

# Carbon Report

## SEB Eastern Europe ex Russia Fund

Report created on: 2021-09-08

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 Eastern Europe ex Russia Fund

Report created on: 2021-09-08 | Holdings as of: 2021-06-30 | Benchmark: MSCI EFM Europe and CIS ex Russia ex Ukraine ex Kazakhstan ex Greece ex Kernel 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: 4'494'775.2 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.

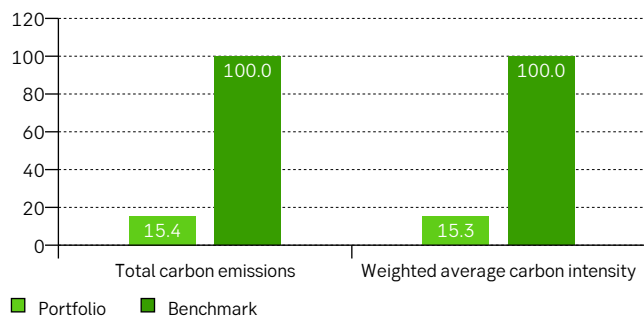
**Carbon intensity** measures yearly carbon emissions on a per revenue basis and is ultimately a measure of carbon efficiency.

**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	4'705.9	103.2	78.6	85.4%	82.1%
Benchmark	30'602.7	671.3	512.0	95.6%	98.6%
Portfolio vs. benchmark	15.4%	15.4%	15.3%		

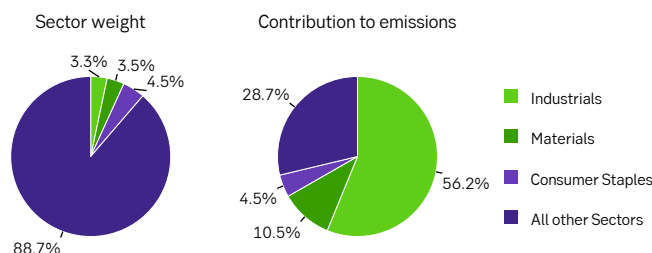
### Benchmark comparison

The portfolio's weighted average carbon intensity is 84.7% lower than the benchmark.



### Sector comparison

The sectors Industrials, Materials and Consumer Staples (per GICS classification) in the portfolio make up 11.3% of the weight vs. 71.3% 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
Immofinanz Immobilien Anlagen	0.3	0.0%	0.2	Austria	Real Estate
Globe Trade Centre	0.3	0.0%	1.6	Poland	Real Estate
CD Projekt Red	0.7	0.0%	0.6	Poland	Information Technology
Allegro.eu	0.7	0.0%	0.4	Poland	Consumer Discretionary
Akbank	3.1	0.1%	22.8	Turkey	Financials

### 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
TEKFEN	1'726.4	36.7%	2'004.8	Turkey	Industrials
Tallink Group	912.6	19.4%	3'025.9	Estonia	Industrials
KGHM Polska Miedz	389.9	8.3%	464.8	Poland	Materials
Orange Polska	188.8	4.0%	178.7	Poland	Communication Services
Koza Altin Isletmeleri	106.4	2.3%	140.5	Turkey	Materials

