2009, SEB decided to reduce the annual CO2 emissions by 45 per cent, from the base level in 2008. The decision reflected our ambition to address a broader range of environmental issues. Energy use, paper consumption and business travel, and the related greenhouse gas emissions, represent the most material direct impact of our operations on the environment.

SEB divested its German retail business in early 2011. Consequently, the 2008 baseline has been revised to 44,380 tonnes CO2, from 50,404 tonnes CO2. Concurrently, we have confirmed our commitment to the 45 percent reduction of our carbon emissions by 2015.

Carbon management

Our approach to protect the environment is based on the carbon management hierarchy. We measure our carbon footprint, work to reduce it over time, compensate for the emissions that we cannot reduce

and accurately report on the information requested by investors, customers and employees.

We draw on guidance from the Greenhouse Gas Protocol for our carbon reporting. We currently account for the CO2 emissions from operations over which we have control, such as energy and electricity use in our own buildings, paper consumption and business travel (Scope 2 and 3 emissions). We include the emissions from eleven countries, accounting for more than 90 per cent of our income and 98 per cent of our employees. We report on and monitor our direct environmental footprint on a quarterly basis. A specific Carbon Chasing Committee steers and monitors the work to reduce SEB's emissions.

Carbon emissions: – 6 per cent

Our target for 2011 was to reduce our annual CO2 emissions by 25 per cent against the revised 2008 baseline of 44,380 tonnes CO2. This was to be achieved by expanding the use of renewable energy sources, changing travelling patterns and improving energy and resource efficiency throughout SEB. The divestment of our German retail business, which represented 12 per cent of the original baseline emissions and about 25 per cent of the planned CO2 reductions, made the target more challenging.

Despite the significant CO2 emission reductions that we have achieved in key areas, our total emissions were only reduced by 6 per cent in 2011. In total, we have achieved a 22 per cent decrease of

emissions from 2008, slightly below the target of -25 per cent. This is explained by increases in business travel in the Merchant Banking and Wealth Management divisions, which are in an expansionary phase and whose activities are particularly travel intensive.

For the second consecutive year, SEB was included the Nordic "Carbon Disclosure Leadership Index". As the only Nordic bank, SEB received an A- for its work with reducing carbon emissions.



Energy use in offices and branches

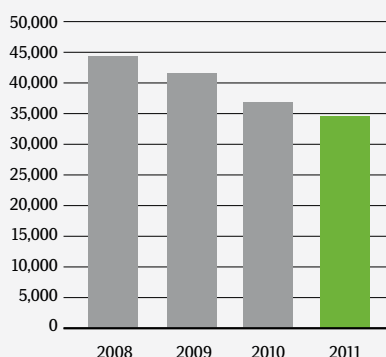
Energy use in our offices and branches has decreased by 12 per cent since 2008. We have successfully implemented a wide range of small energy efficiency measures both in the office space that we own or rent and in the data centres that we manage. Combined with the switch to renewable energy sources made in 2009 and 2010, carbon emissions from energy consumption have been reduced by 52 per cent against the revised 2008 baseline. We will continue to work for a change to renewable energy where possible combined with increasing energy efficiency in our offices and branches.



Paper consumption

Total paper consumption was reduced by an additional 109 tonnes in 2011, corresponding to almost a 7 per cent reduction. Among the 2011 achievements in our largest market Sweden can be mentioned double-sided printing

Total CO2 emissions, tonnes (restate Retail Germany)



Key performance indicators

	2011	2010	2009	2008
CO2 emissions by source				
CO2 emissions from energy consumption*	11,120	17,545	23,287	23,409
CO2 emissions from business travel*	18,761	15,196	11,280	13,547
CO2 emissions from paper consumption*	1,540	2,115	3,121	3,369
CO2 emissions from company cars*	3,169	3,742	3,940	4,087
Total CO2 emissions, tonnes	34,590	38,598	47,320	50,404
Total CO2 emissions, tonnes (restate Retail Germany)	34,590	36,929	41,516	44,380
CO2 emissions, tonnes / employee**	2.1	2.3	2.5	2.3
Energy consumption MWh / employee**	7.3	8.9	7.9	7.2
Voluntary carbon offsets purchased, tonnes***	38,598	47,320	33,388	

