Sustainability x Banks x Investors

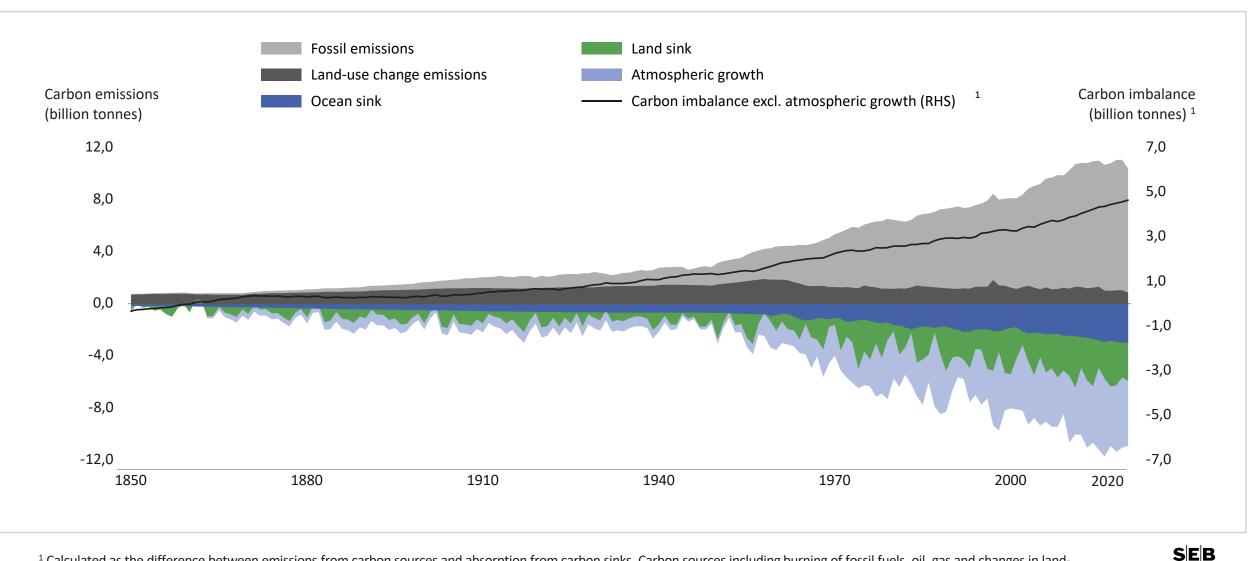
Anssi Kiviniemi Head of Sustainability, Finland





The Anthropocene Era dilemma

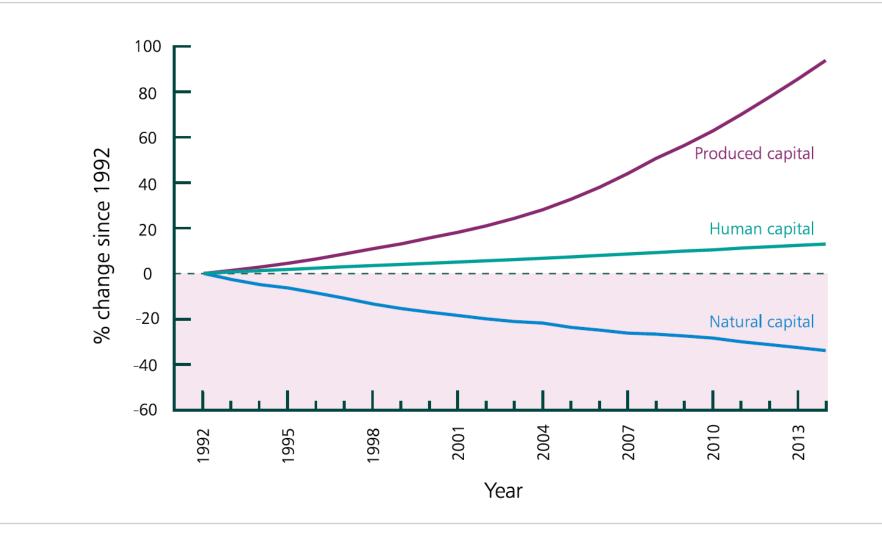
Land and ocean unable to absorb all carbon emissions



