Product name: SEB Green Bond Fund

Legal entity identifier: 529900BAVG20FVDM1A51

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: 97,64%**	☐ 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 fund had, for the previous year, sustainable investments as its objective within the meaning of Article 9 of SFDR.

The fund aimed to contribute to a reduction in greenhouse gas emissions globally in accordance with the Paris Agreement. This was achieved by investing in green bonds that contributed to projects with a clear focus on generating renewable energy, energy efficiency, green buildings, and sustainable transport. The fund supported companies' work to reduce climate impact and develop new sustainable technologies, thus contributing to sustainable development. The alignment of the companies' activities with the objectives of the EU Taxonomy was based on data availability and quality from third-party vendors. Depending on the investment opportunities, the fund could contribute to any of the six objectives detailed in Article 9 of the Taxonomy Regulation.

The benchmark was the Bloomberg MSCI Green Bond Index 1-5 yrs Index, which did not qualify as an EU Climate Transition Benchmark or an EU Paris-aligned Benchmark, and did not fully comply with all the methodological requirements in the Commission Delegated Regulation (EU) 2020/181. The benchmark was purely for performance comparison.

The objective of reducing carbon emissions was instead achieved by identifying and investing, with continued effort, in green bonds with underlying projects that had a clear focus on renewable energy, sustainable transport, and the development of new sustainable technology in line with achieving the long-term objective of the Paris Agreement. The impact was measured by the avoided emissions from the green bonds' underlying projects.

Green bonds were classified and accounted for as sustainable, as their use of proceeds contributed to environmental objectives. The Management Company had procedures in place to ensure that the bonds in which the fund invested were aligned with relevant principles, such as the Green Bond Principles ("GBP"), from the International Capital Market Association ("ICMA"), or similar organizations.

The SEB Investment Management Sustainability Score (the "SIMS-S") was central to their sustainability integration process and evaluation. The SIMS-S focused on risks and opportunities related to sustainable development in company management, products & services, and operations, using metrics such as alignment with the Paris Agreement, carbon footprint, gender diversity, Taxonomy alignment, and sustainable development goals' ("SDG") revenues. The sub-fund used the SIMS-S framework and scores for additional ESG integration.

The 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 SIMS-S ranged between 0 and 10, with 10 being the highest sustainability score.

- **How did the sustainability indicators perform?**

The SEB Investment Management Sustainability Score (the "SIMS-S"), is central to our sustainability integration process and evaluation. SIMS-S focuses on risks and opportunities related to sustainable development in company management, products & services, and operations, using metrics such as alignment with the Paris Agreement, carbon footprint, gender diversity, Taxonomy alignment and sustainable development goals' ("SDG") revenues. The purpose of SIMS-S is to both produce a relevant forward-looking sustainability score for companies/issuers and to be a guide in relation to current and future sustainability factors possibly influencing long-term risks and opportunities. Together with fundamental analysis, SIMS-S is a tool in our sustainability analysis toolbox that enables us to invest in issuers that promote sustainability.

To compare issuers appropriately, we mainly use the adjusted SIMS-S, which is normalized within the relevant sectors and regions. An issuer with an adjusted score higher than five is above average in handling risks and opportunities related to sustainability. The fund had an adjusted SIMS-S score of 6.0, which means that the fund is primarily invested in issuers who perform above average in their respective sector and region.

The main part of the fund's sustainability strategy is to invest in green bonds. At the end of the year, 96% of the fund was invested in green bonds. The impact is measured as the avoided emissions from the underlying projects of the green bonds. This is measured as ton GHG emissions avoided per 1 MEUR invested. For a 1 MEUR investment into the fund, the impact was a reduction of 373 tons GHG.

Engagement dialogues are also a central part of the sustainability strategy, and during the year we have either directly or indirectly performed 32 dialogues on the account of the fund.

