






An investor initiative in partnership with UNEP Finance Initiative and UN Global Compact

## About this report

The PRI Reporting Framework is a key step in the journey towards building a common language and industry standard for reporting responsible investment (RI) activities. This RI Transparency Report is one of the key outputs of this Framework. Its primary objective is to enable signatory transparency on RI activities and facilitate dialogue between investors and their clients, beneficiaries and other stakeholders. A copy of this report will be publicly disclosed for all reporting signatories on the [PRI website](#), ensuring accountability of the PRI Initiative and its signatories.

This report is an export of the individual Signatory organisation's response to the PRI during the 2013-14 reporting cycle. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is a **Principles index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

## Understanding the Principles Index

The Principles Index summarises the response status for the individual indicators and modules and shows how these relate to the six [Principles for Responsible Investment](#). It can be used by stakeholders as an 'at-a-glance' summary of reported information and to identify particular themes or areas of interest.

Indicators can refer to one or more Principles. Some indicators are not specific to any Principle. These are highlighted in the 'General' column. When multiple Principles are covered across numerous indicators, in order to avoid repetition, only the main Principle covered is highlighted. This results in some Principles not being explicitly highlighted. For instance, Principle 1 and 2 cannot be implemented without implementing Principle 3, but there are cases when Principle 3 is not explicitly highlighted.

All indicators within a module are presented below. The status of indicators is shown with the following symbols:

Symbol	Status
✓	The signatory has completed all mandatory parts of this indicator
☑	The signatory has completed some parts of this indicator
🔒	This indicator was not relevant for this signatory
-	The signatory did not complete any part of this indicator
⌛	The signatory has flagged this indicator for internal review

Within the table, indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.

## PRI disclaimer

This document is based on information reported by signatories and responses have not been independently audited by the PRI Secretariat, PRI working groups, or any other third party. While this information is believed to be reliable, no representations or warranties are made as to its accuracy and no responsibility or liability can be accepted for any error or omission.

# Principles Index

Organisational Overview				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OO 01	Signatory category and services	✓	Public							✓
OO 02	Headquarters and operational countries	✓	Public							✓
OO 03	Subsidiaries that are separate PRI signatories	✓	Public							✓
OO 04	Reporting year and AUM	✓	Public							✓
OO 05	Breakdown of AUM by asset class	✓	n/a							✓
OO 06	How would you like to disclose your asset class mix	✓	Public							✓
OO 07	Segregated mandates or pooled funds	🔒	n/a							✓
OO 08	Breakdown of AUM by market	✓	Private							✓
OO 09	Additional information about organisation	✓	Private							✓
OO 10	RI activities for listed equities	✓	Public							✓
OO 11	RI activities in other asset classes	✓	Public							✓
OO 12	Modules and sections required to complete	✓	Public							✓

Overarching Approach				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OA 01	RI policy and other guidance documents	✓	Public							✓
OA 02	Publicly available policies / documents	✓	Public						✓	
OA 03	Policy components and coverage	✓	Public	✓	✓					
OA 04	Conflicts of interest	✓	Public							✓
OA 05	RI goals and objectives	✓	Public							✓
OA 06	Main goals/objectives this year	✓	Private							✓
OA 07	Governance, management structures and RI processes	✓	Private							✓
OA 08	RI roles and responsibilities	✓	Public							✓
OA 09	RI in performance management, reward and/or personal development	✓	Private							✓
OA 10	Collaborative organisations / initiatives	✓	Public				✓	✓		
OA 11	Promoting RI independently	✓	Public				✓			
OA 12	Dialogue with public policy makers or standard setters	✓	Private				✓	✓	✓	
OA 13	ESG issues in strategic asset allocation	✓	Private	✓						
OA 14	Allocation of assets to environmental and social themed areas	✓	Private	✓						
OA 15	ESG issues for internally managed assets not reported in framework	🔒	n/a							✓
OA 16	ESG issues for externally managed assets not reported in framework	🔒	n/a							✓
OA 17	RI/ESG in execution and/or advisory services	🔒	n/a	✓	✓					
OA 18	Innovative features of approach to RI	✓	Private							✓
OA 19	Internal and external review and assurance of responses	✓	Private							✓

Direct - Listed Equity Incorporation				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEI 01	Breakdown by passive, quantitative, fundamental and other active strategies	✓	Private	✓						
LEI 02	Description of ESG incorporation	✓	Private	✓						
LEI 03	Percentage of each incorporation strategy	✓	Public	✓						
LEI 04	Type of ESG information used in investment decision	✓	Private	✓						
LEI 05	Information from engagement and/or voting used in investment decision-making	✓	Private	✓						
LEI 06	Types of screening applied	✓	Public	✓						
LEI 07	Processes to ensure screening is based on robust analysis	✓	Public	✓						
LEI 08	Processes to ensure fund criteria are not breached	✓	Private	✓						
LEI 09	Types of sustainability thematic funds/mandates	🔒	n/a	✓						
LEI 10	Description of ESG integration	✓	Private	✓						
LEI 11	Review ESG issues while researching companies/sectors	✓	Public	✓						
LEI 12	Processes to ensure integration is based on robust analysis	✓	Private	✓						
LEI 13	Aspects of analysis ESG information is integrated into	✓	Private	✓						
LEI 14	ESG issues in index construction	✓	Private	✓						
LEI 15	How ESG incorporation has influenced portfolio composition	-	n/a	✓						
LEI 16	Incorporation of ESG issues has improved financial/ESG performance and reduced risk	-	n/a	✓						
LEI 17	Examples of ESG issues that affected your investment view / performance	-	n/a	✓						
LEI 18	Disclosure of approach to ESG incorporation	✓	Public		✓				✓	

Direct - Listed Equity Active Ownership				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEA 01	Description of approach to engagement	✓	Private		✓					
LEA 02	Reasoning for interaction on ESG issues	✓	Public	✓	✓	✓				
LEA 03	Process for identifying and prioritising engagement activities	✓	Public		✓					
LEA 04	Objectives for engagement activities	✓	Public		✓					
LEA 05	Process for identifying and prioritising engagement activities	✓	Public		✓					
LEA 06	Objectives for engagement activities	✓	Public		✓					
LEA 07	Role in engagement process	✓	Public		✓		✓			
LEA 08	Monitor / discuss service provider information	✓	Public		✓				✓	
LEA 09	Share insights from engagements with internal/external managers	✓	Private	✓	✓					
LEA 10	Tracking number of engagements	✓	Public		✓					
LEA 11	Number of companies engaged with, intensity of engagement and effort	✓	Private		✓					
LEA 12	Engagements on E, S and/or G issues	✓	Private		✓					
LEA 13	Companies changing practices / behaviour following engagement	✓	Private		✓					
LEA 14	Examples of ESG engagements	-	n/a		✓					
LEA 15	Disclosure of approach to ESG engagements	✓	Public		✓				✓	
LEA 16	Description of approach to (proxy) voting	✓	Private		✓					
LEA 17	Typical approach to (proxy) voting decisions	✓	Public		✓					
LEA 18	Percentage of voting recommendations reviewed	🔒	n/a		✓					
LEA 19	Confirmation of votes	✓	Private		✓					
LEA 20	Securities lending programme	✓	Private		✓					
LEA 21	Informing companies of the rationale of abstaining/voting against management	✓	Public		✓					
LEA 22	Percentage of (proxy) votes cast	✓	Public		✓					
LEA 23	Proportion of ballot items that were for/against/abstentions	✓	Private		✓					
LEA 24	Shareholder resolutions	✓	Private		✓					
LEA 25	Examples of (proxy) voting activities	✓	Private		✓					
LEA 26	Disclosing voting activities	✓	Public		✓				✓	

Direct - Fixed Income				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
FI 01	Breakdown by passive, quantitative, fundamental and other active strategies	✓	Private	✓						
FI 02	Breakdown of investments by credit quality	✓	Private							✓
FI 03	Description of ESG incorporation	✓	Private	✓						
FI 04	Percentage of each incorporation strategy	✓	Public	✓						
FI 05	Type of ESG information used in investment decision	✓	Private	✓						
FI 06	Types of screening applied	✓	Public	✓						
FI 07	Processes to ensure screening is based on robust analysis	✓	Public	✓						
FI 08	Processes to ensure fund criteria are not breached	✓	Private	✓						
FI 09	Types of sustainability thematic funds/mandates	🔒	n/a	✓						
FI 10	Description of ESG integration	🔒	n/a	✓						
FI 11	Review of ESG issues while researching companies/sectors	🔒	n/a	✓						
FI 12	Processes to ensure integration is based on robust analysis	🔒	n/a	✓						
FI 13	Incorporation of ESG issues into analysis and decision making	✓	Public	✓						
FI 14	ESG issues in index construction	🔒	n/a	✓						
FI 15	How ESG incorporation has influenced portfolio composition	✓	Private	✓						
FI 16	Incorporation of ESG issues has improved financial/ESG performance and reduced risk	✓	Private	✓						
FI 17	Examples of ESG issues that affected your investment view / performance	-	n/a	✓						
FI 18	Disclosure of approach to ESG incorporation	✓	Public		✓				✓	
FI 19	Engagement with corporate issuers	✓	Private		✓					
FI 20	Engagement with government issuers	✓	Private		✓					

Direct – Private Equity				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
PE 01	Breakdown of investments by strategy	✓	Private							✓
PE 02	Typical level of ownership	✓	Private							✓
PE 03	Description of approach to RI	✓	Private	✓					✓	
PE 04	Investment guidelines and RI	✓	Public		✓					
PE 05	Fund placement documents and RI	✓	Public	✓			✓		✓	
PE 06	Formal commitments to RI	✓	Private				✓			
PE 07	Incorporating ESG issues when selecting investments	✓	Public	✓						
PE 08	ESG advice and research when selecting investments	✓	Private	✓						
PE 09	ESG issues in investment selection process	✓	Public	✓		✓				
PE 10	Types of ESG information considered in investment selection	✓	Private	✓		✓				
PE 11	Encouraging improvements in investees	✓	Private	✓	✓					
PE 12	ESG issues impact in selection process	✓	Private	✓						
PE 13	Proportion of companies monitored on their ESG performance	✓	Public		✓					
PE 14	Proportion of portfolio companies with sustainability policy	✓	Public		✓					
PE 15	Actions taken by portfolio companies to incorporate ESG issues into operations	✓	Private		✓					
PE 16	Type and frequency of reports received from portfolio companies	✓	Private		✓	✓				
PE 17	Disclosure of ESG issues in pre-exit	✓	Private		✓					
PE 18	ESG issues affected financial/ESG performance	✓	Private	✓	✓					
PE 19	Examples of ESG issues that affected your PE investments	✓	Private	✓		✓				
PE 20	Disclosure of ESG information to public and clients/beneficiaries	✓	Public						✓	
PE 21	Approach to disclosing ESG incidents	✓	Private						✓	



Direct - Property				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
PR 01	Breakdown of investments by equity and debt	✓	Private							✓
PR 02	Breakdown of assets by management	✓	Private							✓
PR 03	Largest property types	✓	Private							✓
PR 04	Description of approach to RI	✓	Private	✓					✓	
PR 05	Responsible Property Investment (RPI) policy	✓	Public	✓					✓	
PR 06	Fund placement documents and RI	✓	Public	✓			✓		✓	
PR 07	Formal commitments to RI	✓	Private				✓			
PR 08	Incorporating ESG issues when selecting investments	✓	Public	✓						
PR 09	ESG advice and research when selecting investments	✓	Private	✓			✓			
PR 10	Examples of ESG issues in investment selection process	✓	Public	✓		✓				
PR 11	Types of ESG information considered in investment selection	✓	Private	✓		✓				
PR 12	ESG issues impact in selection process	✓	Private	✓						
PR 13	ESG issues in selection, appointment and monitoring of third-party property managers	✓	Public				✓			
PR 14	ESG issues in post-investment activities	✓	Public		✓					
PR 15	Proportion of assets with ESG targets that were set and monitored	✓	Public		✓	✓				
PR 16	Certification schemes, ratings and benchmarks	✓	Private		✓					
PR 17	Proportion of developments and refurbishments where ESG issues were considered	✓	Public		✓					
PR 18	Proportion of property occupiers that were engaged with	🔒	n/a		✓					
PR 19	Proportion of green leases or MOUs referencing ESG issues	🔒	n/a		✓					
PR 20	Proportion of assets engaged with on community issues	🔒	n/a		✓					
PR 21	ESG issues affected financial/ESG performance	✓	Private	✓	✓					
PR 22	Examples of ESG issues that affected your property investments	✓	Private	✓		✓				
PR 23	Disclosure of ESG information to public and clients/beneficiaries	✓	Public						✓	



