Sustainability-related disclosures

Product name: SEB Emerging Markets Fund

Legal entity identifier: 529900KHWX88NSY8OC92

Summary

The Sub-Fund aims to increase the value of your investment over time and to outperform its benchmark. The Sub-Fund is actively managed and invests primarily in stocks in Global Emerging Markets. Investment decisions are based on systematic review of substantial amounts of data (quantitative analysis)

with focus is on companies' quality, valuation, market sentiment, and how the companies manage their

sustainability risks and opportunities. The Sub-Fund's investments can give a higher risk than the market,

which is achieved with the help of leverage. Risk awareness and diversification are important elements in the

portfolio construction. The SEB Investment Management Sustainability Score ("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 revenue aligned with the

sustainable development goals ("SDGs"). The SIMS-S consists of overall scores and underlying component scores. Each of them has two versions, a

raw and an adjusted score. The raw score is the issuer's standalone overall sustainability score, whereas the

adjusted is sector and region adjusted. The underlying component scores, building up to the overall SIMS-S,

make it possible to have a specific focus on specific sustainability topics. The SIMS-S ranges between 0 and

10, with 10 being the highest sustainability score. The environmental and social characteristics promoted by this Sub-Fund include: Integration, the Sub-Fund promotes companies that:

• Successfully manage sustainability risks and opportunities within their operations and products/services.

• Demonstrate a high degree of willingness to reduce their greenhouse-gas emissions (transitioning issuers) or aim to be more energy efficient.

Active ownership, the Sub-Fund seeks to influence companies towards a more sustainable direction. This is,

for example, done through direct engagement dialogues with companies, collaboration with other

companies and by voting at the shareholder meetings. Exclusions, the Sub-Fund excludes companies that:

• Breach international norms and standards

• Operate in controversial sectors or business areas such as tobacco, recreational cannabis,

pornography, commercial gambling, civilian weapons, and alcohol.

• Have exposure to fossil fuels or other activities with a negative climate impact.

The Sub-Fund can invest in companies that is are assessed to be in transformation in accordance with the Management Company's sustainability policy.

The Sub-Fund promotes environmental and social characteristics withing the meaning of Article 8 of SFDR.

The Sub-Fund integrates sustainability risk and opportunities by considering the Management Company's proprietary sustainability model (SIMS-S) which by external and internal data sources gives each potential investment company a sustainability score. In SIMS-S the companies are ranked on sustainability

performance indicators. Characteristics within the model include, but are not limited to, carbon emissions, climate solutions, diversity, and equality.

The environmental and social characteristics promoted by this Sub-Fund include: Integration, the Sub-Fund promotes companies that:

- Integrate sustainability into their ongoing business model and strategy
- Demonstrate a high degree of willingness to reduce their greenhouse-gas emissions (transitioning

companies) or aim to be more energy efficient.

Active ownership, the Sub-Fund seeks to influence issuers companies towards a more sustainable direction.

This could include adopting new business models, lowering the emissions of the company or improving social

requirements in the value chain. This could be done through direct dialogues with companies, collaboration

with other asset managers or partners, or via collaborative initiatives. This could also be done by voting at the shareholder meetings, in support of, or against, specific shareholder- or management proposals.

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Management Company's sustainability policy. The Sub-Fund does not use a benchmark. Consequently, no benchmark has been designated for the purpose of attaining the environmental and social characteristics that the Sub-Fund promotes

Principle adverse impacts ("PAIs") from Table 1-Annex 1 of Regulation (EU) 2022/1288 (the "RTS"),

are taken into account by the Management Company sustainability policy and are excluded from investment:

- 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 Table 1-Annex 1 of the CDR (EU) 2022/1288, are taken into account through the SIMS-S and fundamental analysis to remove the companies 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 12: Unadjusted gender pay gap
- PAI 13: Board gender diversity
- PAI 11: Lack of processes and compliance mechanisms to monitor compliance with UN Global

Compact principles and OECD guidelines for Multinational Enterprises.

- PAI 4 from Table 2-Annex 1 of CDR (EU) 2022/1288: Investments in companies without carbon

emission reduction initiatives

- PAI 4 from Table 3-Annex 1 of CDR (EU) 2022/1288: Lack of a supplier code of conduct

Summaries in multiple languages:

https://seb.se/pow/fmk/SFDR/529900KHWX88NSY8OC92_EN.pdf

https://seb.se/pow/fmk/SFDR/529900KHWX88NSY8OC92_LT.pdf

https://seb.se/pow/fmk/SFDR/529900KHWX88NSY8OC92_NO.pdf

https://seb.se/pow/fmk/SFDR/529900KHWX88NSY8OC92_SV.pdf

https://seb.se/pow/fmk/SFDR/529900KHWX88NSY8OC92_ET.pdf

https://seb.se/pow/fmk/SFDR/529900KHWX88NSY8OC92_LV.pdf

https://seb.se/pow/fmk/SFDR/529900KHWX88NSY8OC92_FI.pdf

No sustainable investment objective but a partial commitment to sustainable investments

This financial product promotes environmental or social characteristics, but does not have as its objective sustainable investment.

