Product name: SEB Danish Mortgage Bond Fund

Legal entity identifier: 5299003E27N3RFS7YD30

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?

☐ Yes	☑ No
☐ It made **sustainable investments with an environmental objective:** _ %	☑ It promoted **Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 42.90% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☑ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
☐ It made **sustainable investments with a social objective:** _ %	☐ with a social objective
	☐ 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?

During the 2024 reference period, the Sub-Fund promoted environmental and social characteristics as follows:

Environmental Characteristics

- By applying the Management Company's exclusion criteria:
  The Sub-Fund excluded investments in companies operating in industries or areas deemed to face significant challenges concerning environmental sustainability.
- By influencing companies' business models towards greater environmental sustainability:
  On behalf of the Sub-Fund, the Management Company influenced companies by engaging in dialogues with management teams and collaborating with other asset managers or partners.
- By making sustainable investments in companies that support one or more of the following environmental objectives:

One or more of the following UN Sustainable Development Goals (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
- **SDG 15:** Life on land

- Climate change mitigation through low emissions relative to the company's sector and geographical region.
- Resource efficiency concerning water usage, raw material consumption, or waste production relative to the company's sector and geographical region.

- By investing in sustainability-labelled bonds, such as green bonds, which finance specific projects based on environmental objectives as defined by the EU Taxonomy:
  - Climate change mitigation
  - Climate change adaptation
  - Sustainable use and protection of water and marine resources
  - Transition to a circular economy, including waste prevention and increased use of recycled materials

- Pollution prevention and control
- Protection and restoration of biodiversity and ecosystems

Social Characteristics

- By applying the Management Company's exclusion criteria:
  The Sub-Fund excluded investments in companies operating in industries or areas deemed to face significant challenges concerning social sustainability.
- By influencing companies' business models towards greater social sustainability:
  On behalf of the Sub-Fund, the Management Company influenced companies by engaging in dialogues with management teams and collaborating with other asset managers or partners.
- By making sustainable investments in companies that support one or more of the following social objectives:
- One or more of the following UN Sustainable Development Goals (SDGs):
  - **SDG 1:** No poverty
  - **SDG 2:** Zero hunger
  - **SDG 3:** Good health and well-being
  - **SDG 4:** Quality education
  - **SDG 5:** Gender equality
  - **SDG 6:** Clean water and sanitation
  - **SDG 8:** Decent work and economic growth
  - **SDG 10:** Reduced inequalities
  - **SDG 11:** Sustainable cities and communities
  - **SDG 16:** Peace, justice, and strong institutions

- Gender equality, by investing in companies that are more equitable relative to their sector and geographical region.
- Social inclusion, and diversity, by investing in companies assessed through fundamental analysis to contribute to these objectives
- Specific project contributions through sustainability-labelled bonds, such as social bonds.

For more information about the Management Company's sustainability policy, exclusion criteria, and assessment methodology for sustainable investments, please visit: [Our sustainability approach at Asset Management | SEB]

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

How did the sustainability indicators perform?

In general, we engage with issuers to improve data quality and transparency. Almost all issuers have improved coverage and quality of data over the course of the years and also in 2024.

The share of green bonds seem to stagnate somewhat and probably the scope for increasing green bonds is declining. One issuer is starting to reveal "greeness" of each bond which we see as a good potential for better data transparency. At the end of 2024, the total number of green covered bonds in the Danish market is 12, with a combined outstanding amount of DKK 13 bn. In addition, there are two green Danish government bonds with a combined outstanding amount of DKK 34 bn. In total, this constitute approx. 1.2% of the investment universe.

Issuers' target of reducing CO2-emissions go according to plan. Both for the short term as well as the long term targets. All issuers expet to reach their targets for 2030 (50% reduction) as well as their targets for 2050 (net-zero).

...and compared to previous periods?

All issuers have improved coverage and quality of data over the course of the years.

By the end of 2024, the number of green covered bonds is 12. In addition, there are 2 government green government bonds. This is the same number compared to 2023. However, the outstanding amount has increased slightly from 1% to 1.2% relative to the total investable universe.

The overall CO2-emissions have reduced according to plan in the past years. All issuers claim they will reach the 50% reduction in 2030 as well as the net-zero in 2050.