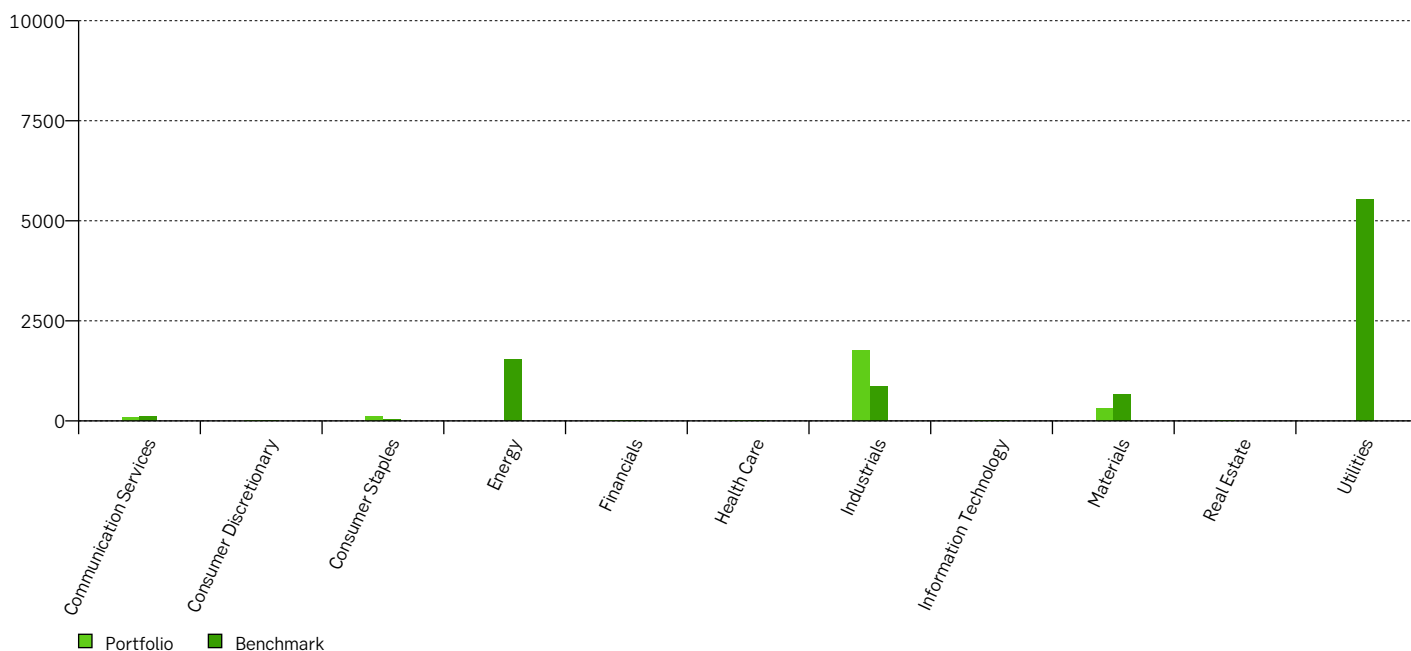
The holdings in the fund are associated with a global warming of 2.1 °C

Temperature analysis is based on IEA SDS scenarios, projected future emissions and science based targets.

## 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	4.7%	3.4%	98.3	120.6	81.4%
Consumer Discretionary	11.8%	11.4%	23.8	12.1	195.9%
Consumer Staples	4.5%	4.9%	104.2	34.1	305.8%
Energy	0.0%	12.9%	0.0	1'544.4	0.0%
Financials	55.1%	41.0%	5.6	8.0	70.0%
Health Care	3.6%	6.3%	10.6	16.5	64.1%
Industrials	3.3%	2.2%	1'750.4	860.1	203.5%
Information Technology	2.6%	3.3%	0.6	0.6	100.0%
Materials	3.5%	7.8%	311.0	665.8	46.7%
Real Estate	9.1%	0.0%	3.0	0.0	N/A
Utilities	1.9%	6.9%	0.0	5'545.0	0.0%

