

# Carbon Report

SEB Russia Fund

Report created on: 2021-04-29

The carbon footprint provides a historic snapshot of the emissions from the equity holdings of the fund. The calculations are not comprehensive and indirect emissions, e.g. from suppliers, are based on reported data or estimates of emissions. The metric says nothing about how the portfolio contributes to a low-carbon society. For further information about the metric, see [www.sebgroup.com](http://www.sebgroup.com).

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# Carbon Report

## SEB Russia Fund

Report created on: 2021-04-29 | Holdings as of: 2021-03-31 | Benchmark: MSCI Russia 10/40 (Net Return)

Currency: EUR | Industry classification: GICS | Company breakdown metrics: Weighted average carbon intensity (tCO<sub>2</sub>e / EUR 1,000 revenue)

Value: 16'349'414.8 EUR | Fund Management Company: SEB Investment Management AB

### Executive summary

**Carbon emissions** shows the total amount of carbon dioxide and other greenhouse gases emitted each year by the companies included in the fund and is measured in tons of carbon dioxide equivalents (tCO<sub>2</sub>e). Carbon emissions include scope 1 and 2. Scope 1 emissions are directly generated by the company's operations, whereas indirect Scope 2 emissions are related to the company's energy consumption.

**Relative carbon footprint** measures yearly carbon footprint in correlation to a certain sum invested in the fund. It enables comparisons with a benchmark between multiple portfolios, over time and regardless of portfolio size.

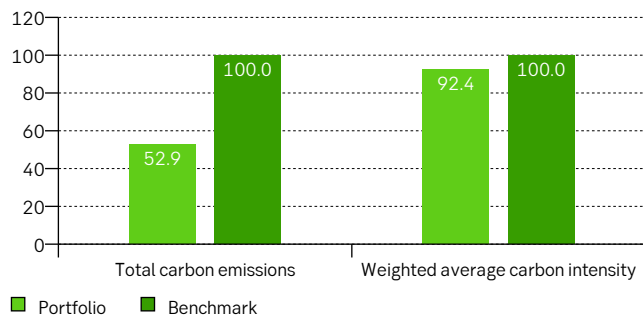
**Carbon intensity** measures yearly carbon emissions on a per revenue basis and is ultimately a measure of carbon efficiency.

**Weighted average carbon intensity** is a measure of the fund's exposure to carbon intensive firms.

	Total carbon emissions (tCO <sub>2</sub> e)	Relative carbon footprint (kg CO <sub>2</sub> e/EUR 1'000 invested)	Weighted average carbon intensity (kg CO <sub>2</sub> e/EUR 1'000 revenue)	Disclosing titles by no. of companies	Disclosing titles by weight (AUM)
Portfolio	116'581.6	696.1	1'122.9	70.6%	75.9%
Benchmark	220'546.9	1'316.8	1'215.1	70.8%	79.2%
Portfolio vs. benchmark	52.9%	52.9%	92.4%		

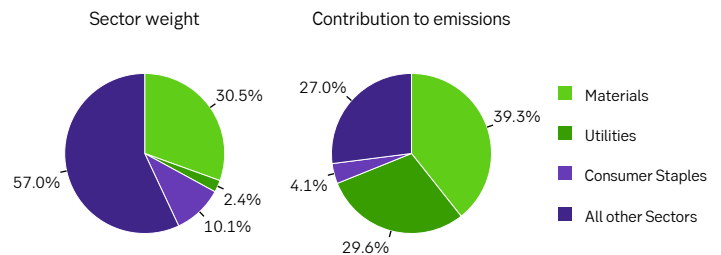
### Benchmark comparison

The portfolio's weighted average carbon intensity is 7.6% lower than the benchmark.



### Sector comparison

The sectors Materials, Utilities and Consumer Staples (per GICS classification) in the portfolio make up 43.0% of the weight vs. 73.0% of the contribution to emissions.



