Product name: SEB Global Climate Opportunity Fund

Legal entity identifier: 529900R9A2RR7UQERR02

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?

●● ☑ **Yes**	●○ ☐ **No**
☑ It made **sustainable investments with an environmental objective: 98,72%**	☐ 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
☐ 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
	☐ with a social objective
☐ It made **sustainable investments with a social objective**: ___%	☐ 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 SEB Global Climate Opportunity Fund had sustainable investments as its objective, within the meaning of Article 9 of SFDR. The sub-fund's sustainability objective sought to create a positive climate impact to achieve, inter alia, the long-term objective of the Paris Agreement. The sustainability approach was made up of companies that contributed to at least one of the six environmental objectives set out in Article 9 of the EU Taxonomy Regulation. The alignment of the companies' activities with the objectives of the EU Taxonomy Regulation was based on data from third party vendors. Depending on the investment opportunities, the sub-fund could contribute to any of the six objectives in the EU Taxonomy Regulation. The sub-fund also considered companies whose products and services contributed to the climate-related UN Sustainability Development Goals and sought to influence companies on sustainability issues through active ownership. All equities were assessed and measured regarding their ability to contribute to combatting climate change. The Management Company and the sub-fund used a "pass/fail approach". An issuer was classified and accounted for as sustainable if the issuer, based on quantitative measurements provided by third-party data providers, fulfilled one or more of the following conditions:

• Taxonomy alignment with a minimum threshold level of 10% of revenue based on the last available data from either the company or third-party estimates.

• Revenues from environmentally sustainable activities with a minimum threshold of 40%.

• Products and services with a net positive contribution to one or several of the climate-related UN Sustainability Development Goals, including SDG 7 (Clean Energy), SDG 13 (Climate Action), SDG 14 (Life Below Water), SDG 15 (Life on land), SDG 12 (Responsible Consumption), and SDG 11 (Sustainable Cities).

• Issuers that were assessed to be in transition in accordance with the Management Company's sustainability policy.

In addition, the entire revenue was also subject to the do no significant harm ("DNSH") policy. To identify to what extent sustainable investments were aligned with the EU taxonomy, the investment team used a revenue share-based approach with a minimum level of 5%, based on the last available data from either the company or third-party estimates. Note that this differed from the pass/fail approach used to identify sustainable investments. The fund did not use an EU Climate Transition benchmark or an EU Paris-aligned benchmark. However, for performance comparison purposes, the fund's return was compared with MSCI All Country World Net Return Index ("the Benchmark"), which was a measure of performance of companies within developed markets. The Benchmark was not aligned with the fund's sustainable investment objective. The objective of reducing carbon emissions was instead attained by:

• investing in companies with carbon emission reduction efforts and commitments according to the Science-based targets initiative ("SBTI") methodology;

• investing in companies with products and services that mitigate climate change, e.g., companies involved in renewable energy and energy efficiency solutions;

• on a portfolio level, building the portfolio in such a way that our carbon emission intensity was lower than the sub-fund's benchmark.

The sub-fund could also invest in companies that were assessed to be in transition in accordance with The Management Company's sustainability policy.

How did the sustainability indicators perform?

SEB Global Climate Opportunity Fund has sustainable investments as its objective, within the meaning of Article 9 of SFDR.

The fund's sustainability objective aims to create a positive contribution to combatting climate change and its impacts through, among other ways, a long-term reduction in carbon emissions.

The outcome for the reported indicators for SEB Global Climate Opportunity Fund (as of 2022-11-30):

- A score based on revenues from a company's products and services which contribute to one or several of the climate-related UN Sustainability Development Goals (SDGs), including SDG 7 (Clean Energy), SDG 13 (Climate Action), SDG 14 (Life Below Water), SDG 15 (Life on Land), SDG 12 (Responsible Consumption), and SDG 11 (Sustainable Cities) compared to the Benchmark: the outcome was good and the Net contribution of ~4 units higher than the Benchmark (MSCI All Country World Net Return Index). The score ranges from -10 to 10.
- Level of greenhouse gas reduction targets using the SBTi methodology compared to the Benchmark: the outcome was good and ~7% higher than the Benchmark (MSCI All Country World Net Return Index). The score ranges between 0 and 10.
- Estimated taxonomy alignment compared to the Benchmark: the outcome was good and ~14.5 percentage units higher than the Benchmark (MSCI All Country World Net Return Index).
- Carbon intensity measured as scope 1 + 2 compared to the Benchmark. Scope 1 is direct emissions and scope 2 is purchased emissions by a company: the outcome was good, and ~20% lower than the Benchmark (MSCI All Country World Net Return Index). The unit of carbon intensity is measured as Tco2e/musd (tonnes of CO_2 equivalent/million US dollars) revenue (scope 1&2).

...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.

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

The Management Company's sustainability policy was used to ensure no sustainable investment caused significant harm to any environmental or social sustainable investment objective.

