

Template periodic disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

Product name: SEB Climate Focus High Yield Fund

Legal entity identifier: 5299008JUQGJUW3U4446

Sustainable investment objective

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 checked="" type="radio"/> <input checked="" type="checkbox"/> Yes	<input type="radio"/> <input type="radio"/> <input type="checkbox"/> No
<input checked="" type="checkbox"/> It made sustainable investments with an environmental objective : 95.05% <ul style="list-style-type: none"> <input checked="" type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input checked="" type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy 	<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 <ul style="list-style-type: none"> <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 type="checkbox"/> It made sustainable investments with a social objective : ____%	<input type="checkbox"/> It promoted E/S characteristics, but did not make any sustainable investments



To what extent was the sustainable investment objective of this financial product met?

The fund had sustainable investments with environmental impact as its objective within the meaning of Article 9 of SFDR. The sustainable investment objective of the fund was to establish a robust positive environmental impact to achieve the long-term goals of the Paris Agreement. This has been done by investing in issuers or projects through green bonds, that contribute to and/or enable reducing global greenhouse gas emissions. The fund owned 95.05% environmentally sustainable investments of which 62.5% were green bonds.

The companies that could be classified as sustainable investments were those whose economic activities were deemed to contribute to one or more of the following environmental objectives:

Environmental objectives considered environmentally sustainable according to the EU Taxonomy:

- The six goals defined by the EU Green Taxonomy: climate change mitigation, climate change adaptation, sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, and protection and restoration of biodiversity and ecosystems

Environmental objectives that are not considered compatible with the EU Taxonomy

- The United Nations environment-related Sustainable Development Goals (UN SDGs): SDG 6 — Clean water and sanitation; SDG 7 — Affordable and clean energy; SDG 9 — Industry, innovation and infrastructure; SDG 11 — Sustainable cities and communities; SDG 12 — Responsible consumption and production; SDG 13 — Climate action; SDG 14 — Life below water; and SDG 15 — Life on land
- Operational resource efficiency in key environmental areas such as carbon use, water use or use of raw materials

The sustainable goals included in SEB Investment Management's definition of sustainable investments and quantitative thresholds are:

Environmental goals

- 10% of the company's revenue, capital expenditure or operating costs have been classified by estimation or reporting as significantly contributing to the six EU Taxonomy goals
- 20% of the company's revenue has been assessed as contributing to other global environmental goals, directly or indirectly linked to the UN SDGs
- The company outperforms its sector and region in terms of emission factors according to quantitative data
- The company outperforms its sector and region in other resource efficiency areas, such as water use, raw material consumption or waste generation, according to quantitative data
- The company has been fundamentally analysed and assessed as having a high contribution and exposure to environmental objectives

Social goals

- 20% of the company's revenue has been assessed to contribute to other global social goals, directly or indirectly linked to the UN SDGs
- The company outperforms relative to its region in terms of gender equality factors, according to quantitative data
- The company has been fundamentally analysed and assessed as having a high contribution and exposure to social goals

The fund company applies a pass/fail methodology, whereby an entire investment is classified and reported as sustainable if the requirements for contributing, not doing significant harm and good corporate governance are met. Other management companies may use a different methodology and criteria to classify an investment as sustainable. Therefore, the levels of sustainable investments may differ between fund companies depending on the methodologies, criteria and data providers used, and not only on levels of sustainability within the funds.

The green bonds have earmarked proceeds that contribute to one or more of the above-mentioned objectives, and the investment is classified and reported as sustainable if the requirements for not doing significant harm and good corporate governance are met.

The SEB Investment Management Sustainability Score ("SIMS-S"), was central to the fund's sustainability integration process and evaluation. SIMS-S is the fund company's proprietary sustainability model that rates all companies in the fund's investment universe based on multiple aspects of sustainability to establish a comprehensive and unbiased view.

The model consists of two main components: sustainability risks and sustainability opportunities. The model uses data from multiple vendors and is continuously modified as new data and new insights become available. The sustainability rating includes both a current status picture and a forward-looking perspective for each company. This provides fund managers the opportunity to assess current and future sustainability factors that can affect risk and return in the longer term.

Sustainability risks refer to environmental, social or governance-related events or circumstances that, if they were to occur, would have an actual or potential significant negative impact on the value of the investment.

Sustainability opportunities refer to environmental, social or governance-related events or circumstances that, if they were to occur, would have an actual or potential significant positive impact on the value of the investment.

