

**Product name:** SEB US Exposure Fund

**Legal entity identifier:** 529900PJFTPKLW2SL02

## 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"/> 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"/> It made <b>sustainable investments with a social 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"/> with an environmental objective in economic activities that 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"/> 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.

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 (sebgroup.com).

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

### ● How did the sustainability indicators perform?

During 2022, the sub-fund voted at the AGMs of 20 companies and engaged with 240 companies. The sub-fund has, in accordance with SEB Investment Management's sustainability policy, excluded 94 companies from the benchmark.

### ● ...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.

**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?*  
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.*



## 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 Annex 1 - Table 1 of CDR (EU) 2022/1288
  - PAI 3: GHG intensity of investee companies
- 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
Apple Inc	Information Technology	7.69	United States
Microsoft Corp	Information Technology	6.03	United States
Alphabet Inc	Communication Services	4.1	United States
Amazon.com Inc	Consumer Discretionary	3.45	United States
Tesla Inc	Consumer Discretionary	2.05	United States
UnitedHealth Group Inc	Health Care	1.59	United States
Johnson & Johnson	Health Care	1.5	United States
Nvidia Corp	Information Technology	1.38	United States
Facebook Inc	Communication Services	1.2	United States
JPMorgan Chase & Co	Financials	1.18	United States
Procter & Gamble	Consumer Staples	1.13	United States
Visa Inc	Information Technology	1.09	United States
Home Depot	Consumer Discretionary	0.99	United States
Mastercard Inc	Information Technology	0.93	United States
Pfizer Inc	Health Care	0.92	United States

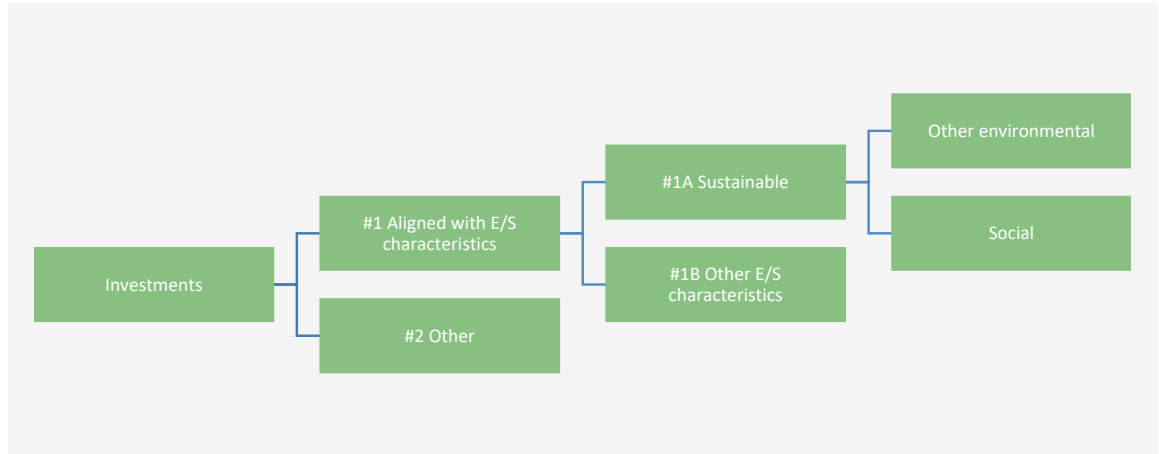


## What was the proportion of sustainability-related investments?

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

### ● What was the asset allocation?

As at 31 December 2022 99.81% of the Assets under Management were aligned with E/S characteristics. As at 31 December 2022 0.19% of the Assets under Management were classified as "Other". These Assets consisted of Cash and Currency Contracts. 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 99.81% of the Assets under Management were aligned with E/S characteristics.

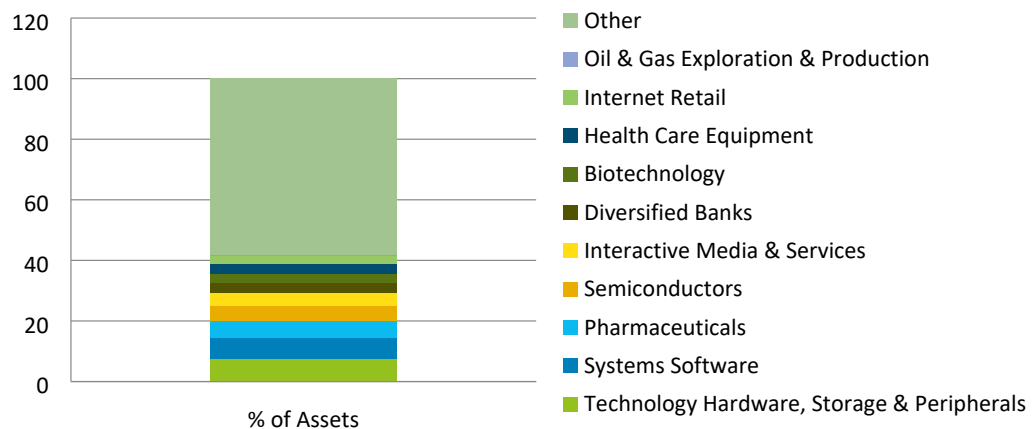
**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments. As at 31 December 2022 0.19% of the Assets under Management were classified as "Other". These Assets consisted of Cash and Currency Contracts.

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:





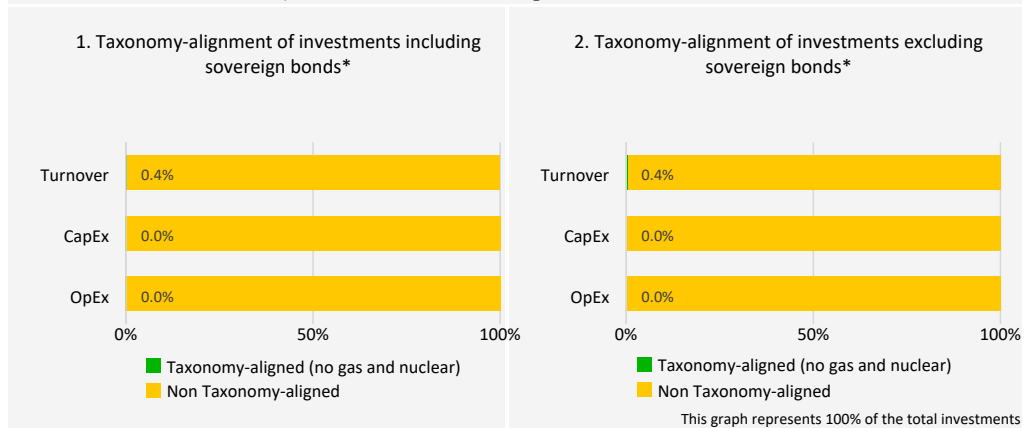
To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

● **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?

During the period, the sub-fund has both excluded companies that did not meet the fund company's extensive criteria for sustainability, and was actively engaged with the ambition of influencing companies in a more sustainable direction. One example of exclusion is Constellation Energy. They are excluded based on their fossil fuel distribution and services.



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.