## 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.

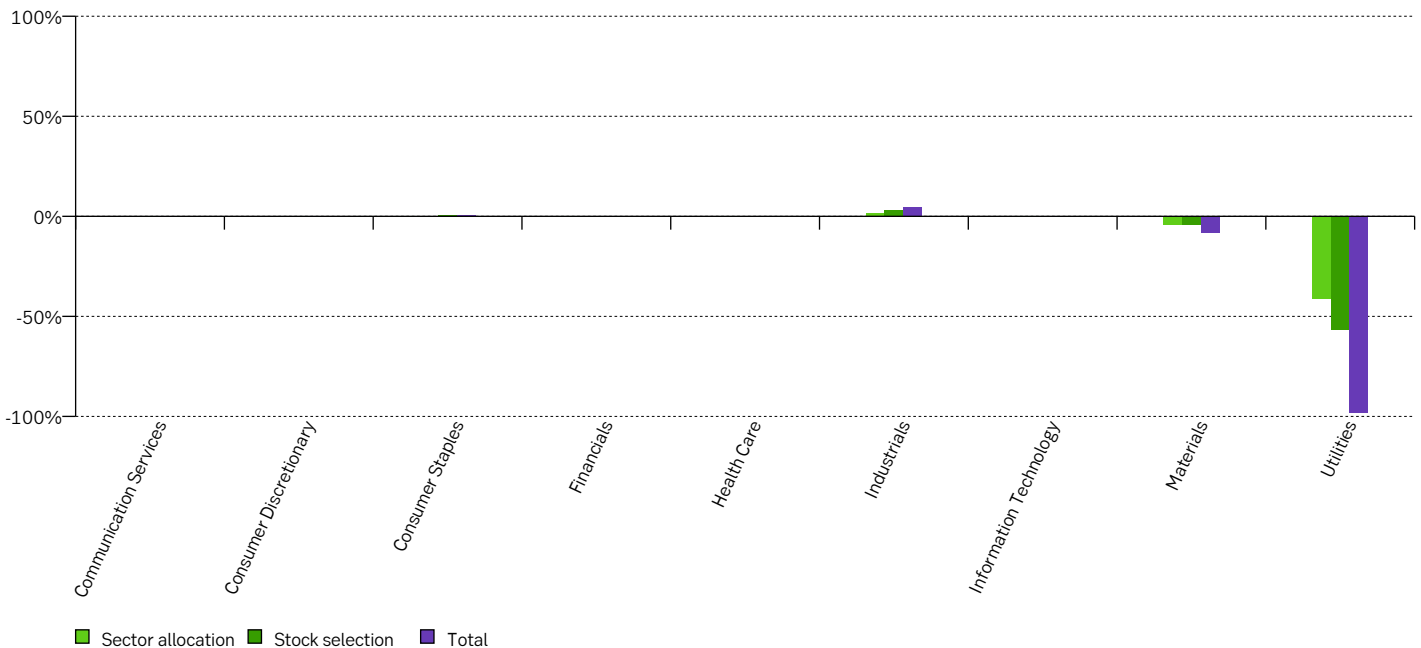
However, if the stocks within a carbon intensive sector are the most carbon efficient companies, it is possible that the portfolio may still have a lower carbon footprint than the benchmark. Such an impact is explained by stock selection decisions.

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 Eastern Europe ex Russia Fund saved 13'394.9 (tCO<sub>2</sub>e), while the stock selection saved 17'607.3 tCO<sub>2</sub>e versus the benchmark. This explains a 43.8% outperformance through sector weighting and 57.5% carbon outperformance by stock picking.

	Total emissions (tCO <sub>2</sub> e)
Portfolio	4'705.9
Benchmark	30'602.7
Portfolio carbon out/underperformance (tCO <sub>2</sub> e)	25'896.8
Portfolio carbon out/underperformance (%)	84.6%

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	69.6	0.2%	-35.2	-0.1%
Consumer Discretionary	2.1	0.0%	60.4	0.2%
Consumer Staples	-7.0	-0.0%	158.0	0.5%
Financials	51.5	0.2%	-44.9	-0.1%
Health Care	-20.3	-0.1%	-16.9	-0.1%
Industrials	446.2	1.5%	882.6	2.9%
Information Technology	-0.2	-0.0%	0.0	0.0%
Materials	-1'307.1	-4.3%	-1'262.7	-4.1%
Utilities	-12'629.9	-41.3%	-17'348.6	-56.7%
<b>Total</b>	<b>-13'394.9</b>	<b>-43.8%</b>	<b>-17'607.3</b>	<b>-57.5%</b>
		Interaction effect:	5'105.4	16.7%