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

While the Sub-Fund did not commit to sustainable investments during the period, it held securities issued by one or more companies that can be classified as sustainable investments, as their economic activities were assessed to contribute to one or more of the following environmental and social objectives.

The proportion of the Sub-Fund's sustainable investments during the 2024 reference period amounted to 42.90%, based on a weighted average of the Sub-Fund's sustainable investments per quarter.

Sustainability objectives defined by the Management Company

Social Objectives

- At least 20% of the company's revenues are assessed to contribute to global social goals directly or indirectly linked to the following UN SDGs:
  - **SDG 1:** No poverty
  - **SDG 2:** Zero hunger
  - **SDG 3:** Good health and well-being
  - **SDG 4:** Quality education
  - **SDG 5:** Gender equality
  - **SDG 6:** Clean water and sanitation
  - **SDG 8:** Decent work and economic growth
  - **SDG 10:** Reduced inequalities
  - **SDG 11:** Sustainable cities and communities
  - **SDG 16:** Peace, justice, and strong institutions

- Companies outperform peers in the same region on gender equality metrics based on quantitative data.
- Companies demonstrate a high contribution to and exposure to social objectives based on fundamental analysis.

Environmental objectives (aligned with the EU Taxonomy)

- At least 10% of the company's revenues, capital expenditures, or operational expenditures are assessed or reported to significantly contribute to one or more of the six objectives in the EU Taxonomy:
  - Climate change mitigation
  - Climate change adaptation
  - Sustainable use and protection of water and marine resources
  - Transition to a circular economy, including waste prevention and increased use of secondary raw materials
  - Pollution prevention and control
  - Protection and restoration of biodiversity and ecosystems

Environmental objectives not aligned with the EU Taxonomy

- At least 20% of the company's revenues contribute to global environmental goals, directly or indirectly linked to the following UN Sustainable Development Goals (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
  - SD**G 15:** Life on land
- Companies outperform their sector and region in emissions metrics based on quantitative data.
- Companies outperform their sector and region in resource efficiency areas such as water usage, raw material consumption, or waste production based on quantitative data.
- Companies demonstrate a high contribution to and exposure to environmental objectives based on fundamental analysis.

The use of proceeds bonds (green, social or sustainability bonds) are classified as sustainable investments provided that the issuer meets the requirements for social safeguards, complies with good corporate governance, and adheres to the Management Company's exclusion criteria. Green bonds supporting energy transition or other energy-efficiency projects are allowed even though the issuer is involved in fossil fuels above the normally accepted threshold according to the Management Company's Sustainability Policy.

The Management Company applies a "pass/fail methodology," where an entire investment is classified and reported as sustainable if it meets the requirement for contributing, social minimum safeguards, good governance, and avoiding significant harm.

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

To ensure that no sustainable investment caused significant harm to any environmental or social sustainability objective, the Sub-Fund undertook the following actions during the reference period:

- Excluded companies that did not comply with international norms and standards.
- Excluded companies operating in controversial sectors and business areas.
- Excluded companies with exposure to fossil fuels or other activities with a negative environmental impact (green bonds supporting energy transition or other energy-efficiency projects are allowed).

- Excluded companies deemed not to meet the levels of social safeguards as defined by the EU Taxonomy.
- Relied on assessments from an external analysis partner regarding companies' governance structures, employment practices, tax compliance, and remuneration policies.

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?

During the 2024 reference period, the Management Company's model for identifying companies with extreme values among indicators for adverse impacts was utilised to avoid investing in companies that cause significant harm.

The indicators for adverse impacts on sustainability factors applied are those described in Annex I of the technical standards of the Disclosure Regulation (CDR 2022/1288), as well as relevant indicators in Tables 2 and 3 of Annex I to CDR 2022/1288. These indicators are dependent on the current availability of data. However, where sufficient data coverage existed, companies with signficantly negative results in a geographical and sectoral context were excluded from being considered sustainable investments.