¹ Calculated as the difference between emissions from carbon sources and absorption from carbon sinks. Carbon sources including burning of fossil fuels, oil, gas and changes in landuse. Carbon sinks including land and ocean. 20-year rolling average applied. Sources: Global Carbon Project; Global Carbon Budget 2021.

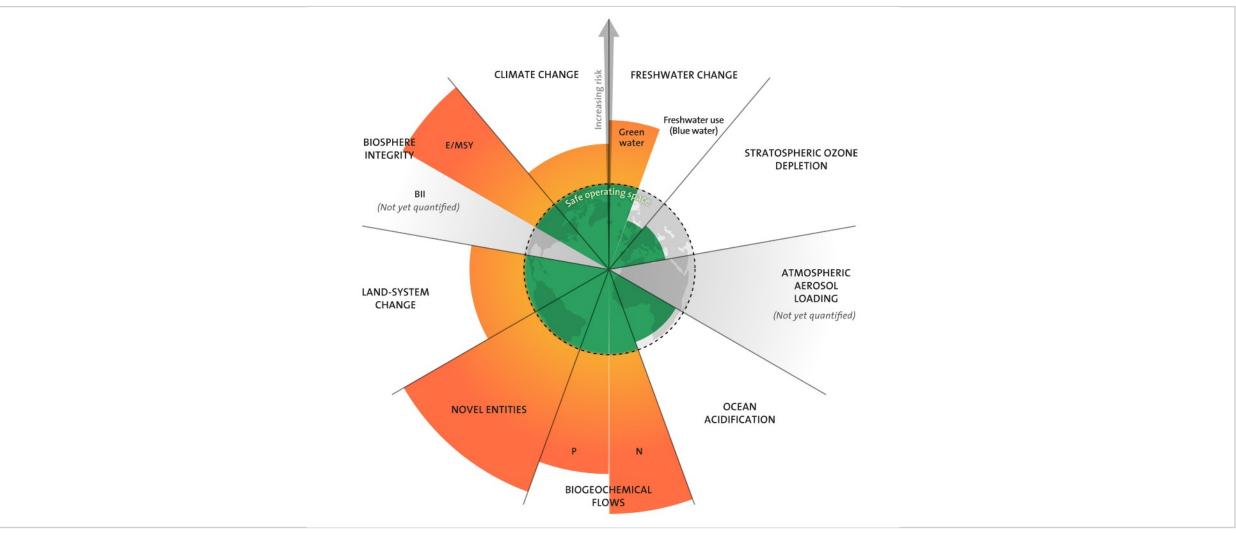
There is progress but at what cost

Natural capital has been diminishing steadily



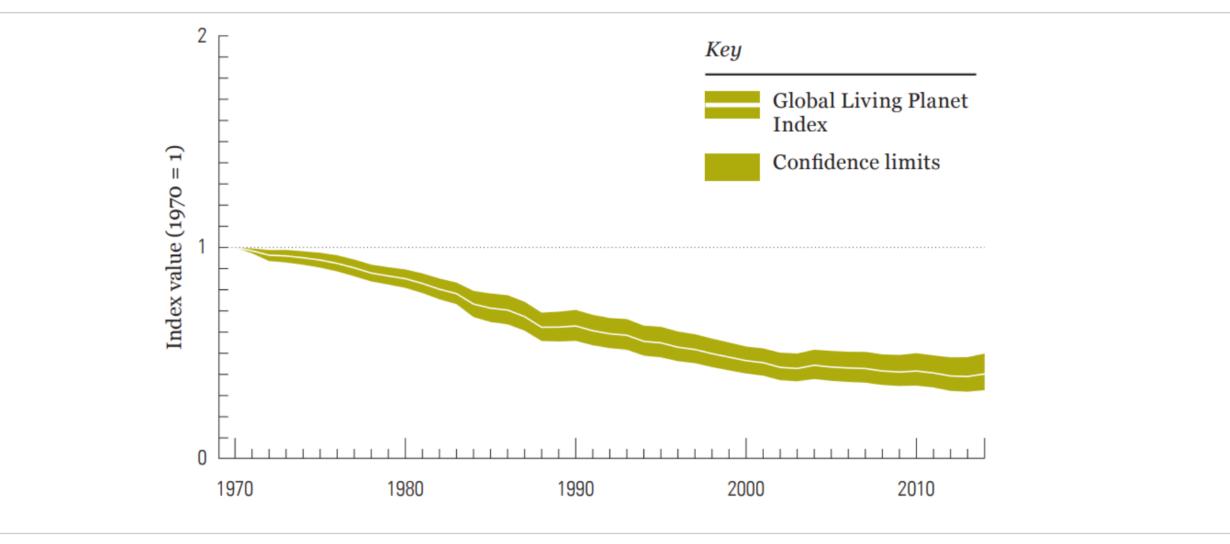
Planetary boundaries

