

Sustainability-related information

Product name: SEB Nordenfond

Identification code for legal entities: 529900W81KB6B1YLDP42

No sustainable investment objective

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

The Fund promotes environmental and social characteristics, taking account of factors such as the environment, climate, human rights, labour rights and equal treatment. It uses exclusion criteria to avoid investments that cause significant harm and uses the proprietary sustainability model, SIMS-S, to assess sustainability risks. Companies that do not operate in line with international standards are excluded.

Environmental or social characteristics of the financial product

The Fund promotes several environmental and social characteristics: Below are the specific characteristics and objectives that the Fund seeks to achieve:

- Good corporate governance and ethical business conduct by applying exclusion criteria to companies with verified violations of international norms and conventions.
- The companies' long-term work with sustainability risks and opportunities in business models and in their day-to-day operations by assessing the companies' work with this using SIMS-S.
- The companies' long-term work with sustainability risks and opportunities in business models and in their day-to-day operations by assessing this using dialogue with sustainability elements with existing holding companies and potential companies in which to invest.
- Sustainable and ethical business models by applying exclusion criteria to companies in sectors or business areas that are assessed to have major ethical or sustainability-related challenges.
- Transparency, awareness and action in relation to the aforementioned characteristics by exercising active ownership. This takes place through corporate engagement.

Proportion of investments

At least 85% of the Fund's investments promote environmental and/or social characteristics. The remaining assets include cash and cash equivalents, derivatives and other investments for which specific sustainability data may be missing. At least 20% of the investments are designated as sustainable.

Monitoring of environmental or social characteristics

The Fund Management Company uses processes to monitor environmental and social characteristics: The Fund Management Company has a committee that is independent of the management, the Sustainability Oversight Committee (SOC), which monitors the environmental and social characteristics promoted by the Fund. It also tracks the proportion of sustainable investments. The Fund Management Company ensures that the investments meet sustainability criteria and comply with exclusion rules, which prevents investments in companies whose operations do not comply with international standards. The Fund Management Company publishes an annual report that is audited by an external auditor.

Methodologies

The Fund Management Company uses a combination of methods to measure the alignment of its investments with the environmental and social characteristics that are promoted. The methods include analysis of excluded companies and comparisons with the Fund's benchmark index, analysis of the Fund's holdings and performance from the proprietary sustainability model, SIMS-S, as well as the results of impact dialogues and voting at general meetings. SIMS-S assigns sustainability ratings to companies based on sustainability risks and opportunities, which helps fund managers to assess both current and future sustainability factors. For funds that make sustainable investments, the proportion of sustainable investments is monitored daily and followed up quarterly via SOC.

Data sources and processing

Sustainability data is collected from various data providers that deliver data at company level, including emissions and other environmental indicators, as well as assessments of social factors and corporate governance. Data is used for exclusions, impact dialogues, assessment of sustainable investments and the proprietary sustainability model, SIMS-S. Data providers include ISS ESG, Sustainalytics, TruValueLabs, S&P Global Ratings and Equileap. Data is mainly managed via a centralised database at SEB, with quality control performed in close cooperation with the data providers. The use of multiple data providers for the same or similar data points enables cross-checking and quality assurance. The proportion of data that, in the absence of information reported by the companies,

consists of estimates varies depending on the distribution of holdings and the specific data points. The Fund Management Company works continuously with data providers to increase the share of reported data.

Limitations to methodologies and data

The main limitations of the data sources are the lack of company-specific data that cannot be estimated, as well as methodological differences between data providers. In the absence of relevant data, the Fund may take measures to gain more information, such as dialogues with data providers or affected companies. If relevant data is missing, equivalent data can be retrieved from another data provider, credible proxy variables can be used, or a manual analysis can be performed. In the event of methodological differences, the Fund makes a conservative assessment to determine which data source should be used first.

Due diligence

Due diligence for sustainability-related aspects of the investments is conducted via the Fund's exclusions and screening processes to ensure that the investments comply with our sustainability policy. This includes consideration of sustainability risks and principal adverse impacts (PAIs) for sustainability factors. The Fund ensures that pre- and post-purchase rules are in place in the portfolio management and order management systems. Sustainable investments and reported sustainability indicators are monitored by the risk control function and followed up by the sustainability team via SOC. These processes are monitored and audited annually by an external auditor.

Engagement policies

Our Shareholder Engagement Principles apply to all of the Fund's assets. Shareholder engagement can take place through direct dialogue, voting at general meetings, and nomination committee work, and via investor collaborations. Proactive dialogue aims to improve the companies' overall sustainability work, while reactive dialogue is initiated in the event of suspected violations of international guidelines and standards.

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