



Child Labour

Position statement

*Statement for the SEB Group
Derived from the Instruction for the
President and Chief Executive Officer.*

SEB

Preamble

a) About SEB

SEB is a leading Nordic financial services group, offering a wide range of financial services to private, corporate and institutional customers in eight countries in Northern Europe. The international nature of our business is reflected in a presence in 20 countries worldwide. In total, SEB has 17,000 employees.

Through its business activities, SEB has an impact in many countries and local communities. Banks, in general, play an important role in society, by providing credit and managing financial assets in ways that promote economic growth and prosperity. SEB's vision is to be the trusted partner for customers with aspirations. Responsible corporate behaviour is a means to remain successful in a changing global environment.

b) SEB and Corporate Sustainability (CS)

At SEB, sustainable development means building a sustainable business as a bank and financial institution: supporting customers and employees, creating long-term value for our shareholders, contributing to the economy as a whole and being a force for good in the communities in which we live and work.

By running a business which takes responsibility for the environment, makes a social contribution and shows good corporate governance and ethical behaviour, we contribute to a sound and sustainable economic development.

Our efforts are guided by international initiatives and codes of conduct, including the UN Global Compact and the UN Principles for Responsible Investments (PRI). SEB is also a signatory of the Equator Principles and The United Nations Environment Programme Finance Initiative (UNEP FI).

c) Purpose with Sector policies and Position statements

We aim to support sustainable business practices for the long term and believe that by improving our own work, as well as encouraging the progress of others, real and lasting change can be achieved.

Addressing the environmental, social and governance aspects of doing business involves managing both risk and opportunity. As a guide for managing sustainability issues at SEB, we have developed position statements and policies for certain industry sectors.

The purpose of these policies and statements is to establish a common framework for a proactive and future-oriented dialogue with the clients and portfolio companies we work with, focusing on business opportunities and risk reduction.

d) Scope and external guidance

The sector policies and position statements are applicable in all markets where SEB operates and include banking services such

as financing and advisory work. SEB's Wealth Management division is a signatory to the UN PRI, and is thereby committed to integrating sustainability aspects in its activities. SEB's sector policies and position statements will further influence this process.

SEB's 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. This will be a step-by-step process.

By remaining engaged with clients and portfolio companies, we believe we can make a bigger contribution than by exiting relationships if we find that they do not live up to our recommended approach. In such cases, our preference will be to support clients and portfolio companies to make satisfactory progress along a credible, transparent and time-bound implementation plan. Ultimately, SEB has the option, over time, to terminate the relationship with any client not progressing in line with the suggested plan.

e) Existing policies and position statements

We have initially selected issues and sectors where there are great potential of environmental and social aspects to be considered and which are of relevance to our business.

As of February 18, 2011, the following sector policies have been adopted: Arms and Defence, Mining and Metals, Shipping, Forestry, Fossil Fuels and Renewable Energy.

As of February 18, 2011, the following position statements have been adopted: Climate Change, Freshwater and Child Labour.

f) Engagement and feedback

We welcome comments and feedback on our approach to sector policies and position statements. Any feedback could be directed to SEB's Group Corporate Sustainability office at cs@seb.se.

In addition, please also visit:

SEB's corporate website

To find out more on our approach to Corporate Sustainability, for our full Sustainability Reporting, our facts & figures; www.sebgroup.com/sustainability

SEB Sustainable Perspectives

Our dedicated social media site with our Sustainability Academy and QUIZ, stories and best practices through which you can learn more about corporate sustainability in general and at SEB in particular; www.sebgroup.com/sustainableperspectives

Position statement – Child Labour

Introduction

Respect for children as a universal ideal was affirmed by the United Nations Convention on the Rights of the Child in 1989, setting minimum standards for the protection of children's rights¹. Despite being the most widely accepted human rights treaty, child labour is still a problem of immense global proportions. Although decreasing, more than 200 million children are involved in child labour, in its different forms, according to estimates made by the ILO². As defined in the ILO conventions³, the term child labour applies to various forms of work for different age groups⁴. In general, the basic minimum age at which children may work is 15⁵, but national differences exist.

Exploitation of children for labour can harm their health and often reinforces a cycle of minimal education and poverty. According to the ILO there is a distinction between child work, which may be acceptable, and child labour, which needs to be eliminated. However, drawing a line between the two can be difficult in practice especially as many families in developing countries depend on the income from children's work to survive. SEB acknowledges that the employment of children over the age of 14⁶ is an important part of the economies of many of these markets and we do not oppose work that children may perform for example at home, on the family farm or for a family business, as long as it is in their best interest, does not affect their health and personal development or interfere with their schooling.

SEB fully appreciates the severity of child labour and reducing it is of high priority.

Purpose

The purpose of this position statement is to form a basis for dialogue with our clients, portfolio companies and stakeholders as well as clarify our ambition and actions to improving our contribution to the reduction of child labour. We recognise that by influencing, our clients and portfolio companies to follow international guidelines directed at abolishing child labour, we can positively impact the situation of many.

Participation

SEB has committed to uphold the thresholds laid down in the international guidelines directed at abolishing child labour that we have signed and adopted. SEB has also joined the recently formed Swedish Financial Coalition Against Child Pornography⁷, which seeks to prevent and obstruct payments for child pornography through the Swedish financial system.

As well as our own ambition to positively impact the existing situation, we also engage with our clients and portfolio companies to ensure, as far as possible, that they adhere to international and national conventions and codes of conduct. Failing to adhere to these accords means taking a business risk which could translate into a financial risk. In addition, SEB, as a provider of financial services, risks its reputation and standing by providing services to non-compliant clients and portfolio companies.

Striving to be a good corporate citizen, respect for labour standards and human rights is an integral part of our corporate culture and SEB is committed to the principles of protecting children from any forms of child labour and exploitation. Our sustainability efforts are manifested by various guiding principles within SEB, where we:

- acknowledge the role as financial intermediary and its potential impact on child labour issues;
- strive to identify and mitigate the exposure to risks related to child labour; and
- influence our clients and portfolio companies to have appropriate child labour policies and monitoring systems of sufficient quality.

¹ The Optional Protocols to the Convention on the Rights of the Child adopted in 2000 offer additional protection of children:

- Optional Protocol on the involvement of children in armed conflict
- Optional Protocol on the sale of children, child prostitution and child pornography

² ILO = International Labour Organisation, estimates from 2006

³ ILO Convention 138 (Minimum Age) and ILO Convention 182 (Worst Forms of Child Labour)

⁴ Child labour as defined by the ILO conventions:

- all children under 18 (16 for developing countries) involved in the worst forms of child labour
- all 13 to 15 year old children (12-14 for developing countries) engaged in more than light work
- all children under the age of 13 (12 for developing countries) taking part of economic activity

⁵ ILO Convention 138, Article 2.3; The minimum age shall not be less than the age of completion of compulsory schooling and, in any case, shall not be less than 15 years

⁶ ILO Convention 138, Article 2.4

⁷ The Swedish Financial Coalition Against Child Pornography is comprised of most of the Swedish banks, the Swedish Banker's Association, the Swedish Police and the non-profit organisation ECPAT www.ecpat.se