The benchmark was the Bloomberg Pan-European High Yield Index, which does not qualify as an EU Climate Transition Benchmark nor an EU Paris-aligned Benchmark, and does not fully comply with all the methodological requirements in the Commission Delegated Regulation (EU) 2020/181. The benchmark is purely for performance comparison. The fund did not use a benchmark to fulfil the sustainable investment objective.

● How did the sustainability indicators perform?

To support the work of assessing the issuers' sustainability risks and opportunities, the fund's managers used a quantitative tool in the form of the SEB Investment Management Sustainability Score, SIMS-S, also as a framework and ratings for attaining its sustainable investment objective. The fund achieved an adjusted SIMS-S score of 6.11 at the end of 2023.

SIMS-S ratings are set on a scale of 0-10 with a normal distribution, which means that the normal outcome for a company is 5.0 and that most companies have a rating between 4.0-6.0.

SIMS-S consisted of overall scores and underlying component scores, each with two versions - a raw and an adjusted score. The raw score was the issuer's standalone overall sustainability score, while the adjusted score was sector and region adjusted. The underlying component scores, building up to the overall SIMS-S, made it possible to focus on specific sustainability topics.

The fund invested in sustainable bonds during the year, and had a total of 62.5% sustainable-labelled bonds vs the minimum level of 10%. The sustainable-labelled bonds can be green or sustainability-linked bonds.

The fund had engagement dialogues with 25 companies during 2023, of which 15 were direct dialogues and the remaining via EOS at Federated Hermes. This was 32% of the number of companies in the portfolio vs the minimum of 15%.

61% of the investee companies in the portfolio had committed to or approved science-based targets vs the minimum of 30%.

The fund followed the exclusion policy of the fund company.

● ...and compared to previous periods?

During the year, the fund changed from Article 8 to Article 9, and also changed geographic focus, hence it is not accurate to compare the fund's indicators with previous periods.

● How did the sustainable investments not cause significant harm to any sustainable investment objective?

The fund company's sustainability policy is used through the exclusions described herein as a first step to ensure that no investment causes significant harm to any environmental or social sustainable investment objective.

Sustainability indicators measure how the sustainable objectives of this financial product are attained.

Companies were excluded and not eligible for investment if they:

- did not comply with international norms and standards;
- operated in controversial sectors and business areas; or
- had exposure to fossil fuels.

Beyond the exclusions covered by the fund company's sustainability policy, companies that are not considered to fulfil the levels of the minimum social requirements defined by the EU Taxonomy for Sustainable Investment are also excluded.

To ensure that investee companies adhere to good corporate governance practices, an external assessment of each company's governance structure, labour relations, tax compliance and remuneration is conducted.

The fund company has developed internal tools and processes to assess and consider the negative impact indicators for sustainability factors in Annex I of the CDR 2022/1288 – as well as the relevant indicators in Tables 2 and 3 of Annex 1 of the CDR 2022/1288. However, the indicators are dependent on the current availability of data. Where reliable data with significant coverage was available, companies with negative performance on indicators in a geographical and sectorial context were excluded from the universe of sustainable investments.

Some specific indicators considered through the exclusions outlined in the fund company's sustainability policy were:

- Companies with activities in the fossil fuel sector;
- Companies with facilities/operations located in or near biodiversity-sensitive areas where the activities of these companies negatively impact these areas;
- Companies that do not comply with international norms and standards, such as the UN Global Compact principles and the Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises;
- Companies involved in the manufacture or sale of controversial weapons (landmines, cluster bombs, chemical and biological weapons); and
- Companies whose activities affect endangered species.

Read more about exclusions and SEB Investment Management's sustainability approach at sebgroupp.com/fundcompanysustainability.

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?*

Principal Adverse Impacts indicators (PAI) from Annex 1 - Table 1 of the CDR (EU) 2022/1288, that were taken into account by the fund company's sustainability policy, and excluded from investments:

- 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

PAIs from Annex 1 - Table 1 of the CDR (EU) 2022/1288, that were taken into account through SIMS-S and fundamental analysis by applying a threshold approach to remove the issuers at risk of causing significant harm:

- PAI 1: GHG emissions
- PAI 2: Carbon footprint
- PAI 3: GHG intensity of investee companies
- PAI 5: Share of non-renewable energy consumption and production
- PAI 6: Energy consumption intensity per high-impact climate sector
- PAI 7: Activities negatively affecting biodiversity-sensitive areas
- PAI 8: Emissions to water
- PAI 9: Hazardous waste ratio
- 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 4 from Annex 1 - Table 2 of CDR (EU) 2022/1288: Investments in companies without carbon emission reduction initiatives
- PAI 4 from Annex 1 - Table 3 of CDR (EU) 2022/1288: Lack of a supplier code of conduct

All the PAI indicators are subject to data availability and may also change with improving data quality and availability. Hence, all adverse impact on sustainability factors is carried out based on best effort.

