

The background of the entire page is a close-up photograph of blue water with gentle, concentric ripples. The water is a deep, vibrant blue, and the ripples create a sense of movement and texture. The lighting is soft, highlighting the curves of the water's surface.

# Sustainable finance policy

**SEK**

Adopted by the Board of Directors on March 25, 2025.

# Sustainable finance policy

## 1. Introduction and purpose

AB Svensk Exportkredit's (SEK) mission is to ensure access to financial solutions for the operations with Swedish interest that pertain directly or indirectly to the Swedish export industry, including Swedish infrastructure, on commercial and sustainable terms. SEK is to act responsibly and to actively comply with and promote compliance with international guidelines pertaining to environmental and climate considerations, anti-corruption, human rights, labor conditions and business ethics.

Sustainability is a central part of our operations and SEK, as a state-owned company, shall serve as a role model for corporate sustainability. This means that our operations should be conducted in a sustainable manner from an economic, environmental and social perspective that promotes sustainable development.

The aim of this policy is to set out basic principles and positions for SEK's credit granting and liquidity investments, in order for SEK to:

- serve as a role model in the field of sustainable finance, and
- observe international initiatives and guidelines that are aimed at achieving sustainable development and corporate sustainability.

This policy is part of SEK's sustainable finance framework and includes environmental, climate and social risks. The principles and positions specified here are operationalized in other policy documents, guidance and methods for compliance with the principles in day-to-day activities.

SEK's guidelines in the work against corruption are handled separately in the Anti-Corruption Policy, and SEK's guidance on ethical behaviour is addressed in the Code of Conduct and the Supplier Code of Conduct.

## 2. Definitions

**Sustainable terms** means for SEK that projects and activities financed by SEK comply with local laws as well as international guidelines in the areas of environment, anti-corruption, human rights, labor and business ethics. The international guidelines that SEK, based on the Owner's Instruction and the State's Ownership Policy and Guidelines for State-Owned Companies, observes are:

- The Ten Principles of the UN Global Compact,
- The OECD Guidelines for Multinational Enterprises,
- The OECD Anti-Bribery Convention and related documents,
- The UN Guiding Principles on Business and Human Rights,
- The Equator Principles, or the OECD Recommendation of the Council on Common Approaches for Officially Supported Export Credits and Environmental and Social Due Diligence, which (inter alia) refers to IFC Performance Standards and World Bank Environmental, Health and Safety Guidelines, and
- The OECD Recommendation on Sustainable Lending Practices and Officially Supported Exports Credits.

**Sustainable business** means acting responsibly and minimizing the risk of negative impact while also seizing opportunities for sustainable value creation through innovative business models and solutions.

**ESG-factors** are environmental- and climate, social and governance-related factors. ESG-factors could potentially have a positive or negative effect on the financial position or solvency of SEK's counterparties and, ultimately, SEK's financial risks.

**Green, social and sustainability-linked loans** refer to the granting of credit to green or social activity as defined in the EU Taxonomy and the Loan Market Association's guidance on green and social loans, as well as working capital linked to the borrower's sustainability performance according to the Loan Market Association's Sustainability Linked Loan Principles.

## 3. Principles and positions for sustainable finance

SEK has adopted the following principles and positions for sustainable finance.

**Principle 1: SEK shall participate in transactions that are handled in a responsible and sustainable manner.**

The lending activities conducted by SEK must be based on sustainable terms. IFC Performance Standards and World Bank Environmental, Health and Safety Guidelines and the UN Guiding Principles on Business and Human Rights, are examples of relevant guidelines SEK applies for evaluating whether risks for negative impact on environment and human rights are handled in an adequate manner.

SEK shall refrain from participating in transactions where SEK considers that sustainable terms cannot be met and where SEK is unable to influence the situation positively or if information that is necessary for SEK is not, or is not expected to be, available. In some transactions, conflicts may arise between economic, social and climate- and environmental objectives. Such conflicts should be handled to the best of our ability, but with no significant harm to any of the objectives.

## **Principle 2: Financial crime and business ethics.**

Trust relationships are built on openness, integrity and ethical behavior. SEK's Anti-Corruption Policy provides guidelines for combating corruption and applies to all employees and stakeholders who, in any way, represent SEK. SEK's Codes of Conduct guide employees, consultants, board members, and suppliers in ethical behavior.

## **Principle 3: Human rights shall be respected in transactions financed by SEK.**

Human rights, including the fundamental conventions of the International Labour Organization, ILO, shall be respected in activities financed by SEK. SEK supports freedom of association and the right to collective bargaining. SEK does not accept any form of forced labor, child labor, or discrimination in employment and occupation.

Transactions ska be managed in accordance with the UN Guiding Principles on Business and Human Rights. SEK pays particular attention to transactions in conflict-affected areas, and in countries and industries with severe risk of human rights violations. In such cases, SEK may require relevant party to conduct a human rights impact assessment. Special consideration is required when there is a risk of violation of the rights of the child.

## **Principle 4: SEK shall have a restrictive approach to transactions with a negative impact on the climate.**

SEK shall gradually phase out fossil fuel financing. SEK does not finance coal mining, transport or storage of coal. SEK does not finance oil and gas exploration, production, transport or storage thereof. New coal- or gas-fired power plants are only financed in exceptional cases. SEK's approach to fossil fuels is set out in Appendix 1.

