



# **Social and Human Rights Policy for SEB Group**

derived from the Rules of Procedure of the Board of Directors

adopted by the Board of Directors of  
Skandinaviska Enskilda Banken AB (publ)  
on 13 June 2024

**Sustainable Banking**

# Social and Human Rights Policy

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# Social and Human Rights Policy

## 1 Introduction

Human Rights are inherent to all human beings, regardless of race, sex, nationality, ethnicity, language, religion, or any other status.<sup>1</sup> They include *inter alia* freedom of opinion and expression, freedom of peaceful assembly and association, non-discrimination, decent working conditions and many more. The respect for Human Rights is an essential part of good business conduct, and therefore an essential part of the integration of social sustainability into SEB Group's daily business conduct.

This Social and Human Rights Policy is part of SEB's sustainability policy framework which includes SEB Group's Sustainability Policy, the thematic policies and sector policies. SEB Group's sustainability policies, together with its advisory services and sustainability product and service offering, supports Companies reaching their sustainability goals.<sup>2</sup>

## 2 Definitions

**Business Relationship:** A commercial relationship SEB Group has with a legal entity based on a legal agreement.

**Company:** Legal corporate entity conducting business.

**Human Rights:** The rights that are expressed in the International Bill of Human Rights and the principles concerning fundamental rights set out in the International Labour Organization's Declaration on Fundamental Principles and Rights at Work.

**SEB Group:** Skandinaviska Enskilda Banken AB (publ) and its subsidiaries, branches, and representative offices. Foundations related to SEB Group are not part of SEB Group.

## 3 Purpose

The purpose of this Thematic Policy is to define SEB Group's position and approach concerning social and Human Rights.

## 4 Scope

### 4.1 Applicability within SEB Group

This Thematic Policy applies to SEB Group (the parent company Skandinaviska Enskilda Banken AB (publ) and its subsidiaries) and shall be implemented in all parts of SEB Group taking local rules into account where relevant, excluding SEB Asset

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<sup>1</sup> See the United Nations Universal Declaration on Human Rights.

<sup>2</sup> Read more about SEB Group's sustainability related strategy, business targets and policies on SEB Group's webpage.

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Management Holding AB and its subsidiaries, and Gamla Livförsäkrings AB SEB Trygg Liv.

### 4.1.1 *Activities not covered (exempt) by the policy*

The following investment and ancillary services related to when SEB Group invests and distributes investment products are exempt from this policy:

- 1) Holdings of securities that are a consequence of seized assets in the ordinary course of business,
- 2) Investments in securities where SEB Group does not make the investment decision,<sup>3</sup>
- 3) Externally managed funds, i.e. funds managed outside of SEB Group. Sustainability considerations in portfolio management and advisory and other distribution and placement activities using externally managed funds are defined in divisional sustainability instructions,
- 4) Investments in securities where external sustainability data is not available at a reasonable effort and quality.

In addition, the following activities are exempt:

- 1) Any activity that SEB Group is obliged to provide due to law or regulation,
- 2) Trading in terms of market making and client order facilitation through the provision of liquidity in securities markets and related research activities. This includes related collateral management activities as well as financing of externally managed securities portfolios (provided the portfolios are diversified and the borrower itself is not covered by this policy),
- 3) Financial products where the employees in Companies in scope are the beneficiaries, e.g. occupational pension.

## 4.2 **Applicability to Business Relationships**

This Social and Human Rights Policy applies expectations only. SEB Group sustainability policies have different applicability levels.

- Large Companies: Restrictions, Requirements and Expectations apply,
- SMEs: Only Restrictions and Requirements apply,
- Sustainability policies do not apply to Retail but act as a guide.

For more details on applicability levels see Appendix A.

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<sup>3</sup> The investment might be registered in the name of SEB (e.g. certain pension products).

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### 5 Social and Human Rights in SEB Group

SEB Group seeks to respect Human Rights. This commitment includes social and Human Rights due diligence, engaging with stakeholders and reporting on SEB Group's social and Human Rights development and performance.

#### 5.1 Commitment to respect Human Rights

SEB Group is committed to the UN Guiding Principles on Business and Human Rights, the Children's Rights and Business Principles, the OECD Guidelines for Multinational Enterprises, and the Equator Principles.

SEB Group has the ambition to avoid causing or contributing to adverse social and Human Rights impacts through its own activities. SEB Group also seeks to prevent or mitigate adverse social and Human Rights impacts that are directly linked to activities of its Business Relationships:

SEB Group's commitment to respect Human Rights in its own operations and ways of working are covered by human resources management processes and specific policies, such as SEB Group's Code of Conduct, SEB Group's Work Environment Policy and SEB Group's Inclusion and Diversity Policy. SEB Group's supply chain is covered by Code of Conduct for Suppliers to SEB Group.