### 5 smallest contributors to the emissions of the fund:

Company	Carbon emissions (tCO <sub>2</sub> e)	% of total	Relative carbon footprint (kg CO <sub>2</sub> e/EUR1'000 invested)	Country	Sector
PIK Group	0.7	0.0%	1.1	Russian Federation	Consumer Discretionary
Yandex	4.2	0.0%	2.6	Russian Federation	Information Technology
TCS Group Holding	11.5	0.0%	2.8	U.K.	Financials
Moscow Exchange MICEX	13.3	0.0%	1.5	Russian Federation	Financials
LSR Group	14.0	0.0%	13.0	Russian Federation	Real Estate

### 5 largest contributors to the emissions of the fund:

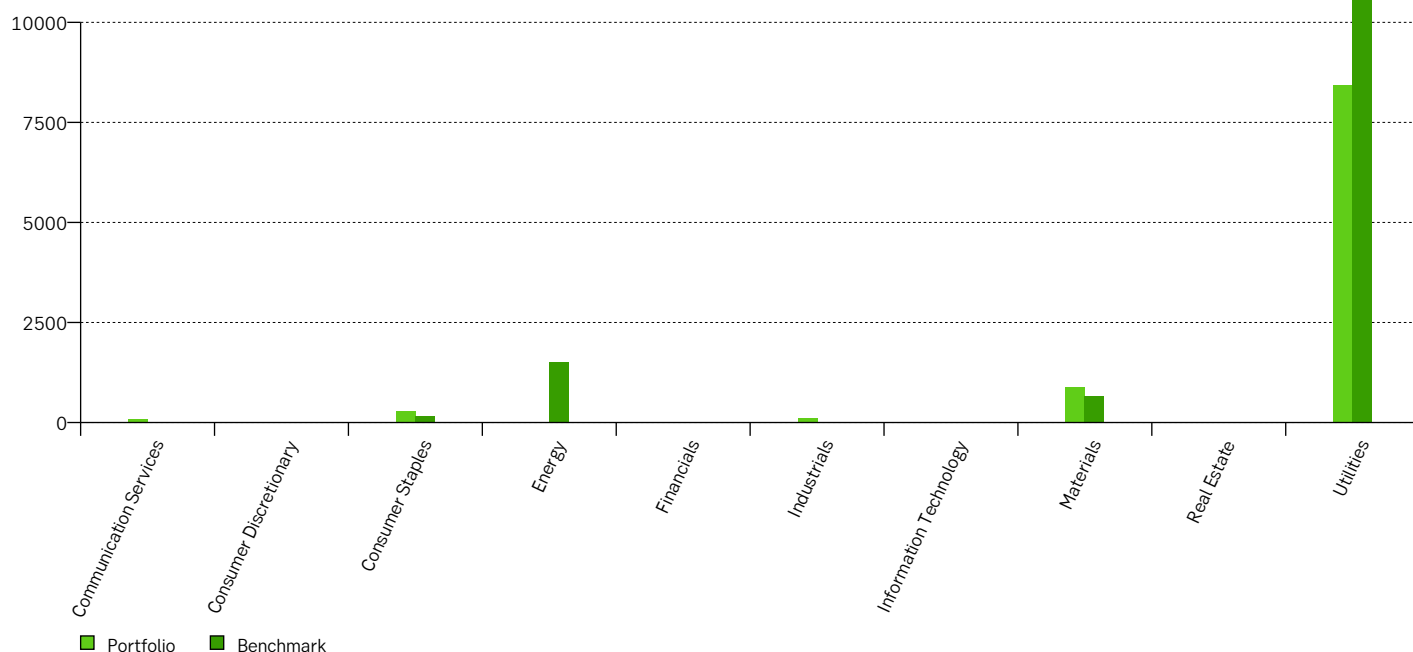
Company	Carbon emissions (tCO <sub>2</sub> e)	% of total	Relative carbon footprint (kg CO <sub>2</sub> e/EUR 1'000 invested)	Country	Sector
RusHydro	34'474.3	29.6%	8'439.5	Russian Federation	Utilities
Severstal	25'206.1	21.6%	2'674.8	Russian Federation	Materials
Novolipetsk Iron and Steel	17'021.5	14.6%	1'773.3	Russian Federation	Materials
X 5 Retail Group	1'640.7	1.4%	410.1	Russian Federation	Consumer Staples
X 5 Retail Group	1'586.7	1.4%	405.5	U.K.	Consumer Staples