* CO2 from energy consumption has been changed from previous reports due to the sale of German retail business. CO2 from travelling, paper and cars have not, due to limited emissions. ** KPIs not comparable with previous CS reports due to sale of German retail. *** Voluntary carbon offsets purchased the year after emitting year. 2008 baseline has been revised. Offsetting for 2008 does not correspond to revised baseline.

for annual statements to customers, electronic salary statements to 8,900 employees and increased use of the more environmentally-friendly “B-post” in physical mailings. These actions contribute SEK 13 million in cost savings, 30 tonnes less paper usage and a 25 tonnes decrease in CO₂. Our first paperless branch office will be piloted in the spring of 2012, in Tallinn.



Water and waste

Since 2010, we have decreased water consumption about 10 per cent. This was mainly due to the sale of the German retail business, but we also see a decrease in water consumption per employee. Waste generation has increased by 36 per cent during last year, primarily due to construction work at one of our main offices. During 2011, five branch offices began a pilot study aimed at increasing awareness and reduce environmental footprint. This study will continue during 2012.



Green IT and data centres

We run a Green IT initiative since 2009, addressing energy efficiency and environmental targets in offices, branches and data centres. We see a great opportunity to optimise cost and contribute to environmental protection while maintaining stable IT systems. Among activities in 2011 was the installation of new, more efficient cooling equipment in our main Swedish data centre.

This has increased power usage effectiveness, e.g. the share of energy that is actually used for computing equipment in the data centre. We also focused on increased server virtualisation, to reduce power and cooling costs and carbon footprint. Installation of print release technology has contributed to reducing the number of unwanted printouts. SEB's procurement process for IT was upgraded to include Green IT considerations.



Business travel

CO₂ emissions from business travel increased by 23 per cent in 2011. This was primarily due to increased travel within the Merchant Banking and Wealth divisions. We are strengthening our efforts to reduce carbon-intensive travel. We seek to replace air travel with train whenever possible and increase the use of video and web conferencing. In 2011, the use of video and telephone conferencing increased by 28 per cent within SEB. During the year, a number of tools and guides to increase the level of travel free meetings have been put in place.



Company cars

CO₂ emissions from company cars were reduced by 15 per cent in 2011, due to the ongoing transition to green cars throughout the car fleet. 63.5 per cent of the car fleet were deemed green at year-end. The green car policy will be fully implemented by year-end 2013.

Carbon offsetting at SEB

SEB is a fully climate compensated company since 2009. We have offset the previous year's emissions by purchasing certified emissions reductions from projects under the Kyoto Protocol's Clean Development Mechanism or emissions reductions verified to the Voluntary Carbon Standard, VCS and the Climate Community and Biodiversity (CCB) Standard. We seek projects that, in addition to the CO₂ offsetting, have significant social and environmental benefits. Our investments in carbon compensation during 2011 amounted to SEK 4 million. This was significantly below 2010 investments, due to the lower emissions level and a drop in the price for emissions rights. To date, we have invested in the following projects:

Solar cookers to the Ningxia Hui region in China (2009 and 2010)

SEB's first carbon offset project was to provide solar cookers to households in the rural Ningxia Hui region in the northwest of China, one of the poorest in the country. Through our contribution, we subsidised some 17,000 solar cookers to be used for cooking and water boiling, replacing coal consumption and ultimately saving 35,000 tonnes of CO₂ emissions each year.