Nine processes that regulate the stability and resilience of the Earth system



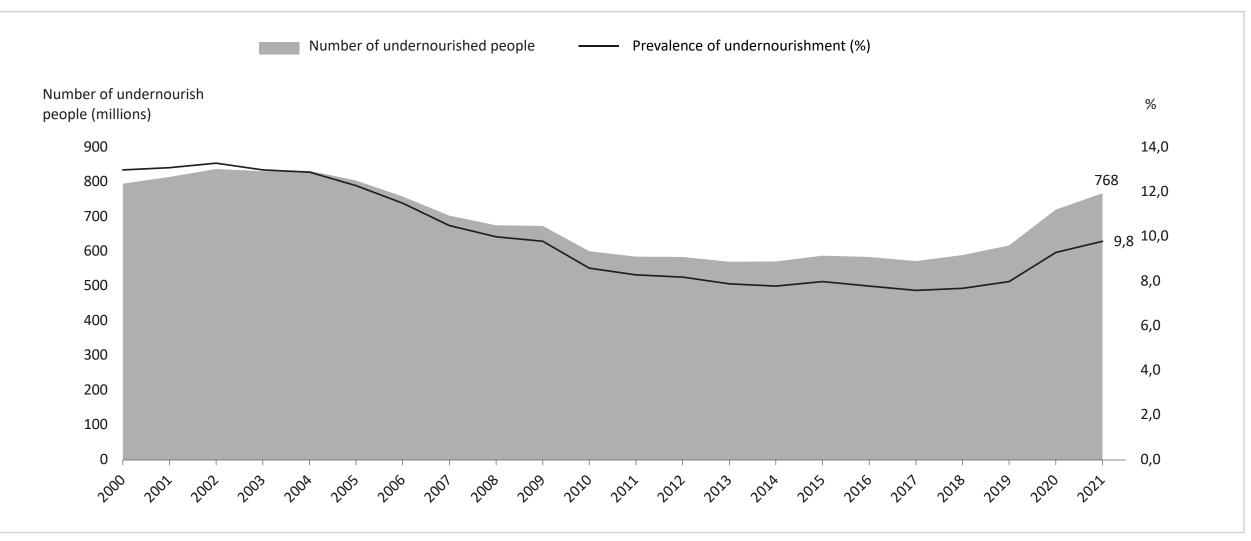
Global living planet index

Animal populations are, on average, less than half the size they were in 1970



Pressure also on humanity

Hunger trend have reversed



The solutions emerge

17 May 2022

Neste introduces co-processed marine fuel in partnership with Nordic Marine Oil – a new solution for the maritime sector enabling up to 80% GHG emission reduction