Direct - Inclusive Finance				Principle							General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	7	
IFD 01	Mission and investment objective	✓	Private								✓
IFD 02	Governance, management structures and processes	✓	Private								✓
IFD 03	Social targets	✓	Private								✓
IFD 04	Percentage in equity, debt and guarantees	✓	Private								✓
IFD 05	Percentage in microfinance and/or SME finance	✓	Private								✓
IFD 06	Geographical spread of microfinance investments	✓	Private								✓
IFD 07	Tracking microfinance investees portfolio	✓	Public	✓							
IFD 08	Support financial services beyond credit, compulsory savings and/or compulsory insurance	✓	Public	✓							
IFD 09	Support the introduction of services tailored to the 'poor', 'very poor' and 'low income'	✓	Private	✓							
IFD 10	Technical assistance to investees	✓	Private	✓							
IFD 11	Public endorsement of the Client Protection Principles	✓	Public		✓						
IFD 12	Provide training and assistance for investees implementing the Client Protection Principles	✓	Private		✓						
IFD 13	Include the Client Protection Principles in investment policies	✓	Public		✓						
IFD 14	Investment in local currency	✓	Public			✓					
IFD 15	Average maturity of debt investments	✓	Public			✓					
IFD 16	Average holding period of equity investments	🔒	n/a			✓					
IFD 17	Terms and conditions	✓	Public			✓					
IFD 18	Tools for social performance reporting	✓	Public				✓				
IFD 19	Retail institutions have independent financial/social rating and/or social audit	✓	Public				✓				
IFD 20	Due diligence on and monitoring and reporting of corporate governance among investees	✓	Public				✓				
IFD 21	Training or assistance for investees on corporate governance	✓	Private				✓				
IFD 22	Percentage of investees where board seats are held	🔒	n/a				✓				
IFD 23	Procedure to integrate environmental issues in investment decision processes	✓	Public				✓				
IFD 24	Anti-corruption and whistle-blowing policies	✓	Private				✓				
IFD 25	How mission and investment objectives are communicated to stakeholders	✓	Private					✓			
IFD 26	Investors and/or the public provided with information aligned with industry standards	✓	Public					✓			
IFD 27	Transparency of pricing, terms and conditions among investees	✓	Public					✓			
IFD 28	How social performance of investees affects decision making and portfolio management	✓	Public						✓		
IFD 29	Staff incentives linked to social performance measures	✓	Private						✓		
IFD 30	Collecting data regarding social outcomes of investees work	✓	Private						✓		

IFD 31	Incentivise investees to track social performance	✓	Private						✓	
IFD 32	Collaborative initiatives your organisation has supported or participated in	✓	Public						✓	
IFD 33	Encouraging investees to participate in collaborative initiatives	✓	Private						✓	
IFD 34	Encouraging your investees to participate in initiatives which contribute to the development of industry benchmarks	✓	Private						✓	

# Skandinaviska Enskilda Banken (SEB) AB

## Reported Information

## Public version

## Organisational Overview

## PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

## Basic Information

OO 01	Mandatory	Gateway/Peering	General
-------	-----------	-----------------	---------

**OO 01.1** Select the services you offer.

☒ Fund management

% of assets under management (AUM) in ranges

- ☐ <10%  
☐ 10-50%  
☒ >50%

☒ Fund of funds, manager of managers, sub-advised products

% of assets under management (AUM) in ranges

- ☒ <10%  
☐ 10-50%  
☐ >50%

☐ Other, specify

☐ Execution and advisory only services

OO 02	Mandatory	Peering	General
-------	-----------	---------	---------

**OO 02.1** Select the location of your organisation's headquarters.

Sweden

**OO 02.2** Indicate the number of countries in which you have offices (including your headquarters).

- ☐ 1  
☐ 2-5  
☒ 6-10  
☐ >10

**OO 02.3** Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).

FTE

150

OO 03	Mandatory	Descriptive	General
-------	-----------	-------------	---------

**OO 03.1**

Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.

☐ Yes☒ No**OO 04****Mandatory****Gateway/Peering****General****OO 04.1**

Indicate the year end date for your reporting year.

31/12/2013

**OO 04.2**

Indicate your total AUM at the end of your reporting year.

	trillions	billions	millions	thousands	hundreds
Total AUM		160	000	000	000
Currency	EUR				
Assets in USD		210	751	054	264

**OO 04.3**

Indicate the level of detail you would like to provide about your asset class mix.

☒ Approximate percentage breakdown to the nearest 5% (e.g. 45%)☐ Broad ranges breakdown (i.e. <10%; 10-50%; >50%)**OO 06****Mandatory****Descriptive****General****OO 06.1**

To contextualise your responses to the public, indicate how you would like to disclose your asset class mix.

☐ Publish our asset class mix as percentage breakdown☒ Publish our asset class mix as broad ranges

	Internally managed (%)	Externally managed (%)
Listed equity	10-50%	0
Fixed income – corporate	<10%	0
Fixed income – government	10-50%	0
Fixed income – other	<10%	0
Private debt	0	0
Private equity	<10%	0
Property	<10%	0

Infrastructure	0	0
Commodities	0	0
Hedge funds	<10%	0
Forestry	0	0
Farmland	0	0
Inclusive finance	<10%	0
Cash	<10%	0
Other (1), specify	0	0
Other (2), specify	0	0

○ Publish our asset class mix as per attached file (the following image formats can be uploaded: .jpg, .jpeg, .png, .bmp and .gif)

## Gateway asset class implementation indicators

OO 10	Mandatory	Gateway	General
OO 10.1	Select the responsible investment activities your organisation implemented, directly and/or indirectly, for listed equities in the reporting year.		

- ☒ We incorporate ESG issues into investment decisions on our internally managed assets
- ☒ We engage with companies on ESG issues via our staff, collaborations or service providers
- ☒ We cast our (proxy) votes directly or via service providers
- ☐ None of the above

### ESG Integration

The most challenging aspect of responsible investment is integration of ESG issues in investment decisions. We have three categories of equity portfolios; actively managed portfolios, quant driven portfolios where the investments are based on mathematical models and index funds whose main purpose is to follow an underlying index as closely as possible. For the two latter categories, the ESG element consists of active ownership, as described in the previous section. For actively managed portfolios, we pin-point relevant ESG factors - risks as well as opportunities - that are subsequently integrated in the investment decisions by the portfolio managers. We have chosen a team-by-team approach when implementing this, and aim to cover all equities teams by the end of 2014.

With regards to other asset classes, we have taken ESG factors into account for real estate and private equity for several years. During 2013 we launched one real estate fund, and one private equity fund. The ESG team worked closely with both teams to create a structured model for how to integrate ESG aspects in each part of the investment cycle for the funds.

### Engagement with companies on ESG issues & Proxy voting

SEB seeks to engage with holdings to pursue long-term value creation. We believe that we in this way can improve value of the assets we invest in, thus creating value for us and our clients. For our equities investments, we do this mainly in two ways: individual engagements regarding company specific issues, and collaborative engagements regarding relevant themes or topics. We also apply active ownership for our real estate and private equity investments. For these asset classes, we do this through ensuring that the holdings are improved from an ESG perspective during our ownership period. Our thematic engagement initiatives currently, range in terms of companies and topics. We participate in a group of international investors that are engaging with 14 companies in the Chemicals industry on the issue of phasing out hazardous chemicals. We have expanded our commitment in the PRI anti-corruption initiative from last year, leading the discussions with new companies, as well as following up on the performance of previous years' engagement. We also joined a PRI Clearinghouse initiative regarding hydraulic fracturing ('fracking') and shale gas. In addition to the thematic engagements, we had dialogues with 196 individual companies; either through the SEB ESG team, our portfolio managers, or in collaboration with one of our research & service providers

For our Swedish holdings the corporate governance work is mainly carried out through pre-AGM dialogues with board representatives, voting at AGMs, voting via proxy (for international holdings), and through our participation in nomination committees. One of our focus areas for the corporate governance work is board diversity with a particular focus on female board representation. In our proxy voting management, remuneration is an area of focus.

On the AGMs we attend for our Swedish holdings we normally vote in favor of the proposals of the board. When there are controversial issues we have a dialogue with the board and present our view with the aim of making the board revise the proposal ahead of the AGM.

On the rare occasions when our dialogue is unsuccessful we often choose to vote against the board



proposal. In our proxy voting for our international holdings the opportunity for a pre-AGM dialogue is limited and as a consequence we frequently vote against the board proposal, on an average on at least one agenda item in around half of the AGMs.

OO 11	Mandatory	Gateway	General
-------	-----------	---------	---------

OO 11.1	Indicate if in the reporting year you incorporated ESG issues into your investment decisions and/or your active ownership practices in the following internally managed asset classes.		
---------	--	--	--

- ☒ Fixed income – corporate
- ☒ Fixed income – government
- ☐ Fixed Income – other
- ☒ Private equity
- ☒ Property
- ☐ Hedge funds
- ☒ Inclusive finance
- ☐ Cash
- ☐ None of the above

OO 12	Mandatory	Gateway	General
-------	-----------	---------	---------

OO 12.1	The modules and sections that you will be required to complete are listed below. They are based on the percentages provided in your AUM breakdown and your responses to the gateway indicators. Note, you are only required to report on asset classes that represent 10% or more of your AUM. You may report voluntarily on any applicable modules or sections by selecting them from the list. Direct - Fixed Income and Infrastructure are always voluntary.		
---------	---	--	--

**Core modules**

- ☒ Organisational Overview
- ☒ Overarching Approach (including assets which do not have a separate module)

**RI implementation directly or via service providers**

Direct - Listed Equity incorporation

- ☒ Listed Equity incorporation

Direct - Listed Equity active ownership

- ☒ Engagements
- ☒ (Proxy) voting

Direct - Fixed Income

- ☒ Fixed Income - Corporate
- ☒ Fixed Income - Government

Direct - Other asset classes with dedicated modules

- ☒ Private Equity
- ☒ Property
- ☒ Inclusive Finance

**Closing module**

- ☒ Closing module

**Note:** Please make sure your response to this indicator is complete and confirmed before you progress. Your response will determine which tailored modules and sections you will be presented with.

# Skandinaviska Enskilda Banken (SEB) AB

## Reported Information

### Public version

### Overarching Approach

## PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

## Responsible investment policy

OA 01	Mandatory	Gateway/Core Assessed	General
-------	-----------	-----------------------	---------

**OA 01.1** Indicate if you have a responsible investment policy.

☒ Yes

☐ No

**OA 01.2** Indicate if you have other guidance documents or more specific policies related to responsible investment.

☒ Yes

☐ No

## Brief description of the Responsible Investment Policy

### Introduction

We are a signatory to the Principles for Responsible Investment set out by the United Nations ([www.unpri.org](http://www.unpri.org)). We are committed to adhering to these principles. By incorporating ESG (Environmental, Social and Governance) issues in our policies and practices we will influence companies to move towards more sustainable practices.

We believe that ESG considerations and a balanced corporate responsibility strategy together build long-term competitiveness and enhance a company's ability to deliver attractive investment returns.

Therefore each company in which SEB holds ownership stakes is expected to manage relevant ESG aspects in a responsible way, and to abide by local law and international conventions and agreements. We place particular emphasis on the following international principles:

The United Nations Global Compact ([www.unglobalcompact.org](http://www.unglobalcompact.org)) and the OECD Guidelines for Multinational Enterprises and related conventions covering human rights, labour rights, environment and corruption ([www.oecd.org](http://www.oecd.org)).

As a PRI signatory, our obligation is to act in the best interest of all our investors and respecting the investment guidelines set by these investors

### Monitoring of Investments

To assure the right competence in our work with RI/ESG, SEB is combining in-house capacities with external research providers and consultants. Through these, we receive specialised responsible investment research and, where needed, assistance with engagement services.

This policy applies to our holdings related to MSCI All World, FTSE All World (including FTSE Europe) and SIX Nordic (including VINX). Monitoring of the universe is done on a biannual basis to identify if above indices include companies that are subject to controversial activities in relation to the international principles defined in the previous section.

### Engagement - Active ownership

SEB Investment Management uses active ownership to influence selected companies to improve their work with relevant ESG aspects. We believe that active ownership is more responsible and effective than exclusions. The aim is to reduce risk and/or protect shareholder value. The intention is to be supportive and constructive in our engagement efforts. If companies do not respond in an adequate manner, and if the issue in question is deemed significant enough in the light of an overall assessment of the company, we might consider excluding companies from the investment portfolios.

We exercise the voting rights of our investors in accordance to their wishes and our ownership policy. We encourage companies and issuers to implement best practices in their business, including ESG.