The Uchindile-Mapanda reforestation project in Tanzania (2010 and 2011)

This project, in the southern highlands of Tanzania, involves the reforestation of degraded land to sequester carbon emissions from the atmosphere. 10 per cent of the carbon revenues from the forests are allocated to initiatives which will benefit the local communities based on their list of priorities. This includes the construction of schools and hospitals and increased employment of teachers and doctors. During the first monitoring period, 1/1/2002 – 30/11/2008, the project verified and issued 139,358 tonnes. Of these issued tonnes, SEB purchased 36,450 credits,

about 26 per cent of the issued credits.

The Meru and Nanyuki reforestation project in Kenya (2011)

The majority of our CO₂ emissions offsets in 2011 were made through a reforestation project in central Kenya. The project integrates reforestation to sequester carbon with community development activities targeting improved access to food and the creation of additional sources of income beyond subsistence farming. The environmental benefits include reduction of soil erosion, contribution to the improvement of the water catchments areas and enhanced biodiversity.





Valuing our people

What's the issue?

An engaging, sound and healthy work environment encourages high quality performance as well as high employee satisfaction and loyalty. This is in the interest of both customers and shareholders. To retain our position as the relationship bank SEB must attract, develop and retain the best people so that we can provide the best service and experience to our customers.

Long-term relationships and trust constitute the foundation of our business, and also of the SEB working environment. All employees should feel valued and have equal opportunity for development. Our core values, commitment, mutual respect, professionalism and continuity, guide us in our daily lives, and constitute an inner compass that supports us in our work.

Employee survey

SEB has conducted comprehensive employee surveys for more than a decade. In 2011, around 14,700 employees, corresponding to an 89 per cent response rate, answered the Voice survey, conducted for the third time, and the result showed improvements in all major areas compared with 2009. This survey was different from earlier surveys as it provided better guid-

Voice main areas:

Percentage of positive (4 or 5) answers

Customer relations	69 %
Customer competence	66 %
Business competence	72 %
Operational excellence	75 %
Collaboration	77 %
Efficiency	70 %
Speed	78 %
Culture and people	74 %
Motivation	72 %
Accountability	74 %
Respect, involvement and openness	72 %
Competence & learning	76 %
Employee engagement	75 %
Vision and goals	82 %

ance on improvement areas linked to our overall business plan and scorecard.

Three of the five main areas – Customer relations, Operational excellence and Culture and people – together make up the so called Voice index. This index has risen from 668 (2007), 723 (2009) to 725 (2011). The survey results showed great awareness of and confidence in the strategy to become the relationship bank in our part of the world. Operational excellence was also a clear area of strength.

Employees rated own empowerment and engagement highly, and a large majority, 73 per cent, would gladly recommend a friend to apply for a job at SEB. 79 per cent would recommend a friend to become an SEB customer. Almost as many – 74 per cent – provided positive responses in areas such as corporate culture, employee engagement and confidence in management.

Room for improvement

Although Operational excellence was an area of strength there is still room for some improvements, for example regarding the use of efficient tools and processes. As regards customer relations, 69 per cent of all employees set high overall scores, but this is an area for improvements as there are major differences between units and departments.

Naturally, units that are far from the customer give lower ratings whereas units working close to the customers have very high scores. Units that are good at collaboration and where employees continuously learn from each other also tend to rate their customer relations higher.

Increased engagement

Through the group-wide employee engagement programme “You are SEB” we have strengthened our focus on customer insight and on increasing the collaboration among our people. During 2011, employees and managers within SEB have participated in dialogues focusing on our values, how we meet customer expectations and how we can become better at cooperating within the organisation.

In the Baltics, the “You are SEB” programme aimed to support implementation of the Home Bank strategy through sharing of positive experiences, communica-



tion and cooperation. All managers in SEB Estonia passed the training. “Home Bank Day” was organised with 1,200 employees participating. They discussed business strategy, their role in it, and looked at the bank through the eyes of the customers.

Customer insight portal

During 2011, SEB started a process to create an internal Customer Insight Portal, all customer surveys gathered in one place, which enables managers and employees to get a complete overview of the bank’s customer insights. The portal was operational in early 2012.

