

**Product name:** SEB Norway Focus Fund

**Legal entity identifier:** 54930010FDJB2M45ZF08

## 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?

<input checked="" type="radio"/> <input type="radio"/> Yes	<input type="radio"/> <input checked="" type="radio"/> No
<input type="checkbox"/> It made <b>sustainable investments with an environmental objective:</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 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 type="checkbox"/> It made <b>sustainable investments with a social objective:</b> ____%	<input type="checkbox"/> with a social objective
	<input checked="" type="checkbox"/> It promoted E/S characteristics, but <b>did not make any sustainable investments</b>



## To what extent were the environmental and/or social characteristics promoted by this financial product met?

The sub-fund promoted environmental and social characteristics. To promote general sustainability characteristics, such as fair business practices, human rights, labour rights, anti-corruption and fair competition, the fund excluded companies that breached international norms and standards where the company could not present clear goals and ongoing measures to address the issue(s).

To promote social and general sustainability characteristics, the fund excluded investments in companies that operated in sectors or business areas that were assessed to present major sustainability challenges, such as tobacco, recreational cannabis, pornography, commercial gambling, civilian weapons, and alcohol.

In order to accelerate the reduction of the global greenhouse gas emissions, the fund limited or had no exposure to companies involved in fossil fuels.

The sub-fund integrated sustainability risks and opportunities by considering SEB Investment Management's proprietary sustainability model, in which companies were ranked on a set of sustainability performance parameters. Characteristics within the model included, but were not limited to, carbon emissions, climate solutions, diversity, and equality.

In addition, active ownership was exercised with the ambition of influencing companies in a more sustainable direction, related to the above-mentioned challenges and aspects.

More information on exclusion criteria could be found in the Sustainability Policy, available at the web page of the Management Company (sebgroupp.com).

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

### ● How did the sustainability indicators perform?

The outcome for SIMS-S at the end of 2022 was 5.94 compared to 5.62 for the fund's benchmark. Among the fund's holdings are several companies that are highly qualified according to this sustainability indicator, but at the same time there are a number of companies that score significantly below the average. This does not necessarily mean that they are less sustainable than a company with a higher rating, but may also be a matter of transparency, where companies that do not report enough data receive a lower rating. This is often true for smaller companies which often have not come as far as larger companies. As sustainability reporting improves, we expect this factor to decrease in importance. We integrate sustainability as part of our overall investment process, and in some cases, we invest in companies that are still at the beginning of their sustainability journey, but where there is great potential for improvement. Maximizing the portfolio for a certain indicator is not our goal. We see it as one of several tools that we can use when we meet companies and have sustainability dialogues to create greater understanding and get as complete a picture as possible of a company. The fund participated in one general meeting and contributed to seven sustainability dialogues in 2022. These dialogues differ in nature, where some are very detailed and time-

consuming, while others can be handled in a limited amount of time. This means that the number of dialogues is not directly linked to how much time and resources are spent in this area. In addition to this, sustainability is always an important agenda item when in our regular meetings with companies. On average, the Fundamental equity team has around 1000 company meetings each year. The fund excluded 20.3% of the companies in the benchmark index as these either violated international norms, conventions and standards or operate in an industry that the fund company chose not to invest in. From the total number of companies in the index of 69, 14 companies were excluded.

● **...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.

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

The product did not commit to any sustainable investments during the period.

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

The product did not commit to any sustainable investments during the period.

● *How were the indicators for adverse impacts on sustainability factors taken into account?*

The product did not commit to any sustainable investments during the period.

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

The product did not commit to any sustainable investments during the period.

*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.*

**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 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 Annex 1 - Table 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 investment period, these PAIs are 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
Norsk Hydro ASA	Materials	8.66	Norway
Austevoll Seafood ASA	Consumer Staples	8.35	Norway
Bakkafrost P/F	Consumer Staples	7.54	Faeroe Islands
Telenor ASA	Communication Services	7.21	Norway
Tieto OYJ	Information Technology	5.49	Finland
Tomra Systems ASA	Industrials	4.94	Norway
Sampo Oyj	Financials	4.93	Finland
DNB Bank ASA	Financials	4.85	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 93.15% of the Assets under Management were aligned with E/S characteristics. As at 31 December 2022 6.85% of the Assets under Management were classified as "Other". These Assets consisted of Cash. The product did not commit to any sustainable investments during the period, and only cash and derivatives would fall under Other.



**#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. As at 31 December 2022 93.15% of the Assets under Management were aligned with E/S characteristics.

