



# **Sector Policy on Gambling for the SEB Group**

adopted by the Risk and Capital Committee of the Board of Directors of  
Skandinaviska Enskilda Banken AB (publ)  
on 18 April 2024

**Sustainable Banking**

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## 1 Introduction

This Sector Policy concerns Gambling. Gambling is considered controversial from a social sustainability perspective due to concerns related to its societal impact (see Annex 1 below on key sector risks).

This Sector Policy builds on principles defined in the Social and Human Rights Policy, which are part of the overall Sustainability policy framework in SEB. Sustainability-related policies in SEB are reviewed annually.

## 2 Definitions

**Business Relationship:** A commercial relationship with a legal entity based on a legal agreement including, but not limited to, holding of securities.

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

**Gambling:**<sup>1</sup> The staking of something of value, with (often) consciousness of risk and hope of gain on the outcome of a game, a contest, or an uncertain event whose result may be determined by chance or accident or have an unexpected result by reason of the bettor's miscalculation (Encyclopedia Britannica). Gambling is the official English term used by The Swedish Gambling Authority.

**Gambling Company:** Company with more than 15% of revenues<sup>2</sup> coming from Production of Gambling.

**Online Gambling:** Gambling conducted on the Internet or through mobile devices and other digital communication opportunities.

**Production of Gambling:**<sup>3</sup> Provision of Gambling services to the public, including production of products and services intended for provision of Gambling services such as Internet gambling sites, gambling IT platforms, live casinos, sport betting or games found at casinos such as slot machines, video poker, roulette wheels and more. Services with no direct intention to provide gambling services are excluded such as payment platforms, advertising agencies, media companies and Internet Service Providers etc.

**SEB:** Skandinaviska Enskilda Banken AB (publ)

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<sup>1</sup> Not to be confused with gaming which is "the activity of playing games on computers and other electronic devices" (Cambridge Dictionary).

<sup>2</sup> Calculated at SEB global limit holder level.

<sup>3</sup> Subsectors under the following NACE sector codes: 92 – Gambling and betting activities. In case of conflict the policy takes precedent.

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

### **3 Purpose**

The purpose of this Sector Policy is to define the SEB Group's position on Business Relationships with Gambling Companies.

### **4 Scope**

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

Any deviations from this policy shall be escalated in accordance with the Customer Acceptance Mandate Instruction.

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

The following investment and ancillary services related to when SEB 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 does not make the investment decision.<sup>4</sup>
3. Externally managed funds, i.e. funds managed outside SEB AB. 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 the 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).

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<sup>4</sup> The investment might be registered in the name of SEB (e.g. certain pension products)  
Security Class 1/External

3. Financial products where the employees in companies in scope are the beneficiaries, e.g. occupational pension.

## **5 Restrictions**

Given the significant non-financial risks in the Gambling industry, SEB avoids Business Relationships with Gambling Companies.

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**Annex 1: Key sector risks**

Gambling is considered a high ESG risk sector due to a range of significant non-financial risks, both in terms of scale and severity in the industry, such as:

- *Money laundering*, fraud and other crimes as the services and products can attract criminals seeking to launder criminal proceeds or conceal or disguise origins of criminally derived funds.
- *Social, including human rights*: risks that include Gambling addiction and Gambling by minors, as well as potential influence over socially vulnerable population groups.<sup>5</sup>
- *Aggressive marketing*, linked to for example unrealistic advertised chances of winning, Gambling as a socially attractive activity, Gambling as a solution to personal financial problems, targeting of self-suspension players, bonuses for funds placed in a Gambling account, and advertisement on unethical websites.
- *Skewed Gambling practices*: using algorithms with extremely low chances of winning. This is in particular relevant in unregulated markets.
- *Reputational risk*: there is a considerable risk of being associated with the negative impact mentioned above by providing financial services to a client whose business is to offer Gambling services to the public. This could in turn have significant negative reputational impact on SEB.
- *Uneven compliance and regulatory practices* among markets and market participants, which impair transparency and increase financial and non-financial risks for intermediaries (such as banks).
- *Tax evasion*: there is a risk of unknowingly committing tax crime when facilitating payment transactions that are deemed to be an integral part of the gaming transactions.

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<sup>5</sup> SEB's sustainability policies, in particular the Human Rights Policy.