An internal professional collaboration platform, Connection, was introduced in May 2011. It enables employees to connect with colleagues globally, to share knowledge, ideas and success stories.

More than 9,000 people have been active on this platform since the start and over 3,400 people enter the site every month.

The employee interaction with SEB’s top management on the intranet is highly appreciated. In 2011 CEO Annika Falkengren hosted 11 chats where she answered 500 questions together with the members of the Group Executive Committee.

Cross-collaboration encouraged

We believe that all people want to develop. Employees who are encouraged, challenged and take responsibility for their personal development, will grow and

contribute to the long-term success of our business. The well-being of our employees is essential for our ability to perform.

To strengthen cross-collaboration within the bank, we encourage our employees to be open for new positions. In order to highlight existing opportunities, all job vacancies are regularly published on SEB's intranet. Additionally, four internal career days have been arranged in Stockholm and Göteborg during 2011, and four sessions are planned for 2012, in Sweden and the Baltic countries.

SEB has a structured way of working with individual performance and development. Each year, all employees have a dialogue with their manager to set individual targets, and formulate a development plan, both of which should be aligned with the Bank's goals and competence needs. This process, which includes coaching, feedback and performance review, is the foundation for driving individual performance and competence development. In 2011, 83 per cent of all employees stated that they had had a Performance development discussion and 85 per cent that they had received constructive feedback on their performance.

Development at all levels

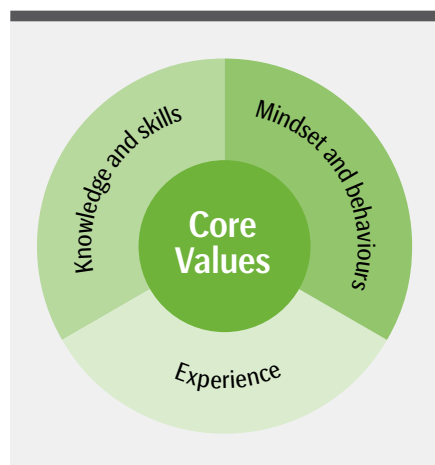
We are committed to increasing the knowledge and competence of all employees and we have a tailor-made portfolio of training and development programmes and activities at the individual, team and organisational levels. We equip and support individuals for new assignments, to secure high performance in leadership transitions.

The development programmes include training for generalists, specialists and managers on different levels. During 2011, 450 managers within SEB participated in one of the leadership programmes. In Latvia, external training courses were attended by 231 employees.

Our competence model

We plan thoroughly for future competence needs and we have a structured process for identifying and developing talents. We have also clearly defined what competence means in SEB, and it is summarised in our competence model (see above). During 2011, SEB has implemented a Manager

profile, describing seven behavioural competencies that have been identified as essential for managers at three different levels.



Diversity enriches the business

We believe that diversity enriches the business and increases the ability to meet various customer expectations. SEB aims to ensure that equal opportunities and rights are offered to everyone, regardless of gender, national or ethnic origin, age, sexual orientation and faith.

A diverse workforce increases our ability to deliver the products and services that our customers need. It also contributes to strengthening SEB as an attractive employer. During 2011, training was held in Stockholm for 20 HR recruiting specialists focusing on the recruitment process from a diversity perspective.

We actively work to identify, develop and encourage women to take senior positions. Our overall goal is to have an

equal distribution between genders in all positions, also at manager levels. For all positions there must be at least one woman/man among the candidates. In 2011, 43 per cent of the managers were female. 51 per cent of all participants in any of SEB's basic leadership development programmes were female.

Sustainable employees

Personal health, a sound work environment and work-life balance are important factors for the well-being of employees and the ability to perform. They lead to sustainable employees, lower costs and hence promote a favourable business result.