## Exclusions

SEB Investment Management expects companies to live up to international guidelines and principles as described above. If a company has failed to live up to these standards and, after a reasonable time of engagement, still has not mitigated its ESG risks, SEB will make an assessment of the issue at hand, as well as an assessment of the overall sustainability work of the company. If, for example, a company with an overall satisfying sustainability performance has one isolated incident, it has to be a very significant incident for exclusion to be justified. Thus, SEB might, after assessing the whole picture, deem it necessary to decide on exclusion of the relevant company from the investment universe

There are certain types of weapons that are not in accordance with international conventions and guidelines. SEB's Council for Responsible Investment decided therefore in 2009 to exclude companies that manufacture and / or sell controversial weapons such as anti-personnel landmines, cluster munitions, and chemical and biological weapons.

Companies that are involved in for example production or marketing of these types of weapons, are excluded from investments for our equity funds, bond funds and several index funds within SEB's fund offering carrying the name of SEB.

During the autumn 2013 SEB's Council for Responsible Investments decided that companies involved in the development and production phase of nuclear weapons programmes are not investable for active fixed income and equity funds within SEB's fund offering carrying the name of SEB.

SEB regards nuclear weapons as controversial weapons, as a potential use would cause great human suffering in violation of fundamental human rights. Although some countries are allowed to hold and maintain nuclear weapons under the Non Proliferation Treaty of 1968, all parties have committed to disarmament

## Disclosure

We encourage companies to disclose and communicate strategic environmental, social and governance issues. These issues are of importance to understand how companies are managing key risks and opportunities. This might include information about policies and processes but also information about targets and objectives for the future. Use of common reporting framework is supported in order to enable comparable and consistent disclosure. To further develop our work with ESG issues we share experience with other investors. We further encourage investment service providers to include ESG issues in the analysis they provide.

The Board of SEB Investment Management has laid out a strategy on how we should act as responsible owners as defined in our Corporate Governance policy. This strategy is the foundation for our ESG work and it is revised annually.

The documents can be found on following website

[http://www.seb.se/pow/wcp/index.asp?ss=/pow/wcp/templates/sebcollection.cfmc.asp%3Fduid%3DDUID\\_32AC3D816E321D9AC125788C004E5E31%26xsl%3Dse%26sitekey%3Dseb.se](http://www.seb.se/pow/wcp/index.asp?ss=/pow/wcp/templates/sebcollection.cfmc.asp%3Fduid%3DDUID_32AC3D816E321D9AC125788C004E5E31%26xsl%3Dse%26sitekey%3Dseb.se)

General description of how we work with responsible investments and active ownership

<http://sebgroup.com/en/About-SEB/Who-we-are/Responsible-and-active-ownership/>

### **SEB sector policies and position statements**

Within SEB we also have sector policies and position statements provide guidelines on best practice as well as on the international conventions and standards that we encourage companies to follow. We aim to work with our clients and portfolio companies towards improved business practices

<http://sebgroup.com/en/About-SEB/Sustainability/How-we-work/Policies/>

### **Position statements**

#### **Climate change**

Climate change is one of the greatest environmental challenges facing the world today. SEB fully appreciates the risks of climate change and is addressing the risks in our corporate sustainability efforts. SEB has taken several steps to mitigate our direct climate impact.

#### **Freshwater**

Freshwater is a scarce commodity, but one that is essential for sustaining life. SEB are aware that the increasing global water stress threat destabilised regions and increases our clients' financial risk.

#### **Child labour**

The United Nations Convention on the Rights of the Child is one of the most widely accepted human rights treaty, still child labour is a problem of immense global proportions. SEB fully appreciates the severity of child labour and reducing it is of high priority.

### **Sector policies**

#### **Renewable energy**

Energy plays an essential role in the global economy and drives economic growth. As the world is seeking new solutions to mitigate climate change and best utilise scarce resources, the renewable energy sector is becoming a growing component of the energy landscape. SEB seek to facilitate this development based on sustainable principles and governance.

#### **Arms and defence**



SEB understands the concerns of many people regarding the role of banks in supporting the defence industry. SEB acknowledges the right of every nation to defend itself, as stated in the United Nations Charter.

#### Shipping

The shipping industry, through the transportation of raw materials, semi-finished goods and finished goods from producing countries for further processing and to end-user markets, is a major facilitator of global trade and is thereby a fundamental industry for society.

#### Mining and metals

The mining and metals industry is fundamental for society. The industry in itself underpins economic growth. Mining activities can potentially have a negative impact on the environment and society.

#### Fossil fuel

The fossil fuel sector is responsible for the provision of power and fuel across the globe, playing an essential role in the world economy. However, fossil fuel activities contribute to climate change.

#### Forestry

The forestry industry plays a pivotal role in the economy at large, globally as well as regionally. SEB promotes a sustainable forestry industry, works to prevent adverse environmental and social impact and supports good governance among its clients.

OA 02	Mandatory	Core Assessed	PRI 6
-------	-----------	---------------	-------

OA 02.1	Indicate if your responsible investment policy is publicly available.
---------	---

☒ Yes

OA 02.2	Provide a URL to your responsible investment policy.
---------	--

URL
-----

[http://www.seb.se/pow/content/fonder/oevrigt/Agarpolicy\\_SEBInvMan-eng.pdf](http://www.seb.se/pow/content/fonder/oevrigt/Agarpolicy_SEBInvMan-eng.pdf)

☐ No

OA 02.3	Indicate if your other policies or guidance documents related to responsible investment are publicly available.
---------	---

☒ Yes

☐ Yes, all

☒ Yes, some

OA 02.4	List these other policies or guidance documents related to responsible investment that are publicly available and their URLs.
---------	---

Policy or document name	URL
Sector Policies and Position Statements	<a href="http://sebgroup.com/en/About-SEB/Sustainability/How-we-work/Policies/">http://sebgroup.com/en/About-SEB/Sustainability/How-we-work/Policies/</a>

☐ No

OA 03	Mandatory	Core Assessed	PRI 1,2
-------	-----------	---------------	---------

OA 03.1	Indicate the components/types and coverage of your responsible investment policy and guidance documents.
---------	--

Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input checked="" type="checkbox"/> (Proxy) voting policy <input checked="" type="checkbox"/> Engagement/active ownership policy <input checked="" type="checkbox"/> Specific guidelines on corporate governance <input checked="" type="checkbox"/> Specific guidelines on environmental issues <input checked="" type="checkbox"/> Specific guidelines on social issues <input checked="" type="checkbox"/> Asset class-specific guidelines <input checked="" type="checkbox"/> Screening/exclusion policy <input type="checkbox"/> Other, specify <input type="checkbox"/> Other, specify	<input type="radio"/> Applicable policies cover all AUM <input checked="" type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM

#### OA 03.2

Comment on any variations or exceptions in the coverage of your responsible investment policy. [Optional]

We invest in listed equities, fixed income, real estate and private equity and believe we can have a positive impact in all these categories, why we focus our work across asset classes.

One of the challenges we face regarding integration is to assess the relevance of the ESG factors to fixed income and sovereign bonds. In order to address this, we joined the PRI fixed in- come work stream which focuses on how to approach this challenge.

The framework for all asset classes will be clarified during 2014.

#### OA 04

##### Mandatory

##### Core Assessed

##### General

#### OA 04.1

Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.

☒ Yes

The instruction for handling of Conflicts of Interest in SEB Investment Management AB

The instruction specifies the procedures to be followed in respect of the specific services and activities carried out by or on behalf of the Fund Management Company for the identification of circumstances which constitute or may give rise to a conflict of interest entailing a material risk of damage to the interests of one or more of the Fund Management Company's unit holders/clients.

The instruction also specifies the procedures to be followed and measures that have been adopted in order to prevent any such potential theoretical conflict of interest from arising, or, where one does arise, from adversely affecting the interests of the Fund Management Company's unit holders/clients

The main measure to prevent Conflicts of Interest from adversely affecting a Client is to ensure that actions taken in respect of the Client are based solely on its own interests, and are taken independently of the interests of any of the Fund Management Company's and/or the SEB Group's other Clients, other activities, or Employees etc. With regard to unit holders in the funds actions should be taken in the common interests of the unit holders

The policies can be found on SEB Investment Managements website

[http://www.seb.se/pow/wcp/index.asp?ss=/pow/wcp/templates/sebcollection.cfmc.asp%3Fduid%3DDUID\\_32AC3D816E321D9AC125788C004E5E31%26xsl%3Dse%26sitekey%3Dsebe](http://www.seb.se/pow/wcp/index.asp?ss=/pow/wcp/templates/sebcollection.cfmc.asp%3Fduid%3DDUID_32AC3D816E321D9AC125788C004E5E31%26xsl%3Dse%26sitekey%3Dsebe)

☐ No

## Objectives and strategies

OA 05

Mandatory

Gateway/Core Assessed

General

OA 05.1

Indicate if your organisation sets objectives for its responsible investment activities.

☒ Yes

OA 05.2

Indicate how frequently your organisation sets or revises objectives for responsible investment.

- ☒ At least once per year  
☐ Less than once per year

OA 05.3

Indicate how frequently your organisation formally reviews performance against its objectives for responsible investment.

- ☐ Quarterly  
☐ Biannually  
☒ Annually  
☐ Every two years or less  
☐ It is not reviewed

☐ No

Within responsible investments our ambitions in three to five year are to ensure that we perform our ownership role responsibly, promoting good business ethics and governance. To be the leading Nordic asset managers within responsible investments.

The objectives for 2013 within responsible investments was to improve transparency and communication on our external web, continue to integrate ESG issues into the investment process in selected investment teams and to develop and refine ESG investment products. The performance on set objectives was fulfilled - improved communication on responsible investments on SEB's external web site, esg integration has continued in investment process for selected investment teams, launch of Microfinance Fund and Private Equity III for Institutional Clients.

New objectives for 2014 are increased communication on active ownership activities and impact analysis, create overarching responsible investment framework for all asset classes and continue to develop and refine ESG investment products for all distribution channels.

## Governance and human resources

OA 08

Mandatory

Gateway/Core Assessed

General

OA 08.1

Indicate the roles present in your organisation and for each, indicate whether they have oversight and/or implementation responsibilities for responsible investment.

### Roles present in your organisation

- ☒ Board members or trustees
  - ☒ Oversight/accountability for responsible investment
  - ☐ Implementation of responsible investment
  - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☒ Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee
  - ☒ Oversight/accountability for responsible investment
  - ☒ Implementation of responsible investment
  - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☒ Other Chief-level staff or head of department, specify  
Head of Corporate Governance

- ☒ Oversight/accountability for responsible investment
- ☒ Implementation of responsible investment
- ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☒ Portfolio managers
  - ☐ Oversight/accountability for responsible investment
  - ☒ Implementation of responsible investment
  - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☐ Investment analysts
- ☒ Dedicated responsible investment staff
  - ☒ Oversight/accountability for responsible investment
  - ☒ Implementation of responsible investment
  - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☒ External managers or service providers
  - ☐ Oversight/accountability for responsible investment
  - ☒ Implementation of responsible investment
  - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☐ Other role, specify
- ☐ Other role, specify

<b>OA 08.2</b>	Indicate the number of dedicated responsible investment staff your organisation has. [Optional]
----------------	---

	Number
--	--------

15

## Promoting responsible investment

<b>OA 10</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 4,5</b>
--------------	------------------	----------------------	----------------

<b>OA 10.1</b>	Indicate if your organisation is a member of and/or participant in any collaborative organisation or initiatives that promote responsible investment.
----------------	---

☒ Yes

<b>OA 10.2</b>	Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.
----------------	---

### Select all that apply

- ☐ Asian Corporate Governance Association
- ☐ Association for Sustainable & Responsible Investment in Asia
- ☐ Australian Council of Superannuation Investors
- ☒ CDP Climate Change



Your organisation's role in the initiative during the reporting period  
(see definitions)

- ☐ Basic  
☒ Moderate  
☐ Advanced

- ☐ CDP Forests  
☒ CDP Water

Your organisation's role in the initiative during the reporting period  
(see definitions)

- ☒ Basic  
☐ Moderate  
☐ Advanced

- ☐ CFA Institute Centre for Financial Market Integrity  
☐ Council of Institutional Investors (CII)  
☐ Eumedion  
☐ Extractive Industries Transparency Initiative (EITI)  
☐ Global Investors Governance Network (GIGN)  
☐ Global Real Estate Sustainability Benchmark (GRESB)  
☐ Institutional Investors Group on Climate Change (IIGCC)  
☐ Interfaith Center on Corporate Responsibility (ICCR)  
☐ International Corporate Governance Network (ICGN)  
☐ Investor Group on Climate Change, Australia/New Zealand (IGCC)  
☐ Investor Network on Climate Risk (INCR)/CERES  
☐ Local Authority Pension Fund Forum  
☒ Principles for Responsible Investment

Your organisation's role in the initiative during the reporting period  
(see definitions)

