Sustainability-related disclosures

Product name: SEB Nordic Future Opportunity Fund

Legal entity identifier: 529900W8404Z9S4UFF18

Summary

The Sub-Fund is actively managed and invests mainly in Nordic companies ranging from growth stage to larger companies. To create a positive and/or social impact the investment team seeks to identify companies with enabling technologies that contribute to specific themes.

Thematic Impact Investing

• The themes are amongst others, energy transition (Companies that contribute to reducing greenhouse gas emission by increasing renewable capacity or enable the transition from fossil based economy to renewable thus creating a positive societal impact), resource efficiency and circularity (Companies that accelerate and enable the necessary green transition by providing eco-friendly products and services or enable others save resources and/or energy consumption), sustainable mobility (Companies that offer sustainable mobility and infrastructure solutions described in EU regulatory frameworks, e.g. EU Sustainable and Smart mobility strategy) and healthy societies (Companies that enable the transition to plant-based nutrition, improve the societal level of health, safety and education creating more inclusive communities).

ESG Integration

• The investment team fundamentally explores and assesses how companies contribute to positive change through their business models and evaluate their alignment and contribution to the set themes.

• The Sub-Fund uses the SIMS-S framework for initial evaluation of the business models. 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 companies' standalone overall sustainability score, whereas the adjusted is sector and region adjusted. The underlying component scores, building up to the overall SIMSS, 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 investment team assesses each company included into the fund where the investment team takes into account whether a company is causing a significant negative impact on both social and environmental sustainability using data from third party and through direct dialogue with the companies. The sustainability risks are considered both from a systematic and fundamental analysis point of view.

• A comprehensive assessment of sustainability risks and opportunities and how the selected companies through their business models contribute to positive change within the themes, assessing alignment with set themes with the purpose of verifying sustainable revenue streams. A company that materially contributes to one or more of the set themes through sustainable revenue streams from its products, services, or processes, qualifies for inclusion in the sub-fund's investment universe.

• Aspects that are evaluated: Governance and adaptation, a company's governing practices in relation to regulatory changes, investor and other stakeholder sustainability expectations that support long term sustainable value creation and a sound sustainable capital allocation. Analysis focusing on if alignment of company policies and improvements within, management of the companies' operational risks, company transparency and sustainability-related disclosures in order to assure good governance; Sustainable operations; Company's current operational alignment, preparedness and structure supporting continued sustainable value creation, mid to long-term, considering sustainability challenges that may lead to changes in business model or capital allocation. Analysis focusing on direct company financial material risks and opportunities in relation to climate change; like greenhouse gas emissions, waste management and energy efficiency in operations. This factor is assessed in combination with the companies' overall governance and adaptation strategies and management insight; Climate and social adherence in supply chain and operations, company's operational and production set up from a climate and social perspective.

Analysis focusing on risk and opportunity perspective from a climate and social perspective to sustain market position, growth and long-term sustainable value creation integrating companies' dedication to provide an equitable, diverse and inclusive environment for its employees (supply chain and direct), social

and environmental dimension practices (physical risks) in its day-to-day decision-making processes, product governance and products/services impacting sustainable development; Management Insight, management knowledge, structural belief, and strategic insights in relation to underlying sustainability risks and opportunities that enable growth and continued competitive market position. Fundamental view on management from a sustainability perspective is compiled.

ESG Engagement

• The Sub-fund seeks to influence 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.

Exclusions

• The management company excludes companies that are verified not to comply with international standards and conventions concerning human rights, the environment, anti-corruption, or employment rights, and where the company cannot present clear goals and ongoing measures to address the issue(s). If the identified infringements are confirmed and the company does not show an interest in change, or if the change process is unusually protracted, the management company will divest the holdings. Sudden divestment may not take place if this is detrimental to the unit holders or the management company. The management company also excludes companies that produce fossil fuels or use unconventional extraction methods, companies engaged in developing, processing and exploiting coal, oil and/or natural gas resources, companies generating energy from fossil fuels, companies where distribution linked to fossil fuels exceeds 5% of total revenues, and companies for which services related to fossil fuels exceed 50% of total revenues. Product-based exclusions are exclusions based on ethical positions. SEB Investment Management's product-based exclusions are tobacco, recreational cannabis, pornography, commercial gambling, civilian weapons and alcohol. All funds exclude companies that, in conflict with international conventions, are engaged in the manufacturing, development or sale of nuclear and controversial weapons. The sustainable investments that the sub-fund intends to make do not include companies that receive more than 5% of their revenue from the defence industry.

