

Principles for Shareholders' Engagement

Adopted by
Skandinaviska Enskilda Banken AB (publ)
2020-03-19

Skandinaviska Enskilda Banken AB (publ) (SEB) provides i.a. portfolio management to its clients. The portfolio management is performed either by SEB's own portfolio management organisation or through delegation to entities within the SEB Group, particularly to the wholly owned subsidiary SEB Investment Management AB (SEB IMAB), which is a Swedish fund management company and alternative investment fund manager.

These Principles for Shareholder Engagement apply solely to portfolio management investments made in shares issued by companies within EEA and listed on a regulated market (Investee Companies). Prior to investments are made in fund units, SEB is conducting reviews of the fund management companies. In such reviews, governance- and shareholders-related matters are assessed. Therefore, SEB seeks to apply these Principles for Shareholder Engagement, to the extent possible, when investments are made in fund units managed by SEB IMAB or external fund management companies (Swedish and foreign).

Where the portfolio management has been delegated, it has been required that the entity to whom the portfolio management has been delegated shall ensure the fulfilment of these Principles for Shareholder Engagement adopted by SEB AB.

Exercising voting rights

SEB does, as a general rule, not provide proxy voting or other assistance services to shareholders to promote the shareholders' participation in shareholders' meetings where nominee registered financial instruments are subject to Portfolio Management. However, if the client intends to participate in or exercise its voting rights at a shareholders' meeting, SEB will, if possible, under local law, assist and take the necessary registration actions to enable the client to participate in and vote at the shareholders' meeting. Further, in some jurisdictions the client may open an account directly with the Local CSD through SEB, and in those cases, the client will be the account holder and beneficial owner on the financial instruments subject to portfolio management and have the possibility to participate in and vote at the shareholders' meetings.

Monitoring and review

SEB receives continuous information in order to monitor and review the Investee Companies. These activities are carried out by way of SEB's research as well as (when applicable) paid external research and information services. These research activities enable SEB to have dialogues with representatives of the Investee Companies and to meet external analysts and gather their written research.

SEB's portfolio management organisation has significant experience in, and works actively with, evaluating and monitoring the strategies, financial and non-financial results and risks, capital structure, as well as social and environmental impacts (responsible investments) of the Investee Companies based on the information obtained.

SEB shall evaluate the above criteria in relation to each relevant investment and/or in order to evaluate whether a holding should be included in the model portfolio going forward.

Dialogues with Investee Companies' representatives, other shareholders and stakeholders

By having direct contact with the Investee Companies, i.e. by participating in capital markets days, meetings with the Investee Companies and attending financial report presentations, SEB's portfolio management organisation evaluates whether an investment meets the expectations to reach a sustainable and long-term investment with good return for the clients. Dialogues with other shareholders and stakeholders can occur in connection with i.a. capital market days and presentations.

Managing conflicts of interest

SEB provides a comprehensive range of financial services covering many different activities. On the one hand, this means that SEB can offer full financial services in all areas; on the other hand, it means that there is a risk for potential conflicts of interest to arise. Conflicts of interest may arise between SEB, including its management, board of directors, staff, etc. and customers, or between different customers. They may also arise between different activities within SEB, and between SEB and other areas of activity within the SEB Group. SEB has identified areas in which potential conflicts of interest may arise; examples of these include SEB's analytical, advice and corporate finance activities. SEB's Group Instruction for handling conflicts of interest outline the potential conflicts of interest that have been identified and how to handle and avoid them in order to prevent the interests of customers being negatively affected. SEB has taken steps to prevent conflicts of interest from arising; for example, the various activities within the SEB Group between which conflicts of interest may arise are kept separate from each other so that improper use cannot be made of information in any other part of SEB. SEB has also adopted guidelines to ensure that the reporting process and compensation arrangements protect the independence of employees, as well as rules to prevent employees from handling matters in which the employee or a close associate has interests that could lead to a conflict of interest. Employees must always look after the interests of the customer first and foremost, as described in SEB's Group Instruction for handling conflicts of interest. SEB will provide further details of this Instruction upon the request of the customer.

Communication

SEB's Principles for Shareholders' Engagement are published on our website (as applicable),

www.seb.se

www.sebgroup.com

www.seb.fi

www.seb.dk

www.sebgroup.lu

SEB will annually present the application of the Principles for Shareholder Engagement at the above websites.