



CORPORATE SUSTAINABILITY REPORT
How we create value for people, business and environment

2015



SEB

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This is SEB	Cover
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2015 IN BRIEF

54 %

We reduced our total carbon emissions with 54 per cent from 2008 to 2015. Page 24

80 per cent

of our employees

highly

recommend SEB as a workplace. Page 26

We were involved in 70 entrepreneurial activities and met **10,000** people. Page 31

Over **500 green bonds** have been issued at a value of nearly USD 100 billion of the approximately 100 issuers. Page 22

We decided to **phase out coal**. Page 20

In the Baltics, over 200 employees educated **5,500 youths** about private finances. Page 29

We reached **15 million** people globally through our micro finance funds. Page 18

SEB SUSTAINABILITY REPORTING



- ANNUAL REPORT**

A comprehensive guide to SEB's business performance in 2015, strategy and vision going forward, risk management and corporate governance.
- SUSTAINABILITY REPORT**

SEB's ninth sustainability report describes performance in 2015 and future ambitions to create value for people, business and the environment.
- CS FACT BOOK, GRI-INDEX G4**

The Fact Book contains key data from SEB's areas Responsible Business, People and Community and Environment, as well as Global Reporting Initiative Index.
- CORPORATE WEBSITE**

Full description of SEB's sustainability work. Visit to download reports, policies and other documents. www.sebgroup.com/sustainability

WHO WE ARE

*We are strongly committed to deliver customer value.
We build on our heritage of entrepreneurship, international
outlook and long-term perspective.*

Our purpose

We believe that entrepreneurial minds and innovative companies are key to creating a better world. We are here to enable them to achieve their aspirations and succeed through good times and bad.



Our vision

To deliver world-class service to our customers.



Our strategic ambition

True customer centricity in a digitised world.



Our strategic priorities

- Leading customer experience
- Maintaining resilience and flexibility
- Growing in areas of strength



SEB's financial targets		
	OUTCOME 2015	OUTCOME 2014
Dividend payout ratio of >40 per cent of earnings per share	66% ¹⁾	63%
Common Equity Tier 1 capital ratio of 150 bps > requirement	18.8% ²⁾	16.3 %
Return on equity competitive with peers	12.9% ³⁾	13.1 %

1) SEK 5.25 per share (4.75). Outcome excludes one-off item(s). Outcome incl. one-off item(s) is 69 % (54).
2) Regulatory requirement as of the fourth quarter of 2015: 16 %.
3) Outcome excludes one-off item(s). Outcome incl. one-off item(s) is 12.2 % (15.3).

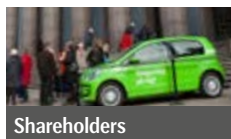
≈160

years in the service of enterprise

WHAT WE DO

SEB plays an active part in the development of the societies in which it is operating. In Sweden and the Baltic countries we offer financial advice and a wide range of financial services. In Denmark, Finland, Norway and Germany, our operations have a strong focus on a full-service offering to corporate and institutional clients.

SEB meets stakeholders needs...



...generating value...



DISTRIBUTED VALUE

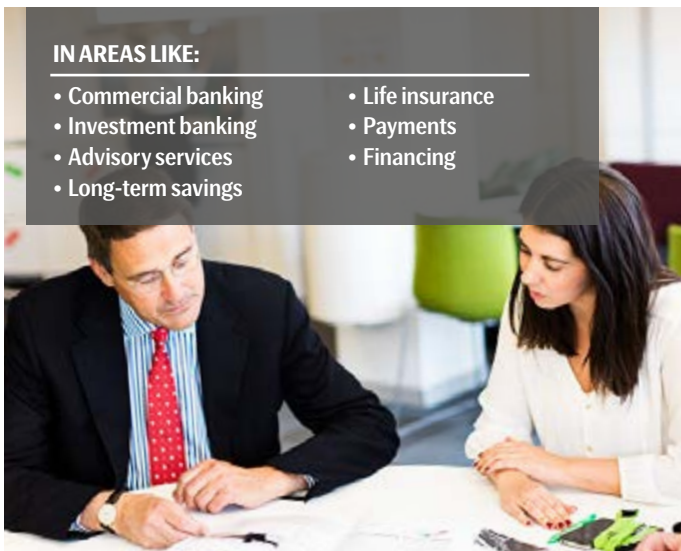
SEK 59bn

- Interest paid to customers
- Dividends paid to 270,000 shareholders
- Salaries, pensions and benefits to 15,500 employees
- Payments to 13,000 business partners and suppliers
- Taxes and fees

...via our services...

IN AREAS LIKE:

- Commercial banking
- Investment banking
- Advisory services
- Long-term savings
- Life insurance
- Payments
- Financing



...and different channels

252

branch offices in Sweden and the Baltic countries

158

million visits online

20

international sites

165

million mobile bank interactions

24/7

telephone bank services

200

client executives for large corporates and institutions



WHOM WE SERVE

Customers always come first. Our deeply committed 15,500 employees work together as a team to serve our customers.

LARGE CORPORATIONS

SEB's corporate customers in the Nordic region are among the largest in their respective industries. In Germany they range from large mid-corporates to large multinationals.

2,300
large corporations



FINANCIAL INSTITUTIONS

The institutional clients operate both in the Nordic countries and internationally.

700
financial institutions



CORPORATE CUSTOMERS

In all, SEB serves approximately 400,000 small and medium-sized companies in Sweden and the Baltic countries. Of these, some 257,000 are home bank customers.

257,000
home bank customers



PRIVATE CUSTOMERS

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

1.3
million home bank customers





“I am proud to say that we last year made clear progress and enhanced our efforts for a sustainable society in several ways.”



Some 3,000 people joined when SEB employees were invited to discuss SEB's long-term vision.

SEB was present at the UN headquarter in New York when the world agreed on the 17 sustainable development goals.

Photo: Elisabeth Ohlson Wallin (above), Niklas Munter (mid) and UN Photo/Cia Pak (below).



ENHANCED EFFORTS FOR A SUSTAINABLE SOCIETY

FOR MANY YEARS, we have worked to integrate sustainability into our business. This is a long journey with no end, but we are now starting to see clear results. We are determined to continue to create value in society.

AS A BANK, we are naturally influenced by developments in the world and the global economy. Looking back at 2015, it has been a year marked by severe challenges. Economic growth is fragile and the markets volatile. The geo-political situation and refugees from instable and conflict-ridden regions have created tensions and led to increasing protectionism.

At the same time, several events create hope for the future. The climate agreement that was reached in Paris and the commitment to the UN's Sustainable Development Goals are key achievements which will hopefully urge the world's nations to take action. For the first time, the business community was recognised as a driver for innovation and sustainable development. The financial sector's importance and large indirect impact is now widely acknowledged.

We commit to initiatives like the UN Global Compact, the Principles for Responsible Investments and the Equator Principles and we work persistently to integrate sustainability into our business strategy, processes and offerings. With a long-term perspective and in close relationship with our customers, we support them to manage their challenges and to seize opportunities.

MAKING CLEAR PROGRESS

I am proud to say that we at SEB last year enhanced our efforts and have made clear progress. We decided to phase out coal, we signed the Montreal Pledge and reduced our CO₂-emissions with 54 per cent from 2008 to 2015. Our new funds with positive selection, e.g. SEB Sustainability Fund Global, are unique in its kind, based on digitised analysis. Three micro finance funds reach more than 15 million people, an increase with more than 70 per cent in a year.

The market for green bonds has grown rapidly and is now an established part of the global capital market. The issuance of these bonds reached all-time high with USD 43.2 billion, of which SEB's issuance accounted for USD 2.7 billion. Through our partnerships, we supported the development of local communities with MSEK 61.5.

RAISED AMBITION

We want to be a role model in sustainability within the financial industry. To reach this, we will continue to focus on promoting climate friendly and resource efficient solutions, sustainable investments, and on supporting entrepreneurship to drive economic development and create new jobs. We will continue to reduce our own environmental footprint, in particular reducing our CO₂ emissions with 20 per cent by 2020. These are now clearly stated goals in our business plan.

"We aim to be a role model in sustainability within the financial industry."

COMMITTED EMPLOYEES

Our competent and committed employees are an absolute prerequisite in achieving these goals. During the last years, the engagement from colleagues from all parts of the bank has reached new levels. Our employee survey shows that there is an increased belief in the importance of sustainability in our business. I am also glad to see the great willingness to contribute in daily work-life and to "do good" at special occasions, as in September when employees donated SEK 1.1 million to refugees and SEB matched with the same amount.

Looking ahead, we know that business conditions will continue to change, both in terms of economic, social and environmental development. We cannot fully predict in what direction and in what pace, but we know that we must work intensely, with hearts and minds, to meet these new conditions. Conducting our business responsibly while enhancing our positive impact to societal development is a matter of course.

Stockholm, February 2016



Annika Falkengren
President and Chief Executive Officer

SEB CREATES VALUE

CUSTOMER CENTRICITY, LONG-TERM PERSPECTIVES AND FINANCIAL STRENGTH form the foundation for meeting the expectations of customers, employees and society at large. Ultimately, this creates value for the shareholders.

STAKEHOLDERS

1.6 MILLION CORPORATE AND PRIVATE CUSTOMERS

The customers' needs form the foundation for the bank's business. Customers' high expectations on sustainable solutions and quality advice and service drive the bank's business development and offerings.



15,500 EMPLOYEES

SEB's employees build and deepen customer relationships. Their commitment, skills and experience are key success factors for the bank's business and future development.

270,000 SHAREHOLDERS

The capital provided by SEB's shareholders is a prerequisite for conducting the bank's business. The shareholders expect a competitive and sustainable return on their capital. Many of the major owners have a long-term perspective on their engagement in the bank.



SOCIETY AT LARGE

Banks play an integral role in society and are vital for creating economic growth and social value. With this comes expectations that the bank takes great responsibility in how it pursues its business and thus acts to enable society to continue to develop in a long-term sustainable way.

SERVICES

LONG-TERM STRATEGY

SEB's strategy is built on developing deep customer relationships with a long-term perspective.

See Annual Report page 6.

CUSTOMER-ORIENTED OFFER

SEB provides proactive quality advice and a holistic offering at the customers' convenience, based on customer insights.

See Annual Report page 14.

SECURE AND FUNCTIONAL IT

SEB's IT structure ensures stability in the daily operation and agile development of digital products and services.

VALUE

FINANCIAL STRENGTH

Financial strength gives the resilience and flexibility required to serve customers over the long-term.
See Annual Report page 29.

GOOD CORPORATE GOVERNANCE

Corporate governance is based on clear allocation of responsibility, a well developed structure for internal control and ownership involvement.
See Annual Report page 46.

SOUND RISK CULTURE

To meet customers' needs SEB assumes and manages risks. These are mitigated by prudence, risk awareness and expertise throughout the organisation.
See Annual Report page 40.

FOR CUSTOMERS

Customers benefit from proactive advice and a wide range of financial services. SEB supports its customers over the long term as a business partner based on insight and trust.
See Annual Report page 14.

FOR SHAREHOLDERS

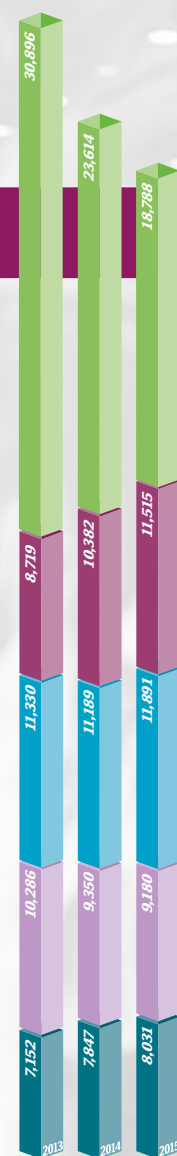
SEB strives for increased dividends and market value over time. Since 2011 the value of SEB's Class A shares more than doubled. The dividend per share increased from SEK 1.75 in 2011 to the proposed SEK 5.25 for the year 2015. See Annual Report page 26.

