

Position statement on Climate Change

Introduction

Global climate change is one of today's most serious challenges. Scientific evidence points to substantial risks to the planet. Observations include deterioration of water quality and availability, ecosystem disruption, and potential negative effects on human health. Key environmental and social challenges – such as population growth, energy security, loss of biodiversity and access to drinking water and food – are all closely intertwined with climate change. A vast number of scientists and organisations, including the Intergovernmental Panel on Climate Change¹, agree that these issues need urgent and extensive action.

We recognise the importance of limiting the average global temperature rise to below the 2°C target. This makes a transition to a low-carbon economy vital. Banks have a crucial role to play in enabling the transition from a carbon-intensive economy to more efficient low-carbon alternatives.

We recognise that climate change will pose risks as well as opportunities for SEB, both directly through the operations we run and indirectly through our clients and portfolio companies. We will work directly with our stakeholders to mitigate these risks and seize the opportunities. In an increasingly carbon-constrained world, we will respond to the needs of our clients, shareholders, employees and other stakeholders when providing financial services, operating our facilities and supporting our communities.

Purpose

The purpose of this position statement is to form the basis for dialogue with our clients, portfolio companies and stakeholders, as well as to clarify our ambition and actions to improve our own climate performance. We recognise that by promoting best practice climate change management among clients and portfolio companies, we can support our clients and positively impact the situation of many.

Participation

For SEB, addressing climate change means that beyond managing our own direct environmental footprint, our investment, lending and business development decisions must take climate impact into account. Through our engagement, we expect to drive shareholder value. To do this, we will:

- Make it possible for our customers to finance sustainable and renewable sources of energy and energy efficiency projects. An example is the green bond concept developed with the World Bank in 2007, and which SEB is developing further based on criteria for a low-carbon economy to fight climate change;
- Integrate climate considerations into our customer dialogue, credit process, investments and portfolio management in order to assess climate change strategies, risks and performance among clients and portfolio companies;
- Encourage clients and portfolio companies to measure and disclose their direct and indirect greenhouse gas emissions;
- Encourage clients and portfolio companies to evaluate their business challenges and opportunities related to greenhouse gas emissions as well as to climate risk, the processes they apply and their products. We also encourage reduction of direct and indirect greenhouse gas emissions by, for example, using energy efficient technology and switching to renewable energy.
- From a portfolio management perspective, we will also actively work to reduce climate impact of the funds, starting with our sustainability and ethical funds.

¹ <http://www.ipcc.ch/>

As regards the direct carbon footprint from our operations, we continuously work to decrease our carbon emissions. Specifically, we:

- Improve energy efficiency at our operations and buildings;
- Use renewable energy in our buildings;
- Work with our suppliers to minimise our carbon footprint together;
- Reduce business travel by using alternative techniques for meetings;
- Provide transparent public reporting on our own emissions profile and the actions we undertake to manage and mitigate emissions. SEB is a signatory to the CDP², which encourages greater transparency from us as well as the corporate sector as a whole in terms of how it is dealing with climate change.

Coal

We support a coordinated global approach and agreement to reduce greenhouse gas emissions as we believe it is important for achieving results and maintaining a level playing field. SEB has as a first step in implementing our climate change strategy decided to gradually shift away from coal as coal is a high greenhouse gas emitting fuel per unit energy produced. SEB will not provide finance for greenfield coal power generation plants. However, we will consider support for greenfield coal-fired power plants with committed usage of carbon capture technology, or equivalent technologies which substantially reduce greenhouse gas emissions. As regards legacy coal-based power plants, we will support our clients with regular banking services as well as in making environmentally beneficial improvements, such as the transition to lower carbon intensity through investments in conversion to renewable energy sources.

SEB will not enter into new business relations with companies with major business in coal mining but will support legacy clients in their transformations away from coal, including the provision of regular banking services.

² CDP is an international, not-for-profit organisation providing the only global system for companies and cities to measure, disclose, manage and share vital environmental information. www.cdp.net