The sustainability policy ensures that no investments, sustainable investments or not, are made in companies that do significant harm to environmental and/or social objectives. The Sub-Fund can invest in companies that are assessed to be in transition in accordance with the Management Company's sustainability policy. More information on exclusion criteria can be found at: https://sebgroup.lu/private/our-funds

The Sub-Fund has sustainable investments as its objective within the meaning of Article 9 of SFDR".

The objective of the Sub-Fund is to create a positive environmental and social impact to achieve, inter alia, the long-term objectives of the Paris Agreement.

This is performed by investing in companies that offer products or services within specified themes considered to align with the Paris Agreement, UN Sustainable development goals (SDGs), EU Taxonomy, and EU Green Deal's long-term objectives. The themes are amongst others, energy transition (Companies that contribute to reducing greenhouse gas emission by increasing renewable capacity or enable the transition from fossil based economy to renewable thus creating a positive societal impact), resource efficiency and circularity (Companies that accelerate and enable the necessary green transition by providing eco-friendly products and services or enable others save resources and/or energy consumption), sustainable mobility (Companies that offer sustainable mobility and infrastructure solutions described in EU regulatory frameworks, e.g. EU Sustainable and Smart mobility strategy) and healthy societies (Companies that enable the transition to plant-based nutrition, improve the societal level of health, safety and education creating more inclusive communities).

For the Sub-Fund to reach its sustainable objective, companies are evaluated from a business model perspective, starting with the thematic view where the respective business model is assessed based on its contribution to the sustainable objective. Since all equities of the Sub-Fund are assessed and measured regarding their ability to contribute to climate change mitigation and adaption and/or social contribution, the investment team is able to identify companies that are involved in economic activities that are considered environmentally sustainable, and/or those involved in enabling and transitional activities, according to the Taxonomy Regulation.

A large part of the Sub-Fund's holdings are constituents of the benchmark, VINX All Cap, which does not qualify as an EU Climate Transition Benchmark nor an EU Paris-aligned Benchmark and does not fully comply with all the methodological requirements in the Commission Delegated Regulation (EU) 2020/181.) Hence, the benchmark is purely for performance comparison and not designated as a reference benchmark to meet the sustainable investment objective.

The objective of reducing carbon emissions is instead attained by identifying and investing in companies with verifiable revenue streams in relation to the identified structural themes. The Sub-Fund use a "pass/fail approach", where a company is classified and accounted for as sustainable, if the company, based on quantitative measurements provided by third party data providers, fulfil one or more of the following conditions:

- A minimum of 10% of their revenue is potentially EU taxonomy-aligned based on the last available data either from company or third party
- A minimum of 20% of their total revenue attributable to enablement or direct contribution to any UN SDG
- A combination of minimum of 20% of their total revenue attributable to enablement or direct contribution to any UN SDG or revenue streams potentially EU Taxonomy aligned based on the last data available from company or third party

In addition to complying with at least one of the conditions above, the issuer must pass the do no significant harm ("DNSH") test (as further described below) applied on the issuer's entire revenue.

PAIs 4, 10 and 14 of Table 1 of Annex I of the RTS are, via the management company, subject to exclusionary screening and thus taken into account by exclusion.

All PAIs in Table 1, and relevant in Tables 2 and 3 of Annex I, are also screened to find underperformance that indicates that there is a risk of significant harm. This is done in relation to where the company is located geographically, and in which sector and sub-sector the company operates within to provide context for the analysis. This tries to capture the specific challenges, and thus the most material risks for significant harm to environmental and/or social objectives across various conditions for business.