FOR EMPLOYEES

The employees are highly motivated by SEB as a place to work and show a strong commitment. They take part in and value the opportunities for learning and further development that are integrated in SEB's business.
See page 26–28.

FOR SOCIETY AT LARGE

The bank intermediates financial solutions, provides payment services and manages risks. SEB pays taxes and fees according to local requirements where it operates. SEB takes responsibility in its roles as a provider of financing and as an asset manager and works proactively with environmental, social and governance issues. See Annual Report page 24.



SEB'S VALUE DISTRIBUTION SEK 59bn

- Interest paid to customers
- Dividends paid to shareholders
- Salaries, pensions and benefits to employees
- Payments to business partners and suppliers
- Taxes and fees



GLOBAL OUTLOOK

– RISKS AND OPPORTUNITIES

THE WORLD IS RAPIDLY CHANGING. Growing social imbalances, economic uncertainties, climate change and rapid digitisation are all affecting people and businesses. The business community can contribute by acting responsibly and focusing on opportunities.

SUSTAINABLE DEVELOPMENT GOALS TO IMPROVE THE FUTURE

THE COMMITMENT from the world's nations to the Sustainable Development Goals provides an important step forward. For the first time, the important role of business in contributing to a sustainable world was acknowledged.

We have done an initial analysis of the 17 goals and mapped them towards our eight priorities. This work will continue as we define how to integrate them into the bank's operations and decide what actions to take.



SOCIAL

Migration from countries and regions in distress and afflicted by conflicts has implications at all levels. Welcoming societies face increasing demands for housing, schools, community services and job creation, while successful integration can provide new solutions to societal problems.

Unemployment is unevenly distributed and causes risks for social unrest. So do income inequalities.

An ageing population also puts strains on society and implies that more resources are allocated into health care and pension systems.

DIGITISATION

Rapid digital development leads to raised customer expectations on accessibility, efficiency and speed. New business models and new ways of interacting arise. This also opens up for new forms of collaboration in all parts of the value chain, be it in the

area of infrastructure, the intermediary role, data management or customer interfaces.

Increasing threats of terrorism and cyber-crime highlights the need for crime prevention.

ENVIRONMENT AND CLIMATE

2015 was an important year for the environment. In Paris, 195 states reached an agreement to fight global warming and to keep the global temperature rise well below 2 degrees Celsius. Even though the agreement is neither binding nor specified, it implies that business can be a driving force to reduce emissions through technical change.

In some large growth economies like India and China, environmental degradation has reached dangerous levels. But action is now taken, e.g. China's inclusion of greening its financial system in the 13th five year plan. This also entails export possibilities for Nordic clean-tech companies and environmental leaders.

FUNDING FOR DEVELOPMENT

Financial resources from the private sector will play an important role in reaching the global sustainability ambitions. Financial institutions can support this development by for example supporting trade, private enterprise as well as investments in infrastructure – transportation, energy, health and education. New partnerships are established to

resolve the financing required. In most countries, tax collection is the most important source of public finance.

Companies operating in several countries are increasingly being scrutinised as regards their tax policies. Open disclosure about taxes paid per country of operation is seen as an important first step.

SEB IN A TURBULENT WORLD

The world economy remains frail and development is uncertain. Besides the still developing regulatory requirements, there is an ongoing discussion around the need to change the financial system so that it becomes better aligned with sustainable development.

SEB's response to these various risks and challenges is to embrace change and explore opportunities while enhancing risk management.

We continuously work to improve our own governance and our way of working. We have increased our resilience and flexibility by strengthening capital and cost efficiency.

Through active partnerships and collaborations, SEB aims to contribute to societal development and to support our customers as they address social and environmental challenges.

THE GREENING OF FINANCIAL MARKETS

Klas Eklund, Senior Economist

FINANCIAL MARKETS ARE instrumental in stopping environmental degradation and global warming. Capital needs to be directed towards investment in green technology, assets must be managed in a sustainable way and credits should go to responsible companies.



Authorities can stimulate such actions. Two examples are the Paris COP 21 agreement and the G7 commitment to phase out fossil fuels. The conclusion is that companies whose balance sheets have included fossil reserves must now regard some of those assets as “stranded”.

Valuations of companies

Financial analysts, consequently, must get better at including environmental factors in their analyses. How might global warming affect valuations of companies? How should banks assess their corporate clients' ability to handle challenges from environmental stress? Is management up to the task?

SEB is setting up guidelines for how to deal with a number of environmentally important sectors. New financial products are being born. The green bond market helps issuers tap the immense resources of the capital market for green investments.

Growing markets

Sustainable investment management is being built on active portfolio selection. Our micro funds help many small entrepreneurs to innovate.

Green financial markets are still relatively small – but they are growing rapidly. SEB wants to be – and will be – a leader in this field.

OUR APPROACH

SEB'S SUSTAINABILITY APPROACH targets three areas – *Responsible Business, People and Community and Environment*. We address sustainability issues that are relevant and meaningful for us as a bank and the markets in which we operate.



We are committed to global initiatives such as the UN Global Compact, the Principles for Responsible Investments, UN's Guiding Principles on Business and Human Rights. *For full list, please see Inside Back Cover.*



GOVERNANCE OF SEB'S SUSTAINABILITY WORK

GOOD CORPORATE GOVERNANCE is essential for how we run our business. This allows us to work effectively towards the same goals, also as regards sustainability aspects.

SEB's sustainability work is based on Swedish laws and regulations as well as the internationally recognised guidelines and initiatives that we are committed to. The internal framework primarily consists of our core values, SEB's sustainability related policies, Ethics Policy and our Code of Conduct.

GOVERNANCE STRUCTURE

Board of Directors

Decides on SEB's strategy and sustainability approach and policy.

President and Chief Executive Officer

Decides in the Group Executive Committee on the development and the execution of the sustainability approach. Adopts the Environmental Policy, the Human Rights Policy as well as Position Statements and Sector Policies.

Corporate Sustainability Committee

An operational steering group assigned by the president and CEO. Sets the agenda for SEB's sustainability work, follows up on the development, practices and progress. Chaired by the Head of Group Communications, member of the Group Executive Committee.

Group Corporate Sustainability

Coordinates and drives the overall sustainability agenda within SEB as well as reporting on annual progress.

Local sustainability committees

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

Managers and employees

Each head of division, business area and group function is responsible for ensuring that activities are carried out and instructions are in accordance with applicable policies, such as the Corporate Sustainability Policy.

For information about corporate governance at SEB, please see the 2015 Annual Report, p 46–61.

OUR AMBITION

SEB'S AMBITION IS *to create long-term value from governance, social, environmental and thus a financial perspective. We take responsibility for how our business affects customers, employees, shareholders and society at large.*

WE ARE HERE TO SUPPORT OUR CUSTOMERS and aim to be a knowledgeable and trustworthy partner. We are convinced that a business that encompasses a sustainable perspective is more successful long-term. Although we have made progress in many areas, the journey has just begun and we have much left to learn and do.

SEB aims to be role model in sustainability within the financial industry.

As a bank and financial institution, we promote a sustainable society through the way we conduct invest-

ments, financing, risk management and payments. We have raised our ambition. SEB aims to be a role model in sustainability within the financial industry.

To reach this, **we will focus on:**

- Green finance that promotes climate friendly and resource efficient solutions.
- Sustainable investments, where value creation is enhanced through products with positive impact.
- Supporting entrepreneurship to drive sustainable economic development and contribute to new jobs.
- Reducing our own environmental footprint, in particular our CO₂ emissions, with 20 per cent by 2020.

A prerequisite for achieving this is having engaged and knowledgeable employees as well as conducting our business in a responsible and transparent way.

EIGHT BUSINESS PRIORITIES – OUR AMBITIONS THREE TO FIVE YEARS



Responsible selling and advising

Top customer loyalty. Facilitate customers' own control and understanding of their financial situation. Ensure quality advice based on long-term needs.



Tackling financial crime

Increase utilisation of existing data in order to prevent, detect and respond to fraud.



Responsible investments

Ensure that we perform our ownership role responsibly. Be the leading Nordic supplier within responsible investments.



Sustainable finance

Drive change towards a sustainable society in partnership with our customers. Increase share of positive impact financing with initial focus on climate. Support entrepreneurship.



Reducing our footprint

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



Valuing our people

Be the most attractive employer with a top number of engaged employees and leaders who inspire and drive change. Increased diversity as a basis for innovation.











Investing in communities









Continue to engage for future generations. Support youth and entrepreneurs through active partnerships.



Access to financial services

Improve accessibility of our banking services, using new technology and innovation. Sharing our expertise to customers and the broader community.

	 Responsible selling and advising	 Tackling financial crime	 Responsible investments	 Sustainable finance
OBJECTIVES 2015	<ul style="list-style-type: none"> • Further enhance customer experience and satisfaction in all segments. • Secure relevant and holistic advisory based on the customer's whole economy and needs. • Taking further steps in supporting entrepreneurs and engaging in local communities. • Review and update of SEB's Code of Conduct. 	<ul style="list-style-type: none"> • Launch of new e-learning tools to increase awareness of Know-Your-Customer process and risks of money laundering. • Launch of documentary film on fraud and money laundering cases. • Explore how big data can be used for early fraud detection. 	<ul style="list-style-type: none"> • Continued integration of environmental, social and governance aspects (ESG) in portfolio management. • Enhance communication to support customers around responsible investments. • Further development of ESG focused products, such as green bond fund. 	<ul style="list-style-type: none"> • Continue to grow green product range. • Increase share of renewable energy financing. • Enhanced trainings on sustainability throughout SEB. • Continued focus on dialogues with clients around sustainability, to use this as a tool for better understanding of client needs.
STATUS				
PERFORMANCE 2015	<ul style="list-style-type: none"> • Slight decrease in Svenskt Kvalitetsindex, SKI, for private customers, flat for corporates and large corporate customers, declined among financial institutions. • Overview of pension savings on mobile app. • Launch of the advisory tool for pensions. • Met approx. 10,000 people in 70 entrepreneurship activities. • Code of Conduct updated Feb 2016. 	<ul style="list-style-type: none"> • Documentary film about fraud and money laundering launched successfully and with record view rates. • Big data proof of concept initiated. Start by looking at simple use cases. • Developed scenarios for transaction monitoring. 	<ul style="list-style-type: none"> • Launch of a third micro finance fund and SEB Green Bond Fund. • Signed Montreal Carbon Pledge and disclosed carbon footprint of seven ethical and sustainable equity funds. • Launch of funds with positive selection, focus on water, toxic waste and carbon-emissions. • 76 % of new proposed board members were women. 	<ul style="list-style-type: none"> • Supported The Asian Development Bank, The Province of Ontario and HSBC to the green bond market. • Issued first public green bond in the Baltics. • Hosted climate summits in Frankfurt, Stockholm and New York City. • Position statement on climate change revised. • Workshops on sector policies + position statements with 225 corp advisors in Retail div.
OBJECTIVES 2016	<p>Further enhance customer experience and satisfaction in all segments by:</p> <ul style="list-style-type: none"> • Ensuring quality advice based on long-term needs, while securing regulatory compliance. • Facilitating customers' own control and increased understanding of own financial situation. • Improving existing savings products from a sustainability perspective. 	<p>Prevent, detect and respond to fraud by:</p> <ul style="list-style-type: none"> • Continue development of big data for early fraud detection. • Develop new fraud e-learning. 	<ul style="list-style-type: none"> • Disclose carbon footprint for the majority of SEB managed equity funds. • Introduce ESG rating delivered by Morningstar for all relevant funds. • Better ESG guidance in fund price list, using "Sustainability Profile" and Morningstar ratings, when available. • Increase share of positive selection in traditional pension equity portfolio, e.g. 50 % of global equity portfolio. • Increase ESG engagement in Finland, Denmark and Norway. 	<ul style="list-style-type: none"> • Identify and develop methods to assess new climate regulations, climate related investment trends and assets exposed to climate stress. • Enhance transparency of credit portfolio composition and ways of working. • Revise three sector policies and/or position statements. • Revise and identify areas of improvements in lending and payment products. • Enhance sustainability education throughout SEB.