Published in <u>Releases and news</u> under <u>Renewable solutions</u>, <u>Marine</u> <u>Neste Marine</u>, <u>Neste Marine 01 Co-processed</u>



SSAB, LKAB and Vattenfall's HYBRIT pilot facility for the storage of fossil-free hydrogen gas is now in operation in Luleå. The rock cavern storage facility is the first of its kind in the world for storing fossil-free hydrogen gas. The twoyear test period will now start and continue until 2024, which means that HYBRIT has taken another important step in developing the overall value chain for fossil-free iron and steel production.

MEDIA RELEASE // CORPORATE - 07/09/2021

Uponor Infra and Borealis collaborate to create a gravity plastic pipe with up to 70 % CO2 reduction

- Uponor Infra Oy and Borealis are leading the way for sustainable infrastructure development.
- Ultra Rib 2 Blue guarantees high performance and over 100 years of service while maintaining existing quality standards and certifications.
- Following the mass balance model, Ultra Rib 2 Blue is based on Borealis Bornewables[™] consisting of over 50% renewable raw material, reducing the carbon footprint by up to 70%.
- Uponor Blue products enable forward-looking organisations to meet their sustainability goals.



30.8.2022

Betolar and Consolis Parma announce a partnership for lowcarbon concrete testing in hollowcore slabs

Betolar Plo

Press Release 30.8.2022

Betolar and Consolis Parma announce a partnership for low-carbon concrete testing in hollow-core slabs

Finnair and Gevo Enter into Sustainable Aviation Fuel Sales Agreement

WED, JUN 22, 2022 08:00 CET

Report this content

🔰 🖬 in

Finnair has signed a new fuel sales agreement with Colorado-based renewable fuels producer Gevo, Inc. The agreement outlines the details for the purchase of 7 million gallons per year of sustainable aviation fuel (SAF) for five years starting

The big challenge

37 670.6 TWh additional non-fossil fuel electrical power annual capacity

The same non-fossil fuel energy mix of 2018 translates into 221 594 new power plants



Electrical power generated from solar and wind sources are highly intermittent, both across 24-hour cycle and in seasonal context. A power storage buffer is required if these power generation systems are to be used on a large scale. **46 423** Power plant fleet in 2018 including all types

4 weeks buffer of power

573.4 TWh storage buffer capacity for the global electrical power system

5.7 million 100 MW stations

2.78 billion tonnes

221 594

New power

plants needed

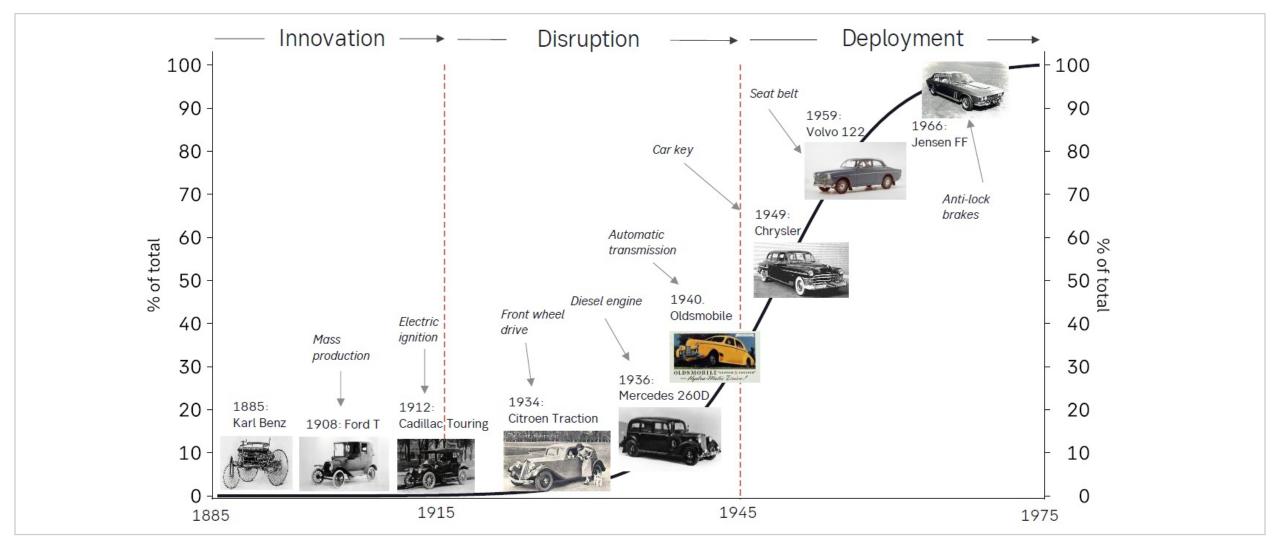
the total mass of lithiumion batteries required to phase out fossil fuels