The holdings in the fund are associated with a global warming of 3.1 °C

## Sector weighting and relative carbon footprint

Sector	Weight		Relative carbon footprint (kg CO <sub>2</sub> e /EUR 1'000 invested)		Portfolio vs. Benchmark
	Portfolio	Benchmark	Portfolio	Benchmark	
Communication Services	18.7%	10.1%	90.9	1.2	7846.1%
Consumer Discretionary	0.4%	0.0%	1.1	0.0	N/A
Consumer Staples	10.1%	8.3%	281.6	173.4	162.4%
Energy	0.0%	35.3%	0.0	1'522.7	0.0%
Financials	23.1%	15.6%	5.8	6.2	93.5%
Industrials	1.6%	0.0%	105.0	0.0	N/A
Information Technology	12.2%	0.0%	0.2	0.0	N/A
Materials	30.5%	28.4%	897.5	661.0	135.8%
Real Estate	1.0%	0.0%	8.4	0.0	N/A
Utilities	2.4%	2.2%	8'439.5	13'655.5	68.8%

### Relative carbon footprint (kg CO<sub>2</sub>e / EUR 1'000 invested)



## Attribution analysis

There are two principal reasons explaining why the carbon exposure of the portfolio may differ from the benchmark: Sector allocation and Stock selection.

Sector allocation decisions will cause the carbon intensity of the portfolio to diverge from the benchmark where some sectors are more carbon intensive than others. If the portfolio is overweight in carbon intensive sectors the portfolio is likely to be more carbon intensive than the benchmark.

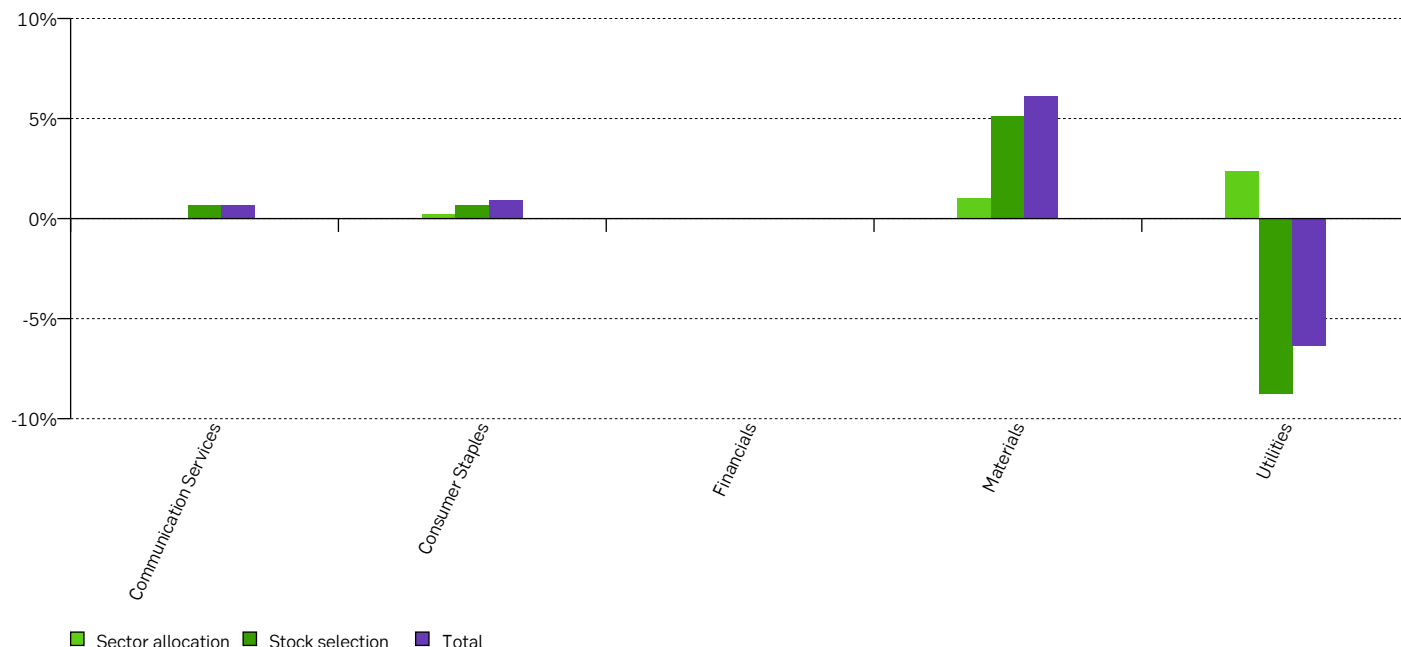
However, if the stocks within a carbon intensive sector are the most carbon efficient companies, it is possible that the portfolio may still have a lower carbon footprint than the benchmark. Such an impact is explained by stock selection decisions.