- **...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 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 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

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 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 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 and fundamental 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

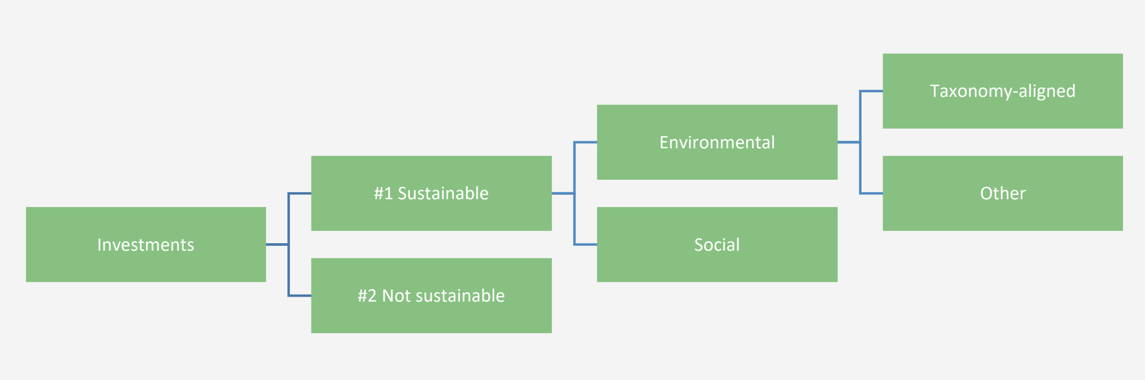
Largest investments	Sector	% Assets	Country
European Investment Bank	Financials	3.34	N/A
Vasakronan AB	Real Estate	3.26	Sweden
SBAB Bank AB	Financials	2.33	Sweden
CaixaBank SA	Financials	2.17	Spain
Banco Santander SA	Financials	2	Spain
ABN AMRO Bank NV	Financials	1.98	Netherlands
TenneT Holding BV	Utilities	1.95	Netherlands
VF Corp	Consumer Discretionary	1.82	United States
Sweden Government International Bond		1.77	Sweden
Fortum Varme Holding samagt med Stockholms stad AB	Utilities	1.73	Sweden
Jernhusen AB	Real Estate	1.64	Sweden
ING Groep NV	Financials	1.63	Netherlands
Nykredit Realkredit A/S	Financials	1.61	Denmark
Kreditanstalt fuer Wiederaufbau	Financials	1.6	Germany
Entra ASA	Real Estate	1.59	Norway

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 97.64% of the Assets under Management were sustainable investments contributing to the funds sustainable objective during the period. As at 31 December 2022 2.36% of the Assets under Management were classified as "Not sustainable". These Assets consisted of Cash, Currency Contracts, Government Bonds and Futures.

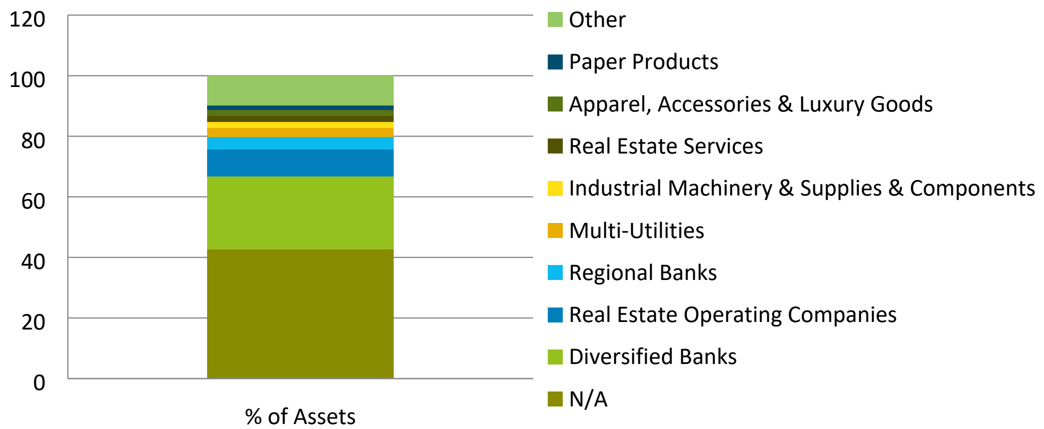


#1 Sustainable covers sustainable investments with environmental or social objectives. As at 31 December 2022 97.64% of the Assets under Management were sustainable.