● *Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?*

During the reference period, the fund's sustainable investments have been aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights through

both the norm-based exclusion criteria set out in the fund company's sustainability policy and using SIMS-S.

Norm-based exclusions mean that the fund company expects issuers to adhere to international laws and conventions such as the following:

- The UN Principles for Responsible Investment
- The UN Global Compact
- The OECD Guidelines for Multinational Enterprises
- The UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights

Companies with confirmed violations are not considered sustainable investments.

Read more about exclusions within SEB Investment Management's sustainability approach at sebgroup.com/fundcompanysustainability.



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

Prior to investment decisions, 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 SIMS-S combined with fundamental analysis:

From Table 1-Annex 1 of CDR (EU) 2022/1288

- PAI 1: GHG emissions
- PAI 2: Carbon footprint
- PAI 3: GHG intensity of investee companies
- PAI 5: Share of non-renewable energy consumption and production
- PAI 6: Energy consumption intensity per high-impact climate sector
- PAI 7: Activities negatively affecting biodiversity-sensitive areas
- PAI 8: Emissions to water
- PAI 9: Hazardous waste ratio
- 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 4 from Annex 1 - Table 2 of CDR (EU) 2022/1288: Investments in companies without carbon emission reduction initiatives
- PAI 4 from Annex 1 - Table 3 of CDR (EU) 2022/1288: Lack of a supplier code of conduct

During the investment period, the following PAIs were considered.

In engagement dialogues with issuers:

- PAIs 1 – 6, from Table 1-Annex 1 of CDR (EU) 2022/1288
- PAI 4, from Table 2-Annex 1 of CDR (EU) 2022/1288: Investments in companies without carbon emission reduction initiatives.



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 period which is: 31 December 2023

Largest investments	Sector	% Assets	Country
Aker Horizons AS	Industrials	2.71	Norway
European Energy A/S	N/A	2.71	Denmark
BEWi ASA	Materials	2.54	Norway
Arise AB	Utilities	2.21	Sweden
Faurecia SA	Consumer Discretionary	2.19	France
Dometic Group AB	Consumer Discretionary	2.14	Sweden

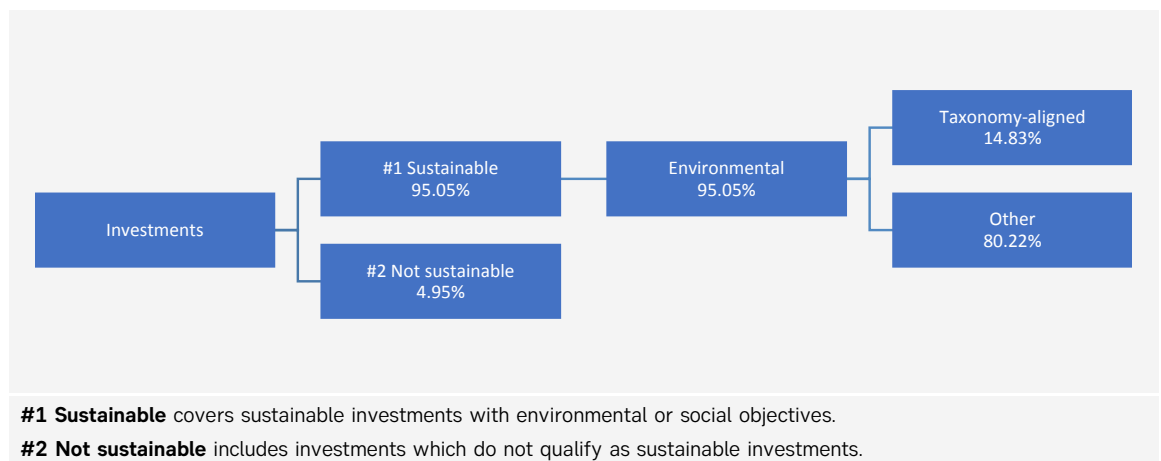
Banco Bilbao Vizcaya Argentaria SA	Financials	2.12	Spain
Yara International ASA	Materials	2.10	Norway
Storebrand Livsforsikring AS	Financials	2.10	Norway
EDP - Energias de Portugal SA	Utilities	2.02	Portugal
Telefonica Europe BV	Financials	2.00	Spain
NP3 Fastigheter AB	Real Estate	1.99	Sweden
National Express Group PLC	Industrials	1.97	United Kingdom
Scatec Solar ASA	Utilities	1.92	Norway
Electrolux AB	Consumer Discretionary	1.89	Sweden