Explanation: The outperformance of the portfolio is based on the effect of over-/underweighting certain sectors and selecting more/less carbon intensive stocks within each sector for each of the underlying holdings. A positive number indicates that the effect increased the greenhouse gas emission (in tons of CO<sub>2</sub>e) and a negative number indicates a decreasing effect. In this case, the sector weighting of SEB Russia Fund contributed with 8'169.9 (tCO<sub>2</sub>e), while the stock selection saved 5'018.7 tCO<sub>2</sub>e versus the benchmark. This explains a 3.7% underperformance through sector weighting and 2.3% carbon outperformance by stock picking.

	Total emissions (tCO <sub>2</sub> e)
Portfolio	116'581.6
Benchmark	220'546.9
Portfolio carbon out/underperformance (tCO <sub>2</sub> e)	103'965.3
Portfolio carbon out/underperformance (%)	47.1%

Sector	Sector allocation		Stock selection	
	Sector allocation to out/underperformance (tCO <sub>2</sub> e)	Sector allocation to out/underperformance (%)	Stock selection to out/underperformance (tCO <sub>2</sub> e)	Stock selection to out/underperformance (%)
Communication Services	16.7	0.0%	1'524.5	0.7%
Consumer Staples	524.6	0.2%	1'497.2	0.7%
Financials	77.6	0.0%	-10.5	-0.0%
Materials	2'286.9	1.0%	11'266.2	5.1%
Utilities	5'264.1	2.4%	-19'296.2	-8.7%
<b>Total</b>	<b>8'169.9</b>	<b>3.7%</b>	<b>-5'018.7</b>	<b>-2.3%</b>
Interaction effect:			-107'116.5	-48.6%