"A third of the US's corn harvest is turned into biofuels, the equivalent of 130 million tonnes in 2021.

This is more than three times the total amount of grain exported from Ukraine,"

- Silvia Pavoni, Editor, FT Sustainable Views

The transition





Regulator

Sustainability as a changing force in society



Investors



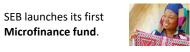


Financiers



Consumers

SEB's sustainability milestones





Start of co-operation

PRINCIPLES

SEB signs the Equator Principles

And the first corporate green bond.

Göteborgs Stad

SEB assisted issuing the first green

bond by a municipality.



SEB starts working towards the UN Sustainable Development Goals.



SEB Sustainability Advisor 2021 Nordics

KANTAR PROSPERA

SEB

SEE

SEB launches green

SEB named as one of the world's 100 most sustainable companies by Corporate Knights.

SEB

SEB forms the Greentech Venture Capital for investments in green technology.

SEB is sole structure advisor to the Swedish government in the inaugural Swedish





Climate ambitions and goals to ensure our progress

The Brown Carbon Exposure Index

What: Volume-based metric capturing our fossil fuel credit exposure

How: Measuring the fossil fuel credit exposure in our energy portfolio

Goal: To reduce exposure by 45-60% by 2030, compared to a 2019 baseline The Green Sustainability Activity Index

What: Volume-based metric capturing our sustainability activity

How: Measuring our activities supporting the sustainable development

Ambition: To increase average activity 6x-8x by 2030, compared to a 2021 baseline The Future Transition Ratio

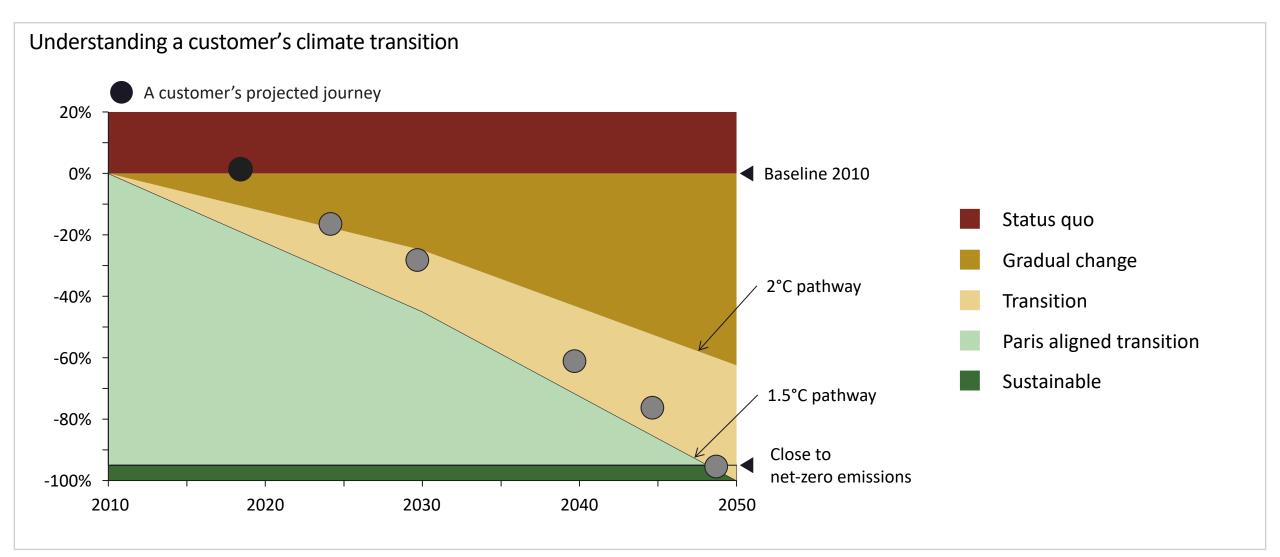
What: Volume-based ratio based on our internal Climate Classification Model ¹