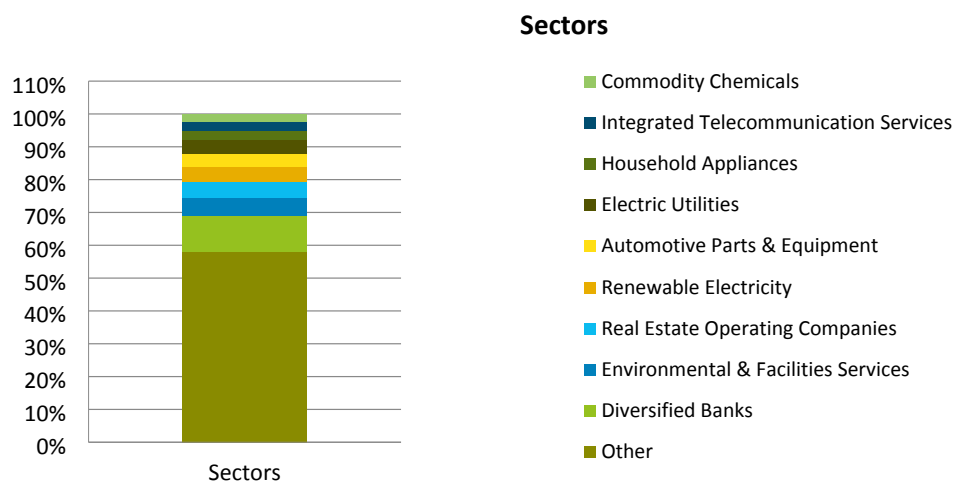
What was the proportion of sustainability-related investments?

Asset allocation describes the share of investments in specific assets.

● What was the asset allocation?



● In which economic sectors were the investments made?





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

● Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy¹?

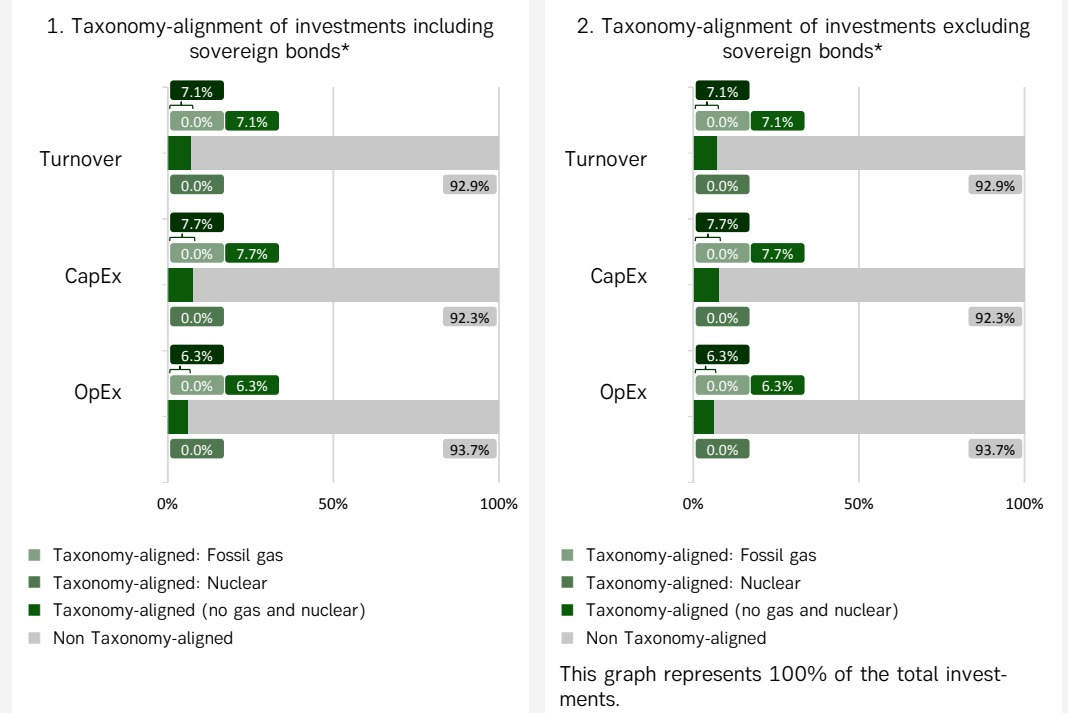
- Yes:
- In fossil gas In nuclear energy
- No

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure (CapEx)** showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure (OpEx)** reflecting green operational activities of investee companies.