 Reducing our footprint	 Valuing our people	 Investing in communities	 Access to financial services
<ul style="list-style-type: none"> • Continue to assess our largest suppliers to cover 70 % of our spend. • Continue CO₂ reduction towards –45 % by 2015. • Reduce electricity usage with 5% per year on average. • Increase our renewable electricity consumption to over 90 % of total electricity consumption. • Reduce CO₂ emissions from company cars by 10 % and paper consumption by 11 % vs. 2014. 	<ul style="list-style-type: none"> • Further improve Employee Engagement (+1) through different initiatives encouraging dialogue and collaboration cross organisation. • Certification of OHSAS 18001, international occupational health and safety management systems. • Implementation of development program for potential leaders; Green House. • Increased gender balance at senior managerial level. 	<ul style="list-style-type: none"> • Strengthen impact measures. • Further improve governance and enhance knowledge about our commitments. • Further steps into supporting entrepreneurs in local communities. 	<ul style="list-style-type: none"> • Further improvements and more accessibility for the customers' entire economy in all digital and mobile interfaces. • Further steps in improving customer value through the multi-channel concept with the aim to further enhance accessibility and simplicity for the customer.
			
<ul style="list-style-type: none"> • Assessed largest suppliers covering 87 % of spend. • Delivered on the goal to reduce overall CO₂ emission and achieved a reduction of 54 %, from 2008. • Reduced electricity usage with 10 % compared to 2014. • Renewable electricity 92 % of total. • Reduced CO₂ emission from company cars with 14 %. • Reduced paper consumption by ~17 % compared to 2014. 	<ul style="list-style-type: none"> • Insight result for overall employee engagement + 4 % from 2014. • Alignment in Sweden accomplished in order to meet OHSAS certification. • Green House implemented. • New offerings of modern learning methods, such as rapid-e, easy video, screen-recordings and learning webinars. • Slightly increased gender balance at senior managerial level (73/27). • Female mentoring program launched. 	<ul style="list-style-type: none"> • Support of El Sistema and the music festival "Side-by-side by El Sistema" in Gothenburg. • Mentor activities in Sweden and the Baltics – Increase in "Professional mentors" where the mentors visit school classes. • Venture Cup – SEB provides financial support, services, advising, hosted "SEB-boost" etc. • Partnership with SUP46 to contribute to innovation driven entrepreneurship – we support with advising and free banking services. 	<ul style="list-style-type: none"> • Financial Literacy Roadshow across the Baltics. • "Plain language project" launched in Estonia. • SEB's experts engaged in Swedish network "Like Your Finances" – educational projects in personal finance. • "Voice over" and "Dynamic Type" in app, to both hear information and change the font size. • Increased number of customer agreements available on Internet bank.
<ul style="list-style-type: none"> • Secure sustainable supply chain through continued risk assessments and work with low performers to improve. • Reduce emissions and usage as appropriate to reach new 2020 targets to reduce with 20 %. • Secure continued reduction of distance travelled by air. 	<ul style="list-style-type: none"> • Maintain high level of employee engagement. • Improve gender balance at senior management level. • Increase clarity around development and learning opportunities – launch SEB's Campus Online, digital platform. • Involve all staff in dialogue around new vision, purpose and values. • Upgrade leadership training and tools, in line with new vision. 	<ul style="list-style-type: none"> • Ensure inclusion of education and know-how in all partnership programmes – measured by # of educational hours held. • Maintain level of employee volunteering hours at about 15,000 hours per year. • Facilitate and encourage employees to donate skills and time within partnership programmes. • Maintain # of youths reached at about 10,000 per year. • Facilitate for employees, customers and partners to donate to charity partners – ex giving blood, winter clothing collections, etc. 	<ul style="list-style-type: none"> • Improve customer value through the multi-channel concept with the aim to further enhance accessibility and simplicity for the customer. • Expand use of digital channels among customer groups with low such usage. • Maintain level of financial literacy education.

RESPONSIBLE SELLING AND ADVISING



OUR CUSTOMERS ENTRUST US *not only with their money but also with their aspirations and plans for the future. In a society where uncertainty and complexity increases, we want to be a trustful partner with a long-term perspective.*



THE STARTING POINT for our business is built on our core values – customers first, commitment, collaboration and simplicity. They shall permeate our way of working and form the foundation of our corporate culture. SEB's ambition is to make it easy for customers to manage their finances and plans for the future. Simplicity and access-

ibility is key and we strive for clarity and transparency.

We have raised the ambition as regards customer focus as we know that we have more to do to meet their expectation. Going forward, we want our customers to feel that the advice we provide is insightful and relevant, convenient and accessible on their terms.

ADVISORY

We strive to make sure that our customers understand the consequences of our advice and we continuously deepen and broaden knowledge and understanding among employees. Integrity and high ethical standards shall characterise our way of working. Our Code of Conduct is an important tool that guides us in our business relations. A revision of the Code, initiated in 2015, was completed in February 2016. [Read more on page 15.](#)

In Sweden, 3,494 employees have a SwedSec license, a proof that they have relevant experience in both investment advisory and insurance broking.

In the Baltic countries, SEB has taken the initiative to set up a cross country, cross bank group, with the goal of creating a similar solution.



RESPONSIBLE LENDING

SEB's lending is based on the borrower's repayment capacity. A key component of all responsible lending is to know our customers well and ensure that they can afford to manage their debt. In 2015, SEB's credit loss level was 0.06 per cent.

As regards mortgage loans, SEB was the first Swedish bank to introduce amortisation requirements for mortgages with loan-to-value ratios above 70 per cent. At year-end 2015, 98 per cent of all new home mortgages in Sweden with loan-to-values higher than 70 per cent included amortisation.

Should a customer have repayment problems, we step in early in order to support with long-term viable solutions. This can apply to both private and corporate customers. We have local and global special units to handle these issues, special credit management. In Sweden, Kreditstöd, which cooperates with similar entities in Estonia, Latvia and Lithuania, works directly with customers to establish plans for full loan repayments. SEB does not resell poor loans to debt collection agencies.

COMPLAINTS FROM CUSTOMERS

Should customers have complaints, we believe in addressing them directly and as close to source as possible. If the case cannot be resolved immediately, we contact the customer within two business days with information regarding decisions to act or if the matter needs further investigation. There is a special customer relations team that handles appeals in cases where the customer still does not feel satisfied.

All complaints are registered in SEB's operating risk information system. Every month, reports on selected products are presented and sent to the product and/or process owners. Analyses are made of areas for improvement. Each quarter, a larger report is produced with comparisons to the previous year. In 2015, the number of complaints among retail customers in Sweden decreased by 25 per cent.

AFFORDABLE HOUSING

IN 2015, SEB signed an agreement with **Altum**, a Latvian government-owned development bank, to issue state-supported mortgages to selected families with children. During the first two months, SEB issued 42 such loans with preferential terms.

The objective of the state aid programme is to reduce the first down-payment. Families with one child can receive a state guarantee for 10 per cent of the loan amount for the purchase or construction of a property. Families with two children can obtain a state guarantee for 15 per cent and families with three or more children may receive a guarantee of 20 per cent of the loan value.

Families are granted loans by commercial banks, while Altum is providing guarantees to banks.



FACILITATING DAILY FINANCES



SEB'S AMBITION IS TO PROVIDE solutions that simplify daily life for private customers and give them control and an overview of their personal financial needs. SEB provides advice and service 24 hours a day – digitally, by phone, or through the bank's branch network in Sweden and the Baltic countries. During 2015, the app for private customers has been upgraded. They now get a broad view of savings, home mortgages, insurance and card transactions directly

on their mobile devices. In the Baltic countries, the bank has developed a digital advisory support function that helps customers gain a comprehensive picture of their personal finances and to find the right risk diversification for their financial security. In Sweden, SEB developed a digital signature for pension contracts, as well as a new advisory tool, Trygghetsplaneraren, that gives customers understanding of their future pension.

PROMOTING INNOVATION

THE AVAILABILITY OF accessible and digital services is becoming increasingly important. In 2015, we have had several activities within innovation and entrepreneurship. In **SEB Innovation Forum** in Sweden entrepreneurs and innovators from universities and incubators got the opportunity to present their innovations to established entrepreneurs and companies. These, in turn, brought expertise, networks and capital to the projects they chose to support. Six meetings were held around Sweden with approximately 320 prospective investors and with about 5–6 business ideas presented each time. In the Baltics, similar Innovation forums were held for small and medium business customers to support their growth ambitions.

PROMOTING INTERNAL INNOVATION

During 2015, SEB has also developed the concept **Innovation Lab** in Sweden and the **Employee Lab** in the Baltics, to promote innovative products, services and solutions. Within the labs, employees with new ideas develop and visualize their proposals in a creative environment. The outcomes included projects such as streamlining our leasing processes and creating digital solutions for improved customer experience. More than 300 employees participated and over 30 projects were generated.



Innovation Forum was organised six times in Sweden in 2015, where around 320 prospective investors met entrepreneurs.

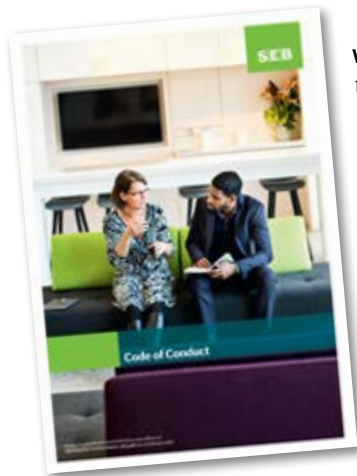


SEB set up the Innovation Lab at Epicenter in Stockholm, an office space designed for digital innovators and entrepreneurs.



SEB employees are behind an innovative app for virtual apartment views. This was one of the first launches from SEB's Innovation Lab.

UPDATED CODE OF CONDUCT



VALUES IN SOCIETY evolve over time. SEB always aims to do business in a responsible manner and we strive to make all employees aware of appropriate behaviour and of how we want to conduct our business.

In 2015, the Bank revised its Code of Conduct, a document that describes and develops

our core values and guides us in our relationships. In the Code, the importance of maintaining SEB's culture as well as every employee's individual responsibility for their actions is underscored.

THE PURPOSE OF THE CODE IS TO:

- describe what the responsibilities are for employees in SEB
- be a guide in business relationships
- be a guide in solving potentially difficult situations
- provide employees with a tool for whistleblowing
- describe to other concerned parties how we act.

DILEMMA OF THE DAY

ALTHOUGH THERE ARE GUIDELINES, it is sometimes difficult to make the correct decision. As a tool for reflection, SEB has developed Dilemma of the Day, a series of stories that present situations that are complex. The stories are published on the intranet where employees vote for the answer they believe is appropriate. A senior person in a relevant position later comments and motivates the ranking of the answers.

The Dilemma of the Day provides a basis for discussions among managers and employees.



WHISTLEBLOWING

IF EMPLOYEES OR OTHER PERSONS should discover suspected irregularities within SEB, possible unethical or unlawful behaviours, he or she should report their observations. Most reports are made to local managers. However, reports are also regularly made to the Head of Compliance and Head of Internal Audit, mostly via telephone or the specific e-mail address.

It is possible to contact these persons anonymously, via an encrypted e-mail service. The identity is kept anonymous

during the subsequent follow-up, enquiries and discussions relating to the matter, provided that we are not obliged by law to disclose it. Notifications come from employees, but issues can also be raised by customers, suppliers and other stakeholders.

All reported incidents or circumstances are promptly investigated and, when applicable, reported to the bank's CEO and the Audit and Compliance Committee.

TACKLING FINANCIAL CRIME



FINANCIAL CRIME IS A MAJOR GLOBAL ISSUE and preventing this is of high priority for us. *SEB is a major provider of loans, payments and other financial services and we see it as our responsibility to protect our customers and the assets that we manage.*

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

WE FOCUS ON THREE KEY AREAS:

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

CYBERCRIME AND ID THEFT

Cybercrime can be described as criminal activity that involves the Internet, a computer system, or computer technology. Examples include computer viruses, phishing and identity theft. Financial institutions are a prime target, even though a shift has been seen toward online merchants, as security efforts within the financial sector have had a deterrent effect on cyber criminals' ambitions.