How: Measuring our corporate and real estate credit portfolio's anatomy from a climate perspective

Ambition: To provide a reflection of how our customers, over time, transition in line with the Paris Agreement ²

² Work ongoing to classify credit portfolio. Transition ratio to be communicated in 2022.

Climate classification of our credit portfolio based on Paris Agreement



Responsible investment strategies

From impact out to impact in Company Society & environment Impact out Impact on the society & environment **Company operations** Environmental impact & Corporate impact disruption 22 on the planet and Social impact the society Pollution & Child labour Animal (work safety, breach of human rights, carbon environment emissions *health issues, poverty etc.)* Governance issues Responsible (bribes) Corruption Littering & investments plastic waste Impact in **Company financial performance** ESG related impacts & disruptions ESG-related costs to be integrated ("priced in") Decreasing/increasing revenues Impact from ESG Environmental related costs disruption on a Increased/decreased capital company's financial Regulatory initiatives performance and operating costs Industry transitions Increased/decreased profitability Fines & litigation Quantifying impact Increased/decreased cost of capital of ESG on value

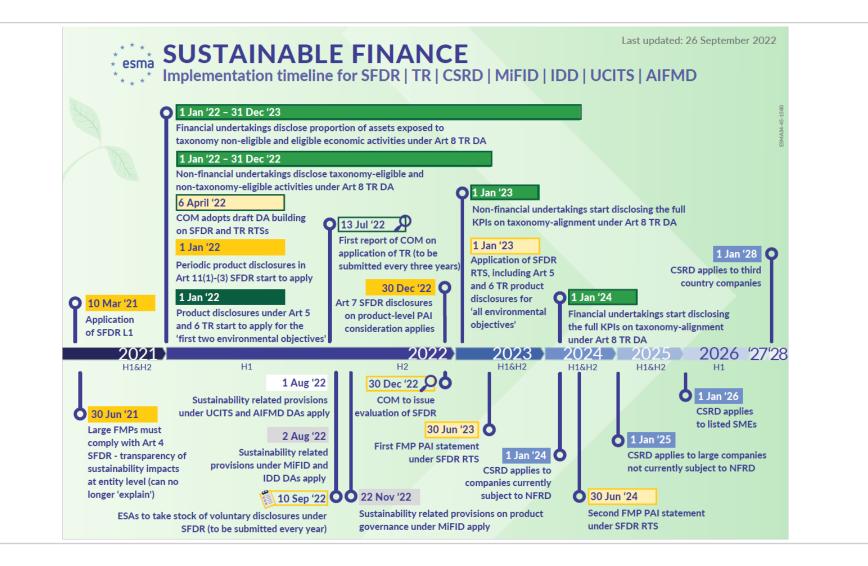
En Engagement & en voting see Ex **ESG** integration tra sy: In Norm-based со screening ar Ar Best-in-class ur • In Sustainability su: themed ad In Impact th investing fin