#2 Not sustainable includes investments which do not qualify as sustainable investments. As at 31 December 2022 2.36% of the Assets under Management were classified as "Not sustainable". These Assets consisted of Cash, Currency Contracts, Government Bonds and Futures.

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 made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

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

☐ Yes:

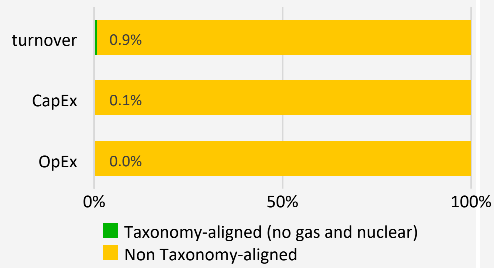
☐ In fossil gas ☐ In nuclear energy

☑ No

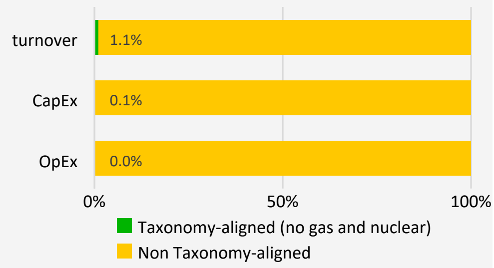
* available data on the sub-fund's investments are reported to be zero.

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.

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents 100% of the total investments

* 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?

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.

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 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, sovereigns, supranationals (when not a sustainability labeled bond), mortgage bonds/covered bonds (when not a sustainability labeled bond), other investments for where data is missing and derivatives.

The purpose of cash is liquidity and flows, the purpose of derivatives was efficient portfolio management techniques and the purpose of mortgage bonds, sovereigns, supranationals was for allocation/investment strategy reasons. The minimal environmental and social minimum safeguards include for mortgage bonds the exclusionary process where issuers with confirmed breaches of international norms and standards are excluded and for sovereigns and supranationals there were no investments made in entities under US, EU, UK or OECD sanctions.

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

The main part of the fund's sustainability strategy is to invest in green bonds. Green bonds are bonds where the use of proceeds is earmarked for investments with a clear positive environmental impact. At the end of the year, 96% of the fund was invested in green bonds, while the rest of the investments were in cash or derivatives. The impact is measured as the avoided emissions from the underlying projects of the green bonds. This is measured as ton GHG emissions avoided per 1 MEUR invested. For a 1 MEUR investment into the fund, the impact was a reduction of 373 tons GHG.

An example of the fund's green bond investments during the year is Tomra's green bonds. The bonds' underlying projects are part of their net-zero strategy and focused on improved circular solutions for plastic, aluminium, and glass waste, installation of renewable energy-powered equipment, and clean transportation investments, among other things. The bond is rated dark green by Cicero. Green bonds from Adif Alta Velocidad, rated excellent by Fitch, are another example of the fund's green bond investments. The projects in Adif Alta Velocidad's green bonds are focused on new rail lines and maintenance, upgrades, and energy efficiency of the rail system, among other green projects.

The fund excludes companies that do not meet the fund company's extensive criteria for sustainability. As an example, Korea Electric Power Corporation was excluded due to the use of fossil fuels. The fund managers have had engagement dialogues with companies related to their sustainability work. The dialogues have focused on environmental characteristics, with reducing greenhouse gas emissions being the main target. Reporting on scope 1-3 emissions, and a clear pathway to reduce these by committing to science-based targets, have been our main points of engagement. During the year, we have had engagement dialogues with ING, and Stockholm Exergi, among others, and in total 32 dialogues either directly or indirectly through our external partners.

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.