Some indicators were addressed through exclusions outlined in the Management Company's sustainability policy, which excludes:

- Companies operating in the fossil fuel sector;
- Companies with operations or facilities located in or near biodiversity-sensitive areas where their activities negatively impact these areas;
- Companies that fail to adhere to international norms and standards, such as the Ten Principles of the UN Global Compact and the OECD Guidelines for Multinational Enterprises;
- Companies involved in the manufacturing or sale of controversial weapons (e.g. landmines, cluster munitions, chemical, and biological weapons);
- Companies whose activities negatively affect endangered species.

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

The Sub-Fund's investments during the reference period were aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights through the norm-based exclusion criteria outlined in the Management Company's sustainability policy.
Norm-based exclusions mean that the management company expects issuers to comply with international laws and conventions, such as:

- The UN Principles for Responsible Investment (PRI);
- The Ten Principles of the UN Global Compact;
- The OECD Guidelines for Multinational Enterprises;
- The UN Guiding Principles on Business and Human Rights, including the principles and rights established in the eight core conventions identified in the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, and the Universal Declaration of Human Rights.

Companies with verified violations were excluded and, therefore, could not be considered sustainable investments.

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 Union criteria

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the Union criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the Union 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?

During the reference period, the Sub-Fund considered principal adverse impacts on sustainability factors through the exclusions described in the Management Company's sustainability policy, which excluded the following:

- Companies operating in the fossil fuel sector.

- Companies with facilities or operations located in or near biodiversity-sensitive areas where their activities negatively impact these areas.
- Companies that do not adhere to international norms and standards, such as the Ten Principles of the UN Global Compact and the OECD Guidelines for Multinational Enterprises.
- Companies involved in the production or sale of controversial weapons (landmines, cluster munitions, chemical, and biological weapons).
- Companies whose activities affect endangered species.

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: 1/1/2024--12/31/2024

The Sub-Fund's weights are calculated excluding cash and cash-equivalents, which is why the weights in certain cases may appear slightly elevated.

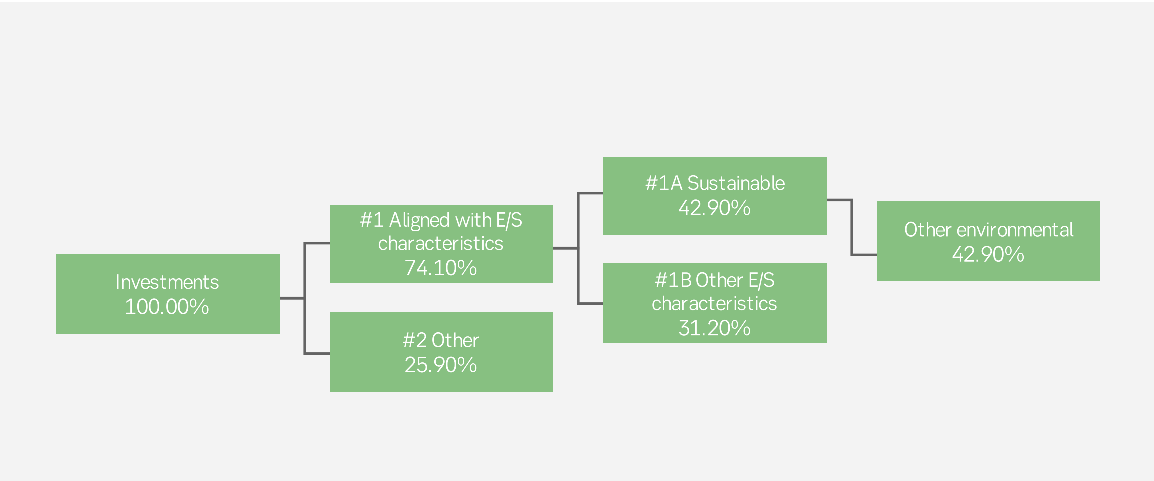
Largest investments	Sector	% of assets	Country
Nykredit Realkredit A/S	Financials	23.32	Denmark
Nordea Kredit Realkreditaktieselskab	Financials	21.13	Denmark
Realkredit Danmark A/S	Financials	20.10	Denmark

What was the proportion of sustainability-related investments?

The question is answered in the sub-questions below.

Asset allocation describes the share of investments in specific assets.

What was the asset allocation?



#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.

#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.

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?