- ☐ Basic  
☒ Moderate  
☐ Advanced

- ☒ Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify

Swesif, Dansif and Finsif

Your organisation's role in the initiative during the reporting period  
(see definitions)

- ☐ Basic  
☐ Moderate  
☒ Advanced

- ☐ Shareholder Association for Research and Education (Share)  
☒ United Nations Environmental Program Finance Initiative (UNEP FI)

	Your organisation's role in the initiative during the reporting period (see definitions)
--	--

- ☒ Basic
- ☐ Moderate
- ☐ Advanced

☒ United Nations Global Compact

	Your organisation's role in the initiative during the reporting period (see definitions)
--	--

- ☒ Basic
- ☐ Moderate
- ☐ Advanced

	Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]
--	--

Basic involvement on global level but moderate involvement in the Nordic Network

☒ Other collaborative organisation/initiative, specify

Sustainable Value Creation

	Your organisation's role in the initiative during the reporting year (see definitions)
--	--

- ☐ Basic
- ☒ Moderate
- ☐ Advanced

☒ Other collaborative organisation/initiative, specify

Chemical Industry Group

	Your organisation's role in the initiative during the reporting year (see definitions)
--	--

- ☐ Basic
- ☒ Moderate
- ☐ Advanced

☒ Other collaborative organisation/initiative, specify

Equator Principles

	Your organisation's role in the initiative during the reporting year (see definitions)
--	--

- ☐ Basic  
☐ Moderate  
☒ Advanced

☐ Other collaborative organisation/initiative, specify

☐ No

OA 11	Mandatory	Core Assessed	PRI 4
-------	-----------	---------------	-------

OA 11.1	Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.
---------	--

☒ Yes

OA 11.2	Indicate which of the following actions your organisation has taken to promote responsible investment, independently of collaborative initiatives.
---------	--

- ☒ Provided or supported education or training programmes for clients, investment managers, broker/dealers, investment consultants, legal advisers or other investment organisations  
☐ Provided financial support for academic or industry research on responsible investment  
☒ Encouraged better transparency and disclosure of responsible investment practices across the investment industry  
☒ Spoke publicly at events and conferences to promote responsible investment  
☐ Wrote and published in-house research papers on responsible investment  
☒ Encouraged the adoption of the PRI  
☐ Other, specify

☐ No

### Examples

1) In November 2012, the Swedish Fund Association released the book "Responsible investments - about funds, ethics and sustainability".

In its book entitled Responsible investments, the Swedish Investment Fund Association has collated a wide range of different perspectives from its member companies and other stakeholders in order to show the sector's shared commitment to sustainability work. SEB contributed with a text about Managing sustainably and responsibly - a natural development of active management and with a text - Can fixed income funds take sustainability criteria into account?

The aim this time around, was to target the general public, media, politicians and the industry in the form of short, easily accessible texts.

<http://fondbolagen.se/en/Press/The-book-Responsible-investments---about-funds-ethics-and-sustainability/>

2) As part of our Swesif engagement, SEB, together with five other Swedish financial institutions, made the new version of the sustainability profile available in the Swedish premium pension system. The sustainability profile complements the fund factsheet for SRI/ethical funds, describing the fund's work on sustainability issues. The starting point is the three approaches which the fund can apply: positive selection, negative selection and impact on companies. This is an important step towards improved transparency for SRI/ethical funds.

3) Contributing to the PRI GP Guide "Integrating ESG in Private Equity - a guide for general partners"

# Skandinaviska Enskilda Banken (SEB) AB

## Reported Information

### Public version

#### Direct - Listed Equity Incorporation

## PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

## ESG incorporation in actively managed listed equities

### Implementation processes

LEI 03	Mandatory	Gateway/Core Assessed	PRI 1
--------	-----------	-----------------------	-------

#### LEI 03.1

Indicate (1) which ESG incorporation strategy and/or combination of strategies you apply to your actively managed listed equities and (2) the breakdown of your actively managed listed equities by strategy or combination of strategies.

#### ESG incorporation strategy (select all that apply)

- ☐ Screening alone (i.e. not combined with any other strategies)
- ☐ Thematic alone (i.e. not combined with any other strategies)
- ☐ Integration alone (i.e. not combined with any other strategies)
- ☒ Screening + Integration strategies

Percentage of active listed equity to which the strategy is applied (estimate +/- 10%)

%

100

- ☐ Thematic + integration strategies
- ☐ Screening + thematic strategies
- ☐ All three strategies combined
- ☐ No incorporation strategies applied

Total actively managed listed equities

100%

#### LEI 03.2

Describe your primary reasons for choosing a particular ESG incorporation strategy.

We do a basic screening of all equity funds. This is then complemented with the integration strategy we described in LEI 2.1. For SRI funds we add their specific screenings on top of the basic screening. The conclusions from the SRI team's analysis of individual companies are given to all the investment managers to be an input in their investment decisions.

### (A) Implementation: Screening

LEI 06	Mandatory	Descriptive	PRI 1
--------	-----------	-------------	-------

**LEI 06.1**

Indicate and describe the type of screening you apply to your internally managed active listed equities.

**Type of screening**

☒ Negative/exclusionary screening

**Screened by**

- ☒ Product
- ☒ Activity
- ☐ Sector
- ☐ Country/geographic region
- ☒ Environmental and social practices and performance
- ☒ Corporate governance

**Description**

SEB's processes for responsible investments are supported by a systematic screening of Swedish and international companies, in order to detect possible violations of international conventions and guidelines on environmental responsibility, labour rights, human rights, controversial weapons and corruption.

This is completed with the in-house research of the ESG team focussing on ESG practises and performance.

☒ Positive/best-in-class screening

**Screened by**

- ☒ Product
- ☒ Activity
- ☐ Sector
- ☐ Country/geographic region
- ☒ Environmental and social practices and performance
- ☒ Corporate governance

**Description**

The fund manager utilises the screening tools provided by our ESG research providers and combine this with our detailed in-house research to create a portfolio of best in class companies.

☒ Norms-based screening

**Screened by**



- ☒ UN Global Compact Principles
- ☒ Universal Declaration of Human Rights
- ☒ International Labour Organization Conventions
- ☒ United Nations Convention Against Corruption
- ☒ OECD Guidelines for Multinational Enterprises
- ☐ Other, specify

	Description
--	-------------

SEB's processes for responsible investments are supported by a systematic screening of Swedish and international companies, in order to detect possible violations of international conventions and guidelines on environmental responsibility, labour rights, human rights, controversial weapons and corruption.

<b>LEI 06.2</b>	Describe how the screening criteria are established, how often the criteria are reviewed and how you notify clients and/or beneficiaries when changes are made.
-----------------	---

The criteria are established by the Corporate Sustainability Committee in SEB Investment Management. The criteria are reviewed annually. If changes are made clients are informed about it.

<b>LEI 07</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 1</b>
---------------	------------------	----------------------	--------------

<b>LEI 07.1</b>	Indicate which processes your organisation uses to ensure that screening is based on robust analysis.
-----------------	---

- ☒ Comprehensive ESG research is undertaken or sourced to determine companies' activities and products.
- ☒ Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- ☒ External research and data used to identify companies to be excluded/included is subject to internal audit by ESG/RI staff, the internal audit function or similar
- ☒ Company ESG information/ratings are updated regularly to ensure that portfolio holdings comply with fund policies
- ☐ A committee or body with representatives independent of the individuals who conduct company research reviews some or all screening decisions
- ☐ A periodic review of the quality of the research undertaken or provided is carried out
- ☐ Other, specify
- ☐ None of the above

## (C) Implementation: Integration of ESG issues

<b>LEI 11</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 1</b>
---------------	------------------	----------------------	--------------

**LEI 11.1**

Indicate if E, S and G issues are reviewed while researching companies and/or sectors in active strategies.

ESG issues	Coverage/extent of review on these issues
Environmental	<input checked="" type="radio"/> We systematically review the potential significance of environmental issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of environmental issues and investigate them accordingly <input type="radio"/> We do not review environmental issues
Social	<input checked="" type="radio"/> We systematically review the potential significance of social issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of social issues and investigate them accordingly <input type="radio"/> We do not review social issues
Corporate Governance	<input checked="" type="radio"/> We systematically review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We do not review corporate governance issues

## Communication

**LEI 18****Mandatory****Core Assessed****PRI 2,6****LEI 18.1**

Indicate if your organisation proactively discloses information on your approach to ESG incorporation in listed equity.

☒ We disclose it publicly

Provide URL

<http://corpinfra.sebank.se/corpccommon/wpm1.nsf/FrameSet?ReadForm&ResSt=51217>

**LEI 18.2**

Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.

☒ Yes

**LEI 18.3**

Indicate the information your organisation proactively discloses to clients/ beneficiaries and the public regarding your approach to ESG incorporation.

☒ Broad approach to ESG incorporation

☐ Detailed explanation of ESG incorporation strategy used

**LEI  
18.4**

Indicate how frequently you typically report this information.

- ☐ Quarterly or more frequently
- ☒ Between quarterly and annually
- ☐ Less frequently than annually
- ☐ Other, specify
- ☐ No
- ☐ We disclose it to clients and/or beneficiaries only
- ☐ We do not proactively disclose it to the public and/or clients/beneficiaries

**LEI 18.5**

Additional information. [Optional]

To our clients/beneficiaries we naturally provide a detailed explanation of the ESG incorporation strategy used.

# Skandinaviska Enskilda Banken (SEB) AB

## Reported Information

### Public version

#### Direct - Listed Equity Active Ownership

## PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

## Engagement

### Overview

LEA 02	Mandatory	Gateway	PRI 1,2,3
--------	-----------	---------	-----------

**LEA 02.1** Indicate your reasons for interacting with companies on ESG issues and indicate who carries out these interactions.

Type of engagement	Reason for interaction
<b>Individual/Internal staff engagements</b>	<input checked="" type="checkbox"/> To support investment decision-making (e.g. company research) <input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input checked="" type="checkbox"/> To encourage improved ESG disclosure <input type="checkbox"/> Other, specify <input type="checkbox"/> We do not engage via internal staff
<b>Collaborative engagements</b>	<input checked="" type="checkbox"/> To support investment decision-making (e.g. company research) <input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input checked="" type="checkbox"/> To encourage improved ESG disclosure <input type="checkbox"/> Other, specify <input type="checkbox"/> We do not engage via collaborative engagements
<b>Service provider engagements</b>	<input checked="" type="checkbox"/> To support investment decision-making (e.g. company research) <input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input checked="" type="checkbox"/> To encourage improved ESG disclosure <input type="checkbox"/> Other, specify <input type="checkbox"/> We do not engage via service providers

## Process

### Process for engagements run internally

LEA 03	Mandatory	Core Assessed	PRI 2
--------	-----------	---------------	-------

**LEA 03.1** Indicate whether your organisation has a formal process for identifying and prioritising engagement activities carried out by internal staff.

☒ Yes

LEA  
03.2

Describe how you identify and prioritise engagements.

The ESG team has regular meetings focused on planning the engagement activities and to identify topics that are currently of high interest. Given our rather limited resources we can only manage a handful of engagements simultaneously. The input we use in deciding on engagements are information from our research providers, from organisations like PRI, and other sources like various NGOs as well as our own daily work with ESG issues.

☐ No

LEA 04

Mandatory

Core Assessed

PRI 2

LEA  
04.1

Indicate if you define specific objectives for your engagement activities.

☒ Yes

☒ Yes, for all engagement activities

☐ Yes, for the majority of engagement activities

☐ Yes, for a minority of engagement activities

☐ No

LEA  
04.2

Indicate if you monitor the actions that companies take following your engagements.

☒ Yes

☒ Yes, in all cases

☐ Yes, in the majority of cases

☐ Yes, in the minority of cases

LEA  
04.3

Describe how you monitor and evaluate the progress of your engagement activities.

We keep a continuous dialogue with the companies to see what progress they make.

☐ No

## Process for engagements conducted via collaborations

LEA 05

Mandatory

Core Assessed

PRI 2

**LEA  
05.1**

Indicate whether your organisation has a formal process for identifying and prioritising collaborative engagements.

☒ Yes

**LEA  
05.2**

Describe how you identify and prioritise collaborative engagements.

The same process as described in LEA 04.3

☐ No

**LEA 06**

**Mandatory**

**Core Assessed**

**PRI 2**

**LEA  
06.1**

Indicate if the collaborative engagements in which you are involved have defined objectives.

☒ Yes

☒ Yes, for all collaborative engagement activities

☐ Yes, for the majority of collaborative engagement activities

☐ Yes, for a minority of collaborative engagement activities

☐ No

**LEA  
06.2**

Indicate if you monitor the actions companies take following your collaborative engagements.