Companies are excluded and not applicable for investment if they:

· did not comply with international norms and standards

· operated in controversial sectors and business areas

· had exposure to fossil fuels or other activities with negative environmental impact

The Sub-Fund was also screened for misalignment/obstruction towards the UN SDGs. A significant misalignment led to exclusion from the Sub-Fund's sustainable investments universe if the issuer was considered at risk of causing significant harm to environmental and/or social objectives.

Apart from the data-driven analysis and exclusion, each sustainable investment was subject to fundamental tests (challenges) to identify whether it causes any significant harm to any other environmental or social sustainable investment objective.

The Management Company has developed internal tools and processes to assess and consider the negative consequences of the Principal Adverse Impact ("PAI") indicators in Annex I of the CDR 2022/1288, relevant PAIs in relevant PAI Tables 2 and 3 of Annex 1 of the CDR 2022/1288. However, the indicators was subject to current data availability. They were, together with the fundamental analysis, the internal exclusion process, and the internal proprietary sustainability score from SIMS-S, included in the impact analysis in the do no significant harm ("DNSH") test.

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

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 Management 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 and anti-bribery matters.

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

The sustainable investments were aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human rights via the norm-based exclusion criteria stated in the Management Company's sustainability policy.

Norm-based exclusions mean that the Management Company expects issuers to adhere to international laws and conventions such as:

- 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.

Issuers with confirmed breach were not considered as sustainable.

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:

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 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 ESG integration process using Quantitative analysis outside of SIMS-S:

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 4: Exposure to companies active in the fossil sector
- 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 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 were 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 period which is: Jan 1, 2022 to Dec 31, 2022

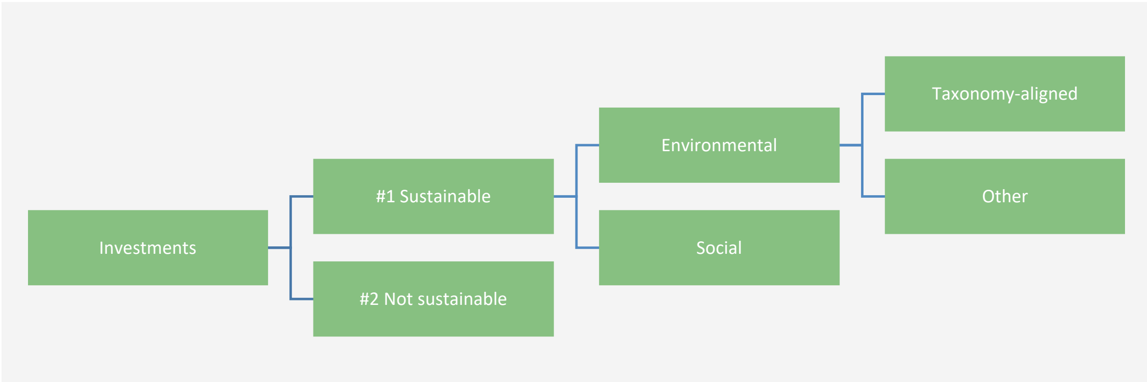
Largest investments	Sector	% Assets	Country
Sekisui House Ltd	Consumer Discretionary	2.03	Japan
Severn Trent PLC	Utilities	1.9	United Kingdom
First Solar Inc	Information Technology	1.84	United States
United Utilities Group PLC	Utilities	1.79	United Kingdom
Itron Inc	Information Technology	1.76	United States
Power Integrations Inc	Information Technology	1.75	United States
Prologis Inc	Real Estate	1.75	United States
Meritage Homes Corp	Consumer Discretionary	1.74	United States
KB Home	Consumer Discretionary	1.72	United States
Steel Dynamics Inc	Materials	1.72	United States
Boston Properties Inc	Real Estate	1.7	United States
Nucor Corp	Materials	1.69	United States
AvalonBay Communities Inc	Real Estate	1.69	United States
Enphase Energy Inc	Information Technology	1.67	United States
Carlisle Cos Inc	Industrials	1.67	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 98.72% of the Assets under Management were sustainable investments contributing to the funds sustainable objective during the period. As at 31 December 2022 1.28% of the Assets under Management were classified as "Not sustainable". These Assets consisted of Cash, Currency Contracts, Government Bonds and Futures.

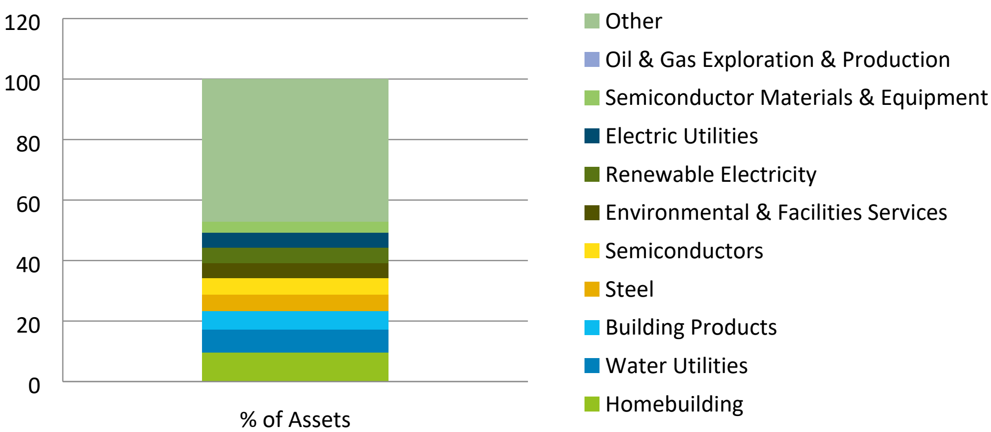


#1 Sustainable covers sustainable investments with environmental or social objectives. As at 31 December 2022 98.72% of the Assets under Management were sustainable.