If present in the portfolio, sub-sectors related to fossil fuels, as defined in Article 2.62 Regulation (EU) 2018/1999, are disclosed. Otherwise, only top-level sectors are presented.

Sector	% assets
Mixed	47.63
Financials	52.37

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-larbon 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 activites 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.

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

The question is answered in the sub-questions below.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

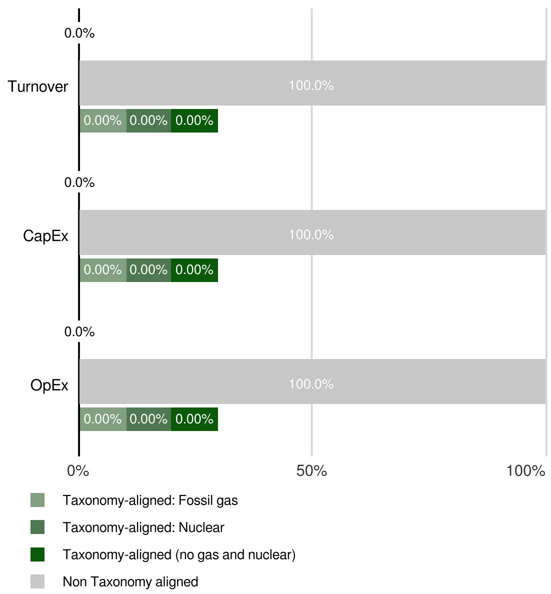
☐ Yes

☐ in fossil gas ☐ in nuclear energy

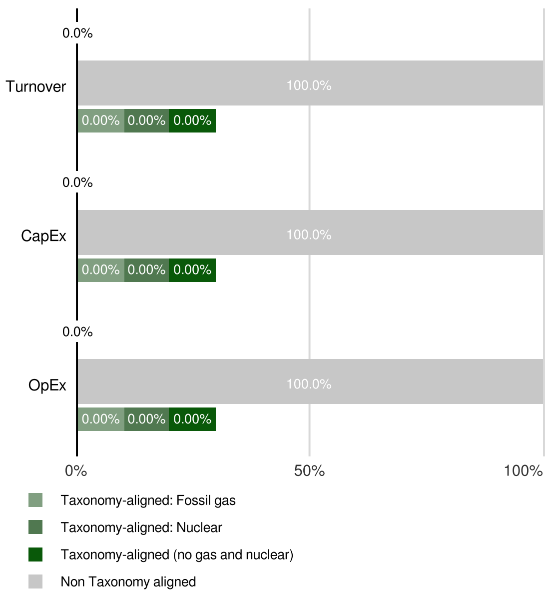
☑ No

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.*

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents 77.38% of the total investments.

* *For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

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

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

During 2024, the share of investments in transitional activities was 0.00%. The share in enabling activities was 0.00%.

[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 significantly harm 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.*

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.

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

	Including sovereign bonds			Excluding sovereign bonds		
	2024	**2023**	**2022**	**2024**	**2023**	**2022**
Turnover	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Capital expenditure	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Operational expenditure	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

During the period, the Sub-Fund had a proportion of sustainable investments with an environmental objective that was not aligned with the EU Taxonomy amounting to 42.90%.

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?

During the period, the Sub-Fund had a proportion of socially sustainable investments amounting to 0.00%.

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

During the reference period, the fund used cash and derivatives to manage liquidity, flows, and hedge of interest rate risk. No environmental or social safeguards were considered necessary for these investments during the reference period.

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

The team engaged with all relevant issuers of covered (mortgage) bonds during the period in line with the engagement process. All issuers were willing participants, acknowledged the team's views, and used these insights to promote better data transparency and reduce CO2 emissions.

In 2024, the team also engaged with the specialised issuer DLR Kredit A/S, which provides funding for the agricultural sector. There is significant potential for improvement with this issuer, and they have shown openness to discussions on engagement and enhanced data transparency.

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

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

The Sub-Fund did 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 Sub-Fund did not use a benchmark index to achieve its promotion of environmental and social characteristics.

- **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 Sub-Fund did 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 Sub-Fund did 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 Sub-Fund did not use a benchmark index to achieve its promotion of environmental and social characteristics.