☒ Yes

☒ Yes, in all cases

☐ Yes, in the majority of cases

☐ Yes, in the minority of cases

**LEA  
06.3**

Describe how you monitor and evaluate the progress of your collaborative engagement activities.

We continuously monitor and evaluate the information we get from the companies or the engagement teams

☐ No

### Process for engagements conducted with/on your behalf by service providers

**LEA 07**

**Mandatory**

**Core Assessed**

**PRI 2,4**

**LEA  
07.1**

Indicate if you play a role in the engagement process that your service provider conducts on your behalf.

☒ Yes

**LEA  
07.2**

Indicate what role you play in engagements that your service provider conducts on your behalf.

- ☒ Specify the issues for the engagement
- ☒ Specify the objectives for the engagement
- ☒ Select the companies to be engaged with
- ☐ Participate directly in the engagements with your service provider
- ☒ Actively monitor and review the activities of the service provider
- ☐ Other, specify

☐ No

**LEA 08**

**Mandatory**

**Core Assessed**

**PRI 2,6**

**LEA  
08.1**

Indicate whether you monitor and/or discuss the following information provided to you by your service provider

Please select all that apply

- ☒ The subject (or ESG issue(s)) of engagement
- ☒ The objectives of the engagement
- ☒ The rationale for engagement
- ☒ The frequency/intensity of interactions with companies
- ☒ Progress towards achieving engagement goals
- ☒ Outcomes that have been achieved from the engagement
- ☒ Next steps for engagement activity
- ☐ Other, specify
- ☐ None of the above

## General processes for all three groups of engagers

**LEA 10**

**Mandatory**

**Gateway/Core Assessed**

**PRI 2**

**LEA  
10.1**

Indicate if you track the number of companies you engage with.



Type of engagement	Tracking engagements
<b>Individual / Internal staff engagements</b>	<input checked="" type="radio"/> Yes, we track the number of our engagements in full <input type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> No, we do not track our engagements but can provide a reasonable estimate of our engagement numbers <input type="radio"/> No, we do not track and cannot estimate our engagements
<b>Collaborative engagements</b>	<input checked="" type="radio"/> Yes, we track the number of our engagements in full <input type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> No, we do not track our engagements but can provide a reasonable estimate of our engagement numbers <input type="radio"/> No, we do not track and cannot estimate our engagements
<b>Service provider engagements</b>	<input checked="" type="radio"/> Yes, we track the number of our engagements in full <input type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> No, we do not track our engagements but can provide a reasonable estimate of our engagement numbers <input type="radio"/> No, we do not track and cannot estimate our engagements

## Communication

LEA 15

Mandatory

Core Assessed

PRI 2,6

LEA  
15.1

Indicate whether your organisation proactively discloses information on its engagements.

- ☒ We disclose it publicly

please provide URL

<http://sebgroup.com/en/About-SEB/Sustainability/How-we-work/annual-reporting/>

LEA  
15.2

Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.

- ☐ Yes  
☒ No

LEA  
15.3

Indicate what engagement information your organisation proactively discloses to clients/beneficiaries and/or the public.

<div>Reporting to the public</div> <div>Engagement information disclosed</div> <input type="checkbox"/> Details of the selections, priorities and specific goals of engagement <input checked="" type="checkbox"/> Number of engagements <input type="checkbox"/> Breakdown of engagements by type/topic <input type="checkbox"/> Breakdown of engagements by region <input type="checkbox"/> An assessment of the current status of the engagement <input type="checkbox"/> Outcomes that have been achieved from the engagement <input type="checkbox"/> Other information	<div>Reporting to clients/beneficiaries</div> <div>Engagement information disclosed</div> <input checked="" type="checkbox"/> Details of the selections, priorities and specific goals of engagement <input checked="" type="checkbox"/> Number of engagements <input checked="" type="checkbox"/> Breakdown of engagements by type/topic <input checked="" type="checkbox"/> Breakdown of engagements by region <input checked="" type="checkbox"/> An assessment of the current status of the engagement <input checked="" type="checkbox"/> Outcomes that have been achieved from the engagement <input type="checkbox"/> Other information
--	--

<b>LEA 15.4</b>	Indicate how frequently you typically report engagements information.
-----------------	---

<div>Reporting to the public</div> <input type="radio"/> Disclosed continuously (prior and post engagements) <input type="radio"/> Disclosed quarterly <input checked="" type="radio"/> Disclosed annually <input type="radio"/> Disclosed every two years or less <input type="radio"/> Other, specify	<div>Reporting to clients/beneficiaries</div> <input type="radio"/> Disclosed continuously (prior and post engagements) <input type="radio"/> Disclosed quarterly <input type="radio"/> Disclosed annually <input type="radio"/> Disclosed every two years or less <input checked="" type="radio"/> Other, specify More than once a year but not quarterly
---	---

- ☐ We disclose it to clients and/or beneficiaries only
- ☐ We do not proactively disclose it to the public and/or clients/beneficiaries.

## (Proxy) voting and shareholder resolutions

### Process

LEA 17	Mandatory	Descriptive	PRI 2
<b>LEA 17.1</b>	Indicate how you typically make your (proxy) voting decisions and what this approach is based on.		

Approach
----------

- ☐ We use our own research or voting team and make our own voting decisions without the use of service providers.
- ☒ We hire service provider(s) which make voting recommendations or provide research that we use to inform our voting decisions.

Based primarily on
--------------------

- ☐ the service provider voting policy signed off by us
- ☒ our own voting policy
- ☐ our clients requests or policy
- ☐ other, explain
- ☐ We hire service provider(s) which make voting decisions on our behalf, except for some pre-defined scenarios for which we review and make voting decisions.
- ☐ We hire service provider(s) which make voting decisions on our behalf.

LEA 21	Mandatory	Core Assessed	PRI 2
--------	-----------	---------------	-------

LEA 21.1	Indicate if you ensure that companies are informed of the rationale when you and/or the service providers acting on your behalf abstain or vote against management recommendations.
----------	---

- ☐ Yes, in most cases
- ☒ Sometimes, in the following cases:
- ☐ votes in selected markets
- ☐ votes on certain issues (all markets)
- ☐ votes for significant shareholdings (all markets)
- ☒ other, explain
- When companies ask for explanation
- ☐ No
- ☐ Not applicable as we and/or our service providers do not abstain or vote against management recommendations

## Outputs and outcomes

LEA 22	Mandatory	Core Assessed	PRI 2
--------	-----------	---------------	-------

LEA 22.1	For listed equities where you and/or your service provider has the mandate to issue (proxy) voting instructions, indicate the percentage of votes cast during the reporting year.
----------	---

- ☒ We do track or collect this information

Votes cast (to the nearest 1%)
--------------------------------

%
---

1

	Specify the basis on which this percentage is calculated
--	--

- ☐ of the total number of ballot items on which you could have issued instructions
- ☒ of the total number of company meetings at which you could have voted
- ☐ of the total value of your listed equity holdings on which you could have voted

<b>LEA 22.2</b>	If there are specific reasons why you did not vote certain holdings, explain these, and if possible, indicate the percentage of holdings affected by these factors. [Optional]
-----------------	--

We do not vote in some markets due to administrative problems and/or costs involved.

For cost reasons we only vote in companies where we have a fairly large holding

- ☐ We do not track or collect this information

<b>LEA 22.3</b>	Additional information. [Optional]
-----------------	------------------------------------

The comments above relates to proxy voting for our non-domestic holdings. As for our domestic, Swedish holdings we attend in person the AGM of 20-25% of the companies.

## Communication

<b>LEA 26</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 2,6</b>
---------------	------------------	----------------------	----------------

<b>LEA 26.1</b>	Indicate if your organisation proactively discloses information on your voting activities.
-----------------	--

- ☐ We disclose it publicly
- ☒ We disclose it to clients/beneficiaries only

<b>LEA 26.3</b>	Indicate the voting information your organisation proactively discloses to clients/beneficiaries.
-----------------	---

	Indicate how much of your voting record you disclose
--	--

- ☒ All voting decisions
- ☐ Some voting decisions
- ☐ Only abstentions and opposing vote decisions
- ☐ Summary of votes only

Indicate what level of explanation you provide

- ☒ Explain all voting decisions
- ☐ Explain some voting decisions
- ☐ Only explain abstentions and votes against management
- ☐ No explanations provided

**LEA  
26.4**

Indicate how frequently you typically report voting information.

- ☐ Continuously (primarily before meetings)
  - ☐ Continuously (soon after votes are cast)
  - ☐ Quarterly or more frequently
  - ☒ Between quarterly and annually
  - ☐ Less frequently than annually
  - ☐ Other, specify
- ☐ We do not proactively disclose our voting activities to the public and/or to clients/beneficiaries

# Skandinaviska Enskilda Banken (SEB) AB

## Reported Information

### Public version

#### Direct - Fixed Income

## PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

## ESG incorporation in actively managed fixed income

### Fixed Income - Corporate

#### Implementation processes

FI 04	Mandatory	Gateway/Core Assessed	PRI 1
-------	-----------	-----------------------	-------

#### FI 04.1

Indicate (1) which ESG incorporation strategy and/or combination of strategies you apply to your actively managed corporate fixed income investments; and, (2) the breakdown of your actively managed corporate fixed income investments by incorporation strategy or combination of strategies.

#### ESG incorporation strategy (select all that apply)

☒ Screening alone (i.e. not combined with any other strategies)

Percentage of active corporate fixed income to which the strategy is applied (estimate +/- 10%)	<div> <div></div> <div>%</div> </div>
	100

- ☐ Thematic alone (i.e. not combined with any other strategies)
- ☐ Integration alone (i.e. not combined with any other strategies)
- ☐ Screening + Integration strategies
- ☐ Thematic + integration strategies
- ☐ Screening + thematic strategies
- ☐ All three strategies combined
- ☐ No incorporation strategies applied

Total actively managed fixed income - corporate

100%

**FI 04.2**

Describe your primary reasons for choosing a particular incorporation strategy.

SEB is one of the largest institutional investors in the Nordic countries, investing in companies world-wide on behalf of private, corporate and institutional clients. Acting responsibly as an owner forms an important part of the mandate given by our clients. Therefore it is essential that our portfolio companies manage the environmental, social and governance impact associated with their businesses.

We are convinced that companies that actively manage the environmental, social and governance aspects of their business are better positioned to reduce risk and seize opportunities. As a large institutional investor, SEB seeks to engage with holdings to pursue long-term value creation.

For SEB, the key words framing our responsible investments activities are integration, engagement, collaboration and communication of environmental, social and governance (ESG). These areas are also what we committed our organization to when we signed the six principles of the UN Principles for Responsible Investment (PRI) in 2008. The sustainability strategy has been implemented for approximately two-thirds of applicable assets under management, in the asset classes equities, corporate bonds, real estate and private equity

We do a basic screening for all corporate bond funds (e.g cluster munitions, anti personell landmines, chemical and biological weapons and nuclear weapons). In addition we apply an engagement strategy with the aim of supporting companies in their sustainability efforts. Something that is applied when the fund has holdings in a company.

## (A) Implementation: Screening

**FI 06**
**Mandatory**
**Descriptive**
**PRI 1**
**FI 06.1**

Indicate and describe the type of screening you apply to your internally managed active corporate fixed income investments.

**Type of screening**
☒ Negative/exclusionary screening

**Screened by**



- ☒ Product
- ☒ Activity
- ☐ Sector
- ☐ Country/geographic region
- ☒ Environmental and social practices and performance
- ☒ Corporate governance

Description
-------------

### General

From our investment funds we exclude companies involved in the production of illegal weapons (anti-personnel landmines, cluster munitions, chemical and biological weapons) and nuclear weapons programmes in the development or production phase. The exclusion list can be found at [sebgroupp.com/Responsiblebanking](http://sebgroupp.com/Responsiblebanking).

