

**Product name:** SEB Nordic Future Opportunity Fund

**Legal entity identifier:** 529900W8404Z9S4UFF18

## 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"/> <b>Yes</b> | <input checked="" type="checkbox"/> It made <b>sustainable investments with an environmental objective: 66,91%</b>                  | <input type="radio"/> <input type="radio"/> <input type="checkbox"/> <b>No</b> | <input type="checkbox"/> It <b>promoted Environmental/Social (E/S) characteristics</b> and while it did not have as its objective a sustainable investment, it had a proportion of ____% of sustainable investments |
|  | <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy                   |  | <input type="checkbox"/> with an environmental objective 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"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy  |
| <input checked="" type="checkbox"/>  | It made <b>sustainable investments with a social objective: 29,50%</b>  | <input type="checkbox"/>   | It promoted E/S characteristics, but <b>did not make any sustainable investments</b>  |
|  |   |  | <input type="checkbox"/> with a social objective  |



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

The objective of the fund was to create a positive environmental and social impact to achieve, inter alia, the long-term objectives of the Paris Agreement. This was performed by investing in companies that offered products or services within specified themes considered to contribute to the alignment with the Paris Agreement, UN Sustainable development goals (SDGs), EU Taxonomy, and EU Green Deal's long-term objectives. The core themes of the fund were: Energy transition (companies that contributed to reducing greenhouse gas emissions by increasing renewable capacities, or enabled the transition from a fossil-based economy to renewable, thus creating a positive societal impact), Resource efficiency and circularity (companies that accelerated and enabled the necessary green transition by providing eco-friendly products and services, or enabled others to save resources and/or energy consumption), Sustainable mobility (companies that offered sustainable mobility and infrastructure solutions described in EU regulatory frameworks, e.g., EU Sustainable and Smart mobility strategy), and healthy societies (companies that enabled the transition to plant-based nutrition, improved the societal level of health, safety and education creating more inclusive communities). The fund's sustainability indicators were: A) Share of companies with a minimum of 20% of revenue derived from activities related to the fund's core themes, B) 50% weighted revenues at portfolio level from activities related to the fund's core themes.

### ● How did the sustainability indicators perform?

The fund management team took over responsibility of the fund in September and has since reallocated most of the fund's capital into holdings that reflect the new strategy of the fund. Companies are evaluated from a business model perspective, starting with the thematic view where the respective business model is assessed based on its contribution to the sustainable objective.

Since all new equities of the fund are assessed and measured regarding their ability to contribute to the fund's themes, all new holdings are considered to meet the requirements of the fund's sustainability indicators. Current weighted revenue at portfolio level from activities related to the fund's themes is 85%.

### ● ...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 were 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.

● *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

**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.

- 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 |
|---------------------|------------------------|----------|---------|
| Novo Nordisk A/S    | Health Care            | 10.38    | Denmark |
| Investor AB         | Financials             | 8.52     | Sweden  |
| Volvo AB            | Industrials            | 6.34     | Sweden  |
| Boliden AB          | Materials              | 4.43     | Sweden  |
| Stora Enso OYJ      | Materials              | 3.8      | Finland |
| Hexagon AB          | Information Technology | 3.74     | Sweden  |
| Sampo Oyj           | Financials             | 3.62     | Finland |
| Sandvik AB          | Industrials            | 3.42     | Sweden  |
| Nibe Industrier AB  | Industrials            | 3.15     | Sweden  |
| UPM-Kymmene OYJ     | Materials              | 2.92     | Finland |