Exclusions

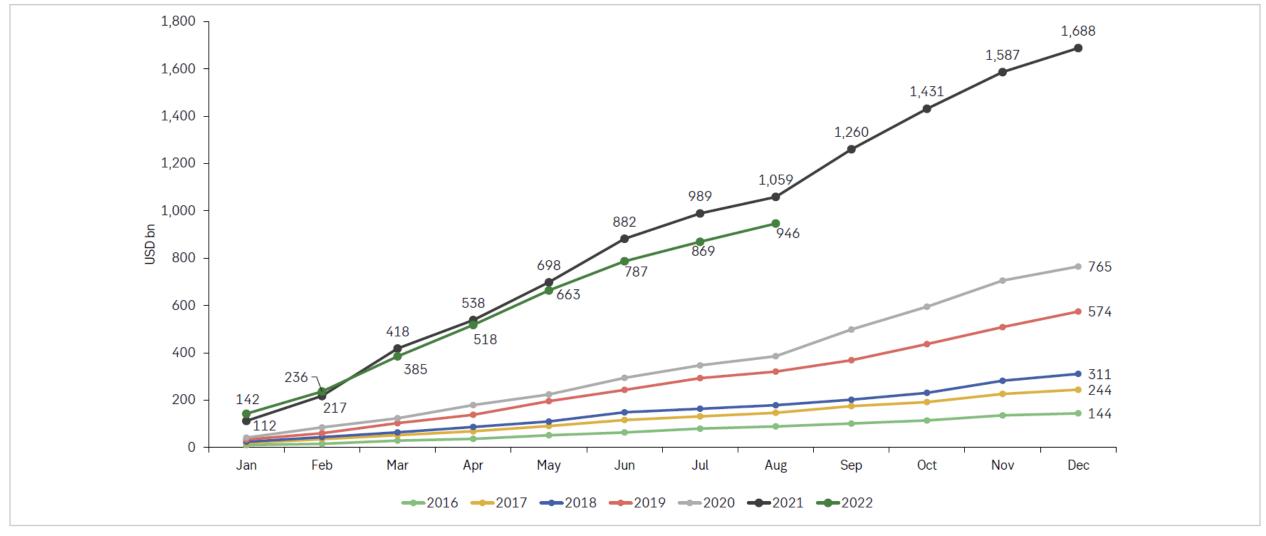
Overview of ESG integration investment strategies

•	Impact Investing means investments made into companies and funds with the intention to generate social and environmental impact alongside a financial return (often project-specific)
•	Investment in themes or assets linked to the development of sustainability (thematic funds etc.), inherently contributing to addressing ESG issues
•	An approach where leading or best-performing investments within a universe, category, or class are selected or weighted based on ESG criterias
•	Involves the screening of investments based on international norms or combinations of norms covering ESG factors. International norms on ESG are those defined by international bodies
•	Explicit inclusion by asset managers of ESG risks and opportunities into traditional financial analysis and investment decisions based on a systematic process and appropriate research sources
•	Engagement activities and active ownership through voting on AGM's and engagement with companies on ESG matters. This is a long-term process, seeking to influence behaviour or increase disclosure
•	Systematic exclusions of companies, sectors, or countries from the permissible investment universe involved in certain activities based on specific criteria, such as weapons, tobacco and animal testing etc.