### SRI Fund - SEB Corp Bond Flex

We offer investment products designed to meet a variety of concerns and responsible investment preferences among SEB's customer. For example, one corporate bond fund with specific sustainability criteria has been launched. The criteria are based on international standards of human rights, labor, environment and anti-corruption. This means that the fund invests in bonds issued by companies conducting business in accordance with these standards. Fund refrains from further investing in companies where more than five percent of the company's revenue comes from production and / or sale of weapons or pornographic material, production of alcoholic beverages or tobacco products as well as from commercial gambling. The Fund invests nor in bonds from companies that manufacture or sell controversial weapons

Our processes are supported by a systematic screening. Screening is performed twice a year by an external research provider

- ☐ Positive/best-in-class screening
- ☒ Norms-based screening

### Screened by

- ☒ UN Global Compact Principles
- ☒ Universal Declaration of Human Rights
- ☒ International Labour Organization Conventions
- ☒ United Nations Convention Against Corruption
- ☒ OECD Guidelines for Multinational Enterprises
- ☐ Other, specify

### Engagement - Companies issuing bonds

As one of the largest investors in the Nordics, it is our responsibility to actively engage with companies we invest in regarding corporate governance, social and environmental aspects. We believe that we in this way can improve value of the assets we invest in, thus creating value for us and our clients. This is done mainly in two ways: individual engagements regarding company specific issues and collaborative engagements. Based on the assessment of global norms and guidelines, we or our external ESG research service provider have dialogues with companies within our investment univers

### SRI Fund - SEB Corp Bond Flex

We offer investment products designed to meet a variety of concerns and responsible investment preferences among SEB's customer. For example, one corporate bond fund with specific sustainability criteria has been launched. The criteria are based on international standards of human rights, labor, environment and anti-corruption. This means that the fund invests in bonds issued by companies conducting business in accordance with these standards. Fund refrains from further investing in companies where more than five percent of the company's revenue comes from production and / or sale of weapons or pornographic material, production of alcoholic beverages or tobacco products as well as from commercial gambling. The Fund invests nor in bonds from companies that manufacture or sell controversial weapons

Our processes are supported by a systematic screening. Screening is performed twice a year by an external research provider

**FI 06.2**

Describe how the screening criteria are established, how often the criteria are reviewed and how you notify clients and/or beneficiaries when changes are made.

Our processes are supported by a systematic screening. Screening is performed twice a year by an external research provider, The criteria are reviewed on yearly basis and clients are notified when changes are made.

**FI 07****Mandatory****Core Assessed****PRI 1****FI 07.1**

Indicate which processes your organisation uses to ensure that screening in corporate fixed income is based on robust analysis.

- ☐ Comprehensive research is undertaken or sourced to determine issuers' ESG performance
- ☒ Issuers are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- ☒ External research and data used to identify issuers to be excluded/included is subject to internal audit by ESG/RI staff, the internal audit function or similar
- ☒ Information on ESG issues and/or ratings is updated regularly to ensure that portfolio holdings comply with fund policies
- ☐ A committee or body with representatives independent of the individuals who conduct ESG research reviews some or all screening decisions
- ☐ A periodic review of the quality of the research undertaken or provided is carried out
- ☐ Other, specify
- ☐ None of the above

## Fixed income - Government

**FI 13****Mandatory****Core Assessed****PRI 1****FI 13.1**

Indicate if you incorporate ESG issues in investment analysis and decision making for your government fixed income investments.

☒ Yes

**FI 13.2**

Indicate for what percentage of your government fixed income investments you incorporate ESG issues in investment analysis and decision making.

- ☒ <10%
- ☐ 10-50%
- ☐ 51-90%
- ☐ >90%

**FI 13.3**

Indicate if in active strategies, E, S and G issues are reviewed while researching government issuers.

ESG issues	Coverage/extent of review on these issues
Environmental	<input checked="" type="radio"/> We systematically review the potential significance of environmental issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of environmental issues and investigate them accordingly <input type="radio"/> We do not review environmental issues
Social	<input checked="" type="radio"/> We systematically review the potential significance of social issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of social issues and investigate them accordingly <input type="radio"/> We do not review social issues
Corporate Governance	<input checked="" type="radio"/> We systematically review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We do not review corporate governance issues

**FI 13.4**

Describe your approach to incorporating ESG issues in government fixed income investments. [Optional]

#### SRI Fund - SEB Ökorent

SEB Ökorent is a global medium term fixed income fund with an ethical and ecological investment policy. Eligible bond issuers are chosen from the best in class companies and countries from the screening of oekom research and our refined approach is to within that universe choose green bonds. Green bonds are a known investment product providing an acknowledge risk/return which gives the stakeholders transparency and insight, raising awareness and education in an area of concern namely the climate and its likely effect on living qualities and financial qualities and financial values

☐ No

### Communication

**FI 18**

**Mandatory**

**Core Assessed**

**PRI 2,6**

**FI 18.1**

Indicate if your organisation proactively discloses information on your approach to ESG incorporation in all fixed income investments.

☒ We disclose it publicly

Provide URL

<http://sebgroup.com/en/About-SEB/Sustainability/How-we-work/annual-reporting/>

Provide URL

[http://www.seb.se/pow/fmk/2500/AR/SEB\\_okoLux\\_SEB\\_okoRent.pdf](http://www.seb.se/pow/fmk/2500/AR/SEB_okoLux_SEB_okoRent.pdf)

**FI 18.2**

Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.

☒ Yes

**FI 18.3**

Indicate the information your organisation proactively discloses to clients/ beneficiaries and the public regarding your approach to ESG incorporation.

- ☒ Broad approach to ESG incorporation  
☐ Detailed explanation of ESG incorporation strategy used

**FI 18.4**

Indicate how frequently you typically report this information.

- ☐ Quarterly or more frequently  
☒ Between quarterly and annually  
☐ Less frequently than annually  
☐ Other, specify
- ☐ No
- ☐ We disclose it to clients/beneficiaries only  
☐ We do not proactively disclose it to the public and/or clients/beneficiaries

# Skandinaviska Enskilda Banken (SEB) AB

## Reported Information

### Public version

#### Direct – Private Equity

## PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

## Overview

PE 04	Mandatory	Core Assessed	PRI 2
-------	-----------	---------------	-------

**PE 04.1** Indicate if your organisation's investment guidelines for private equity refer to responsible investment.

☒ Our investment guidelines do refer to responsible investment

**PE 04.2** Describe how your organisation's investment guidelines outline your expectations on staff and portfolio companies' approach towards ESG issues [Optional].

Our overarching responsible investment framework states that we should include ESG aspects into our private equity investments. We have integrated ESG aspects since we set up the team, and have continuously revised and improved this since.

Thus, for the latest fund we launched, our ESG commitment is included in the prospectus, as well as in sales material. This relates to risk management/value creation, as well as to no-go areas/industries.

The guidelines define who is responsible for what pre and post investment, and applies to all the private equity investment professionals.

☐ Our investment guidelines do not refer to responsible investment

☐ We do not have investment guidelines

## Fundraising of private equity funds

PE 05	Mandatory	Core Assessed	PRI 1,4,6
-------	-----------	---------------	-----------

**PE 05.1** Indicate if your fund placement documents (private placement memorandums (PPMs) or similar) refer to responsible investment aspects of your organisation.

☒ Yes



**PE 05.2**

Indicate how your fund placement documents (PPMs or similar) refer to the following responsible investment aspects of your organisation:

- ☒ Policy and commitment to responsible investment
  - ☒ Always
  - ☐ In a majority of cases
  - ☐ In a minority of cases
- ☒ Approach to ESG issues in pre-investment processes
  - ☒ Always
  - ☐ In a majority of cases
  - ☐ In a minority of cases
- ☒ Approach to ESG issues in post-investment processes
  - ☐ Always
  - ☒ In a majority of cases
  - ☐ In a minority of cases

**PE 05.3**

Describe how your organisation refers to responsible investment in fund placement documents (PPMs or similar). [Optional]

We have an overall RI policy, which also covers Private Equity.

We have a specific PE ESG investment framework.

The framework outlines how ESG is integrated in pre-investment, post investment and in the exit stage.

Pre-investment outlines no-go areas, as well as ESG related business opportunities and risks. The ESG specialist in the team is present in all discussions, from the idea stage, to providing input to the investment committee memos.

Post investment, the ESG specialist, together with the investment director or board representative of the portfolio company, implements the ESG part of the value creation strategy. Targets are set for each portfolio company, as part of the value creation plan, and are followed up on a regular basis (monthly to annual, depending on company).

☐ No

## Pre-investment (selection)

**PE 07****Mandatory****Gateway****PRI 1****PE 07.1**

Indicate if your organisation typically incorporates ESG issues when selecting private equity investments.

☒ Yes

**PE 07.2**

Describe your organisation's approach to incorporating ESG issues in private equity investment selection. [Optional]

Integration of ESG in pre-investment is a part of our investment guidelines. We integrate client policies or views where these differ from our approach.

Long and short term ESG aspects are included from the first investment idea discussions, to being formally included in investment committee memos. The ESG specialist is part of the discussions all along the way, providing input along the way.

ESG risks and opportunities are identified by the ESG specialist, or by the external due diligence teams (commercial, legal, environmental) as instructed by the ESG specialist. The conclusions are subsequently integrated into the analysis of the investment object that goes into investment committee documentation.

This is applied uniformly to all investments in all geographies, industries and investment strategies, although the risks and opportunities themselves may differ depending on geography and industry,

☐ No

PE 09	Mandatory	Core Assessed	PRI 1,3
-------	-----------	---------------	---------

**PE 09.1**

Indicate which E, S and/or G issues are typically considered by your organisation in the investment selection process and list up to three typical examples per issue.

**ESG issues**

☒ Environmental

List up to three typical examples of environmental issues

Resource efficiency

Climate change (physical and regulatory)

Contamination

☒ Social

List up to three typical examples of social issues

Working conditions

Supply chain management

☒ Governance

List up to three typical examples of governance issues

Corruption

Conflicts of interest

PE 09.2

Additional information. [Optional]

We tend to apply the same approach to all investment objects, regardless of location and industry. However, we put different weights to different ESG factors depending on industry or countries of operation.

## Post-investment (monitoring and active ownership)

PE 13

Mandatory

Gateway/Core Assessed

PRI 2

PE 13.1

Indicate whether your organisation incorporates ESG issues in investment monitoring of portfolio companies.

☒ Yes

PE 13.2

Indicate the proportion of portfolio companies where your organisation included ESG performance in investment monitoring during the reporting year.

- ☐ >90% of portfolio companies
- ☒ 51-90% of portfolio companies
- ☐ 10-50% of portfolio companies
- ☐ <10% of portfolio companies

(in terms of total number of portfolio companies)

PE 13.3

Indicate ESG issues for which your organisation typically sets and monitors targets (KPIs or similar) and provide examples per issue.

### ESG issues

☒ Environmental

List up to three example targets of environmental issues

Resource efficiency

☒ Social

List up to three example targets of social issues

Health & Safety performance

☐ Governance

☐ We do not set and/or monitor against targets

☐ No

<b>PE 13.4</b>	Additional information. [Optional]
----------------	------------------------------------

We want to ensure companies we own are performing well from an ESG perspective. We set ESG targets in the value creation plan, for typically 3-5 years, on what we want to achieve before exit. However, if we have a 5 year plan for improving ESG performance, but we end up exiting after three years, all aspects of ESG improvements will not have been fully implemented. This then becomes a part of our assessment of who we sell to, that the buyer has a mindset similar to ours when it comes to ESG.

Our approach is rather uniform regardless of strategy and geography/industry.

ESG aspects will be discussed on board level at least once a year.

<b>PE 14</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 2</b>
--------------	------------------	----------------------	--------------

<b>PE 14.1</b>	Indicate if your organisation tracks the proportion of your portfolio companies that have an ESG/sustainability-related policy (or similar guidelines).
----------------	---

☒ Yes

<b>PE 14.2</b>	Indicate what percentage of your portfolio companies has an ESG/sustainability policy (or similar guidelines).
----------------	--

- ☒ >90% of portfolio companies
- ☐ 51-90% of portfolio companies
- ☐ 10-50% of portfolio companies
- ☐ <10% of portfolio companies
- ☐ 0% of portfolio companies

(in terms of total number of portfolio companies)

☐ No

<b>PE 14.3</b>	Additional information. [Optional]
----------------	------------------------------------

We set individual plans for each portfolio company. These build on existing ESG work of the company, if that exists. If not, we create such a strategy together with company management. Thus, 100 percent of our portfolio companies have or will have a sustainability policy or similar guidelines during the time of our holding.

## Communication

<b>PE 20</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 6</b>
--------------	------------------	----------------------	--------------

**PE 20.1**

Indicate whether your organisation proactively discloses ESG information on your private equity investments.

- ☐ Disclose publicly
- ☒ Disclose to investor clients (LPs)/beneficiaries only

**PE 20.3**

Indicate the type of ESG information that your organisation proactively discloses to your clients (LPs)/beneficiaries.

- ☒ ESG information in relation to our pre-investment activities
- ☒ ESG information in relation to our post-investment monitoring and ownership activities
- ☒ Information on our portfolio companies' ESG performance
- ☐ Other, specify

**PE 20.4**

Indicate your organisation's typical frequency of disclosing ESG information to your clients (LPs)/beneficiaries.

- ☐ Quarterly or more frequently
- ☐ Semi annually
- ☒ Annually
- ☐ Every two years or less frequently
- ☐ Ad-hoc, specify

**PE 20.5**

Describe the ESG information and how your organisation proactively discloses it to your clients (LPs)/beneficiaries. [Optional]

We report on an organisational, fund as well as portfolio company level, as required by our clients.

