

Product name: SEB Concept Biotechnology

Legal entity identifier: 5299002NIL6PNZRWIN02

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Did this financial product have a sustainable investment objective?

<input checked="" type="radio"/> <input type="radio"/> Yes	<input type="radio"/> <input checked="" type="radio"/> No
<input type="checkbox"/> It made sustainable investments with an environmental objective: ____% <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> It made sustainable investments with a social objective: ____%	<input type="checkbox"/> It promoted Environmental/Social (E/S) characteristics and while it did not have as its objective a sustainable investment, it had a proportion of ____% of sustainable investments <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective <input checked="" type="checkbox"/> It promoted E/S characteristics, but did not make any sustainable investments



To what extent were the environmental and/or social characteristics promoted by this financial product met?

Sustainability aspects were one of several important factors that were considered in the investment/decision-making process, where our ambition was to invest in companies that clearly integrated sustainability into their business model. The fund excluded companies that did not meet the fund company's strict criteria for sustainability. SEB Investment Management Sustainability Score (SIMS-S) was central to our sustainability integration process and evaluation. SIMS-S focused on risks and opportunities related to sustainable development in company management, products and services, and operations. This was evaluated through the use of metrics, such as alignment with the Paris Agreement, carbon footprint, gender diversity, Taxonomy alignment, and revenues aligned with the sustainable development goals ("SDGs"). The fund used the SIMS-S framework and scores in its sustainable integration process. The Healthcare sector was not included in the EU's taxonomy, defined under climate change mitigation and climate change adaptation. However, most of the large healthcare companies had the ambition to be carbon neutral before 2040.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

● How did the sustainability indicators perform?

The fund's weighted sustainability score, according to SEB Investment Management's sustainability model, SIMS-S, is 6.1, which is in line with the benchmark of 6.3. It is slightly lower due to more small-cap holdings. Based on SEB Investment Management's exclusion criteria, the companies in the fund's benchmark have not been subject to any exclusions, which should be interpreted as an indication that the fund's investment universe is performing relatively well in terms of sustainability characteristics.

● ...and compared to previous periods?

During the year, the Fund Company has developed, and quantified which indicators are included in the Fund. Based on this development, it is not accurate to compare the Fund's indicators with previous periods.

● What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?

The product did not commit to any sustainable investments with an environmental objective during the period.

● How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?

The product did not commit to any sustainable investments during the period.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- *How were the indicators for adverse impacts on sustainability factors taken into account?*
The product did not commit to any sustainable investments during the period.

- *Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?*
The product did not commit to any sustainable investments during the period.

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The “do not significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



How did this financial product consider principal adverse impacts on sustainability factors?

Prior to the investment decision, the following PAIs were considered:

- On an exclusionary basis:
From Annex 1 – Table 1 of CDR (EU) 2022/1288
 - PAI 4: Exposure to companies active in the fossil sector
 - PAI 10: Violations of UN Global Compact Principles & OECD Guidelines for multinational enterprises
 - PAI 14: Exposure to controversial weapons
- During the ESG integration process using the SIMS-S combined with fundamental analysis:

- From Annex 1 - Table 1 of CDR (EU) 2022/1288
 - PAI 1: GHG emissions
 - PAI 2: Carbon footprint
 - PAI 3: GHG intensity of investee companies
 - PAI 4: Exposure to companies active in the fossil sector
 - PAI 7: Activities negatively affecting biodiversity-sensitive areas
 - PAI 8: Emissions to water
 - PAI 9: Hazardous waste ratio
 - PAI 10: Violations of UN Global Compact Principles & OECD Guidelines for multinational enterprises
 - PAI 11: Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD guidelines for Multinational Enterprises.
 - PAI 12: Unadjusted gender pay gap
 - PAI 13: Board gender diversity
 - PAI 14: Exposure to controversial weapons

During the investment period, these PAIs are considered:

- In engagement dialogues with issuers:
PAI 13 from Annex 1 - Table 1 of CDR (EU) 2022/1288



What were the top investments of this financial product?