When it comes to ID theft, recent statistics by UC, Sweden's leading business and credit reference agency, show that the turnover produced by ID thefts has increased by 37 per cent since 2013.

TACKLING CRIME BY USING BIG DATA

One way of tackling the crimes above is by using so called big data. This is often associated with marketing and customer service, understanding the customers' needs better than themselves. But big data can also be used to identify possible fraudulent customers and transactions, and therefore promises to become one of the most prominent adversaries towards cybercrime and ID thefts, mainly because it forms a security layer, permeating all customer activities.

Gathering and formatting relevant data from different data sources is a big task and we have started defining use cases and identifying data sources for the most typical frauds. We will have a prototype ready during 2016 from which we can continue development to a more full-fledged solution.

COMBATTING MONEY LAUNDERING

SEB believes that a sound Know-Your-Customer (KYC) programme is the best method of preventing money laundering. We abide by European Union legislation on anti-money laundering and KYC. We apply enhanced due diligence for customers, products and countries, where there is a perceived risk that the bank can be used for money laundering and financing of terrorism.

AWARENESS

Many types of crime can only succeed if a control fails or if a person is fooled. Because of this, awareness among employees is key in our efforts to prevent crime. In May 2015, SEB launched a new tool for increasing awareness, three short dramatized documentary films that highlighted important points when it comes to fraud and money laundering.



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RESPONSIBLE INVESTMENTS



SEB IS ONE OF THE LARGEST INSTITUTIONAL INVESTORS *in the Nordic region with SEK 1,700 billion in asset under management for private and institutional clients. We increasingly invest in businesses that actively manage the environmental, social and governance aspects of their business as we believe they will be more successful over time.*



SUSTAINABILITY IN OUR FUND OFFERING

IN 2015, SEB has strengthened the role of sustainability aspects in management of all major asset classes. Information is available on www.sebgroup.com and on the Swedish site www.seb.se, the funds are green-labelled and have clear information about the current sustainability criteria.

EXCLUDE – NEGATIVE SCREENING

All SEB funds exclude companies involved in production or marketing of illegal weapons and in the development or production phases of nuclear weapons programmes. Our sustainable and ethical funds do not invest in companies that do not align with international conventions and guidelines, such as **UN Global Compact** and the **OECD Guidelines for Multinational Enterprises** on environmental responsibility, labour rights, human rights, controversial weapons and corruption. Other sectors that are excluded are alcohol, weapons, tobacco and/or pornography. The funds also avoid companies with main revenues from gambling.

INCLUDE – POSITIVE SELECTION

SEB is increasingly using positive selection in fund management, and actively includes companies that perform well

SEB Sustainability Fund Global actively includes companies that perform well within the environmental area.

within environmental areas. In 2015, we launched two such funds, **SEB Sustainability Fund Global** and **SEB Sustainability Fund Sweden**. These funds have stricter exclusion criteria. No investments are made in companies directly involved in the extraction of fossil fuels, oil, coal and gas.

In addition to this, we add positive screening, companies that perform well in three specific environmental areas: carbon emissions, water consumption and toxic emissions. These companies are over-represented in the portfolio.

MEASURING CARBON FOOTPRINT

SEB SIGNED THE MONTREAL CARBON PLEDGE, where investors commit to measure and disclose the carbon footprint of funds. By the year-end 2015, seven of SEB's sustainability funds measured the carbon footprint, including SEB Sustainability Fund Global, SEB Sustainability Fund Sweden and Ethos Equity Fund.

For 2016, the objective is to disclose carbon footprint for the majority of SEB's equity funds. An external research firm assesses the sustainable and ethical funds.

Seven of SEB's sustainability funds measured the carbon footprint.

WORKING FOR A COMMON STANDARD

THE INTEREST AND ENGAGEMENT for sustainability-related issues in investments has grown strongly in the Nordic region, from customers, media and non-governmental organisations. Focus has been on fees versus return, the proportion of active management and on which holdings the funds have, for example, as regards fossil fuels.

Currently, there are varying criteria for sustainability funds, but many market actors are working for a common standard. The Swedish Fund Association works actively for a common industry approach. SEB is also active in other networks such as Swesif, and corresponding organisations in Finland and Denmark.

BILLIONS IN MICROFINANCE FUNDS REACH MILLIONS OF PEOPLE



SEB HAS IN LESS THAN THREE YEARS become one of the biggest actors in Europe. At year-end 2015, the SEK 2.1 billion invested reached more than 15 million micro-entrepreneurs in over 30 countries through microfinance institutions. SEB is the only bank in the Nordic market that can offer institutional customers this kind of investment. SEB's traditional life insurance company invests in microfinance funds which thereby become available for private pension customers.

Read more about micro finance funds at sebgroupp.com/microfinance



ABOVE: Ann Maina and her husband Patrick, provides quality health services to thousands of people outside Nairobi, Kenya. SEB's micro finance funds made it possible.

LEFT: Jane Wangechi's strawberry farm in Kiaragana, Kenya, has grown and she has now employed one permanent person to assist her.

2.1 billion invested

15 million micro-entrepreneurs

+30 countries

INFLUENCING OUR HOLDINGS



WE USE OUR influence as shareholders in the companies we invest in. We have direct and indirect dialogues with the companies, and we are part of nominating committees in the companies in which we are relatively large owners.

SUSTAINABILITY DIALOGUES

We have direct dialogues with corporate management groups and boards of Swedish companies, where we often are among the largest owners. In 2015, we had discussions with portfolio companies around issues such as child labour and corruption. In total, we held 214 dialogues, direct and indirect, with portfolio companies.

As regards international companies we cooperate with other investors through, for example PRI Clearinghouse (for more information see www.unpri.org).

COLLABORATION AGAINST CORRUPTION

Since 2010, SEB has via PRI been part of an international initiative on anti-corruption and has worked to influence companies where there is a lack of clarity regarding the company's anti-corruption work.

In one of the initiatives, which started in 2013, 34 investors engaged in dialogues with 32 companies in areas such as governance, policies and guidelines. In June 2015, when this round of dialogues had come to an end, 28 of the 32 companies had improved. The average rating went up nearly 22 percent.

ACTIVE OWNERSHIP

For our equities investments, we practice active ownership by voting at company annual general meetings (AGM) and by participating in the Nomination Committee in Swedish companies. During 2014 – 2015 we participated in 31 such committees, in companies where we are one of the largest shareholders. We focus on topics such as board evaluations, board compositions and board diversity with a particular focus on female board representation. In 2015, 17 new board members were nominated of which 13 (76 per cent) were women, and of which 11 were new in their role.



SEB SIGNED THE Principles for Responsible Investment (PRI) in 2008. By the end of 2015 100 per cent of assets in SEB's fund company were managed according to the PRI. SEB's fund company represents 32 % of our total assets under management, SEK 1,700 billion. When selecting and evaluating external fund managers, we also want them to have signed the PRI. In 2015, 87 percent of our external managers had signed the PRI.

SUSTAINABLE FINANCE



WE ARE CONVINCED *that we can influence the development towards a more sustainable economy by improving our own work and by collaborating with our clients and support them as they develop.*

RESPONSIBLE LENDING AND SUSTAINABILITY

One of a bank's primary contributions to a sustainable society is responsible credit granting, i.e. not lending more than customers have the capacity to repay. SEB takes on risk only to create customer value and long term shareholder value. Our risk culture is based on long experience, strong customer relations and sound banking principles.

Read about Risk management in Annual Report, page 40–45.

Sustainability aspects are part of our business and credit decisions and we engage with clients around social, environmental and governance issues. Our aim is to understand our clients' strengths and weaknesses as well as challenges and opportunities so that we can be the business partner they need.

As the importance of sustainability aspects increases, we have the ambition to enhance our support also to mid-sized and small corporate customers, especially in light of the forthcoming EU regulatory reporting requirements 2017.



SHIFTING AWAY FROM COAL

Global climate change is one of today's most serious challenges. SEB recognises the importance of limiting the average global temperature rise to below the 2°C target, which makes a transition to a low-carbon economy vital.

SEB has revised and thereby strengthened its Climate Change Position Statement and as a consequence we have decided to gradually shift away from coal. From now, we

will not enter into new business relations with companies with major business in coal mining, nor provide finance for new coal power plants. The latter will only be considered for new coal power plants using special technologies, which substantially reduce greenhouse gas emissions. We can support legacy clients in making beneficial improvements in their transformation away from coal.

POLICIES – SEB'S POSITION

SEB has three position statements – on child labour, fresh water and climate – and six industry sector policies – on arms and defence, forestry, fossil fuels, mining and metals, renewable energy and shipping. The purpose of these statements and policies is to provide a common framework for strategic dialogues around key issues with clients. They are a natural part of decisions in the business committees and an integral part of the credit policy. *Read more about our policies at sebgroupp.com/about-seb/sustainability/how-we-work/policies*



FINLAND TAKING DETERMINED STEPS IN SUSTAINABILITY IMPLEMENTATION

IN SEB FINLAND, a group of sustainability ambassadors was formed, joining colleagues working with financial institutions and large corporate clients. The ambassadors have gathered regularly during the year to develop the sustainability actions for SEB Finland.

Generating dialogue and raising the awareness has been a priority – what does sustainability mean from the bank's perspective and why is it important? How could we better discuss the topic with clients and stakeholders?

“When adopting sustainability as one of the focus areas, our conclusion was to start by educating ourselves. The journey has been great, we've learned a great deal and feel that our colleagues have truly developed into ambassadors with a lot of genuine insight to take forward to the rest of the organisation, and ultimately to the clients”, says **Jukka Honkaniemi**, Head of Corporate Coverage in Finland.

JOINING FORCES

A good step in building sustainability know-how and visi-

“When adopting sustainability as one of the focus areas, our conclusion was to start by educating ourselves.”

bility is participation in local networks such as the cooperation with FIBS (Finnish Business & Society), the leading non-profit corporate responsibility network in Finland. Founded in 2000, the network has currently nearly 300 members, most of them large companies. FIBS' mission is to promote financially, socially and ecologically sustainable business in Finland by supporting its members' CR strategy and initiatives.

SUSTAINABILITY DIALOGUES WITH BALTIC CLIENTS

SEB's Baltic division held a number of meetings with clients, discussing the long-term success of their businesses from a sustainability perspective. Employees took the time to reflect and share experience with customers, also being open about the areas in which SEB Baltic aims to improve. They talked through what the clients purchase, what internal processes have evolved and the end result of what they

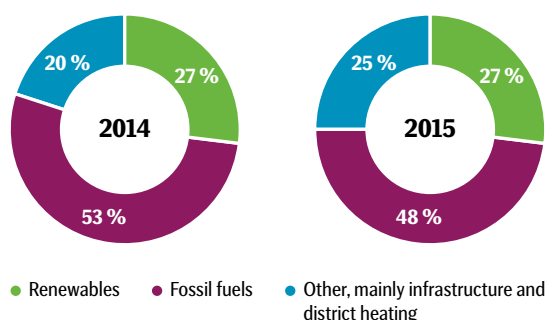
do. Targets and goals were compared, they shared what drives and inspires, making also SEB more sustainable and therefore more successful. Taking the three dimensions from our sustainability approach we reviewed businesses from the environmental, people and governance perspectives.

The result has been a much better understanding of the customers' business and, more importantly, their needs.

REVIEW OF ENERGY RELATED CREDIT PORTFOLIO

In line with SEB's updated position statement on climate change, SEB's energy related credit portfolio is gradually shifting to include more renewables, infrastructure and district heating and less fossil fuel related, with coal only 1 per cent. Renewable energy covers wind, bio-energy, hydro, waste disposal and solar. The portfolio, which is monitored on a regular basis from both a business and risk perspective, represents about 6 per cent of the total credit portfolio, or about SEK 130 (125) billion.