SEB wants to ensure that we can deliver the best possible health care services to our employees, while keeping our costs under control in the challenging economic situation we are facing at the moment. In Sweden, the long-term sickness absence was down to 0.8 per cent in 2011; short-term sickness absence was down to 1.7 per cent. This is the result of an active and purposeful rehabilitation process developed internally.

SEB offers many different services and solutions for employees adapted to local conditions, such as home and family service, parental insurance, preventive health care benefits and company health services. We support and facilitate a sound work-life balance, for example for employees in Sweden with children under eight years, and, in Germany, for employees with elderly parents. In Latvia, the Ministry of Welfare awarded SEB as a Family-friendly Company.

Key performance indicators

	2011	2010	2009	2008	2007
Total number of employees, incl part-time employees	18,862	20,599	20,835	22,443	22,177
Employee turnover, per cent	9.3	10.9	11.0	13.8	12.1
Average length of employment, years	11.1	11.1	11.1	10.9	n/a
Gender by management type, all managers (male/female)	57/43	56/44	58/42	56/44	60/40
Gender Senior managers (male/female)	77/23	74/26	73/27	75/25	74/26
Sick-leave rate, share of ordinary working hours, Sweden	2.5	2.7437	3	3.5	3.9
Employee survey Voice, participation rate*, per cent	89	n/a	89	n/a	87
Employees that would recommend a friend to work at SEB (Voice), per cent	73	n/a	73	n/a	64
Corporate Sustainability Ambassadors	640	600	200	n/a	n/a

* Employee survey performed every other year



Investing in communities

What's the issue?

Companies and the communities where they operate are interdependent, so what is good for society, is good for business. We recognise that a thriving society is vital for our future success as a bank. In addition to the role that our business plays in the communities where we operate, we support local community organisations, sharing both time and money and working together with carefully chosen partners and people.

SEB's future-oriented engagement in local communities has a long history. Strong economic growth is what SEB relies on to continue to build its business. This requires an educated society and a skilled workforce living in a healthy and sustainable environment.

Supporting the next generation

Our community support is developed to match a broad range of regions and countries. We are dependent upon the well-being and skills of coming generations; if we do not support and prepare them adequately, we limit our future potential.

Our community investments focus on four themes that we believe are fundamental for the development of healthy and sustainable communities: children and youth, entrepreneurship and economic understanding, environmental awareness,

and wellness. We communicate our efforts under the umbrella "next generation". We focus our efforts primarily on our main markets – the Nordic countries and the Baltic Sea region.

Our total community investments in 2011 amounted to SEK 54 million or approximately 0.4 per cent of pre-tax operating profit. Our funding is provided both centrally and from SEB's local businesses and includes support to entrepreneurship (SEK 9m).

Engagement through partnership

We run the majority of our community programmes on a partnership model, through established relationships. We prefer to be involved in decisions on where and how our investments can create value. The main part of our community support is directed to partnerships with best-in-class non-governmental organisations (NGO's) and charities such as the Mentor Foundation, Young Entrepreneurs, SOS Children Villages, UNICEF and WWF. We aim to improve the way we measure the impact of our contribution.

SEB supports entrepreneurship at different levels, from partnerships with secondary schools and universities, to several entrepreneurial organisations for newly started companies which we support with developing and implementing business ideas.

SEB Next Generation

Since 2006 we are the main sponsor of the Swedish Tennis Association. Through the joint project SEB Next Generation we enable 1,000 girls and boys aged 10–15 years in the Nordic countries to develop their talent and to create an identity and community within the sport.

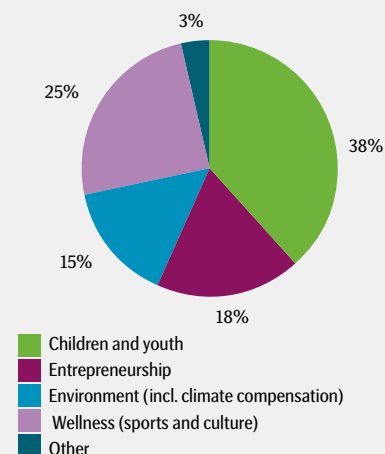


At SEB, we enable our employees to volunteer. By engaging in local community projects, and enabling employees to get involved, we facilitate for SEB staff to build closer relationships with the communities in which they live and work.