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference

Largest investments	Sector	% Assets	Country
Vertex Pharmaceuticals Inc	Health Care	8.33	United States
Amgen Inc	Health Care	6.74	United States
Regeneron Pharmaceuticals Inc	Health Care	6.39	United States

period which is: Jan 1, 2022 to Dec 31, 2022

Moderna Inc	Health Care	4.95	United States
Gilead Sciences Inc	Health Care	4.07	United States
AstraZeneca PLC	Health Care	3.83	United Kingdom
Biogen Inc	Health Care	3.02	United States
Argenx SE	Health Care	2.99	Netherlands
Incyte Corp	Health Care	2.89	United States
BioMarin Pharmaceutical Inc	Health Care	2.83	United States
Illumina Inc	Health Care	2.62	United States
Horizon Pharma Plc	Health Care	2.54	United States

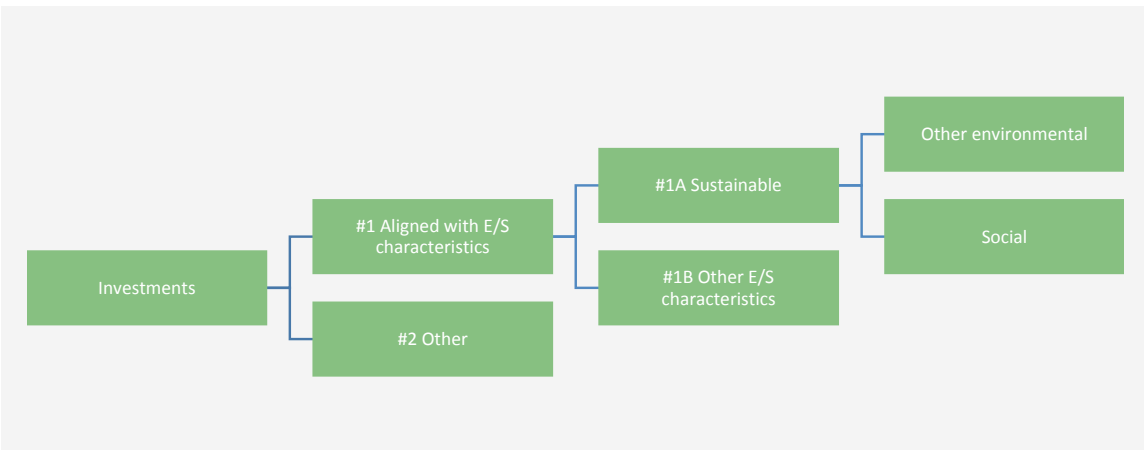


What was the proportion of sustainability-related investments?

Asset allocation describes the share of investments in specific assets.

● What was the asset allocation?

As at 31 December 2022 97.54% of the Assets under Management were aligned with E/S characteristics. As at 31 December 2022 2.46% of the Assets under Management were classified as "Other". These Assets consisted of Cash and Futures. The product did not commit to any sustainable investments during the period, and only cash and derivatives would fall under Other.



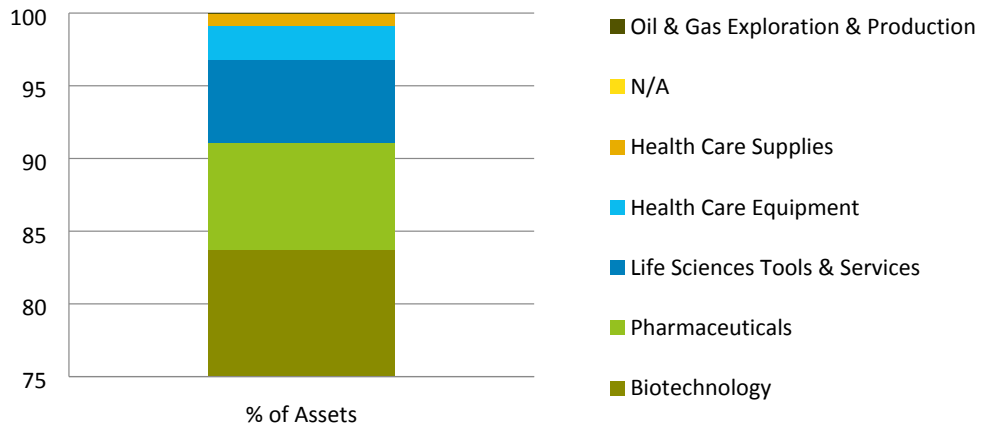
#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product. As at 31 December 2022 97.54% of the Assets under Management were aligned with E/S characteristics.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments. As at 31 December 2022 2.46% of the Assets under Management were classified as "Other". These Assets consisted of Cash and Futures.

The category **#1 Aligned with E/S characteristics** covers:
 - The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
 - The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

In which economic sectors were the investments made?