TOTAL ENERGY PORTFOLIO (%)



FORWARD-LOOKING

Transparency and green finance

To meet increasing expectations of transparency as regards sustainability in credit granting, we are investigating alternatives on how to enhance transparency about our credit portfolio and its environmental footprint, as well as on standards we adhere to and our way of working. Some of this work is done in collaboration with the Bankers' Association to facilitate compatibility and comparisons – without limiting competition in any way. Interested parties include supervisory authorities, professional analysts as well as consumers.

One of our focus areas is green finance. We aim to identify the best ways to promote climate friendly and resource efficient solutions. Building on our experience as a pioneer for green bonds, we take a long-term perspective on how we can contribute. Within the context of a financial system that is aligned with sustainable developments we will develop the green bond concept and spin off new products for the capital markets.

GREEN BONDS – AN ESTABLISHED PART OF THE CAPITAL MARKET

THE GREEN BOND MARKET was developed by SEB and the World Bank with a number of forward-thinking Swedish investors in 2007 and 2008. Since then, the market has grown and is now an established part of the global capital market. Companies and organisations seek funding for specific environmental investments, and investors integrate sustainability into their daily portfolio allocation.

Altogether, over 500 green bonds were issued until year-end 2015 at a value of nearly USD 100 billion of the approximately 100 issuers, in all continents, in over 20 different currencies and structured in a variety of ways.

In 2015, green bonds were issued to a value of USD 43.2 billion, according to data from Bloomberg. Since its inception, SEB has been involved in the issuance of 10.8 per cent of all green bonds globally. SEB's share in 2015 was 7.6 per cent. 40 per cent of the total volume of green bonds has been issued on the basis of frameworks where SEB has been the structural advisor.

Established issuers like the World Bank, NWB, City of Gothenburg and Vasakronan continued in 2015 to finance their environmental investments through green bond with SEB help. Among the transactions are:

- **Fortum Värme's** green bond, the largest green bond transaction in SEK to date, finances a biomass-fired CHP plant, the biggest in the Sweden and one of the largest in the world. The biofuel will annually be converted to 750 GWh of electricity and 1,700 GWh of heat, equivalent to the warming of about 190,000 flats, leading to a global reduction of CO₂-emissions by 650,000 tons per year.
- **KfW's transaction** in October, which was the largest single green bonds during the year (EUR 1.5 billion)
- **Latvenergo AS**, which was the first investment grade-rated company in Eastern Europe to issue a green bond
- **HSBC** where SEB was structural advisor

In 2015, the green bond market infrastructure was further strengthened. SEB launched a dedicated Green Bond Fund to private individuals to finance environmental and climate-friendly investments and a sustainable future without compromising on performance. Four multilateral development banks (AfDB, EIB, IFC and the World Bank) launched an initiative for the harmonisation of environ-

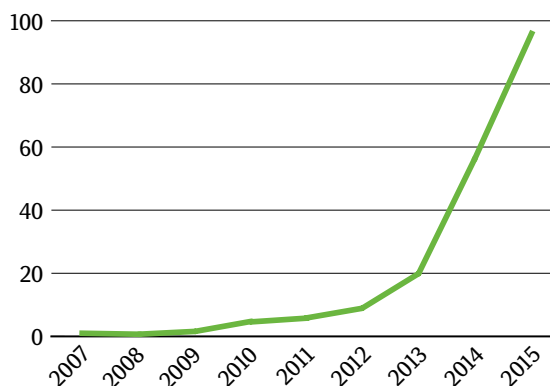


Uppsala has invested in Frodeparken, an apartment building with the largest integrated solar panel front in the Nordic countries. SEB assisted in raising the funding – green bonds amounting to SEK 500 million.

Photo: Anders Tukler.

mental reporting and in July our cooperation partner the World Bank published a Green Bond Impact Report for the 77 projects they have funded with green bonds. Also during 2015, CICERO launched its Shades of Green methodology to offer investors better insights to the “greenness” of their Second Opinions. The climate conference in Paris last year pointed out the direction for how global capital flows must be reallocated towards environmental and climate investments. Green bonds is an vital instrument to realize this.

Total issuance of green bonds (cumulative), USD billion



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.

We have for 2015 had four project finance transaction under the Equator Principles, one category A (projects with potential significant adverse environmental and social risks) two category B (projects with potential limited adverse environmental and social risks) and one category C (projects with minimal or no adverse environmental and social risks). As regards project related corporate loans, SEB was involved in one category A transaction.

POSITIVE IMPACT MANIFESTO

Within the framework of United Nations' Environmental Program, SEB has joined nine other banks around the world in issuing a Positive Impact Manifesto. The manifesto calls for an impact-based approach to banking, offering a vision of the banking sector's central role in achieving sustainable development.

Over the next couple of years the ten banks, will be working with peers, clients, and other stakeholders to deliver a set of Positive Impact Principles that will guide providers of financial services in their efforts to increase their positive impact on the economy, society and the broader environment. Among the other banks are ING (NL), Westpac (AU), and Societe Generale (F).



PROJECTS WITH ENVIRONMENTAL BENEFIT



WINDFARM SUPPLYING GERMAN CITY

SEB is one of the financiers of Stadtwerke München GmbH (SWM) and Entega AG, one of the largest green energy suppliers in Germany. In 2008, SWM set a target to generate green energy in its own plants to supply all of Munich's private households, subways and trams. This was achieved in 2015. SWM also has set the target to supply the entire municipality with renewable energy by 2025. These two targets have an overall budget of around nine billion euro.

One of the energy supplying wind farms is the Global Tech I, a deal that SEB first described in the 2011 CS report. This is one of the first off shore wind parks in Germany and came into operation in September 2015.

Two of the shareholder and key sponsors are SWM and Entega AG. Entega was in 2013 awarded with the

“National German Sustainability Award” in the category “Germany’s most sustainable future-oriented strategy” and its production of green electricity as well as the climate compensated natural gas are strictly and independently controlled and certified.

The Global Tech I offshore wind park is built 180 km off the coast of Bremerhaven in the North Sea. 85 megawatts turbines with a combined output of 400 megawatts generate environmentally friendly wind energy amounting to more than 1.4 billion kilowatt hours per year. The annual savings of CO₂ amount to 1.2 million tonnes compared to traditional coal-fired power stations. SWM's share of the wind park corresponds to the annual consumption of around 140,000 Munich households. SEB is the mandated lead arranger of the EUR 1.9 wind park billion deal.

HIGH-TECH CLUSTER – LITHUANIA

SEB has issued a guarantee for Hidrostatyba UAB. The company has finished the construction of the National centre of physical and technology sciences in Vilnius. The new science centre, together with new Life sciences centre and new modern Vilnius university library will form a high-tech cluster in Saulėtekis valley in Vilnius that will allow for synergies in-between science, studies and business.

DECREASING USE OF ACID – LATVIA

SEB financed an acid neutralization and recovery line for AS Valmieras Stikla Šķiedra, a leading European manufacturer of glass fiber-based products. Implementation of this project will allow to recover up to 80 % of used recycled acid and to reduce sulphate emissions up to 9 times.

GALLOPER WIND FARM – UNITED KINGDOM

Galloper Wind Farm is a new offshore wind farm located approximately 27 km off the coast of Suffolk, England that SEB has been part of the financing for during 2015. The wind farm will have a capacity of 336 MW and is expected to generate enough energy to power approximately 330 000 homes and reduce annual greenhouse gas emissions by more than 190 000 tonnes CO₂, corresponding the removal of 85 000 cars from the road. Up to 700 jobs will be created during construction and around 90 during operation.

RECYCLING OF BOTTLES AND CANS – SWEDEN

Returpack is a privately-owned company which aims to increase the recycling of metal cans and PET bottles in Sweden.



This mission derives from the Swedish government, as well as from the owners of the company, who consist of representatives from the trading and brewery sectors company. In Sweden, almost 90 % of sold aluminium cans and PET bottles are recycled, corresponding to 15,000 tonnes and 20,000 tonnes respectively. SEB contributes to the hedging of raw material as well as currency prices related to these flows of materials.

BIO PRODUCT MILL – FINLAND

SEB has taken part in the financing of the Metsä Fibre bio product mill in Äänekoski, Finland. The bio product mill is the largest investment in the history of the Finnish forest industry. When completed, it is expected to have an annual impact of more than EUR 0.5 billion on Finland's income. After the new bio product mill is fully operational it is expected to lead to 1,500 new jobs within the mill and its value chain. The mill will also increase the share of renewable energy in Finland by more than two percentage points.

REDUCING OUR FOOTPRINT



CLIMATE CHANGE is one of today's most serious challenges. SEB recognises the importance of limiting the average global temperature rise to well below the 2°C target and works also to reduce our direct environmental footprint.

SEB WELCOMES THE ADOPTION of a new, universal climate agreement at COP 21 in Paris, which is a critical step on the path to solving climate change. We therefore actively work to reduce our direct environmental impact, in addition to our efforts as regards our indirect impact.

2015, THE YEAR TO DELIVER

In SEB 2009, set an ambitious target to reduce the annual CO₂ emissions by 45 per cent by 2015, compared to 2008 baseline. Our baseline analysis showed that energy use and business travel represented the most material direct impact of our operations on the environment.

- 54%

Our ambitious target has been met with good margin. By the end of 2015, SEB's total CO₂ emissions amounted to 19,118 tonnes. That means that our annual CO₂ emissions have been reduced by 54 per cent compared to emissions for 2008.

FOCUS AREAS



BUSINESS TRAVEL

From a carbon footprint perspective, business travel remains the most challenging.

More than half of our emissions are related to this. In 2015 we saw a small decline, 4 per cent, in emissions from business travel. However, when comparing 2015 to the 2008 baseline, our distance travelled has increased by 25 per cent and an increase in emissions with 10 per cent. Over the last 3 years we have seen an 10 per cent increase in the distance travelled caused by business expansion as well as internal re-organisations. However, thanks to more efficient airplanes SEB's carbon emission from travelling has remained stable since 2012, despite increased travel distance. However, we have more to do in this area. For the coming years we will increase efforts to offer alternatives to travel. This is also an important aspect in the planning of SEB's new offices in Arenastaden.

The use of video conference and PC video for Sweden has increased 12 per cent and 156 per cent, respectively, when comparing 2015 to 2014.



COMPANY CARS

CO₂ emissions from company cars were reduced by 14 per cent in 2015, compared to 2014. Compared to the 2008 baseline, the reduction was 58 per cent. During the same period, the SEB average car has reduced emitted carbon dioxide by 32 per cent, calculated for the whole fleet.



PAPER CONSUMPTION

We have continued our efforts to reduce paper consumption including internal printing and external physical mailing. Besides using less resources, this is important from a customer satisfaction perspective. Our total paper consumption was reduced by a further 17 per cent in 2015 compared to 2014. Compared to the 2008 baseline, paper consumption has been reduced by 75 per cent.

As an example, we have reduced our physical mailing to clients with over 10 million papers during 2015. 10 million papers correspond to a 1000 meter high pile when papers are laid on top of each other.



ENERGY USE

Energy use in our offices and branch offices has decreased by 32 per cent since 2008.

At the same time, carbon emissions from our facilities have been reduced by 82 per cent. This due to more energy efficient buildings and increased use of renewable energy sources in many of the countries of operation. For 2015, 92 per cent of our electricity supply is based on renewable sources.

In 2015, our electricity consumption was reduced by 10 per cent compared to the year before. Compared to 2008, our electricity consumption has decreased 39 per cent.

RENEWED ENVIRONMENTAL TARGETS

ALTHOUGH WE HAVE REDUCED OUR EMISSIONS with 54 per cent and achieved significant reductions in all areas except business travel, there is more to do.

We will continue to work with minimising our direct footprint. We will further optimise our energy consumption, reduce our use of paper and improve our company car fleet. Special focus will be put on air travel in order to further reduce emissions related to business travel, as this area now accounts for the major part of our carbon footprint.

Our target for 2020 is to reduce our carbon footprint with another 20 per cent and to improve resource efficiency. A new baseline has been established for 2015 including countries and processes that previously have not been accounted for due to limited data availability. Thus besides

the overall CO₂ reduction, the targets for 2020 include a 20 per cent reduction of emissions from business travel, from company cars, paper usage as well as from energy. We also have set a target to reduce our electricity consumption with 20 per cent by 2020.