We report to clients, as required, on how we include ESG aspects in all stages of the investment cycle, including examples of no-go areas and company specific risks/opportunities. The ESG approach covers all our private equity investments.

We have in our pre-investment activities been able to integrate ESG aspects, underpinning the investment rationale. We believe that by including ESG aspects, we have been able to do better informed investment decisions.

For the ownership phase, we have set value creating ESG goals for holdings, which we believe will result in better managed portfolio companies.

For an overall view of our work with responsible investments, please see [http://sebgroupp.com/Documents/Sustainability/reporting\\_package/2013/SEB\\_CS\\_report\\_2013\\_Eng.pdf](http://sebgroupp.com/Documents/Sustainability/reporting_package/2013/SEB_CS_report_2013_Eng.pdf)

- ☐ No proactive disclosure to the public or to clients (LPs)/beneficiaries

# Skandinaviska Enskilda Banken (SEB) AB

## Reported Information

### Public version

#### Direct - Property

## PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

## Overview

PR 05	Mandatory	Core Assessed	PRI 1-6
PR 05.1	Indicate if your organisation has a Responsible Property Investment (RPI) policy.		
<div><input checked="" type="radio"/> Yes</div> <div><input type="radio"/> No</div>			
PR 05.3	Additional information. [Optional]		

The policy is being revised, and will be published later in 2014.

## Fundraising of property funds

PR 06	Mandatory	Core Assessed	PRI 1,4,6
PR 06.1	Indicate if your fund placement documents (private placement memorandums (PPMs) or similar) refer to responsible investment aspects of your organisation.		
<input checked="" type="radio"/> Yes			
PR 06.2	Indicate how your fund placement documents (PPMs or similar) refer to the following responsible investment aspects of your organisation:		

- ☒ Policy and commitment to responsible investment
  - ☐ Always
  - ☒ In a majority of cases
  - ☐ In a minority of cases
- ☒ Approach to ESG issues in pre-investment processes
  - ☐ Always
  - ☒ In a majority of cases
  - ☐ In a minority of cases
- ☒ Approach to ESG issues in post-investment processes
  - ☐ Always
  - ☒ In a majority of cases
  - ☐ In a minority of cases

**PR 06.3**

Describe how your organisation refers to responsible investment for property funds in fund placement documents (PPMs or similar). [Optional]

- The foundation of the ESG work is the SEB responsible investment policy, covering all asset classes. This has asset class specific sub-sections.
- ESG aspects are included in the due diligence phase, to ensure related risks and opportunities are taken into consideration in investment decisions.
- Based on conclusions from the DD phase, ESG targets are set and followed up on during the holding period of the assets, making sure assets are improved also from an ESG perspective.

☐ No

## Pre-investment (selection)

**PR 08**

**Mandatory**

**Gateway**

**PRI 1**

**PR 08.1**

Indicate if your organisation typically incorporates ESG issues when selecting property investments.

☒ Yes

**PR 08.2**

Provide a description of your organisation's approach to incorporating ESG issues in property investment selection. [Optional]

The inclusion of ESG aspects in pre-investment is determined by the investment manager, and is due to the belief that ESG aspects can mitigate risks, and increase the value of our holdings.

All relevant ESG aspects are part of the due diligence work, prior to investments. Findings are included in post-investment management plans.

For example, if the environmental due diligence finds that there are potential future liabilities from soil contamination, this is included in the investment decision as a risk. If the due diligence concludes that there are opportunities related to improvements of e.g. energy efficiency or climates related aspects, this is included in the investment decisions as opportunities.

☐ No

**PR 10**

**Mandatory**

**Core Assessed**

**PRI 1,3**

**PR 10.1**

Indicate which E, S and/or G issues are typically considered by your organisation in the property investment selection process and list up to three examples per issue.

**ESG issues**



☒ Environmental

List up to three typical examples of environmental issues

Energy efficiency  
Climate change (physical, regulatory)  
Building materials

☒ Social

List up to three typical examples of social issues

Supply chain management  
Client satisfaction

☒ Governance

List up to three typical examples of governance issues

AML/KYC  
Anti-corruption

**PR 10.2** Additional information. [Optional]

We apply essentially the same approach to all our investments, regardless of location and type of sector.

## Selection, appointment and monitoring third-party property managers

**PR 13**

**Mandatory**

**Core Assessed**

**PRI 4**

**PR 13.1**

Indicate if your organisation includes ESG issues in your selection, appointment and/or monitoring of third-party property managers.

☒ Yes

**PR 13.2**

Indicate how your organisation includes ESG issues in your selection, appointment and/or monitoring of third party property managers.

- ☒ Selection process of property managers incorporated ESG issues
- ☒ For all third party property managers
  - ☐ For a majority of property managers
  - ☐ For a minority of property managers
- ☐ Contractual requirements when appointing property managers includes ESG issues
- ☒ Monitoring of property managers covers ESG responsibilities and implementation
- ☒ For all third party property managers
  - ☐ For a majority of property managers
  - ☐ For a minority of property managers

**PR 13.3**

Provide a brief description of your organisation's selection, appointment and monitoring of third party property managers. [Optional]

The selection of property managers include their ESG credentials, and how we can utilise their skills in implementing our ESG work in our investment objects.

We typically interact with the property manager on a monthly basis, where we follow up on agreed ESG KPIs, to measure progress. We also get an annual report on progress, which we discuss with the property manager, to follow up on the KPIs, as well as to fine tune management plans.

The investment managers also visit the portfolio properties regularly. These visits comprise ESG related aspects.

**PR 13.4**

Describe how your third party property managers contribute to the management of ESG issues for your property investments. [Optional]

The property managers track and follow up agreed ESG KPIs. They are also involved in how these KPIs can be refined, and how we better can ensure the KPIs are reached, and our ESG performance improved. They, for example, come with ideas on measures that we can take to improve a certain KPI, e.g. the climate impact of our assets.

☐ No

## Post-investment (monitoring and active ownership)

### Overview

**PR 14****Mandatory****Gateway****PRI 2****PR 14.1**

Indicate if your organisation, and/or property managers, considers ESG issues in post-investment activities relating to your property assets.

☒ Yes

**PR 14.2**

Indicate whether your organisation, and/or property managers, considers ESG issues in the following post-investment activities relating to your property assets.

- ☒ We consider ESG issues in property monitoring and management
- ☒ We consider ESG issues in property developments and refurbishments
- ☐ We consider ESG issues in property occupier engagements
- ☐ We consider ESG issues in community engagements related to our properties
- ☐ We consider ESG issues in other post-investment activities, specify

**PR 14.3**

Describe how your organisation, and/or property managers, considers ESG issues in post-investment activities related to your property assets. [Optional]

Monitoring and management relates to the management plans that we have for the properties we own. The management plans contains ESG aspects, and govern how the property manager shall implement and follow up these. This is done in monthly evaluation meetings with the investment manager and the property manager.

All development and refurbishment take ESG aspects into consideration. This relates to e.g. choice of building materials, and exploring ways to improve energy efficiency.

☐ No

## Property monitoring and management

**PR 15**

**Mandatory**

**Core Assessed**

**PRI 2,3**

**PR 15.1**

Indicate the proportion of property assets for which your organisation, and/or property managers, set and monitored ESG targets (KPIs or similar) during the reporting year.

- ☒ >90% of property assets
- ☐ 51-90% of property assets
- ☐ 10-50% of property assets
- ☐ <10% of property assets

(in terms of number of property assets)

**PR 15.2**

Indicate ESG issues for which your organisation, and/or property managers, typically sets and monitors targets (KPIs or similar) and provide examples per issue.

**ESG issues**

☒ Environmental

List up to three example targets per issue

energy efficiency  
climate change  
building materials

☒ Social

List up to three example targets per issue

client satisfaction

- ☐ Governance
- ☐ We do not set and/or monitor against targets

<b>PR 15.3</b>	Additional information. [Optional]
----------------	------------------------------------

We have an ambition to buy good property and improve it during our holding period. This implies that the property we invest in is normally in a good condition when we invest, and our work is focussed on building on that, from an ESG perspective.

We have a set of ESG KPIs for each of our investments, which are addressed in the management plan for each property. These are measured and managed by the property manager, and followed up on by the investment manager on a monthly basis.

Some benchmarks, e.g. regarding energy efficiency, needs to be adjusted for geographic location; our investments in northern Sweden will have a different energy profile than the ones in the south, due to different climate.

## Property developments and refurbishments

<b>PR 17</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 2</b>
--------------	------------------	----------------------	--------------

<b>PR 17.1</b>	Indicate the proportion of active property developments and refurbishments where ESG issues have been considered.
----------------	---

- ☒ >90% of active developments and refurbishments
- ☐ 51-90% of active developments and refurbishments
- ☐ 10-50% of active developments and refurbishments
- ☐ <10% of active developments and refurbishments
- ☐ N/A, no developments and refurbishments of property assets are active

(by number of active property developments and refurbishments)

<b>PR 17.2</b>	Indicate if the following ESG considerations are typically implemented and monitored in your property developments and refurbishments.
----------------	--

- ☒ Minimum environmental site selection requirements
- ☒ Minimum environmental site development requirements
- ☒ Sustainable construction materials
- ☐ Minimum water efficiency requirements
- ☒ Minimum energy efficiency requirements
- ☐ Energy generation from on-site renewable sources
- ☒ Waste management plans at sites
- ☐ Health and safety management systems at sites
- ☐ Construction contractors comply with sustainability guidelines
- ☐ Other, specify

PR 17.3	Additional information. [Optional]
---------	------------------------------------

Developments and refurbishments always entails ESG aspects, with the goal of improving the ESG performance of our properties.

The main driver is value creation; cost savings and increasing the value of the assets during the holding period, and making the assets more attractive to clients. The latter is especially important for our commercial property portfolios.

## Communication

PR 23

Mandatory

Core Assessed

PRI 6

PR 23.1

Indicate if your organisation proactively discloses ESG information on your property investments.

- ☐ Disclose publicly
- ☒ Disclose to clients/beneficiaries only

PR 23.2

Indicate if your organisation uses property specific reporting standards to disclose information related to your property investments' ESG performance.

- ☐ Global Reporting Initiative (GRI) Construction & Real Estate Sector Supplement (CRESS)
- ☐ Other property reporting standards, specify
- ☒ No property specific reporting standards are used

PR 23.4

Indicate the type of ESG information that your organisation proactively discloses to your clients/beneficiaries.

- ☒ ESG information on how you select property investments
- ☒ ESG information on how you monitor and manage property investments
- ☒ Information on your property investments' ESG performance
- ☐ Other, specify

PR 23.5

Indicate your organisation's typical frequency of disclosing ESG information to the your clients/beneficiaries.

- ☐ Quarterly or more frequently
- ☐ Semi annually
- ☒ Annually
- ☐ Every two years or less frequently
- ☐ Ad-hoc, specify

**PR 23.6**

Describe the ESG information and how your organisation proactively discloses it to your clients/beneficiaries. [Optional]

we describe on an annual basis the bigger picture, and what we intend to do with the property portfolio. we also disclose the performance against benchmarks of individual holdings. all to the clients in the funds.

we disclose to the public our overall work with ESG for all asset classes via our annual sustainability report.

☐ No proactive disclosure to the public or to clients/beneficiaries

# Skandinaviska Enskilda Banken (SEB) AB

## Reported Information

### Public version

#### Direct - Inclusive Finance

## PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

## PIIF Principle 1: Range of services

IFD 07

Mandatory

Core Assessed

PIIF 1

### Possible action:

*Develop and extend the range of financial services available to low-income populations. Extensions could include savings, loans, insurance, payment services, remittance facilities and pension plans.*

IFD 07.1

Indicate if you track the percentage of your microfinance investees' portfolio that is in microenterprise loans.

☒ Yes, we track

If you aggregate this information at an organisational level, indicate the percentage of your portfolio in microenterprise loans. [Optional]

- ☐ <20%
- ☐ 20-40%
- ☒ 41-60%
- ☐ 61-80%
- ☐ >80%

☐ No, we do not track

☐ Not applicable (there are no microenterprise loans in the portfolio)

IFD 07.2

Indicate if you track the percentage of your microfinance investees' portfolio that is in loans for immediate household needs (i.e. consumer loans).

☒ Yes, we track

If you aggregate this information at an organisational level, indicate the percentage of your portfolio in loans for immediate household needs. [Optional]:

- ☒ <20%
- ☐ 20-40%
- ☐ 41-60%
- ☐ 61-80%
- ☐ >80%

☐ No, we do not track

☐ Not applicable (there are no loans for immediate household needs in the portfolio)

IFD 07.3

Indicate if you track the percentage of your investees' portfolio in housing loans.