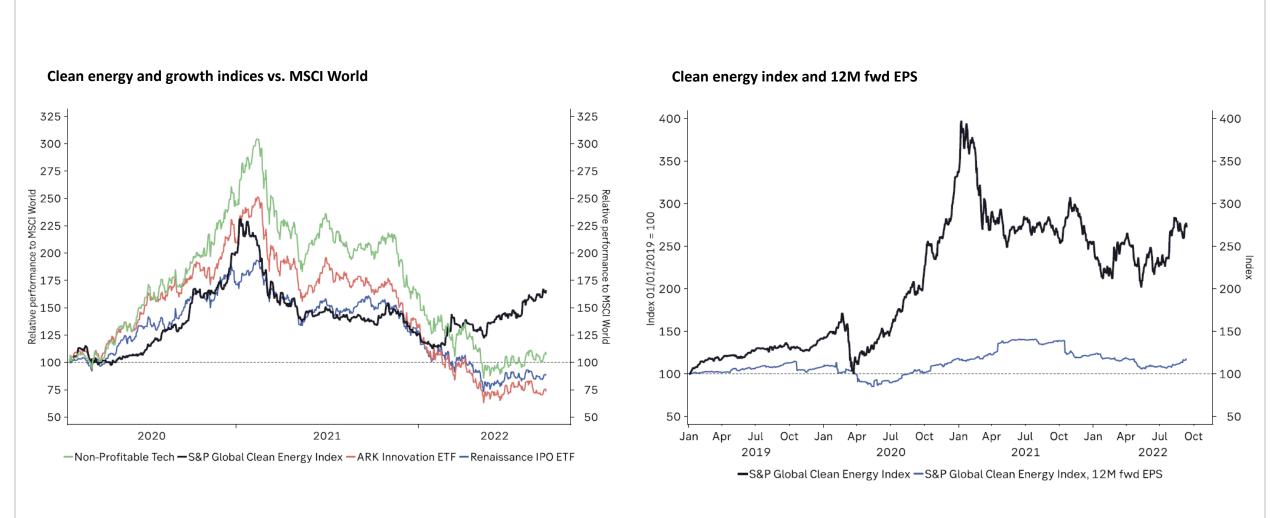
Regulatory overview



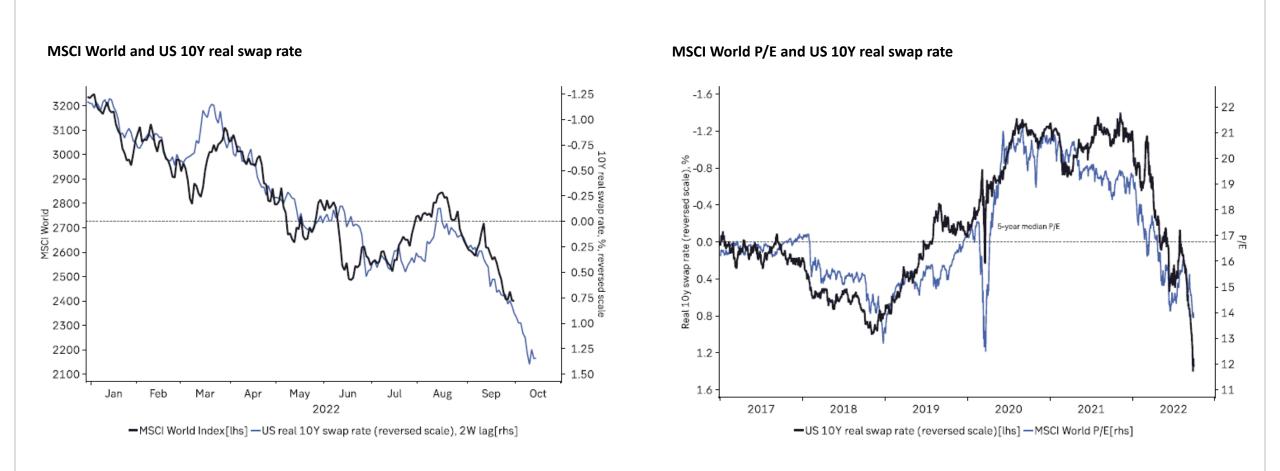
Cumulative sustainable debt transactions



Equity markets – telling a story of transition...



... and rates...



Final remarks

No doubts about the direction

Self-sufficiency, country risk, green transition, defence

Understand the risks and opportunities in the transition

Regulation -> Transparency - > Impact

Questions?