#2 Not sustainable includes investments which do not qualify as sustainable investments. As at 31 December 2022 1.28% of the Assets under Management were classified as "Not sustainable". These Assets consisted of Cash.

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:



"N/A" includes investments in mutual fund units and index derivatives where it is not possible to define the sector or sub-sector of the entire investments.

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

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

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

☐ Yes:

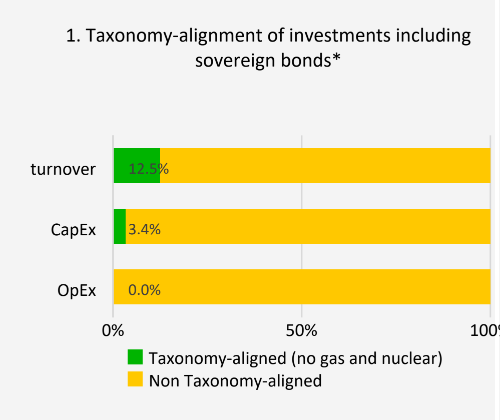
☐ In fossil gas ☐ In nuclear energy

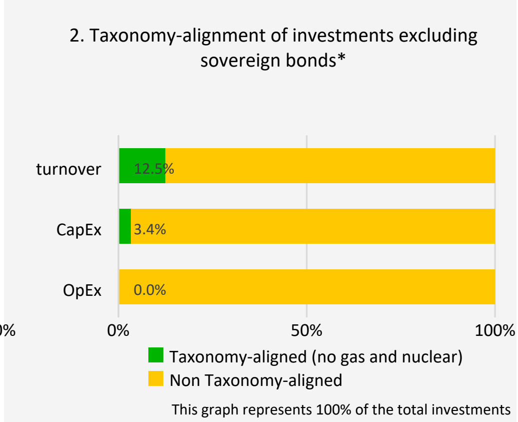
☑ No

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

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.





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

- **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.

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

Due to ambiguity around 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?

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

As the product commits to only make sustainable investments, all investments aside from cash and derivatives were sustainable investments contributing to the sub-fund's sustainable objective during the period.

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 "not sustainable", 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 attain the sustainable investment objective during the reference period?

During the year, the fund has invested in companies that maintain its objective, which aims to create a positive contribution to combatting climate change and its impacts through, among other ways, a long-term reduction in carbon emissions by fulfilling any of thresholds found below:

- Taxonomy alignment with a minimum threshold level of 10% of revenue based on the last available data from either the company or third-party estimates.
- Revenue from environmentally sustainable activities with a minimum threshold of 40%.
- Products and services with a net positive contribution to one or several of the climate-related UN Sustainability Development Goals, including SDG 7 (Clean Energy), SDG 6 (Climate Action), SDG 14 (Life Below Water), SDG 15 (Life on Land), SDG 12 (Responsible Consumption), and SDG 11 (Sustainable Cities).
- Issuers that are assessed to be in transition in accordance with the Management Company's sustainability policy.

An example of such a company is Getlink, which is included based on an estimated taxonomy alignment of 19.80% and has a net positive SDG contribution score of five. The railways are an environmentally friendly form of transportation, and thereby contribute to the environmental SDGs. By enabling trains to use the Eurotunnel, Getlink is contributing to the shift from air travel to rail which reduces $CO2$ emissions. The installation of a 1GW direct current interconnector between France and UK via the tunnel, minimizes adverse impacts on marine and terrestrial life. Getlink also has an approved SBT.

The fund excludes companies that do not meet the fund company's extensive criteria for sustainability, and in this fund, there are additional exclusion criteria included. The fund manager reviews norm-based research reports on each company entering the fund at each rebalancing, in order to make sure that we identify if companies, among other things, are involved in child labour, forced labour, or have established their country of incorporation in tax haven countries. If a company is involved in such controversies and has not expressed any commitment to prevent future occurrences, the company will be excluded until further notice.

An example of such exclusions carried out during the year is Sunpower Group ltd. This company's country of incorporation is located in Bermuda, a tax haven country.

When it comes to engagement, the fund company has exercised proxy voting for 2 companies in the fund throughout the year. The fund company has also, in collaboration with Federated Hermes EOS, had engagement dialogues with 27 companies in the fund throughout the year.

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.

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 does 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 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.