## What was the proportion of sustainability-related investments?

**Asset allocation** describes the share of investments in specific assets.

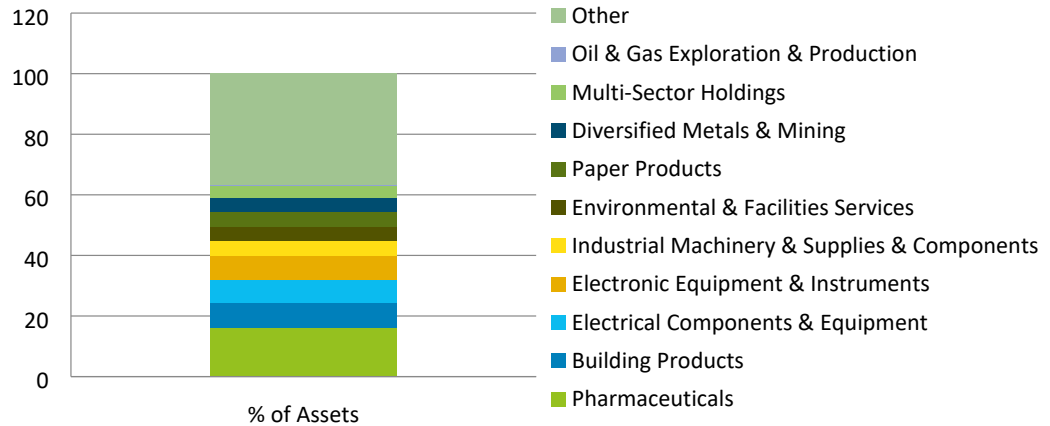
### ● What was the asset allocation?

As at 31 December 2022 96.51% of the Assets under Management were sustainable investments contributing to the funds sustainable objective during the period. As at 31 December 2022 3.49% 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?**

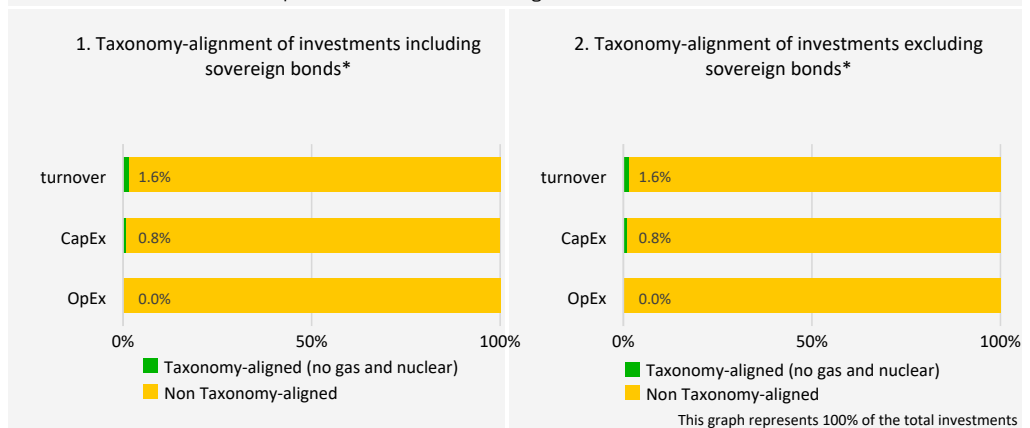
**Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy\*?**

- 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.



\* 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.

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.

● **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?**

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 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?**

The fund was started in September, and during the last quarter of the year, the fund has reallocated the majority of its capital towards the fulfilment of the fund's objectives. Energy transition is one of the core themes of the fund, and emphasis lies on companies that contribute to reducing greenhouse gas emission by increasing renewable capacity or enable the transition from a fossil-based economy to renewable, thus creating a positive societal impact. Examples of such new allocations are OX2, Encavis, Orstedt and NKT; all companies with business models that contribute to different parts of the energy transition value chain. In order to meet the world's commitments stipulated by the Paris Agreement or the EU Green Deal, resource efficiency and circularity are essential. Companies that accelerate and enable the necessary green transition by providing eco-friendly products and services or enable others to save resources and/or energy consumption, are in line for inclusion in the fund's investment universe. Examples of such companies are ABB and Atlas Copco, as they contribute to the world's industrial transformation by focusing on energy and resource efficiency in their product offering. The transportation sector accounts for a third of the world's total emissions and the fund aims to support this transition. Companies that offer sustainable mobility and infrastructure solutions described in EU regulatory frameworks, e.g., EU Sustainable and Smart mobility strategy, are targeted. Examples of such companies in the fund are Garo and SDIP Tech, both contributing to a more sustainable transportation infrastructure. Healthy societies are a prerequisite for solving the current challenges that the world is facing. Business models that enable the transition to plant-based nutrition, and improve the societal level of health, safety and education creating more inclusive communities are an important part of the fund. Bioarctic, working with revolutionary Alzheimers research, and Tobii Dynavox, revolutionizing communication for people with disabilities with speech generating devices and eye trackers, are two of the exciting holdings we have chosen to include in the fund.

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, 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.

The fund managers interact with and meet all companies during the investment process and engage on topics important for the fulfilment of the fund's objectives, such as climate commitments, good governance, transparency and remuneration.



## 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.