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.



Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

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

During 2023, the share of investments in transitional activities was 0.0%. The share in enabling activities was 0.1%.

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significant harm to any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

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

During the year, the fund changed from Article 8 to Article 9, and also changed geographic focus, hence it is not accurate to compare the fund's indicators with previous periods.



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

The fund had the possibility to invest in economic activities categorised as sustainable investments, even if they could not be classified as compatible with the EU Green Taxonomy.

The EU Green Taxonomy does not cover all economic sectors that are relevant for the fund to invest in and that contribute to sustainability goals. There were also relatively few companies that reported in accordance with the EU Green Taxonomy. This may have been due both to their size and their geographical location.

The fund also had the opportunity to invest in sustainability-labelled bonds such as green bonds. The funding from these bonds must be used to contribute to an environmental objective in order to be labelled as green, but taxonomy reporting for individual financial securities is often lacking.

It is likely that in the vast majority of cases, these goals have a clear link to the goals found in the EU Green Taxonomy, but that reliable data was lacking for such a classification. The fund had 80.2% of environmentally sustainable investments that were not reported as aligned in accordance with the EU Green Taxonomy but deemed as sustainable investments according to the fund company's fundamental approach, or by them being sustainability-labelled bonds.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



What was the share of socially sustainable investments?

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

What investments were included under "not sustainable", what was their purpose and were there any minimum environmental or social safeguards?

The fund only held cash of 4.95% under "not sustainable". The purpose of cash is liquidity and flows.



What actions have been taken to attain the sustainable investment objective during the reference period?

100% of the investments made during the year were classified, by the fund company, as sustainable investments with environmental impact. 62.5% of the portfolio was in green bonds, where the proceeds are earmarked to green projects. As an example, Telefonica is a telecommunications company from which the fund bought their green bonds for the portfolio and they will use the proceeds to finance projects that transform telecommunications networks, with the aim of improving their energy efficiency. They also allocate funds to renewable energy and energy smart technologies that improve efficiency and reduce the carbon footprint. NRC Group ASA issued a green bond during the year where the proceeds finance electric rail infrastructure.

24.3% of the fund was aligned with the EU Taxonomy. One such company was the real estate company Castellum, where 33% of its revenue was aligned with the EU Taxonomy under Climate Change Adaptation and Climate Change Mitigation.

The fund used the SIMS-S framework and ratings to attain its sustainable investment objective. SIMS-S ratings range between 0 and 10, with 10 being the highest sustainability score. The fund achieved a SIMS-S rating of 6.11.

The fund managers had engagement dialogues with companies related to their sustainability work. The dialogues had a focus on environmental characteristics, with reducing greenhouse gas emissions being the main target. Reporting on Scopes 1-3 emissions, and a clear pathway to reducing these by committing to science-based targets were the main points of engagement. During the year, fund managers had engagement dialogues with Bewi, NRC Group, Bonheur and Volvo among others.

At the end of the year, 61% of the companies in the portfolio had committed to or approved science-based targets vs the minimum of 30%.

The fund excludes companies that do not meet the fund company's extensive criteria for sustainability.

During the 2023 reference period, SEB Investment Management updated its sustainability policy with a clear position on biodiversity. Nature is the foundation of societies and economies and there is a growing appreciation for the need to include nature and biodiversity in investment decisions.

The fund does not invest in companies that have verified violations of biodiversity-related norms. The fund company also excludes companies that operate and have a negative impact on endangered species or bio-sensitive areas, including Arctic drilling.

Furthermore, the fund company monitors the companies with the greatest influence on and exposure to deforestation of tropical forests and aims to set zero-tolerance targets for deforestation as the global data quality on deforestation improves.

Since 2023, SEB Investment Management has been a member of the Taskforce for Nature-related Financial Disclosures (TNFD) Forum, and a signatory of the Finance for Biodiversity Pledge and is working to increase the quality and coverage of biodiversity-related data sets through scientific collaborations.



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

Reference benchmarks are indexes to measure whether the financial product attains the sustainable objective

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

The fund did not use a benchmark to fulfil the sustainable investment objective.

- **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 did not use a benchmark to fulfil the sustainable investment objective.

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

The fund did not use a benchmark to fulfil the sustainable investment objective.

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

The fund did not use a benchmark to fulfil the sustainable investment objective.