#### 5.2 Due diligence to identify, prevent and mitigate adverse impact

To respect Human Rights, SEB Group carries out social and Human Rights due diligence of Companies with which it has a Business Relationship (see chapter 6). SEB Group acts to identify actual and potential adverse social and Human Rights risks and impacts, and addresses material findings when relevant.

#### 5.3 Stakeholder engagement, grievance mechanism and reporting

SEB Group acknowledges the benefits of having an open dialogue with stakeholders to learn and draw on external expertise on issues and challenges of mutual interest and concern. Consequently, SEB Group engages with stakeholders on Human Rights issues and, when relevant, incorporates stakeholders' feedback in relevant processes.

Social and Human Rights grievances that are related to SEB Group's business activities and operations can be reported through SEB Group's digital external whistleblowing service that is also open to stakeholders, such as affected communities, consumers and end-users, and workers in the value chain.<sup>4</sup> If cases that are linked to SEB Group are brought to state-based non-judicial and judicial grievance mechanisms, SEB Group will respect and cooperate with such mechanisms.<sup>5</sup>

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<sup>4</sup> WhistleB, [Whistleblowing at SEB | SEB \(sebgroup.com\)](https://www.sebgroup.com/whistleblowing)

<sup>5</sup> For example, National Contact Points (NCPs) in countries that adhere to the OECD Guidelines for Multinational Enterprises.

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SEB Group communicates and reports on its social and Human Rights development and performance in its Annual and Sustainability Report.

### 6 Due Diligence process

SEB Group's social and Human Rights due diligence process takes a risk-based approach. It follows the three-step process below to identify, assess and address actual or potential material adverse social and Human Rights risks or impacts.

#### **Identify**

*- Measures to identify risks of adverse impact*

- Controversy screening
- Screening of Business Relationships against high Human Rights-risk countries
- Screening of Business Relationships against SEB Group's sector policies.

#### **Assess**

*- Assess the findings*

- Understand the materiality risk of an actual or potential adverse social and Human Rights impact
- Assessment of an identified adverse impact against SEB Group's position statements (Chapter 7).

#### **Address**

*- Act on the assessed findings*

- Set expectations on Companies.

### 6.1 Measures to identify potentially material risk of adverse social and Human Rights impacts

To identify the risk of potential or actual adverse social and Human Rights impacts, SEB Group takes a combination of different measures.

#### *Controversy screening*

For Business Relationship with Companies that are publicly listed SEB Group conducts, on a best effort basis, controversy screening of publicly available information.

#### *Screening of Business Relationships against high Human Rights-risk countries*

When SEB Group supports a Company with cross border trade transactions with a credit/risk element to high a Human Rights risk country, SEB Group expects the Company to have implemented the following:<sup>6</sup>

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<sup>6</sup> SEB uses a list of high human rights risk countries provided by ISS, an ESG data provider.

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- Human Rights and labour rights policy commitment
- Human Rights due diligence process

### *Screening of Business Relationships against SEB Group's sector policies*

Companies that operate in sectors covered by SEB Group's sector policies are subject to sector specific Human Rights restrictions, requirements and expectations.<sup>7</sup> SEB Group has the following sector policies:

- Agriculture, Fishing, Aquaculture and Animal Welfare,
- Arms and Defence,
- Forestry, Pulp & Paper, and Timber,
- Fossil fuels,
- Gambling,
- Mining and Metals,
- Real Estate and Construction,
- Renewable Energy Generation and Electricity Transmission & Distribution,
- Shipping,
- Tobacco,
- Transportation.

## 6.2 Assessment of findings

The findings in the identification steps above are assessed to understand the materiality risk of an actual or potential adverse social and Human Rights impact. The assessment of the risk will be the basis for how to address the impact (see sections 6.3-6.4 below).

The following considerations can be used as guidance when assessing the risk of the identified potential adverse impact:

- SEB Group's position statements on social and Human Rights, as set out in chapter 7,
- Clear indications of adverse impact or risk of adverse impact due to the Company's activities,
- The Company's lack of supporting systems to manage social and Human Rights risks,
- The time that has elapsed since a relevant adverse impact took place and any actions taken to prevent continued adverse impact,

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<sup>7</sup> SEB Group has carried out a broad scoping exercise to identify the sectors of the bank's lending and investment activities where adverse social and Human Rights impacts are most likely to be present, or occur in the future, taking into account the scale and impact of the potential impact.

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- Occurrence of vulnerable groups subject to the actual or potential risk that has been identified. Examples of such groups, which can be present in all contexts, are women, children, persons with disabilities, migrant workers, and their families, national or ethnic, religious, and linguistic minorities, indigenous peoples and Human Rights and environmental defenders,
- The use of the Company's product or service has a potential adverse social or Human Rights impact,
- The Company operates in a Human Rights risk environment, such as countries with weak institutions, fragile states, conflict areas or repressive regimes,
- The Company's suppliers or other business partners, to which there is a strong link, are identified as having adverse Human Rights impact.