2020
– 20%

RESPONSIBLE SOURCING – ASSESSING OUR SUPPLIERS

SEB HAS A STRONG AMBITION to contribute to sustainable growth. In our Supplier Code of Conduct we express the importance of having a sustainable supply chain and what we expect from our suppliers.

SUPPLY CHAIN SUSTAINABILITY RISK ASSESSMENT MODEL

To identify the sustainability risks among our suppliers, SEB starts with an initial assessment. The sustainability risk level for each supplier is determined by:

- Country
- Industry sector
- Business criticality (SEB spend with supplier, outsourcing, etcetera)

The risk levels for specific countries and industry sector are provided to SEB by an external partner with extensive expertise on the subject. Suppliers identified in the initial supplier risk assessment as having a potential increased risk level, will be further scrutinized in an enhanced assessment.

SUSTAINABILITY MONITORING PLATFORM

We use EcoVadis sustainability monitoring platform for

managing enhanced assessment and rating of our suppliers. The result from the monitoring is used by SEB as an important input in the supplier selection, as well as for measuring and developing current suppliers' sustainability performance. For suppliers that receive low rating, SEB will support the supplier in driving a positive development of the scoring, with the ambition to improve the rating year to year.

The risk assessment model and the EcoVadis sustainability monitoring platform is also part of SEB's sourcing initiatives and qualification process for new suppliers.

RESULTS FOR 2015

We have during 2015 made a risk assessment of suppliers representing 87 per cent of our suppliers spend. Enhanced third party risk assessments have been finalized for nearly 200 company groups, representing approximately 600 of our suppliers. These 600 suppliers correspond to 63 per cent of our annual spend. Of these suppliers only one supplier is to be seen as a high risk supplier based on the third party enhanced assessment, due to limitations in policies and performance. SEB will during 2016 continue to monitor our supply chain for potential risks and work with low performing suppliers to improve their performance.

A BRIEF ABOUT OUR SUPPLIERS

Top five per cent of our suppliers represent 79 per cent of total spend.

Our largest suppliers are mainly within Professional services, Facility management, Information technology and Banking services. These are mostly global and Nordic/Baltic regional companies.

We have a long tail of small suppliers. Suppliers with less than 500,000 SEK represent 87 per cent of total number of suppliers and about 6 per cent of total spend.

79
5



Photo: Niklas Munter.

VALUING OUR PEOPLE



SEB STRIVES TO BE A WORKPLACE *that attracts and retains people who want to grow and develop, and who are committed to supporting our customers to reach their goals. We provide scope for development and want our people to feel valued, included and engaged.*

THE BANKING SECTOR is undergoing fundamental change. Customer and stakeholder expectations, new technology and the regulatory framework will continue to transform our business. This makes it increasingly important to attract and develop employees with the right competences and values.

Working at SEB means both individual commitment

and being part of a team. Employees, who are encouraged, challenged and who take responsibility for their personal development, will grow and contribute to the long-term success of our business. In order to create an effective organisation, SEB focuses on developing leaders as well as building and strengthening teams along with cross-collaboration.

EMPLOYEE SURVEY

In the employee survey Insight, we measure Employee Engagement and Performance Excellence. The scores increased for the third year in a row and were once again higher than the average for the financial sector. 80 per cent recommend SEB as a good place

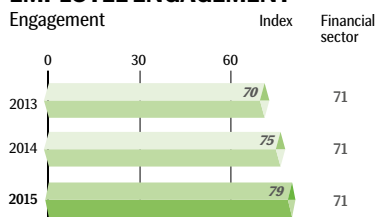
to work. 84 per cent say they feel proud to work at SEB, an increase of 10 percentage points compared with 2013.

Among the improvement areas were effective systems and processes for supporting customers, stronger internal cooperation, and clearer

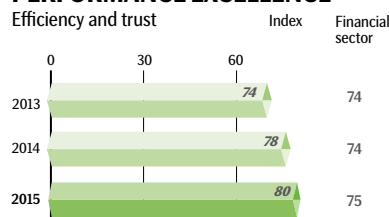
development paths within the Bank.

In open meetings and with supporting tools for dialogue and collaboration, managers and employees in all divisions and countries have worked with the survey results based on their respective strengths and weaknesses.

EMPLOYEE ENGAGEMENT



PERFORMANCE EXCELLENCE



AMBASSADORSHIP

	2015	2014
I am very satisfied with SEB as a place to work	89	86
I would highly recommend SEB as a place to work	80	76

SEB'S PEOPLE STRATEGY is built on four cornerstones through which we aim to ensure that SEB has the organisational capabilities to meet a changing environment.

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

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



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

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

REVISED CORE VALUES

In order to meet future needs, SEB has revised its core values. These provide the foundation for everything we do and they give us an inner compass to follow in our daily work.

- ✓ **Customers first**
- ✓ **Commitment**
- ✓ **Collaboration**
- ✓ **Simplicity**

CUSTOMERS FIRST – we naturally put our customer's needs first, always seeking to understand how to deliver real value.

COMMITMENT – we are personally dedicated to the success of our customers and are accountable for our actions.

COLLABORATION – we achieve more because we work together. We share, challenge and learn from our experiences as a team.

SIMPLICITY – we strive to simplify what's complex. We value our customers' time by being accessible, straightforward and transparent.

TALENT ATTRACTION

SEB works strategically to attract the best people with the skills, experiences and behaviours we need in order to remain successful. We build relations with potential employees at selected universities and networks through seminars, workshops and dialogues. Social media is important for communication with targeted groups and to build relations and talent pools for recruitment. Three programmes aim to attract and recruit students and young professionals; **The International Trainee Programme**, **IT Young Professionals Programme** and **Merchant Banking**

Summer Internship. These programmes are important channels for SEB to attract new competencies, views and mind-sets in the bank.

SEB strives to increase internal mobility to retain and inspire present employees. An internal career web page, career days and shadowing days aim to show examples of career paths and development opportunities, and highlight vacancies. A yearly process is used to identify and develop talents as well as monitor progress on how people develop within SEB.

LEADERSHIP AND LEARNING

SEB offers several global development programmes and makes it possible for employees to build necessary leadership qualities and develop both personally and as team members. Managers in the bank are increasingly involving employees and are better at driving change, collaborating, and communicating; this is visible in the Insight results.

Continuous learning through day-to-day activities is a key prerequisite for our ability to effectively and smoothly

adapt to new circumstances, such as new customer expectations or changing demands from regulators and lawmakers. To facilitate learning, modern methods and effective tools are used, such as short films, interactive presentations and web-based trainings.

During 2015, SEB developed its own internal campus. In spring 2016, this will be launched on a digital platform that will be easily accessible for all employees.



HEALTH AND WORK ENVIRONMENT

An engaging and sound work environment encourages high quality performance as well as high employee satisfaction and loyalty. SEB's health strategy focuses on preventive measures. It aims to motivate employees and raise knowledge about the significance of lifestyle and the work environment for them as individuals. The strategy is based on the latest research findings and incorporates recommendations from SEB's health science council.

Total sickness-related absenteeism at SEB in Sweden is 2.8 per cent, a slight increase since 2014 (2.4 %), but still low compared with other industries and peers. We have strengthened our focus on stress-related absenteeism, for example by having stress prevention as a main topic in our leadership trainings. We have also created a 'health and work environment index' in our employee survey linked to

the dimension 'work life balance' in order to support the organisation.

EMPLOYEE STATISTICS¹⁾

	2015	2014	2013
Total headcount, incl part-time	16,432 ²⁾	16,767	16,717
Sweden	8,298	8,383	8,558
Germany	707	838	1,003
Baltic	5,097	5,198	5,015
Employee turnover, %	9	8.9	11.1
Sick leave, % (in Sweden)	2.8	2.4	2.4

1) End of year

2) Average number of full-time equivalents 15,605.

DIVERSITY

We believe that different perspectives enhance creativity and problem-solving, and contribute to good decisions. In turn, this benefits our customers and society at large. We continuously strive to improve our processes – from how we advertise and recruit to how we develop and communicate with our employees.

SEB MEMBER OF ESTONIAN DIVERSITY CHARTER

SEB is a member of Estonian Diversity Charter, uniting 68 members. In this value-based document, companies and public sector organisations pledge to uphold the principles of diversity and equal treatment among employees, customers and cooperation partners.

The members share best practices and organise trainings

and conferences. The activities are coordinated by the Estonian Human Rights Centre, an independent human rights advocacy NGO dedicated to the advancement of protection of human rights in Estonia and abroad.

LABOUR RIGHTS

The ongoing cooperation with the European Works Council (EWC) has increased further and we have initiated negotiations for a new agreement. Concerning labour rights SEB follows local collective agreements and national legislation in the countries where we are present.

MANAGEMENT BY GENDER

	2015		2014	
	Male	Female	Male	Female
Senior managers	73 %	27 %	75 %	25 %
Middle managers	59 %	41 %	62 %	38 %
First line managers	49 %	51 %	48 %	52 %
All managers	56 %	44 %	57 %	43 %
Staff	42 %	58 %	41 %	59 %



**diversity
enriches**

ACCESS TO FINANCIAL SERVICES



ACCESS TO FINANCE AND BANKING SERVICES are crucial for economic growth. By sharing our specialist knowledge, we empower people to make more informed financial decisions and contribute to better functioning societies.



SHARING OUR KNOWLEDGE

We continuously work to improve financial literacy in society. Our experts produce several reports every year and involve in activities where they meet and interact with the general public. Examples include chats on public web sites, Twitter, educational YouTube-films or through our blog portal Green Room.

In 2015, SEB organized a **Financial Literacy Road Show** across the Baltics with the aim to educate youths to deal with their private finances and to inspire them for the future. So far, 213 employees have visited 190 schools and met around 5,500 youths. SEB has also developed the documentary drama "Tomorrow came yesterday" in the Baltics, about the changes we might experience over the next 30 years by translating future scenarios into clear and everyday life situations. Around 290,000 people watched the drama.

In Sweden, SEB engages in **Like Your Finances**, a network that conducts educational projects in personal finance for different target groups like employees, pensioners, students and immigrants. The aim is to increase consumer personal financial skills and boost the personal financial confidence. In November 2015, around 90 teachers and school managers gathered at SEB to discuss youth's attitude to finance.

PENSIONS IN PLAIN LANGUAGE

SEB Life and Pension in Estonia has launched a "**plain language project**" where they have created new contract terms and conditions which are both legally viable and easy to understand. The project promotes both financial literacy and increased transparency.

During SEB's Financial Literacy Roadshow across the Baltics, 213 employees visited 190 schools and met around 5,500 youths. 150 expert reports were published in Sweden and the Baltic countries.

ACCESSIBLE TO ALL

Our ambition is that all banking services that we provide in our digital platforms and branch offices should be adapted and accessible to all individuals with their different needs and abilities. Basically all our branch offices are suitable for disabled persons and SEB's telephone customer service is open 24 hours a day, all year.

In Sweden, personal customer service is available in 25 languages. Our apps have the support of so-called "Voice over" and "Dynamic Type" to enable listening to information and to change the font size. We offer our security tool Digipass adjusted for customers that are visually impaired to facilitate banking services via the Internet, the telephone bank and the self-service Bank by Phone.



FORWARD-LOOKING

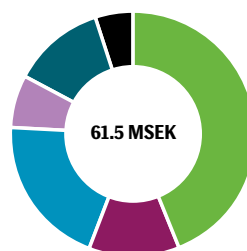
As a bank, we see the need for making our services available to all groups in society, from new immigrants, to people who for various reasons have limited access to digital services. By increasing the availability of our services, we want to support people who otherwise might not be able to take part in society to the full extent.