## Attribution analysis graph



## Scope 3 analysis

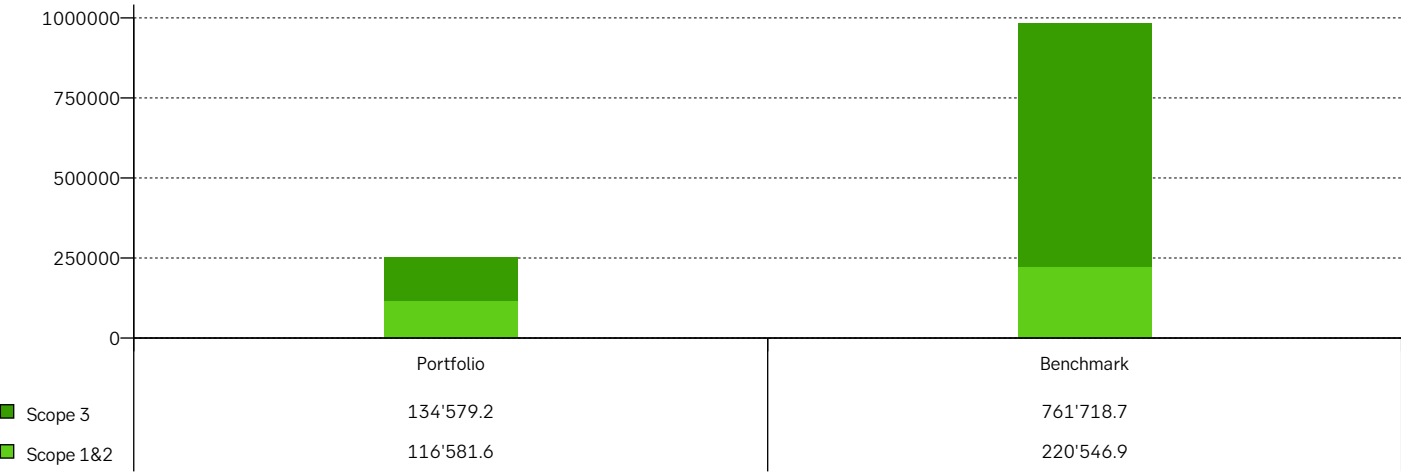
The graph below compares the total emissions (including scope 1, scope2 and scope 3) between the portfolio and benchmark.

**Scope 1 emissions** are direct greenhouse gas emissions from sources that are owned or controlled by the company. Includes fuel combustion on site such as gas boilers, fleet vehicles and air-conditioning leaks.

**Scope 2 emissions** are indirect greenhouse gas emissions from sources that are owned or controlled by the company. Includes emissions that result from the generation of electricity, heat or steam purchased by the company from a utility provider.

**Scope 3 emissions** are all indirect emissions (not included in scope 2) that occur in the value chain of the company, including both upstream and downstream emissions.

Total emissions comparison (tCO<sub>2</sub>e)



## Portfolio company analysis

The tables below show the 10 largest greenhouse gas contributors and the 10 largest holdings, respectively, of SEB Russia Fund.

**The carbon data section** explains your carbon emissions, i.e. the amount of greenhouse gases that the portfolio finances from the company's overall emissions, relative to company ownership. You can further see what % of the overall portfolio greenhouse gas emissions each company accounts for and the section also includes weighted average carbon intensity.

**In the Analysis section**, the Benchmark emissions are stated and the Average sector emissions allow a comparison of the greenhouse gas intensity of a company against its respective sector, i.e. the amount of greenhouse gas emissions that an investment of the same size would have financed, would it have been invested in the overall sector rather than the specific company.

**The effect on the portfolio can be found under Portfolio contribution.** This is a measurement of how much a specific holding raises or reduces the carbon footprint of the portfolio. A positive number indicates that the company reduced the carbon footprint of the portfolio, whilst a negative number indicates that the company increased the carbon footprint of the portfolio.

### Summary of 10 largest greenhouse gas contributors

		Weight		Carbon data			Analysis		
Company	GICS Industry	Portfolio	Benchmark	Carbon emissions (tCO <sub>2</sub> e)	% of total	Weighted average carbon intensity (kg CO <sub>2</sub> e/EUR 1'000 revenue)	Benchmark emissions (tCO <sub>2</sub> e)	Av. sector emissions (tCO <sub>2</sub> e)	Portfolio contribution (tCO <sub>2</sub> e)
RusHydro	Electric Utilities	2.4%	0.0%	29.6%	178.4	34'474.3	0.0	55'781.2	-32'421.7
Severstal	Metals & Mining	5.6%	3.7%	21.6%	367.1	25'206.1	16'570.5	6'145.4	-19'758.4
Novolipetsk Iron and Steel	Unknown	5.7%	3.4%	14.6%	204.2	17'021.5	10'011.9	1'918.7	-10'969.0
X 5 Retail Group	Food & Staples Retailing	2.4%	3.5%	1.4%	3.1	1'640.7	2'400.0	1'640.7	1'172.1
Sistema	Wireless Telecommunication Services	4.2%	0.0%	1.4%	4.1	1'584.2	0.0	0.0	3'458.7
Magnit	Food & Staples Retailing	5.2%	0.0%	1.2%	2.9	1'447.0	0.0	3'604.2	4'929.3
MMC Norilsk Nickel	Metals & Mining	3.1%	7.7%	0.9%	26.6	1'100.4	2'731.9	3'392.3	2'601.3
Polymetal International PLC	Unknown	4.9%	4.1%	0.9%	28.8	1'079.6	900.6	1'637.0	4'858.1
Steppe Cement	Construction Materials	0.5%	0.0%	0.9%	11.1	1'071.5	0.0	0.0	-518.3
Mobile Telesystems	Wireless Telecommunication Services	4.8%	0.0%	0.7%	5.4	779.9	0.0	0.0	5'119.3