Investments were made in the following sub-sectors, with a breakdown of the 10 largest sub-sectors:



To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

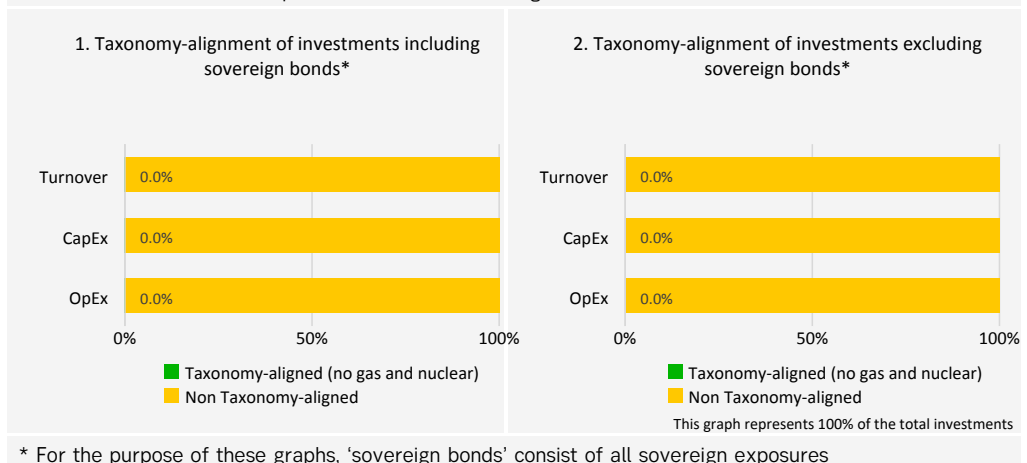
Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy*?

- Yes:
 - In fossil gas
 - In nuclear energy

No

* available data on the sub-fund's investments are reported to be zero.

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.



What was the share of investments made in transitional and enabling activities?

The proportion of investments in transition activities and enabling activities are so low in relation to the fund's investments that, given uncertainties linked to data quality, it does not make sense to report this separately.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflects the "greenness" of investee companies today.
- **capital expenditure** (CapEx) shows the green investments made by investee companies, relevant for a transition to a green economy.
- **operational expenditure** (OpEx) reflects the green operational activities of investee companies.

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

Due to ambiguity around on the allowed use of estimated taxonomy alignment data for taxonomy reporting there are no previous reporting to compare this year's taxonomy alignment to.



What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

The product did not commit to any sustainable investments with an environmental objective during the period.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.



What was the share of socially sustainable investments?

The product did not commit to any sustainable investments with a social objective during the period.



What investments were included under "other", what was their purpose and were there any minimum environmental or social safeguards?

Cash in the meaning of ancillary liquid assets and derivatives.

The purpose of cash is liquidity and flows, the purpose of derivatives was efficient portfolio management techniques. There was during the period no minimum environmental or social safeguards for these investments.



What actions have been taken to meet the environmental and/or social characteristics during the reference period?

Generally, the sector is ESG-friendly as the purpose of its products is to support health. The healthcare sector is further very heavily regulated by authorities when it comes to research, clinical trials, and production. Employees are highly educated and generally well-treated. Many large healthcare companies are ahead in environmental sustainability and have a high likelihood of being carbon neutral within a ten-year period. Smaller biotech companies usually do not have a large environmental footprint since they have no or limited manufacturing. The main dialogue we have is around social and/or governmental criteria. Smaller companies often screen poorly in ESG databases, since they do not have the resources to keep up with all the documentation. BioNTech and Moderna were included in the fund since they have developed effective Covid vaccines which have saved many lives. The vaccines have also been discounted to developing markets. The fund has excluded companies that do not meet our strict ESG criteria. In Healthcare, we have excluded companies that want to legalize cannabis for recreational use (e.g., Canopy Growth), and companies that have major legal battles regarding product side-effects and corruption. We have chosen not to invest in BGI Genomics, a Chinese company in which the connection to Chinese authorities is less transparent. Quarterly monitoring of the fund's holdings is done together with our external adviser, ISS-ESG, to ensure that our sustainability criteria are upheld. Daily supervision is performed by the risk team.



How did this financial product perform compared to the reference benchmark?

The fund does not use a benchmark index to achieve its promotion of environmental and social characteristics.

● **How does the reference benchmark differ from a broad market index?**

The fund does not use a benchmark index to achieve its promotion of environmental and social characteristics.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- **How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?**

The fund does not use a benchmark index to achieve its promotion of environmental and social characteristics.

- **How did this financial product perform compared with the reference benchmark?**

The fund does not use a benchmark index to achieve its promotion of environmental and social characteristics.

- **How did this financial product perform compared with the broad market index?**

The fund does not use a benchmark index to achieve its promotion of environmental and social characteristics.