INVESTING IN COMMUNITIES



SEB WANTS TO CONTRIBUTE to building a society we all want to, and can, be part of.
*In addition to the role that our business plays, we support local communities.
 We share both time and money and work with carefully chosen partners.*

AT SEB, WE ENGAGE for future generations. We support the development of local communities, in active partnership with organisations and institutions in our home markets. We focus on innovation and entrepreneurship, children and youth as well as education and know-how.



• Sports and culture	27.0 MSEK	44%
• Youth	7.3 MSEK	12%
• Entrepreneurship	12.1 MSEK	20%
• Education	4.6 MSEK	7%
• Donations	7.3 MSEK	12%
• Memberships and in kind giving	3.2 MSEK	5%

**2,2
MILLION**

A clear proof that SEB's employees want to engage is our collection for the Syrian refugees that took place in early September 2015 through Save the Children. Within a week,

the employees in the Nordic countries, Germany and the UK donated a total of 1.1 million Swedish kronor, after which SEB matched with the same amount. In total, SEB donated SEK 2.2 million.

EDUCATION AND YOUTH

IN SEB WE ACTIVELY support research, education and innovation. We engage in several programmes with universities, both by contributing to professorships and research projects and by partnerships for students in Sweden, around the Nordics and the Baltics. In Latvia, we support and cooperate with **Stockholm School of Economics SSE Riga** and **SSE Riga Sustainable Business Centre** where we are involved in the production of the Shadow Economy Index and the Retirement Readiness Index. We have granted scholarships to 25 students in Latvia for the school year 2015/2016, through our partnerships with the social rehabilitation NGO's "Livslust" and the Vītols Fund. In Sweden, SEB engaged in **World Values day**, a meeting point where students and professionals built values and self-awareness. Since 2013, SEB has

Over 7,000 donors help more than 1,000 children

organized the contest **Dream Challenge** in different schools around Stockholm together with the organization A Million Minds with the aim to encourage students to set up goals for the future. The programme has engaged 650 students

over the three years and around 150 students during 2015.

ENGAGEMENT FOR CHILDREN AND YOUTH

SEB contributes to children and youth in need of extra support. **SEB Charity Fund** is among the largest charity foundation in Estonia with over 7,000 regular donors that are able to help more than 1,000 children from shelters and foster families. In Latvia, SEB partners with the **SOS Children Villages** that provide support for young people and engage both employees and customers in volunteering and donations. In Lithuania, SEB is main supporter of the largest nationwide fundraising campaign **"Dreams Come True"** in order to raise money and provide support for ill children.

BUILDING TRUST AS MENTORS

Since 1997, SEB has partnered with Mentor, a foundation focusing on drug prevention among youth, aiming to create relationships and build trust between young people and adults. Employees are involved as mentors, either individually for one young person, in school classes on several occasions, or for just one day at a school. Students visit SEB's offices, to get a glimpse of how it might be to work in a bank. Through Mentor, our employees are given the opportunity to make a contribution to society, while developing themselves and their own leadership.

SUPPORTING ENTREPRENEURS

SEB HAS A LONG TRADITION of supporting entrepreneurs and small companies. We have partnerships at all levels, illustrated by the “entrepreneur staircase”. In Sweden, we were involved in 70 activities where we met around 10,000 people. 275 SEB employees were engaged and invested 1,700 hours.

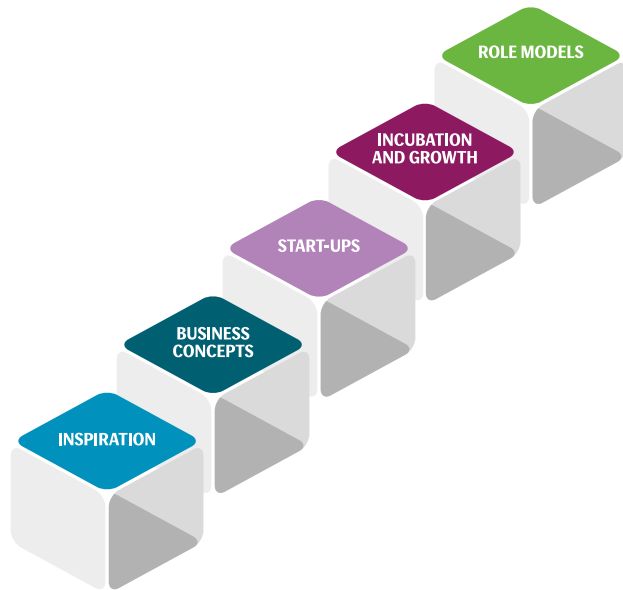
Among our partnerships are **Swedish Prince Daniels Fellowship, Brain Hunt, IFS, Entrepreneur of the Year, Business Challenge, Vega Fund** and many more. For start-ups in Sweden, **Nyföretagarcentrum** is the leading organisation to support the creation of new viable businesses. The organisation provides free advice to people who aspire to start their own business.

We also partner with the start-up incubation hubs **STING** and **SUP46** (Start-up People) where we offer business advice and free banking services. In 2015, SUP46's 50 member companies created 125 new jobs. Four people from SEB have been engaged in SUP46 for 75 hours.

PROMOTING NEW BUSINESS IDEAS

SEB is a national partner to **Venture Cup**, which is the leading contest for those who want to develop their business idea into a successful business concept. During the year, SEB has provided financial support, awarded prizes in the Venture Cup finals and hosted an event where all Sweden finalists had the opportunity to get inspiration and advice.

SEB is also engaged in the competition “**Settler of the Year**” for people of foreign origin that live in Sweden and started a company with limited resources. In addition, SEB works actively with **Junior Achievement**, both in Sweden and the Baltics. It is a programme for high school students who get the opportunity to run their own business during a school year.



“Few people probably realise how much hard work is needed to create innovative products and services. But start-ups get lot of energy when large companies like SEB show that they support and believe in us. This is what makes us rise again after defeats and continue to change the world.”

Rosie Linder, Peppy Pals



PROMOTION OF MUSIC AND LEARNING

SINCE 2005, we support the Royal Philharmonic Orchestra in Stockholm and the Gothenburg Symphony Orchestra. Through these partnerships, we support the school concert concept El Sistema, a non-profit organisation that uses music education as a tool for development of children and youths.

The collaboration with El Sistema is a long-term commitment. In June 2015, the music festival “Side-by-Side by El Sistema” was held in Gothenburg, where more than 3,000 children and youths from around the world met to play music and sing together.

SEB and the Stockholm Concert Hall have also developed Konserthuset Play, a web portal with recorded concerts with the Royal Philharmonic Orchestra and educational films about music instruments for children and youths. The aim is to make the concerts more accessible and inspire to music and learning.



More than 3,000 children and young people from around the world met to play and sing together at “Side-by-Side by El Sistema”. Photo: Alejandra Fernandez.

ENGAGING WITH STAKEHOLDERS

STAKEHOLDERS' VIEWS and expectations are critical for our continuous development and ability to create long-term value. Engaging with SEB's stakeholders and incorporating their feedback is therefore instrumental to the success of SEB's sustainability work.

We identified our key stakeholders in 2009, through a thorough analysis which we review every year. Customers remain in focus, but we continue to have an active dialogue with all key stakeholder groups. We use a range of mechanisms for engagement, gathering and monitoring of important feedback across our business.

Stakeholder dialogues help us develop our approach to sustainability and to integrate sustainability throughout the business.



STAKEHOLDERS AND ENGAGEMENT CHANNELS

MAIN ISSUES DURING 2015

CUSTOMERS

Customer insight surveys, focus groups, feedback and complaints received via our customer advisors and relationship managers, telephone banks and local branch teams, social media, surveys such as Prospera, Needscope, SEB Brand Tracking, Reputation Index, SKI (Swe), Finansbarometern (Swe).

- Customer experience and service
- Proactivity
- Customer service across all meeting points
- Accessibility of e-services
- Business ethics
- Transparency and openness
- Sustainability in product offering

EMPLOYEES

Annual employee survey, open internal chats with executive management, town hall meetings, value dialogues, SEB Way transformations and weekly continuous development meetings, leadership development programmes, Workers Councils meetings; annual workplace, health and safety reviews.

- Development/career opportunities
- Organisation and culture
- Leadership
- Transparency and openness
- Health/work life balance
- Working with sustainability
- Social engagement
- Remuneration
- Work methods and IT systems

SHAREHOLDERS, INVESTORS AND ANALYSTS

Surveys such as Bloomberg, RobecoSAM, Vigeo, Sustainalytics, Oekom and Imug. Road-shows, investor meetings, briefings, engagement dialogues, questions received prior to and during AGM's and in connection with result presentations.

- Sustainable growth and return
- Financial strength and resilience
- Risk management
- Sustainability management performance
- Human capital development
- Transparency

GOVERNMENT AND REGULATORS

Economic and policy trend analysis, industry forums, bi-lateral and multi-lateral meetings.

- Regulation
- Consumer debt levels
- Anti-money laundering
- Investment advice
- Personal integrity issues
- Sustainability in credit granting and in investment management

SUPPLIERS AND BUSINESS PARTNERS

Questionnaires and individual meetings, supplier screening process.

- Strategic partnerships
- Accountability

COMMUNITIES, CIVIL SOCIETY ORGANISATIONS, CONSUMER ADVOCATE GROUPS, MEDIA

Research – general public, local community engagements, round table discussions, regular meetings with NGO's, mentoring, volunteering, CS forums, research papers, media coverage.

- Job-creation
- Ethical behaviour, transparency
- Sustainability in financing and investments
- Climate change
- Local community support
- Profitability versus customer value

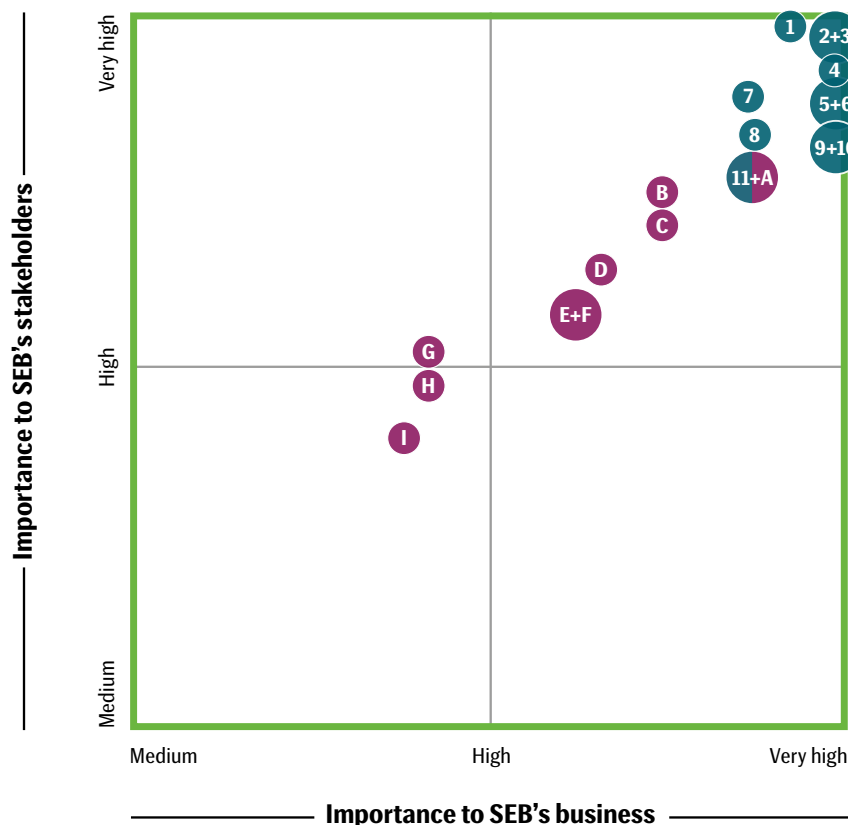
OUR MATERIAL ISSUES

MATERIALITY IS ABOUT IDENTIFYING THE ISSUES *that are of most concern to our stakeholders as well as to our own business. They influence stakeholders' perception of our performance and impact our ability to create and sustain value.*

SEB'S PROCESS ON IDENTIFYING THE MOST MATERIAL ISSUES is based on an on-going engagement with our stakeholders in combination with our own assessment of issues that are of strategic importance for our business. The essential input gained from stakeholders is complemented by desk research on emerging societal, economic, environmental and business trends impacting our business. Issues identified are evaluated from both a stakeholder perspective and how they influence with SEB's ability to create and sustain value

on a three to five year perspective. This input forms our strategic approach and guides our focus for reporting.