The Management Company's sustainability policy is used to ensure no sustainable investment cause

significant harm to any environmental or social sustainable investment objective. Companies are excluded and not available for investment if they:

- do not comply with international norms and standards
- operates in controversial sectors and business areas
- have exposure to fossil fuels or other activities with negative environmental impact

The Sub-Fund is also screened for misalignment/obstruction towards the UN SDGs. A significant misalignment can lead to exclusion from the Sub-Fund's sustainable investments universe if the issuer is considered at risk of doing significant harm to environmental and/or social objectives.

Apart from the data-driven analysis and exclusion, each sustainable investment will be fundamentally tested not significantly to harm 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 PAIs in Tables 2 and 3 of Annex 1 of the CDR 2022/1288. However, the indicators are subject to current data availability. They will, together with fundamental analysis, the internal exclusion process, and the internal proprietary sustainability score from SIMS-S, affect the impact analysis in the do no significant harm ("DNSH") test

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- PAI 4 from Table 2-Annex 1 of CDR (EU) 2022/1288: Investments in companies without carbon

emission reduction initiatives

- PAI 4 from Table 3-Annex 1 of CDR (EU) 2022/1288: Lack of a supplier code of conduct

The sustainable investments are aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human rights via both the norm-based exclusion criteria stated in the Management Company's sustainability policy and using the SIMS-S. 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. Companies with confirmed breach are not considered as sustainable.

Environmental or social characteristics of the financial product

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The Sub-Fund integrates sustainability risk and opportunities by considering the Management Company's proprietary sustainability model (SIMS-S) which by external and internal data sources gives each potential investment company a sustainability score. In SIMS-S the companies are ranked on sustainability

performance indicators. Characteristics within the model include, but are not limited to, carbon emissions, climate solutions, diversity, and equality.

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- Have exposure to fossil fuels or other activities with negative climate impact.

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Management Company's sustainability policy. The Sub-Fund does not use a benchmark. Consequently, no benchmark has been designated for the purpose of attaining the environmental and social characteristics that the Sub-Fund promotes

Investment strategy

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The Sub-Fund can invest in companies that is are assessed to be in transformation in accordance with the Management Company's sustainability policy.

The binding elements in the investment strategy are: The Sub-Fund commits to a minimum of 85% that promotes E/S characteristics. The Sub-Fund commits

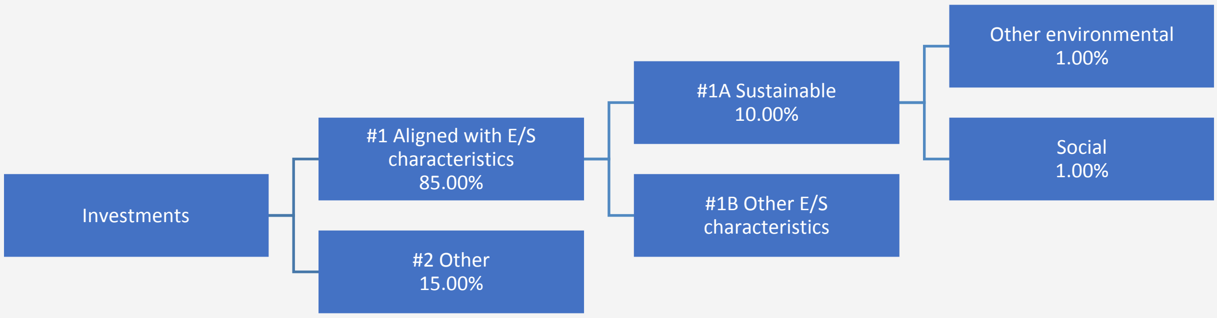
to a minimum proportion of sustainable investments of 10%. The Sub-Fund complies with the Management Company's exclusion policy as mentioned above. The Sub-Fund will have no exposure to excluded companies based on:

- breaches in international norms and standards
- operation in controversial sectors or business areas
- issuer exposure to fossil fuels and other activities with negative environmental impact

Proportion of investments

At least 85% of the Sub-Fund's investments are aligned with the environmental or social, E/S, characteristics. The Sub-Fund intends to have a minimum of 10% sustainable investments. The investments in the "#2 Other" category are cash and derivatives and are used for liquidity and efficient portfolio management, while the cash is used in the meaning of ancillary liquid assets. The " 2# Other" category has no minimum environmental or social safeguards.

Not applicable. The Sub-Fund does not use derivatives to attain the environmental or social characteristics promoted by the financial product.



#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.

#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.

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.

Monitoring of environmental or social characteristics

The fund management company's exclusion policy is implemented through an exclusion list of issuers, along with continuous screening for relevant sanction breaches.

All assets classified as sustainable investments are monitored regularly to ensure the fulfilment of the fund management company's criteria for sustainable investments. This includes DNSH criteria on environmental and social targets as well as minimum social safeguards.

