

Sustainability-related information

Product name: SEB Pension Fund

Identification code for legal entities: 5299002GRHZG01PHNB20

No sustainable investment objective

The Sub-Fund promotes environmental and/or social characteristics, considering factors such as the environment, climate, human rights, labour rights, and equal treatment. It employs exclusion criteria to prevent investments that cause significant harm. Companies violating international norms are excluded.

Environmental or social characteristics of the financial product

The Sub-Fund promotes environmental and socially sustainable characteristics by:

- Prioritizing investments funds that have been classified as Article 8 or Article 9 according Regulation (EU) 2019/2088 (SFDR)
- Prioritizing investments in funds whose work regarding sustainability is similar to the Management Company sustainability policy;
- Investing in funds from fund companies that have signed the UN Principles for Responsible Investment (PRI).
- Striving to have a high proportion of sustainable investments; and
- Influencing companies, primarily via the investments in other funds within the Management Company or strategies managed by the Management Company, towards a more sustainable direction.

Investment strategy

At least 67.00% of the Sub-Fund's investments promote environmental or social characteristics.

The Sub-Fund is actively managed and invests in equities globally and in fixed-income securities, but also in alternative investments. This is primarily achieved through investments in other funds, managed by the Management Company or external fund companies. The investment strategy includes sustainability analysis, exclusions, and active ownership. The Sub-Fund assigns sustainability scores through analysis and monitoring, using a due diligence questionnaire. Companies whose operations are not in line with international norms and conventions, including those regarding biodiversity. The Sub-Fund also excludes government bonds from countries violating fundamental social and political rights or under international sanctions. Exceptions to exclusions are made for companies transitioning to sustainable practices, provided they have clear plans and tangible investments. The Sub-Fund exercises active ownership through voting, proxy voting, and engagement with corporate management, particularly in Nordic companies where the Sub-Fund holds significant voting rights.

Proportion of investments

At least 67.00% of the Sub-Fund's investments promote environmental and/or social characteristics. At least 20.00% of the investments are designated as sustainable.

The sustainable investments include at least 1% each in taxonomy-aligned, social, and other environmental categories. The remaining assets consist of ancillary means, derivatives, government bonds, supranational bonds, and other investments where data is unavailable.

Monitoring of environmental or social characteristics

The Sub-Fund employs rigorous processes to monitor its environmental and social performance, ensuring active promotion of these characteristics. The Management Company's investment restrictions function monitors daily compliance, with the Sustainability Oversight Committee (SOC) reviewing sustainable investments. Investments are routinely assessed to ensure they meet sustainability criteria and adhere to exclusion rules, thereby preventing investments in companies that violate international norms. The Sub-Fund publishes an annual report, which is reviewed by an external auditor.

Methodologies

The Sub-Fund utilises various methods to measure how investments align with the promoted environmental and/or social characteristics. This includes the analysis of excluded companies, comparisons against the Sub-Fund's benchmark (if applicable), evaluation of the Sub-Fund's holdings, and outcomes from engagement dialogues and voting at general meetings. For Sub-Fund's making sustainable investments, the proportion of sustainable investments is monitored daily and reviewed quarterly via the SOC.

Data sources and processing

Sustainability data is sourced from various data providers who deliver company-level data, including emissions, other environmental indicators, and assessments of social factors and corporate governance. Data is used for exclusions, engagement dialogues, and evaluation of sustainable investments. Data providers include ISS ESG, Sustainalytics, Truvalue Labs, S&P, and Equileap. Data is primarily managed through a central database at SEB, with quality control performed in close collaboration with the data providers. The use of multiple data providers for the same or similar data points allows for cross-checking and quality assurance. The proportion of estimated data varies depending on the distribution of holdings and the specific data points. The Sub-Fund continuously collaborates with data providers to increase the proportion of reported data.

Limitations to methodologies and data

The main limitations of data sources include the lack of company-specific data, including data that cannot be estimated, and methodological differences between data providers. When relevant data is missing, the Sub-Fund may take measures to improve coverage, such as engaging in dialogues with data providers or the companies themselves. If relevant data is unavailable for an investment, the Sub-Fund may obtain corresponding data from another provider, use credible proxy variables, or conduct a manual analysis. In the case of methodological differences, the Management Company makes a conservative assessment to determine which data source should be used first.

Due diligence

Due diligence on sustainability-related aspects of investments is conducted through the Sub-Fund's exclusion and screening processes to ensure adherence to our sustainability policy. This includes considering sustainability risks and principal adverse impacts (PAI) on sustainability factors. The Sub-Fund ensures that pre- and post-purchase rules are implemented in the systems used for portfolio management and order handling. Sustainable investments and reported sustainability indicators are monitored by the investment restrictions function and followed up by the Sustainability team via the SOC. These processes are overseen and reviewed annually by an external auditor.

Engagement policies

The Management Company's principles for shareholder engagement apply to all of the Sub-Fund's assets. Engagement can take place through direct dialogues, participation in general meetings, nomination committee participation, collaborative initiatives, and investor collaborations. Proactive dialogues aim to improve companies' overall sustainability efforts, while reactive dialogues are initiated when there is suspicion of violations of international guidelines and norms.

More information on advocacy and corporate governance can be found in the document: "Principles for Shareholder Engagement" available at sebgroup.com

Designated reference benchmark

The Sub-Fund does not use a specific reference benchmark to achieve or measure its promotion of environmental and/or social characteristics.