SEK may finance projects and activities with high GHG emissions where fossil-free alternatives have not yet been developed, such as mines and fossil fuels for industrial use, provided the project or operation is expected to make a positive contribution to the transition. When financing projects or activities with high GHG emissions, such as the activity's total life-cycle GHG emissions, lock-in effects and transition plans in line with the 1.5°C goal of the Paris Agreement should be taken into account.

## **Principle 5: SEK shall apply a risk-based approach.**

A risk-based approach means that analysis and measures shall be adapted to the risk profile and be more detailed for transactions with high risk for not meeting sustainable terms – regardless of buyer, country, transaction amount, credit period or type of financial product. The main focus of assessing sustainable terms is the activity where the product or service is to be used. For project-related financing, where applicable, also the capacity of the agency bank, as well as the project or construction company or the end-user, to manage risks is evaluated.

For transactions with lower risk, SEK expects the relevant party to meet sustainable terms in accordance with local law and international guidelines.

SEK shall conduct annual company-wide risk assessments within the area of sustainability which shall form the basis for SEK:s risk management.

**Principle 6: SEK shall integrate ESG-factors into credit assessments of counterparties.**

SEK's financial position or capital situation could be adversely impacted by ESG-factors' impact on the operations and the repayment capacity of SEK's counterparties. ESG-factors shall therefore be integrated in SEK:s annual assessment of a counterparty's repayment capacity in accordance with SEK's ESG-adapted methodologies for risk classification.

**Principle 7: SEK shall work pro-actively to enable transactions that contribute to the UN Sustainable Development Goals and implementation of the Paris Agreement.**

SEK offers green, social and sustainability-linked loans, with the aim to direct the financing towards sustainable alternatives and to accelerate the development of long-term sustainable business models for Swedish exporters and their customers.

**Principle 8: SEK shall promote collaboration and dialogue on sustainable finance.**

Sustainable development requires collaboration. SEK shall engage actively with its clients, exporters, banks, authorities and other actors at national and international levels in order to create institutional and business conditions for Swedish export solutions to contribute to the UN Sustainable Development Goals and implementation of the Paris Agreement.

**Principle 9: SEK shall promote openness and transparency.**

SEK shall work to ensure that projects and activities financed by SEK are conducted in a transparent manner. SEK shall be transparent in relation to the legal obligation of business secrecy, which means that information about SEK's relationships with other parties shall not be disclosed to unauthorized third parties.

Transparency and openness constitutes the basis for sustainable finance. SEK shall strive to be at the forefront in respect of sustainability-related reporting. Every year, SEK shall compile a sustainability report that is quality-assured and certified by SEK's auditors, and report climate-related financial risks and opportunities based on the recommendations of the Task Force on Climate Related Financial Disclosures (TCFD) and the applicable requirements of the European Banking Authority (EBA).

## Appendix 1: SEK's approach to fossil fuels

The appendix clarifies SEK's position on credit granting in transactions related to fossil fuels.

Credits will **not** be granted to transactions where the product or service is intended for use in the following sectors or activities:

Fossil fuel	End-user's business activity	Phase of the activity (new project or existing operation <sup>1</sup> )	Exception
Coal	Exploration and extraction (coal for any type of use)	All	-
	Transportation <sup>2</sup> and storage (coal for any type of use)	All	-
	Coal-fired power plants	All	The project or the specific operation has documented and realistic transition plans in line with the Paris Agreement's 1,5-degree target, rendering significant reductions in greenhouse gas emissions by 2030. E.g., through technology for so called carbon capture and storage (CCS) or other technology which reduces the emissions to corresponding levels.
	Operations which includes <sup>3</sup> coal-fired power plants where the primary purpose is to provide the industrial operation with power	All	

<sup>1</sup> In accordance with definitions in [OECD Common Approaches](#)

<sup>2</sup> Where the primary purpose is to transport coal.

<sup>3</sup> As part of a specific operation, the project or an associated facility (in accordance with definitions in OECD Common Approaches).

<b>Oil and gas</b>	Exploration, extraction and production	All	-
	Transportation <sup>4</sup> and storage	All	-
	Processing of gas and production of liquified natural gas (LNG)	New projects or larger expansion of existing operations	The project or the specific operations has documented and realistic transition plans in line with the Paris Agreement's 1,5-degree target, rendering significant reductions in greenhouse gas emissions by 2030. E.g., through technology for so called carbon capture and storage (CCS) or other technology which reduces the emissions to corresponding levels.
	Refineries	New projects or larger expansion of existing operations	
	Power plants, oil/gas	New projects or larger expansion of existing operations	
<b>Other extraction related operations</b>	Unconventional extraction methods and operations in sensitive areas <sup>5</sup>	All	-

Transactions to fossil fuel-related operations will be handled in accordance with SEK:s generally restrictive position on fossil fuel-related operations as well as SEK:s adjustment of its credit granting to align with the 1.5 °C goal of the Paris Agreement, and not to create lock-in effects in fossil fuel dependency.

Transactions supporting significant environmental or safety improvement measures may be considered, provided that they do not create lock in effects in fossil fuel dependency.

4 Where the primary purpose is to transport oil or gas in the value chain up to a refinery or gas processing and in connection with production (LNG).

5 E.g. fracking and oil sand extraction, and in sensitive areas such as in the Arctic region

# SEK

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