### Summary of the portfolio's 10 largest holdings

		Weight		Carbon data			Analysis		
Company	GICS Industry	Portfolio	Benchmark	Carbon emissions (tCO <sub>2</sub> e)	% of total	Weighted average carbon intensity (kg CO <sub>2</sub> e/EUR 1'000 revenue)	Av. sector emissions (tCO <sub>2</sub> e)	Benchmark emissions (tCO <sub>2</sub> e)	Portfolio contribution (tCO <sub>2</sub> e)
Sberbank	Banks	10.2%	6.6%	0.2%	1.9	198.3	129.3	133.2	13'013.5
Yandex	Unknown	7.9%	4.4%	0.0%	1.8	35.4	19.7	2'660.9	10'027.4
Novolipetsk Iron and Steel	Unknown	5.7%	3.4%	14.6%	204.2	17'021.5	10'011.9	1'918.7	-10'969.0
Severstal	Metals & Mining	5.6%	3.7%	21.6%	367.1	25'206.1	16'570.5	6'145.4	-19'758.4
Moscow Exchange MICEX	Capital Markets	5.3%	2.8%	0.0%	0.6	13.3	7.0	13.3	6'506.3
Magnit	Food & Staples Retailing	5.2%	0.0%	1.2%	2.9	1'447.0	0.0	3'604.2	4'929.3
Polymetal International PLC	Unknown	4.9%	4.1%	0.9%	28.8	1'079.6	900.6	1'637.0	4'858.1
Mobile Telesystems	Wireless Telecommunication Services	4.8%	0.0%	0.7%	5.4	779.9	0.0	0.0	5'119.3
Sistema	Wireless Telecommunication Services	4.2%	0.0%	1.4%	4.1	1'584.2	0.0	0.0	3'458.7
Alrosa	Metals & Mining	4.1%	3.3%	0.3%	6.1	348.1	282.9	4'487.6	4'632.2

## Appendix

This table presents all holdings in the portfolio, sorted by sector, in alphabetic order.

It shows how each company contributes to the overall portfolio footprint. It allows you to see which stocks are the greatest contributors to the portfolio's emission in absolute as well as relative terms.

A positive portfolio contribution indicates that the company reduced the carbon footprint of the portfolio, whilst a negative number indicates that the company increased the carbon footprint of the portfolio. This helps with portfolio optimization and in managing the overall carbon portfolio footprint without comprising the chosen sector allocation.