☒ Yes, we track



If you aggregate this information at an organisational level, indicate the percentage of your portfolio in loans for other categories. [Optional]

☒ <20%

☐ 20-40%

☐ 41-60%

☐ 61-80%

☐ >80%

☐ No, we do not track

☐ Not applicable (there are no loans for housing in the portfolio)

IFD 08

Mandatory

Core Assessed

PIIF 1

IFD 08.1

In your microfinance portfolio, indicate if you support the provision of financial services beyond credit, compulsory savings and/or compulsory insurance.

☒ Yes

IFD 08.2

Indicate which of the following services you support:

☒ Voluntary savings products

Provide examples of how and what you support.

We finance institutions who provide clients with deposits accounts. We find it beneficial to en clients when institutions we finance to provide this service.

Indicate if you gather data regarding the percentage of financial service providers in your portfolio that are offering such a service.

☐ Yes

☒ No

☒ Voluntary insurance products

Provide examples of how and what you support.

Same as above.

Indicate if you gather data regarding the percentage of financial service providers in your portfolio that are offering such a service.

☐ Yes

☒ No

☐ Other financial services, specify

☒ Non-financial services, specify

Vocational and financial literacy training.

Provide examples of how and what you support.

Same as above.

Indicate if you gather data regarding the percentage of financial service providers in your portfolio that are offering such a service.

☐ Yes

☒ No

☐ No

## PIIF Principle 2: Client protection

IFD 11

Mandatory

Core Assessed

PIIF 2

### Possible action:

*Publicly endorse the Client Protection Principles (CPP).*

IFD 11.1

Indicate if you have publicly endorsed the Client Protection Principles.

☐ Yes

☒ No

IFD 11.2

Additional information. [Optional]

We support the Principles, and we assess the investees against the Principles, but we had not in 2013 publicly endorsed them.

IFD 13

Mandatory

Core Assessed

PIIF 2

IFD 13.1

Indicate if you include the Client Protection Principles and/or other client protection measures in your investment policies.

☒ Yes

IFD 13.2

Indicate if this is systematically applied.

During due diligence

☒ Yes

☐ No

	In covenants in loan agreements and/or in financing or shareholder agreements
--	---

☐ Yes

☒ No

<b>IFD 13.3</b>	Indicate if you encourage investees to apply for Client Protection Certification. [Optional]
-----------------	--

☐ Yes

☒ No

☐ No

### PIIF Principle 3: Fair treatment

IFD 14	Mandatory	Core Assessed	PIIF 3
--------	-----------	---------------	--------

**Possible action:**

*Provide financing in an appropriate currency and tenor.*

<b>IFD 14.1</b>	In relation to your direct portfolio in debt, indicate if you provide investment in local currency.
-----------------	---

☒ Yes

<b>IFD 14.2</b>	Indicate what percentage of your direct portfolio in debt is invested in the investee's local currency.
-----------------	---

☐ <20%

☐ 20-40%

☐ 41-60%

☐ 61-80%

☒ >80%

☐ No

<b>IFD 14.3</b>	Additional information. [Optional]
-----------------	------------------------------------

Lending in local currency is part of the social mission of the fund.

IFD 15	Mandatory	Descriptive	PIIF 3
--------	-----------	-------------	--------

**Possible action:**

*Provide financing in an appropriate currency and tenor.*

*Actively support the building of a diversified funding base.*

**IFD 15.1**

In relation to your direct portfolio in debt, indicate what percentage have a maturity (from the point of investment) of the specified duration:

- ☐ 12 months or fewer
- ☐ 13 to 24 months
- ☒ 25 to 60 months

Indicate percentage

- ☐ <20
- ☐ 20-40%
- ☐ 41-60%
- ☒ 61-80%
- ☐ >80%

- ☐ Over 60 months

**IFD 15.2**

Indicate if you have a set limit regarding the maximum fixed income investment exposure of the investees in which you invest. [Optional]

- ☒ Yes
- ☐ No

**IFD 17****Mandatory****Core Assessed****PIIF 3****Possible action:**

*Negotiate terms and conditions that are transparent, fair and reasonable, including fair break-up clauses.*

**IFD 17.1**

Indicate if you adopt the following practices:

- ☒ For fixed income investments: Use the Lenders' Guidelines for Setting Covenants in Support of Responsible Microfinance as an example or reference document.

Indicate if these practices are formalised in written policies and procedures.

- ☒ Yes
- ☐ No

- ☒ Ensure that the investee understands the terms, covenants and their implications prior to signing loan / shareholder documentation.

Describe your process.

This is a natural part of the process for each loan. The contracts are standardised and discussed with the investee prior to signing.

Indicate if these practices are formalised in written policies and procedures.

☒ Yes

☐ No

☒ Foster trust and proactive dialogue with investees through straightforward discussions on issues such as a covenant breach.

Describe your process.

Covenant breaches are always subject to discussion with the investee. The main goal here is to resolve the matter constructively for both parties.

Indicate if these practices are formalised in written policies and procedures.

☒ Yes

☐ No

☒ In the case of material covenant breach, create/participate in a voluntary workout group where applicable, with the goal to help the investee remain a going concern whenever possible.

Indicate if these practices are formalised in written policies and procedures.

☒ Yes

☐ No

☒ For fixed income investments: Train your staff on effective monitoring and covenant waiver negotiations to manage deteriorating conditions, and transition a non-performing loan from loan origination staff to specialised workout staff.

Indicate if these practices are formalised in written policies and procedures.

☒ Yes

☐ No

☐ Encourage investee skills-building on financial projections, scenario planning and stress-testing for management, and on financial expertise and governance for Directors.

☐ Other (explain)

☐ None of the above

## PIIF Principle 4: Responsible investment

IFD 18

Mandatory

Gateway

PIIF 4

### Possible action:

*Negotiate terms and conditions that are transparent, fair and reasonable, including fair break-up clauses.*

IFD 18.1

Indicate if you use the following tools for social performance reporting:

### Externally developed tools

During due diligence.

- ☒ Yes
- ☐ No
- ☐ We don't track social performance

For monitoring and reporting purposes.

- ☒ Yes
- ☐ No
- ☐ We don't track social performance

#### In-house tools based on externally developed tools

During due diligence.

- ☒ Yes
- ☐ No
- ☐ We don't track social performance

For monitoring and reporting purposes.

- ☒ Yes
- ☐ No
- ☐ We don't track social performance

#### Tools developed solely in-house

During due diligence.

- ☐ Yes
- ☒ No
- ☐ We don't track social performance

For monitoring and reporting purposes.

- ☐ Yes
- ☒ No
- ☐ We don't track social performance

IFD 19

Mandatory

Descriptive

PIIF 4

<b>IFD 19.1</b>	Indicate if you require the retail institutions in which you invest to have an independent financial rating.
-----------------	--

- ☒ Always
- ☐ In a majority of cases
- ☐ In a minority of cases
- ☐ No

<b>IFD 19.2</b>	Indicate if you require the retail institutions in which you invest to have an independent social rating.
-----------------	---

- ☒ Always
- ☐ In a majority of cases
- ☐ In a minority of cases
- ☐ No

<b>IFD 19.3</b>	Indicate if you require the retail institutions in which you invest to have an independent social audit.
-----------------	--

- ☐ Yes
- ☒ No

IFD 20	Mandatory	Core Assessed	PIIF 4
--------	-----------	---------------	--------

**Possible action:**

*Assist in developing appropriate references for corporate governance issues.*

<b>IFD 20.1</b>	In relation to your due diligence on and monitoring and reporting of corporate governance among investees, indicate if you assess:
-----------------	--

**Compensation of the Board of Directors and Executive Directors (i.e. its transparency, the use of benchmarking)**

	Pre-investment
--	----------------

- ☒ Yes
- ☐ No
- ☐ Not for all of our investments in inclusive finance

	Post-investment
--	-----------------

- ☒ Yes
- ☐ No
- ☐ Not for all of our investments in inclusive finance

**Composition of the Board (i.e. breadth and depth of experience, effective client representation, diversity)**

	Pre-investment
--	----------------

- ☒ Yes
- ☐ No
- ☐ Not for all of our investments in inclusive finance

	Post-investment
--	-----------------

- ☒ Yes
- ☐ No
- ☐ Not for all of our investments in inclusive finance

	Describe what you look at and, if post-investment, the frequency of assessment. [Optional]
--	--

E.g. experience and expertise in financial, social development aspects. Diversity and local knowledge. Performed annually post-investment.

**Whether the Board receives social performance management-related information from the management team that is analysed and contributes to Board decision making.**

	Pre-investment
--	----------------

- ☒ Yes
- ☐ No
- ☐ Not for all of our investments in inclusive finance

	Post-investment
--	-----------------

- ☒ Yes
- ☐ No
- ☐ Not for all of our investments in inclusive finance

IFD 23	Mandatory	Descriptive	PIIF 4
--------	-----------	-------------	--------

**Possible action:**

*Assist in developing appropriate references for environmental issues.*



**IFD 23.1**

Indicate if you have a procedure to integrate the consideration of environmental issues in your investment decision processes.

- ☒ Yes
- ☐ For all inclusive finance investments
  - ☐ For a majority of inclusive finance investments
  - ☐ For a minority of inclusive finance investments

**IFD 23.2**

Describe how your procedure to integrate the consideration of environmental issues in your investment decisions processes affect decisions pre-investment. [Optional]

It forms part of the social performance rating that all investees have. So it's part of the overall assessment of each institution.

**IFD 23.3**

Describe how your procedure to integrate the consideration of environmental issues in your investment decisions processes affect decisions post- investment. [Optional]

It is part of the annual update on the investee.

- ☐ No

**IFD 23.4**

Indicate if you request your investees to comply with an environmental exclusion list.

- ☒ Yes, for all investees
- ☐ Yes, for a majority of investees
  - ☐ Yes, for a minority of investees
  - ☐ No

## PIIF Principle 5: Transparency

**IFD 26****Mandatory****Core Assessed****PIIF 5****Possible action:**

*Fully disclose policies, criteria and related conditions of products and services to investees and other relevant stakeholders.*

**IFD 26.1**

Other than the PRI/PIIF, indicate if you provide your investors and/or the public with information aligned with industry standards.

- ☐ Yes
- ☒ No

**IFD 27****Mandatory****Core Assessed****PIIF 5**

**Possible action:**

*Ensure that investees adequately disclose the pricing, terms and conditions of financial products and services offered, and that the pricing, terms and conditions are understood by clients.*

IFD 27.1	Indicate if you encourage the retail institutions in which you invest to ensure that the following are transparent and fully explained to their clients (i.e. those seeking financial services from them) in a form they can understand.
----------	--

	Pricing
--	---------

☒ Yes

IFD 27.2	Indicate how you ensure this for pricing and provide examples.
----------	--

It is part of the due diligence process. This includes MFI visits, where documentation is checked, and also discussed with end clients.

☐ No

	Other terms and conditions
--	----------------------------

☒ Yes

IFD 27.3	Indicate how you ensure this for other terms/conditions and provide examples.
----------	---

See above.

☐ No

## PIIF Principle 6: Balanced returns

IFD 28	Mandatory	Core Assessed	PIIF 6
--------	-----------	---------------	--------

**Possible action:**

*Strive for a balanced long-term social and financial risk-adjusted return that recognises the interests of clients, retail providers and investors.*

IFD 28.1	Indicate if the social performance of investees affects your:
----------	---

	Investment decision making
--	----------------------------

☒ Yes

IFD 28.2

Explain how social performance of investees affects investment decision making.

Better social performance can improve the investment case, some MFIs are in the portfolio in order to improve the aggregated social profile of the fund. Poor social performance implies non-investment.

☐ No

Portfolio management

☒ Yes

IFD 28.3

Explain how social performance of investees affects portfolio management.

See above.

☐ No

## PIIF Principle 7: Standards

IFD 32

Mandatory

Core Assessed

PIIF 7

### Possible action:

*Participate in networks to share tools, information and resources.*

IFD 32.1

Select which of the following collaborative initiatives your organisation has supported or participated in, and the role you played.

The Principles for Investors in Inclusive Finance

☒ Yes

☒ Basic

☐ Moderate

☐ Advanced

☐ No

The Smart Campaign

☐ Yes

☒ No

	Social Performance Task Force
<input type="radio"/>	Yes
<input checked="" type="radio"/>	No
	Council for Microfinance Equity Funds (CMEF)
<input type="radio"/>	Yes
<input checked="" type="radio"/>	No
	European Microfinance Platform (eMFP)
<input type="radio"/>	Yes
<input checked="" type="radio"/>	No
	Global Impact Investors Network (GIIN)
<input type="radio"/>	Yes
<input checked="" type="radio"/>	No
	Other network, association memberships and/or specific collaboration related to the promotion of inclusive finance, specify
<input type="radio"/>	Yes
<input checked="" type="radio"/>	No