Methodologies

The fund management company uses a data-driven method, using data delivered by third party actors, in order to construct an exclusion list, as mentioned above, and to identify issuers based on additional screening criteria. The method is also used for the selection process which defines a credible sustainable investment. The additional screening criteria consists of probable or suspected breaches towards international norms, minimum safeguards as specified in the EU Taxonomy and significant obstruction towards any of the UN Sustainable Development Goals.

Given that an investment passes the tests above, it is checked for contribution based on several factors, namely:

- Taxonomy aligned revenue of a minimum of 10%, based on estimations by third-party data providers.
- SDG aligned revenue of a minimum of 20%, based on estimations by third-party data providers.
- Carbon Key Resource Efficiency, as determined by the threshold of sector-normalized carbon emissions intensity, set by the top 10% of companies within the relevant regional benchmark. This is then applied to all potential companies within the investment universe. This is done in order to remove dependencies and potential resulting skewness in the results due to varying levels of data coverage and distribution of the metrics within the investment universe.
- Equality Performance, as determined by the threshold of a third-party data provider equality scoring, set by the top 25% companies within the relevant regional benchmark. This is then applied to all potential companies within the investment universe. This is done in order to remove dependencies and potential resulting skewness in the results due to varying levels of data coverage and distribution of the metric within the investment universe.

Companies can also be determined to contribute on other grounds if:

- there is a lack of data on the above-mentioned data points, but at least 20% of the revenue can be classified as contributing to Environmental and/or Social objectives;
- there are other data points, apart from the above-mentioned, that prove that the company is contributing to Environmental and/or Social objectives by Key Resource Efficiency;
- there is a fundamental case that is visual through data, that indicates that the company is clearly contributing to Environmental and/or Social objectives.

These other cases need to be approved by the sustainability team, and a full written justification is required.

An issued bond is classified as sustainable if the instrument is either green (climate related), blue (water related) or socially sustainable.

Other management companies may use another approach and other criteria to classify sustainable investments. Therefore, the definition of a sustainable investment may differ between different fund management companies.

Data sources and processing

Sustainability data is retrieved from external data providers, which provide data on company level. This includes emissions and other environmental indicators, as well as assessments of social and governance indicators. The data provider(s) collects data either directly from the companies' annual or sustainability reports, or by estimating the data themselves.

The sustainability data is processed at SEB in a central data hub, where it is governed and quality-assured, in close collaboration with the data providers. Having multiple data providers for the same datapoints enables cross-checking and more opportunities for data quality assessment.

The estimated data that is being used is essentially the emissions data, mostly indirect Scope 3 emissions, and the proportion of estimated data depends on the specific financial product. A high degree of estimated data is present for approximately 70% of the total number of issuers mapped by the data providers, but companies with a high degree of reported data comprise a much larger part of the fund's portfolio weight and share of issuers present in the fund's portfolio. This will probably decrease as reported data becomes more readily available.

Data for exclusions and screening of sustainable investments is obtained from ISS, Sustainalytics, Equileap and RBICS.

Limitations to methodologies and data

The main limitation of the data sources is lack of data in general for those datapoints that are not estimated but gathered from annual- and sustainability reports. In the cases where the environmental or social characteristics of the product are related to those datapoints, measures are taken to increase coverage through continuous dialogue with our data provider(s) or directly with the affected companies. If relevant data points are missing, similar variables from another data provider can be used. Secondly, relevant proxy variables or analyses of peer groups can be used. Thirdly, a fundamental analysis can be made in order to ensure that limitations in data availability or data quality do not affect the environmental or social characteristics of the financial product.

Due diligence

Internal due diligence for sustainability aspects of the fund's investments is carried out via the fund management company's exclusions, along with screening processes, in order to ensure that all investment meets DNSH criteria, minimum social safeguard criteria and practice good governance. The fund management company ensures pre-trade rules and restrictions on the portfolio management and trading systems. Sustainable investments are monitored by the sustainability team at the fund management company, which also monitors the reported indicators for the fund.

Engagement policies

The fund management company's strategies for engagements apply for all the fund's assets. The fund management company's engagement with the companies can be via direct dialogues, participation at general meetings, participation in election committees, dialogues through collaborative initiatives and investor collectives, and both proactive and reactive dialogues, either through partners or directly.

Proactive dialogues mean to influence companies to, on the one hand, improve the general sustainability work, and also to work proactively with companies based on specific topics. Through ownership dialogues, the fund seeks to influence companies through the methods mentioned above.

Reactive company dialogues are carried out in response to situations where the fund management company has a credible assessment of breaches towards international guidelines and norms. Through dialogue, the fund management company examines the facts, and any mitigating or corrective actions planned by the company. The target of each dialogue is to ensure that routines and frameworks are in place in order to avoid future breaches, and that the company adheres to all relevant frameworks and international norms. All investments are regularly screened in order to identify holdings in breach of the fund management company's policies and values on human rights, environment, labour rights and anti-corruption. The assessment can be made through the mediation of a third party. For these purposes, the fund management company makes a detailed assessment of the nature and severity of the charges. If an identified breach is verified and the issuer refuses to mitigate or remediate the issue, or if the change process if stalling for too long, the fund will divest the holding.

14/03/2023