### 6.3 Addressing actual and potential adverse impacts

After assessing the findings, SEB Group aims to address and act on material issues by engaging with Companies through dialogue or through other types of engagement. The purpose is that over time the adverse, or potentially adverse impact will cease, be prevented, or be mitigated.

Depending on the outcome of the assessment in section 6.2, a Company becomes subject to certain expectations, e.g. to implement a plan or develop systems that address risks that have been identified. SEB Group expects Companies with established adverse Human Rights impacts to address the identified adverse impacts and to engage in meaningful and good-faith dialogue with stakeholders affected by the adverse impacts and to enable remediation, where relevant.

If a Company does not comply with SEB Group's expectations and agreed timeline to improve, and this has material adverse social and/or Human Rights impact, SEB Group should consider terminating specific financial services provided, or the Business Relationship in general.

### 6.4 Restrictions

The following areas have such risk of adverse social and Human Rights impacts that SEB Group has restrictions on Business Relationships with Companies.<sup>8</sup>

- Controversial weapons, see Sector Policy on Arms and Defence,
- Weapons trade to countries in conflict, see Sector Policy on Arms and Defence,
- Tobacco, see Sector Policy on Tobacco,
- Gambling, see Sector Policy on Gambling.

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<sup>8</sup> See each sector policy for further details on the restrictions.



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### **7 SEB Group positions on social and Human Rights**

SEB Group has established the following positions in relation to good business and Human Rights practices. If adverse social and Human Rights impacts have been identified, then they are assessed against these positions:

#### **7.1 Human Rights**

Operate in line with the UN Guiding Principles on Business and Human Rights, by:

- Embedding responsible business conduct into policies and management systems including undertaking Human Rights Due Diligence,
- Enabling remediation through appropriate grievance mechanism for labour and other stakeholders,
- Communicating how impacts are addressed.

#### **7.2 Core Labour rights**

Respect the International Labour Organisation's (ILO) Declaration on Fundamental Principles and Rights at Work, by:

- Promoting freedom of association and right to collective bargaining,
- Eliminating all forms of forced or compulsory labour,
- Abolishing child labour,
- Having zero-tolerance towards all forms of discrimination, including but not limited to sex, transgender identity or expression, ethnicity, religion or other belief, disability, sexual orientation, and age.

#### **7.3 Health and safety and working conditions**

- Have occupational health and safety policies and processes in line with local legislation and internationally recognised health and safety standards when appropriate legislation is lacking,
- Respect any nationally set minimum wages or collectively bargained wages and aim for a development towards applying the concept of a living wage and maximum of working hours,
- Have equal treatment and working conditions for migrant workers as well as applying fair recruitment practices.

#### **7.4 Regulations, standards, and initiatives**

- Operate in accordance with relevant international, regional, and national laws, regulations and permits,
- Operate in line with the OECD Guidelines for Multinational Enterprises.

#### **7.5 Gender equality**

- Strive for equal representation of women and men in managerial positions,
- Strive for gender pay equality.

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### **7.6 Stakeholder engagement and interaction**

- Commit to engage with potentially and actually affected stakeholders, including in local communities where relevant,
- Ensure adverse impacts on community health and safety is mitigated in projects,
- Avoid involuntary resettlement wherever possible and minimize its impact on those displaced through mitigation measures such as fair compensation and improvements to living conditions in line with local legislation and internationally recognised standards when appropriate legislation is lacking,
- Acquire land and natural resources only with free, prior, and informed consent (FPIC) from:
  - o indigenous peoples and
  - o peoples with customary tenure rights.

### **7.7 Just transition**

- Reduce the impact of job losses and industry phase-out on workers and communities when transitioning out of a technology/industry/site. When transitioning into new technologies, SEB Group encourages Companies to take measures to produce new, green, and decent jobs, supporting healthy communities.

## Social and Human Rights Policy

### Appendix A: Policy Application Levels

**Table 1: SEB Group Policy applicability in relation to different sizes of Companies\*.**

Application levels	Company size		
	Retail Company	SME	Large Companies.
SEB Group Expects	-	-	✓
SEB Group Requires	-	✓	✓
SEB Group Restricts	-	✓	✓

✓ Implementation level applicable.

“-“ Implementation level not applicable, but can be used as guidance.

\*For investment related activities, listed companies are considered as Large Companies, regardless of size.

**Retail** is defined as counterparties where SEB Group’s credit exposure is below EUR 1 million.

**SME** is defined as Counterparties where SEB Group’s credit exposure is above EUR 1 million and not defined as large companies. Note that the material share of revenues at SEB Global limit holder level still applies.

**Large companies** are defined as Counterparties that fulfil two or more of the following and have not been defined as non-material Business Relationships in the divisions:

- More than 250 employees
- Turnover above 50m EUR
- Balance sheet value above 43m EUR.