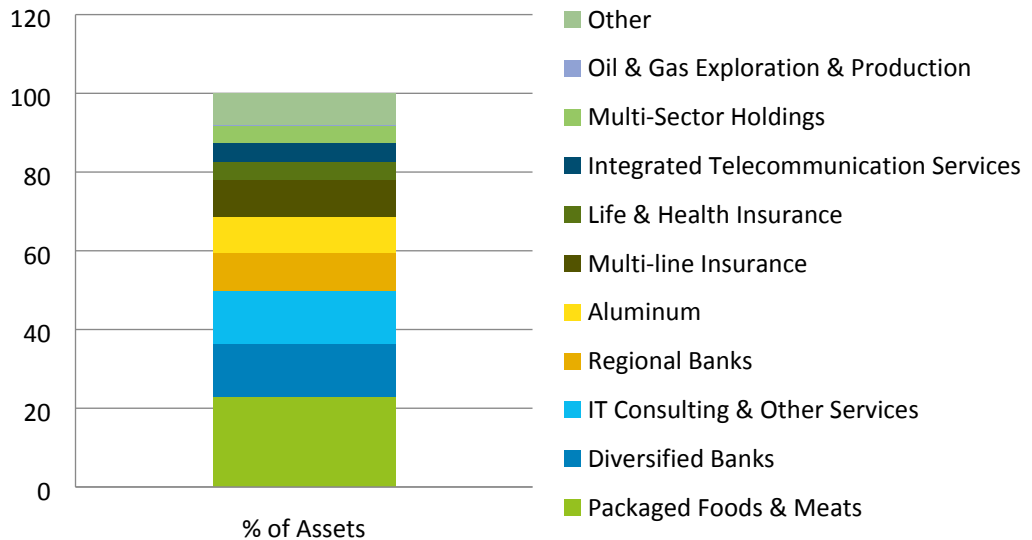
**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments. As at 31 December 2022 6.85% of the Assets under Management were classified as "Other". These Assets consisted of Cash.

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?**

Investments were made in the following sub-sectors, with a breakdown of the 10 largest sub-sectors:





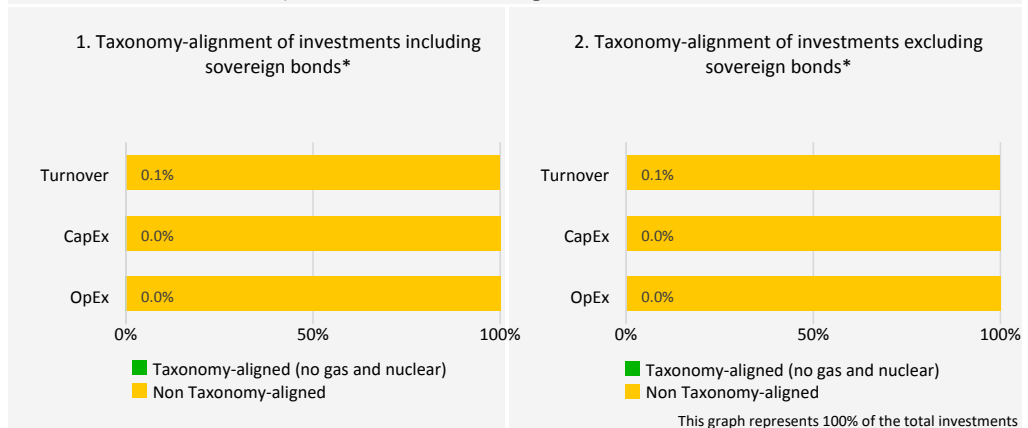
To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

● **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.

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

Due to ambiguity around on 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?

The product did not commit to any sustainable investments with an environmental 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 Regulation (EU) 2020/852.



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 “other”, 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 meet the environmental and/or social characteristics during the reference period?

Sustainability aspects are one of several important factors that are considered in the investment / decision-making process. Our ambition is to invest in companies that clearly integrate sustainability into their business models. Based on this reasoning, we have chosen to include holdings in, among others, Tomra. Tomra supports the transition towards a circular economy by being a world leader within reverse vending machines for bottle and can recycling, as well as one of the larger producers of systems related to sorting and grading of food, metals and gemstones. The fund excludes companies that do not meet the fund company's strict criteria for sustainability. Examples of companies that are excluded for that reason are Equinor, Aker BP and other companies with most of their revenue and capex still geared towards fossil fuels. During the period the fund held sustainability related dialogues with, among others, Bakkafrost and Tomra. These can both be proactive, for example to improve the general sustainability work, or reactive, to try to influence or understand a specific issue where it could be possible that the company does not live up to international standards and guidelines. As an example, we discussed measures to lower Bakkafrost's smolt mortality, particularly at its Scottish operation, as well as overall progress regarding delicing, with respect to both efficacy and lower environmental strain. During the period, special focus has been on remuneration and incentive programs connected to sustainability factors, the sustainability of supply chains, and companies' transparency around sustainability reporting. The fund company has also influenced companies through participating in election committees and by voting at general meetings.



## 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.

### ● 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.

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