Company	Weight		Carbon data			Analysis		
	Portfolio	Benchmark	Carbon emissions (tCO <sub>2</sub> e)	% of total	Weighted average carbon intensity (kg CO <sub>2</sub> e/EUR 1'000 revenue)	Benchmark emissions (tCO <sub>2</sub> e)	Av. sector emissions (tCO <sub>2</sub> e)	Portfolio contribution (tCO <sub>2</sub> e)
Banks	12.6%	11.8%	0.2%	2.3	209.8	154.1	165.0	15'910.2
Sberbank	10.2%	6.6%	0.2%	1.9	198.3	129.3	133.2	13'013.5
TCS Group Holding	2.4%	0.0%	0.0%	0.3	11.5	0.0	31.8	2'896.7
Capital Markets	5.3%	2.8%	0.0%	0.6	13.3	7.0	13.3	6'506.3
Moscow Exchange MICEX	5.3%	2.8%	0.0%	0.6	13.3	7.0	13.3	6'506.3
Construction Materials	0.5%	0.0%	0.9%	11.1	1'071.5	0.0	0.0	-518.3
Steppe Cement	0.5%	0.0%	0.9%	11.1	1'071.5	0.0	0.0	-518.3
Diversified Telecommunication Services	1.1%	0.0%	0.4%	2.5	451.2	0.0	0.0	792.3
Rostelecom	1.1%	0.0%	0.4%	2.5	451.2	0.0	0.0	792.3
Electric Utilities	2.4%	2.2%	29.6%	178.4	34'474.3	50'517.0	55'781.2	-32'421.7
RusHydro	2.4%	0.0%	29.6%	178.4	34'474.3	0.0	55'781.2	-32'421.7
Food & Staples Retailing	7.6%	3.5%	2.6%	6.0	3'087.7	2'400.0	5'244.9	6'101.5
Magnit	5.2%	0.0%	1.2%	2.9	1'447.0	0.0	3'604.2	4'929.3
X 5 Retail Group	2.4%	3.5%	1.4%	3.1	1'640.7	2'400.0	1'640.7	1'172.1
Food Products	0.1%	0.0%	0.1%	0.1	74.7	0.0	0.0	37.4
MHP	0.1%	0.0%	0.1%	0.1	74.7	0.0	0.0	37.4
Household Durables	0.4%	0.0%	0.0%	0.1	0.7	0.0	0.0	455.8
PIK Group	0.4%	0.0%	0.0%	0.1	0.7	0.0	0.0	455.8
Metals & Mining	13.0%	18.8%	22.9%	401.1	26'685.3	20'574.0	14'163.7	-12'407.5
Alrosa	4.1%	3.3%	0.3%	6.1	348.1	282.9	4'487.6	4'632.2
MMC Norilsk Nickel	3.1%	7.7%	0.9%	26.6	1'100.4	2'731.9	3'392.3	2'601.3
POLYUS GOLD	0.1%	4.1%	0.0%	1.2	30.7	988.6	138.5	117.3
Severstal	5.6%	3.7%	21.6%	367.1	25'206.1	16'570.5	6'145.4	-19'758.4
Real Estate Management & Development	0.6%	0.0%	0.0%	0.1	14.0	0.0	0.0	745.4
LSR Group	0.6%	0.0%	0.0%	0.1	14.0	0.0	0.0	745.4
Transportation Infrastructure	1.0%	0.0%	0.2%	2.0	176.4	0.0	0.0	965.6
Global Ports	1.0%	0.0%	0.2%	2.0	176.4	0.0	0.0	965.6
Wireless Telecommunication Services	9.0%	0.0%	2.0%	9.5	2'364.1	0.0	0.0	8'578.0
Mobile Telesystems	4.8%	0.0%	0.7%	5.4	779.9	0.0	0.0	5'119.3
Sistema	4.2%	0.0%	1.4%	4.1	1'584.2	0.0	0.0	3'458.7
Unknown	18.9%	32.7%	15.6%	235.2	18'240.8	10'932.2	6'337.1	4'233.3
Globaltrans Investment	0.4%	0.0%	0.1%	0.5	104.2	0.0	120.6	316.8
Novolipetsk Iron and Steel	5.7%	3.4%	14.6%	204.2	17'021.5	10'011.9	1'918.7	-10'969.0
Polymetal International PLC	4.9%	4.1%	0.9%	28.8	1'079.6	900.6	1'637.0	4'858.1
Yandex	7.9%	4.4%	0.0%	1.8	35.4	19.7	2'660.9	10'027.4
<b>Total portfolio</b>	<b>75.9%</b>	<b>79.2%</b>	<b>74.5%</b>	<b>848.8</b>	<b>86'863.8</b>	<b>220'546.9</b>	<b>81'705.2</b>	