## Attribution analysis graph



## Scope 3 analysis

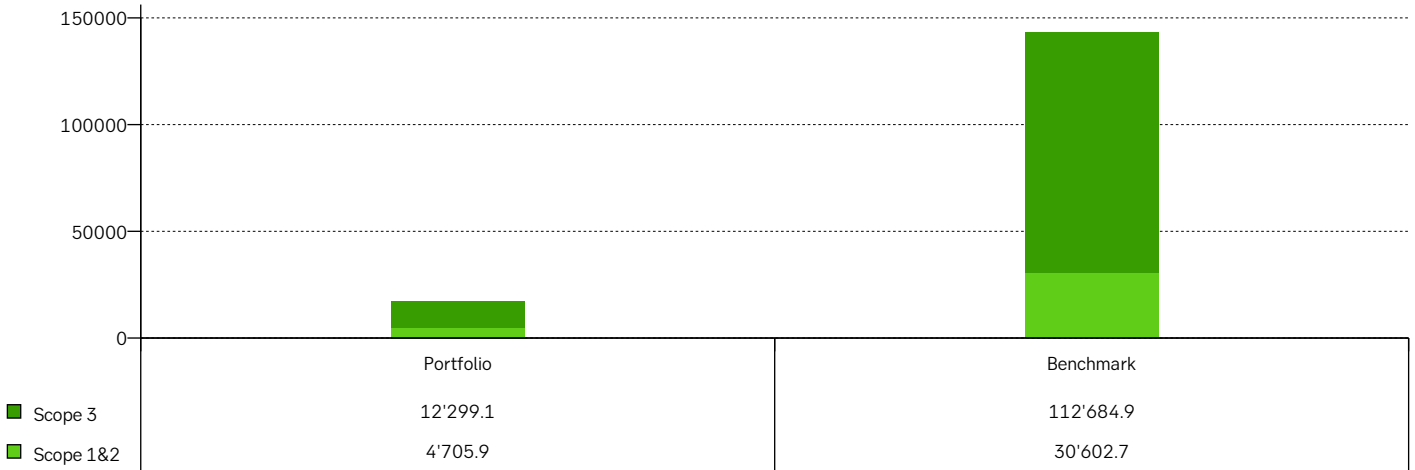
The graph below compares the total emissions (including scope 1, scope 2 and scope 3) between the portfolio and benchmark.

**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 Eastern Europe ex 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

Company	GICS Industry	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)
TEKFEN	Construction & Engineering	1.9%	0.0%	36.7%	9.2	1'726.4	0.0	0.0	-1'669.1
Tallink Group	Marine	0.7%	0.2%	19.4%	9.7	912.6	312.1	912.6	-887.3
KGHM Polska Miedz	Metals & Mining	1.8%	6.4%	8.3%	13.6	389.9	1'359.2	558.4	-309.0
Orange Polska	Diversified Telecommunication Services	2.3%	1.1%	4.0%	3.9	188.8	88.3	115.8	-81.6
Koza Altin Isletmeleri	Metals & Mining	1.7%	0.0%	2.3%	8.4	106.4	0.0	504.0	-28.7
Auga Group	Food Products	1.8%	0.0%	2.0%	3.5	95.0	0.0	0.0	-8.7
CCC	Textiles, Apparel & Luxury Goods	2.4%	0.0%	1.5%	1.7	70.6	0.0	27.5	44.5
Ulker Biskuvi	Food Products	0.5%	0.0%	1.0%	0.6	46.9	0.0	0.0	-25.3
BIM Birlesik Magazalar	Food & Staples Retailing	1.2%	1.6%	1.0%	0.7	44.8	57.4	19.0	13.0
Powszechny Zaklad Ubezpiecze	Insurance	4.5%	5.3%	0.8%	0.7	37.1	44.3	37.1	181.0