Although many issues remain material over time, we have identified a few issues that have become more important during 2015. The main movers are Resource efficiency in society, Data protection, Capacity for innovation and Business ethics and culture. For more information about material aspects and boundaries in accordance with GRI G4, [please see page 14–21 in CS Fact Book.](#)



● IMPORTANT FOR MULTIPLE STAKEHOLDER GROUPS

1. Customer experience and service
2. Financial strength and resilience
3. Business ethics and culture
4. Digitisation and automation
5. Data protection
6. Risk management
7. Capacity for innovation
8. Sustainability in financing and investments incl climate change
9. Responsible and proactive advice
10. Talent management and competence development
11. Employee engagement

● IMPORTANT FOR SOME STAKEHOLDER GROUPS

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

HUMAN RIGHTS

SEB IS COMMITTED TO human rights as set out in international commitments such as the UN Guiding Principles on Business and Human Rights and the UN Global Compact. Code of Conduct is a key instrument to ensure that everyone at SEB acts in accordance with our standards, including areas such as diversity and equal opportunities.

TRAINING AND PRECAUTIONARY ACTIONS

- Risk assessment processes have been strengthened as additional sectors and customers have been marked for extra due diligence. The potential for human right concerns have been raised in certain cases and specific discussions and action plans have been established with a number of organisations.
- Integration of position statements and sector policies into risk framework for business and credit decisions relevant to country, sector and company is continuously evolving. Decisions are made by the established decision fora such as business and credit committees. When applicable, Group Corporate Sustainability is engaged and/or matters are escalated.
- All investments and funds managed by SEB are screened. We exclude companies involved in certain activities such as the production or marketing of illegal weapons (anti-personnel landmines, cluster munitions, chemical and biological weapons) and in the development or production phases of nuclear weapons programmes. Human rights related risks are one of the areas for active ownership.

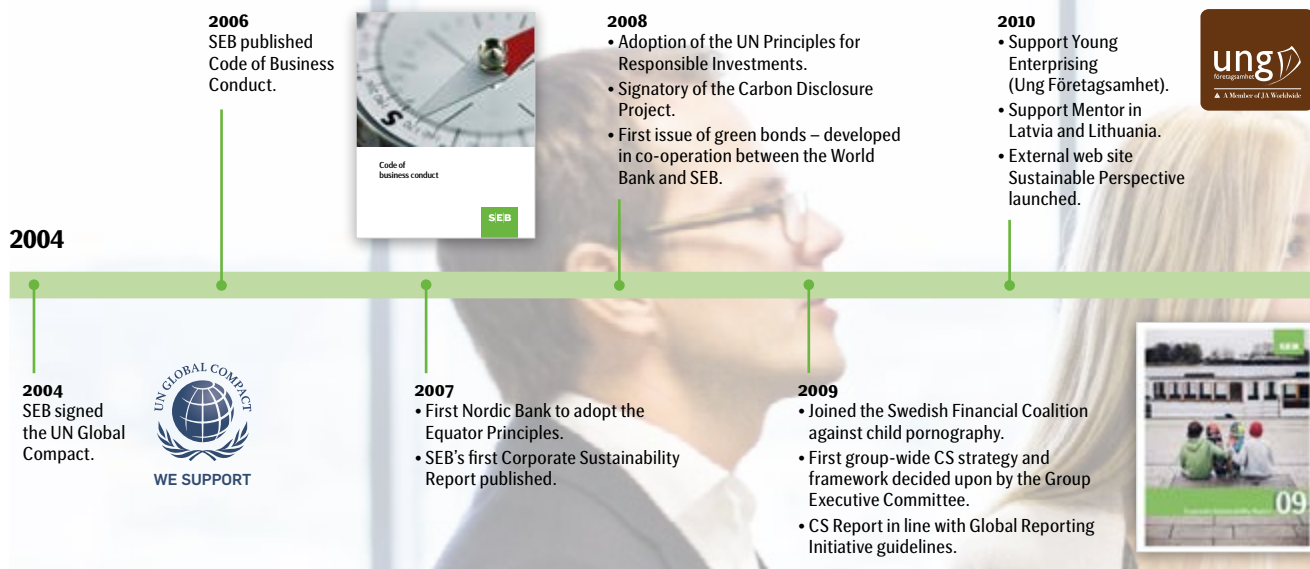
- Improving financial literacy in society is one way to enhance the ability for individuals to lead a dignified life. SEB therefore is engaged in a range of activities aimed at increasing the understanding of personal finance as well as economics, see p 29 for details.
- A number of specialists have participated in human rights and children's rights training. Human rights is included in a number of different training within SEB, e.g. on Code of Conduct, sustainability, sector policies, equator principles and leadership training. Next step is to develop additional guidance notes to complement our strong policy framework.
- Mapping of human rights and labour standard practices across all SEB sites in 2012.

SEB is an active member of the Swedish Financial Coalition against Commercial Sexual Exploitation of Children since 2009.

POLICIES AND GUIDELINES

- UN Global Compact signatory since 2004
- Code of Conduct since 2006
- Equator Principles signatory 2007
- Group wide position statements since 2011; position on climate change revised in 2015
- Group wide sector policies since 2011; policy for arms and defence revised in 2014 with a clear stance against nuclear weapons, and an increased focus on human rights.
- Human Rights Policy since 2013
- Code of Conduct for Suppliers since 2014
- Credit Policy on Corporate Sustainability revised in 2014, with an increased emphasis on human rights.

YEARS OF ACTION



OUR APPROACH TO TAX

AS A BANK, SEB PLAYS AN INTEGRAL ROLE IN SOCIETY and contributes to creating economic growth and social value. Running a profitable and sustainable business enables SEB to contribute to the societies in which we operate by paying corporate income tax, social security contributions as well as bank levies. As a large company, the procurement of supplies for the business is substantial. However, VAT is not recoverable for financial services and VAT therefor is a large cost for SEB. In addition, SEB has an important role in the collection, reporting and payment of taxes on dividends and interest for customers. SEB therefore sees tax as an important part of SEB's contribution to society.

TRANSPARENT AND PROFESSIONAL

SEB pays taxes in accordance with local regulations in all countries where we operate and it is SEB's policy to maintain a good relationship with tax authorities by acting transparent and professional.

SEB has adopted a transfer pricing policy to comply with OECD guidelines for Transfer Pricing in order to secure that profits are allocated and taxed where the value is created. SEB has implemented transfer pricing documentation to support methods applied and show transparency towards tax authorities.

SEB is committed to meeting the raised expectations on transparency in respect of our tax management and continuously work to enhance the scope of our communication around tax. In 2015, SEB's income tax expense amounted to SEK 4,284 million (SEK 4,129 million in 2014) globally. Please see CS Fact Book p 1 for a more detailed breakdown of taxes paid per country. The SEB Group also paid social security fees of SEK 2,546 million and stability fees and deposit insurance amounting to SEK 1,201 million in 2015.

ABOUT THIS REPORT

THIS REPORT DESCRIBES SEB's approach and present targets, guidelines, measures and key achievements related to the Group's contribution to sustainable development. The process to define what to include in this report includes feedback from previous reports from internal and external stakeholders, the identification of material issues (described on pages 33), best practice within sustainability reporting and important events during the year.

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

SEB has published a Corporate Sustainability report annually since 2007. The report covers the preceding fiscal year, January to December 2015. In some cases information for early 2016 is included. The previous report was published in March 2015. There has been no significant change from the previous report in scope and boundary. Applicable organisational changes for the SEB Group are described in the Annual Report 2015 (AR), page 9. For details on accounting policies, please see AR pages 72.

Our main reporting framework is the Global Reporting Initiative, GRI, G4 guidelines for the Financial Services Sector. SEB reports in accordance with the G4 core. Key aspects of SEB's sustainability work, such as risk management, corporate governance and staff composition, remuneration and benefits, are included in the annual accounts of SEB. SEB's auditor PwC has been engaged to perform a limited review of the full report, including a GRI application check. Our GRI index is found in Sustainability Fact Book (CS Fact Book) on pages 14 – 21, at <http://sebgroup.com/about-seb/sustainability/how-we-work/annual-reporting>.

2011

- Sector policies and position statements approved by the GEC.
- OECD Guidelines for Multinational Enterprises, revised.



2013

- SEB launched microfinance fund.
- Facilitated first ever corporate green bond as well as first green bond for a Nordic municipality.
- Human Rights policy approved by the GEC.

2015

- Reduced CO₂ emissions with 54 %, exceeding the target.
- Strengthened position statement on climate change.
- Launch of third micro finance fund.
- Increased index for employee engagement for third year in a row.

2016

2012

- Updated Code of Business Conduct.
- Launch of whistle-blowing process.
- Renewed agreement with Mentor.

2014

- Launch of second micro finance fund.
- Sector policy on Arms and defence revised.
- 300 employees attend CS Summit 2014.
- Engagement with El Sistema.



INDEPENDENT AUDITOR'S LIMITED ASSURANCE REPORT ON THE SUSTAINABILITY REPORT

TO SKANDINAVISKA ENSKILDA BANKEN AB (PUBL)

INTRODUCTION

We have been engaged by the Group Management of Skandinaviska Enskilda Banken AB (publ) ("SEB") to undertake an examination of SEB's Corporate Sustainability (CS) Report for the year 2015 with corresponding Sustainability Fact Book and GRI index on SEB's website (www.sebgroup.com). We refer to these publications collectively as the "Sustainability Report".

RESPONSIBILITIES OF THE BOARD AND MANAGEMENT FOR THE SUSTAINABILITY REPORT

The Board of Directors and the Group Management are responsible for the preparation of the Sustainability Report in accordance with the applicable criteria, as explained on page 35 in the CS Report, and are the parts of the *Sustainability Reporting Guidelines* (published by Global Reporting Initiative, GRI) which are applicable to the Sustainability Report, as well as the accounting and calculation principles that the Company has developed. This responsibility includes the internal control relevant to the preparation of a Sustainability Report that is free from material misstatements, whether due to fraud or error.

RESPONSIBILITIES OF THE AUDITOR

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

We conducted our limited assurance engagement in accordance with RevR 6 *Assurance of Sustainability Reports* issued by FAR. A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of the Sustainability Report, and applying analytical and other limited assurance procedures. The procedures performed in a limited assurance engagement vary in nature from, and are less in extent than for, a reasonable assurance engagement conducted in accordance with IAASB's Standards on Auditing and other generally accepted auditing standards in Sweden. The procedures performed consequently do not enable us to obtain

assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance conclusion.

The firm applies ISQC 1 (*International Standard on Quality Control*) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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

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

CONCLUSION

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

Stockholm, 1st March 2016

PricewaterhouseCoopers AB



Peter Nyllinge
Authorized Public Accountant



Fredrik Ljungdahl
Expert member of FAR



SUSTAINABILITY AWARDS AND RECOGNITIONS 2015/2016

AWARDED BY

Included in The Sustainability Yearbook 2015 and 2016
Global 100, 2015 and 2016
Global Woman's Index Fund

RobecoSAM
Corporate Knights
Pax Ellevest

SUSTAINABILITY INDEXES

INDEX PROVIDER

OMX GES SUSTAINABILITY SWEDEN AND NORDIC INDEX
SIX SWEDEN SRI INDEX
FTSE4GOOD
ECPI INDICES
STOXX GLOBAL ESG LEADERS INDICES
ETHIBEL EXCELLENCE INVESTMENT REGISTER

NASDAQ OMX/GES
SIX FINANC. INFORMATION
FTSE
ECPI
STOXX
FORUM ETHIBEL

INTERNATIONAL COMMITMENTS

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

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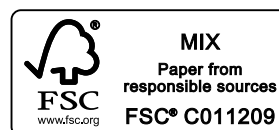
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