In 2011, we allocated some 38 per cent of our community investments in favour of children and youth. We also encourage both employees and customers to donate through our Internet banking channels and by specially arranged fund-raisers.

Occasionally, SEB allocates means for humanitarian catastrophes. We have a selective Group approach. Our policy is to allocate central means, only when there is a strong link to our business, our customers or employees, or when the magnitude of the disaster is widespread and has global effects. Examples include the tsunami in East Asia 2004 and the Haiti earthquake in 2010.

Economic contribution by theme



Key performance indicators

	2011	2010	2009
Economic contribution to social partnerships, including climate compensation and management costs, SEKm	44.8	57.9	30.0
Economic contribution to support entrepreneurship, SEKm	9.0	5.0	5.5
Economic contribution to social partnerships, share of operating profit	0.4%	0.5%	0.7%
Volunteering employees, number of working hours	5,160	n/a	n/a
Employee participation in programme through Mentor, number	725	332	380
Number of children/youth reached by support	30,800	n/a	n/a

Our support for the next generation

Strengthening children and youth

Offering youth a role model

We co-operate with Mentor, a foundation engaged in anti-violence and drug-prevention activities among youth. Since 2001, over 500 youths from Sweden, Lithuania, Estonia and Latvia have participated in a mentorship programme with 500 mentors from SEB. In 2011, SEB organised together with Mentor Lithuania a Royal fundraising gala which raised SEK 380,000. SEB employees spent about 4,800 hours together with their mentees.

Supporting children in shelters

SEB has been engaged in charity for years in the Baltic countries, paying special attention to the next generation and the widespread social problem of children without parental care. In Estonia, we founded the SEB Charity Fund in 2005, committing funds for ten years. Today it is the largest foundation in the country. Fundraising campaigns are organised twice a year. In 2011, the campaign "Happy feet" raised EUR 34,500 to provide new pairs of shoes to children in shelters.

Improved literacy and reading habits

The initiative Room to Read aims to develop literacy skills and reading habits among school children in developing countries. In 2011, our New York office donated \$12,000 to have a reading room built in a primary school in Bhitwar in India. We support the library by providing books and training the librarians and teachers to create engaging literary spaces. We also arranged and underwrote a Room to Read fundraiser together with customers and other business partners which generated USD 70,000.

Supporting entrepreneurs and people with aspirations

An entrepreneurial spirit

As the main sponsor of Ernst & Young Sweden's national Entrepreneur of the Year award, SEB seeks to honour individuals who have built successful businesses through innovation, economic growth, ingenuity, perseverance and hard work. We have been the main sponsor since 2005. SEB also supports the Business Plan Tournament in Lithuania. The initiative is meant to encourage entrepreneurship among young people with an ambition to develop their skills and start their own business.



Youth and business start-ups

In 2011, we expanded our co-operation with Ung Företagsamhet ("Young entrepreneurship") an organisation that works to incorporate entrepreneurship into the Swedish educational system. With our support, full-time staff has been recruited during 2011 to develop relations with schools in the Stockholm area. For several years, SEB has been the main sponsor of Ajujaht ("the Brain Chase"), a nationwide Estonian competition and TV show to find the most innovative business ideas and to support young entrepreneurs. In Latvia SEB sponsors a similar competition and TV show, Firmas Noslēpums ("Company's secret").

Promoting environmental awareness

WWF and the Earth Hour Campaign

SEB is a partner with WWF since the 1980's. In 2011, we participated in the worldwide Earth Hour Campaign for the third year. We switched off the lights in main buildings in various markets and invited customers and the general public to an "Earth Hour unplugged" concert in Stockholm, in partnership with WWF and The Stockholm Concert Hall. We also co-organised the Earth Hour Conference in Stockholm that focused on sustainable cities and the benefit of Private Public Partnerships.

