

SEB – an active member of society

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SEB's corporate social responsibility

SEB has a policy for the social responsibility of the Bank and has joined the U.N.'s Global Compact, which is led by the Secretary General of the UN Kofi Annan. This policy means that SEB takes long-term responsibility in its day-to-day work. It applies to ethical issues that have a direct impact on SEB's customers and business as well as to responsibility for the employees and, in a broader sense, for the society and environment.

SEB furthermore supports the OECD guidelines for multinational companies.

A number of Group-wide policies and instructions govern the work on sustainability issues. SEB's common values – Commitment, Continuity, Mutual respect and Professionalism – form the basis of this work. In addition, targets have been set for continuous and systematic assessment and follow-up of the work, which is led by a Group-wide Corporate Social Responsibility Committee, CSR, with representatives from all divisions and staff functions. The heads of divisions and subsidiaries have the operative responsibility for sustainable development.

Ethics and sustainability

SEB's activities are based upon trust, continuity and long-term relations with customers. This means that SEB and its employees must meet the highest ethical standards and act in a long-term perspective.

Naturally, SEB observes all laws and other regulations concerning bank secrecy, treatment of personal information, integrity protection and information safety. In addition, the Group has adopted a number of own rules regarding ethical issues.

SEB's priority CSR areas

- Code of Business Conduct
- SEB's role as a lender
- SEB's role as an asset manager
- SEB's role as an employer
- SEB's social commitment
- SEB's environmental responsibility

SEB's role as a lender

SEB's credit policy describes the role and responsibility of the Group as a lender. SEB strives to increase awareness of the indirect effects that the Group's credit-granting activities have on the environment and what they mean for a sustainable development. A special section of the credit policy stresses SEB's social responsibility beyond the important issues of customer confidence, purpose of the credit and environmental matters.

The Head of Group Credits has issued special instructions and prepared follow-up systems to support credit decisions that involve SEB's social responsibility. Factors that may have a negative impact on the environment and other issues of importance are assessed and analysed in connection with credit decisions and annual follow-up routines. Such analyses and assessments are made in a broader perspective than just taking factors that affect borrowers' repayment capacity into account. Special attention is paid to financings of major infrastructural projects, which may involve risks for a negative impact upon the population and environment.

SEB's role as an asset manager

SEB strives to maintain high ethical standards in its relations with customers, employees, suppliers and other partners. The Group offers a broad range of asset management products with a special ethical profile and works actively with corporate governance issues. SEB Fonder (Mutual Funds) finds it important that each company in which they choose to invest has an established ethical and environmental policy. As a major manager of savings capital, SEB Fonder has responsibility for being an active owner and for acting in order to give companies the best possible opportunities for carrying on their activities.

During 2005, *SEB Asset Management* further refined its demands as to which shares its ethical portfolios may include by

According to SEB's ethics policy the following ethical behaviour principles shall apply:

- Observe confidentiality with respect to information about customers and business relations.
- Understand the purpose and meaning of every customer's assignment and make sure that customers understand the consequences of their assignments.
- Show respect for the basic principles of equal treatment and diversity.
- Avoid situations that can lead to conflicts of interest between customers and different parts of the SEB Group.
- Observe restrictions as regards undue benefits and gifts.
- Carry out all measures and decisions in such manner that they can withstand scrutiny by others.

excluding gambling companies. Weapons, alcohol, tobacco and pornographic companies have been excluded earlier. SEB's ethical assortment of funds must follow certain ethical standards and two methods are used for selecting companies – screening by using Global Ethical Standard and exclusion of companies according to so-called negative criteria.

Global Ethical Standard is based upon international standards on human rights, labour, environment, bribes, corruption and weapons. Investments in indexed forwards are excluded too, since it is difficult to exclude indirect exposures on companies violating SEB's ethical criteria.

SEB's role as an employer

To be perceived as an attractive employer both by the staff and society is an important success factor for the Group. Ultimately, employer responsibility is built upon SEB's fundamental values and SEB's observance of these. Employees' motivation is regularly measured as well as their satisfaction with the leadership.

For a long time, SEB has actively worked for equality between the sexes. During 2005, this commitment has been further increased through an equality plan for the whole Group, now in operation.

In addition, SEB has a global diversity plan. To increase awareness about this and to activate the diversity work, SEB started a project in 2005 for the purpose of preparing a plan for the future work on advancing diversity. The plan shall be finalised and implemented during 2006.

Social commitment

Being a good member of society forms part of SEB's business concept and this is why the Group supports various social projects both centrally and through its different business areas. Youth, education, equality, diversity and a sustainable development are areas of priority. The goal is that SEB's staff shall actively contribute knowledge and personal commitment to these issues.

Mentor Sverige and Mentor Lietuva

Since 1997 SEB supports Mentor Sverige, a Swedish foundation engaged in drug prevention measures for the youth that runs two drug prevention programmes: a mentorship and a parental training programme. During 2005, 34 persons within SEB participated as mentors, while 80 people took part in the parental training. SEB employees can be mentors for pupils at the senior level of the compulsory school during one school year. SEB's Lithuanian subsidiary bank, Vilniaus Bankas, was one of the initiators of a national mentor organisation in Lithuania.

Other projects

For the last four years SEB co-operates closely with Livslust, a foundation that runs vocational schools for young orphans in Latvia. In various ways, wherever SEB is represented, the Bank supports local projects and initiatives that focus on school-training and sports-linked children's and youth issues. In Malmö, SEB started a project to reduce segregation as early as 2003. In Göteborg, SEB has engaged itself in Grunden Bois, a sports association for mentally retarded children and youth.

At the annual Christmas concerts it is a tradition to collect money for various projects. In 2005, money was collected for Mentor, the Livslust foundation, Queen Silvia's Children's Hospital and for the victims of the earthquake in Pakistan. SEB also distributed Christmas gifts to the City Mission of Stockholm and the Swedish Church in London, for example.

In 2005, SEB Trygg Liv extended its sponsor co-operation with the City Mission of Stockholm regarding Bostället, a multi-stage housing for the homeless.

Environmental matters

According to SEB's environmental policy SEB shall consider environmental aspects to the greatest extent possible. SEB has signed the environmental documents of both the United Nations and the International Chamber of Commerce, under which the signatories are committed to paying due regard to, and acting for, a better environment within their respective activities.

SEB has adopted an environmental policy and has well developed, measurable targets for its activities. This work is led by a Group-wide environmental committee that makes reports on, and follows up, these issues on a continuous basis. The committee reports to SEB's Board of Directors once a year. SEB meets the requirements of the sustainability index FTSE4Good.

Additional information is found on www.sebgroup.com

Social key figures

		2005	2004
Overall CSR	Employee attitude:		
	Per cent of employees who think;		
	– SEB is an ethical company	77	74
	– it is important that SEB is an ethical company	76	75
	Customer attitude:		
	Per cent of customers who think		
– SEB is an ethical company	65	60	
– it is important that SEB is an ethical company	87	87	
Role as an employer	Motivation index	63	57
	Leadership index	78	73
	Gender equality ¹⁾	37	38
	Sick leave rate ²⁾	5	5
	Health index	61	62
	SEB as an attractive employer, rank		
– all companies	18	12	
– banks only	2	1	
Social Commitment	Mentorship programme ³⁾	95	85
	Financial support of social projects, SEKm	18	12

1) Per cent female managers

2) In Sweden

3) Internal knowledge in Sweden