

What are the challenges to be addressed to further attract private capital?

UNECE Global Workshop 6 December 2023

SEB's sustainability milestones

SEB launches its first Microfinance fund.



SEB assisted issuing the first green bond by a municipality.



and the first corporate green bond.



SEB starts working towards

the **UN Sustainable**

Development Goals.

mortgages for retail clients.

SEB launches green

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

RIKSGÄLDEN

SWEDISH NATIONAL DERT OFFICE

SEB is sole structure advisor to

the Swedish government in

the inaugural Swedish

sovereign green bond.



SEB helped Mercedes-Benz establish a sustainability-linked loan on the market.



SEB launches five 2030 sector targets

Start of co-operation with Mentor.



2007

SEB signs the **Equator Principles**

VASAKRONAN

2013

2015

2018

2020

2022

1997

1995

First Environmental Manager appointed at SEB. Employee engagement through training.

2004

SEB signed the UN Global Compact.



2008

SEB signs PRI, Principles for Responsible Investment, supported by the UN.

The World Bank together with SEB issues the **first** World Bank Green Bond.



2014

The Green Bond Principles (GBP) are launched by SEB together with 12 other banks.



2017



SEB issues its first own green bond.

2019



SEB signs the **UNEP FI** PRINCIPLES FOR RESPONSIBLE BANKING

In collaboration with the UN, SEB launches a public e-learning platform for sustainable finance.



#1 in Prospera's

2021

Sustainability Advisor 2021, in the Nordics

SEB founding signatory of Net-**Zero Banking Alliance**

SEB presents updated sustainability strategy





MANTAR PROSESSA

2

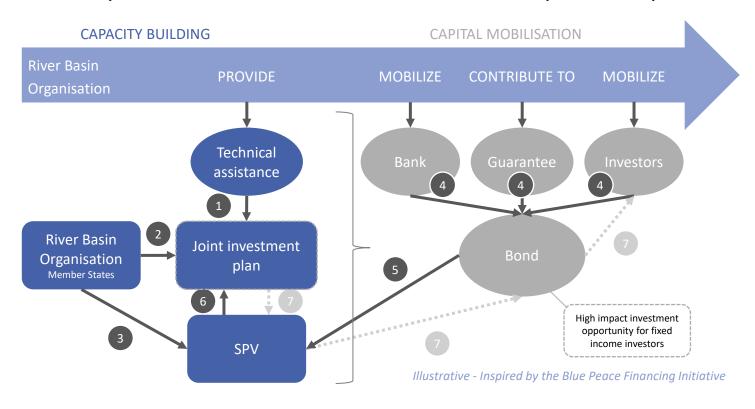
The private sector landscape

The "Spectrum of Capital" Investment Traditional Responsible investing Sustainable investing Impact-driven Investing Philanthropy investing approach Accept full Tolerate below Partial capital Financial goals Tolerate higher risk Deliver competitive risk-adjusted return capital of loss market returns preservation Impact goals Limited to no regard for Mitigation of risky ESG Adoption of progressive Address societal Address societal Address societal Address societal challenge(s) that cannot generate a Focus Environmental, Social or ESG practices in order to challenge(s) that generate challenge(s) which may challenge(s) which may financial return for investors practices in order to Governance (ESG) enhance value competitive financial generate a below-market preserve value generate a below-market returns for investors financial return for financial return for practices investors investors Common features for Investment mandate -> portfolio manager held accountable for investment decision giving comfort to investors Need for storytelling and motivation for each investment decision ✓ Bridge the knowledge gap ✓ Bridge the distance gap Are the associated risks addressed? √ Financial risks ✓ Reputational risks?



Schematic illustration of a potential financing structure

How to provide comfort to investors and attract private capital



Protocols needs to be in place to provide comfort to investors

- Assessment & approval of underlying assets and the soundness of RBO legal and institutional framework
- Development of the Impact Framework and systems for monitoring and reporting
- Third party verifications where relevant for credibility

Step-by-step:

- Sponsor/NGO/ Development Agency provides technical assistance to the River Basin Organisation (RBO) for steps (2) and (3)
- 2. The RBO and Partners develops a joint investment plan
- 3. The RBO creates a Special Purpose Vehicle (SPV) for the implementation of the financing of the plan
- 4. Bank takes on the task as lead arranger for the structuring of the financing instrument finding the optimal price- risk return features for the bond
 - Market sounding
 - Credit enhancement
 - Finding the right investors
- 5. The SPV issues the Bond
- 6. The SPV manages and implements the projects under the joint investment plan from the bond proceeds
- 7. The SPV repays interest and principal to investors through the cashflow of the underlying projects