The Oxygene Campaign

Together with Latvia's State Forests, we launched a pan-Latvian tree planting campaign in 2010. Pupils in 800 schools, 30 per cent of the population and the majority of SEB's employees, participated and planted trees. When the campaign was completed in 2011, over 4.3 million trees had been planted and more than 500,000 seed plantings were registred at the website www.skabeklis.lv. The campaign gained recognition for being one of the best ecology and environmental protection campaigns in Europe (European Excellence Awards.)

Baltic Sea Action Group

In Finland, the Baltic Sea Action Group (BSAG) has been founded to encourage concrete action to save the Baltic Sea. 11 sovereign states, some 160 companies, organisations and individuals are committed to develop new green technology, establish research projects, help raise awareness etc. SEB provides funding for BSAG's secretariat and its daily operation. The anniversary of the 2010 BSAG summit was celebrated at SEB's Helsinki office in early 2011, in attendance by the Finnish President and Prime Minister.



Access to financial services

What's the issue?

Access to finance is crucial to economic activity. A responsible bank makes its services available to all people, regardless of economic standing, ethnic origin, disability or other factors. Our goal is to serve our customers whenever and wherever they desire. By sharing our specialist knowledge, we empower people to make more informed financial decisions and contribute to better functioning societies.

Financial literacy

The general public's ability to understand financial matters is important. It allows our customers to make more informed financial decisions and strengthens society.

At SEB, we share our expertise in various ways. Our Chief Economist, Household economists and other experts regularly appears in the media and engages with customers in a variety of forms. SEB's equity, fixed income and FX specialists interact with customers on a daily basis. On average, SEB experts were quoted or interviewed in media three times a week in Sweden in 2011.

We continued to make increasing amounts of our insights available to the general public. One example is the Nordic Outlook report, published four times a year by our economists. During the year our experts published some 40 reports, targeting private individuals, experts, media, and other stakeholders in society.

Developing our technology

SEB has been early to adopt new technology such as the Internet to make financial services more adapted to customer needs. SEB was among the first banks to introduce Internet banking for private and corporate customers.

As a natural part of evolving our access and offering via the Internet, we are devoting considerable resources to mobile access. Smartphones, mobile phones that offer more advanced computing ability and connectivity than contemporary phones, are changing the way customers want to interact with us.

Today, smartphones outsell traditional

personal computers, and mobile phones are shortly expected to be the primary access point for the Internet. We offer all our customers various forms of mobile access to SEB, through iPhone, iPad and Android applications.

Launch of new features

We introduced Mobile Banking as early as 2001, but the service did not really take off until 2010, when we launched an iPhone app and, later, an Android app. We have also added a number of new features, such as the ability to scan invoices optically. Growth has been beyond expectations, with mobile log-ins increasing from 6,000 per month in 2010 to 1 million per month in late 2011. In May 2011, we launched Twitter for communicating with our customers in Sweden, and in Latvia SEB was the only bank whose customers could acquire e-signature through SEB's Internet bank.

In Estonia, we created the mobile banking solution and the new Internet Bank for Business, radically improving access to banking services. Both solutions are currently leading in terms of edge technology and ease of use, according to customer surveys.

We have pioneered the use of self-service banking channels and online/telephone customer service, making it easier for customers to reach us. In Sweden, our telephone customer centre meets customers in more than 20 different languages, including Hindi, Panjabi, Persian, Turkish and Urdu.

Financial services for all

Historically, SEB has developed various tools to facilitate banking for customers with special needs. A good example is the

Mobile Bank of the Year



In 2011, SEB was named Mobile Bank of the Year by the Swedish magazine Mobil. The breadth of SEB's service offering and the possibility to optically scan invoices were mentioned in the award motivation. The winner was selected based on tests by user groups.

security tool "digipass", adjusted for visually impaired.

We are involved in a number of initiatives to make financial services available to all people in our markets, regardless of economic standing, ethnic origin, disability or other factors. SEB co-operates with Eesti Post Office which includes more than 200 post offices all over Estonia.

We support entrepreneurs with a foreign background, partly through our collaboration with IFS, the International Entrepreneur Association in Sweden, and ALMI, a public company charged with promoting growth of small and medium-sized businesses.

Key performance indicators

SEB meeting places and customer interaction	2011
Branch offices	366
Internet bank, number of visits	55 million
Mobile bank, number of visits	8.4 million
Telephone bank in Sweden, number of calls	2.5 million
Facebook, number of visits	200,000
Life insurance intermediaries and brokers	2,200
Expert reports – private and SME, Sweden	30
Research reports on economic development	10

Awards and recognitions 2011

Awarded by

Customers

Best bank of the year, Estonia, Latvia and Sweden	The Banker
Best client relationship bank in Sweden	Prospera
Best at Cash Management in the Nordic and Baltic region	Euromoney
SME bank of the year in Sweden	Privata Affärer
Best Private Bank in the Nordic region	The Banker and Professional Wealth Mgmt
Best bank at risk management, Nordic region	Global Finance
Most satisfied clients compared to peers, Estonia	EPSI Baltic
Best bank, Latvia	EMEA Finance and Euromoney

Employees

Most attractive employer, Lithuania	Verslo Žinios & CV L:T
4th best employer, young professional survey, Sweden	Universum
2nd best employer, young professional survey, Estonia	Universum
Among Top 10 most desired employers, Latvia	CV Market Latvia and Workingday Latvia
Top employer award, Germany	CRF Institute

Sustainability

Nordic Carbon Performance Leadership Index	Carbon Disclosure Project
Gold Category Latvia Sustainability Index	Institute for Sustainability and Corp. responsib.
SEB Estonia 5th in Estonian Sustainability Index	Forum of Estonian Corporate Sustainability
SEB Latvia, bank with highest reputation in Latvia	TNS TRI*M

Sustainability indices

Index provider

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

International commitments

Adopted/signed

CDP Water Disclosure	2010
Carbon Disclosure Project (CDP)	2008
Principles for Responsible Investments (PRI)	2008
UN Environment Programme Finance Initiative (UNEP FI)	2007
UN Equator Principles	2007
UN Global Compact	2004

Contact us

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

Head office

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



Please recycle me!

We like our communications to have an impact on you – but not on the environment. We therefore compensate all emissions related to printed matter. This report is associated with a carbon footprint of 65.4 g CO₂-equivalents per m² printed product, corresponding to 0.2 kg CO₂ equivalents per report. The selected printing company is climate compensated and has ISO 14001 environmental certification. If you no longer have use for this report, please recycle it.



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

© Copyright Skandinaviska Enskilda Banken AB, 2012. All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted, in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise, without the prior written permission of Skandinaviska Enskilda Banken AB.

About SEB

SEB is a financial services group. We offer financial advice and services for people and businesses in Sweden, Estonia, Latvia and Lithuania. In Denmark, Finland, Norway and Germany we have a strong focus on corporate and investment banking. We have been active in society, supporting innovation and growth since 1856. We are present in 20 countries and have about 17,000 employees. SEB signed the UN Global Compact in 2004, through which we are committed to promoting human rights and decent labour standards, protecting the environment and working against corruption.

Our responsibility

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

This report presents our company from a sustainable perspective. It covers our non-financial performance 2011: how we govern and manage our business responsibly to create value for our stakeholders. Our actions span the spectrum from small details to complex questions on the global business agenda.

Eight priorities guide our work.

We know this work will never end.

Visit us: www.sebgroup.com/sustainability

Contact us: cs@sebgroup.com