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

Company	GICS Industry	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)	Av. sector emissions (tCO <sub>2</sub> e)	Benchmark emissions (tCO <sub>2</sub> e)	Portfolio contribution (tCO <sub>2</sub> e)
Bank Pekao	Banks	7.0%	4.2%	0.5%	1.5	23.4	14.1	20.6	328.3
Powszechna Kasa Oszczednosci	Banks	6.9%	8.6%	0.6%	1.9	30.0	37.3	20.5	318.4
OTP Bank	Banks	6.5%	9.3%	0.1%	0.2	3.1	4.5	19.3	325.8
LC	Real Estate Management & Development	6.3%	0.0%	0.3%	0.5	11.9	0.0	0.0	303.1
Powszechny Zaklad Ubezpiecze	Insurance	4.5%	5.3%	0.8%	0.7	37.1	44.3	37.1	181.0
Komercni Banka	Banks	4.0%	2.5%	0.2%	0.5	7.4	4.7	11.8	188.0
Allegro.eu	Internet & Direct Marketing Retail	3.9%	5.1%	0.0%	0.4	0.7	0.9	0.7	190.9
Richter Gedeon	Pharmaceuticals	3.6%	3.5%	0.4%	1.2	17.2	16.9	26.9	156.3
BRD-Groupe Societe Generale	Banks	3.3%	0.8%	0.1%	0.3	3.4	0.8	9.8	158.6
Santander Bank Polska	Banks	3.2%	2.4%	0.2%	0.5	8.5	6.4	9.3	144.3

## 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)
<b>Automobiles</b>	0.8%	0.7%	0.3%	0.3	16.1	10.5	12.2	19.7
Tofas Turk Otomobil Fabrika	0.8%	0.0%	0.3%	0.3	16.1	0.0	12.2	19.7
<b>Banks</b>	35.1%	35.7%	2.1%	5.5	100.3	105.2	103.6	1'638.5
Akbank	0.3%	0.9%	0.1%	0.0	3.1	9.4	0.9	11.1
Alior Bank	1.7%	0.0%	0.1%	0.1	6.0	0.0	5.1	76.0
BRD-Groupe Societe Generale	3.3%	0.8%	0.1%	0.3	3.4	0.8	9.8	158.6
Bank Millenium	1.0%	0.0%	0.1%	0.3	6.5	0.0	3.1	42.6
Bank Pekao	7.0%	4.2%	0.5%	1.5	23.4	14.1	20.6	328.3
First Investment Bank	0.5%	0.0%	0.1%	0.0	3.9	0.0	1.6	21.0
Komercni Banka	4.0%	2.5%	0.2%	0.5	7.4	4.7	11.8	188.0
OTP Bank	6.5%	9.3%	0.1%	0.2	3.1	4.5	19.3	325.8
Powszechna Kasa Oszczednosci	6.9%	8.6%	0.6%	1.9	30.0	37.3	20.5	318.4
Santander Bank Polska	3.2%	2.4%	0.2%	0.5	8.5	6.4	9.3	144.3
Turkiye Garanti Bankasi	0.6%	1.0%	0.1%	0.1	5.0	8.4	1.8	24.4
<b>Beverages</b>	1.0%	0.0%	0.6%	0.7	26.8	0.0	0.0	19.0
Kofola CeskoSlovensko	1.0%	0.0%	0.6%	0.7	26.8	0.0	0.0	19.0
<b>Construction &amp; Engineering</b>	1.9%	0.0%	36.7%	9.2	1'726.4	0.0	0.0	-1'669.1
TEKFEN	1.9%	0.0%	36.7%	9.2	1'726.4	0.0	0.0	-1'669.1
<b>Diversified Telecommunication Services</b>	3.6%	2.4%	4.5%	4.7	211.1	117.9	178.4	-44.8
Croatian Telecom HRK	0.6%	1.1%	0.3%	0.7	15.2	27.0	31.4	14.5
Matav	0.6%	0.0%	0.2%	0.1	7.2	0.0	31.2	22.4
Orange Polska	2.3%	1.1%	4.0%	3.9	188.8	88.3	115.8	-81.6
<b>Entertainment</b>	2.6%	3.3%	0.0%	0.6	0.7	0.9	0.7	123.7
CD Projekt Red	2.6%	3.3%	0.0%	0.6	0.7	0.9	0.7	123.7
<b>Food &amp; Staples Retailing</b>	1.2%	4.9%	1.0%	0.7	44.8	76.8	19.0	13.0
BIM Birlesik Magazalar	1.2%	1.6%	1.0%	0.7	44.8	57.4	19.0	13.0
<b>Food Products</b>	2.3%	0.0%	3.0%	4.1	141.9	0.0	0.0	-34.0
Auga Group	1.8%	0.0%	2.0%	3.5	95.0	0.0	0.0	-8.7
Ulker Biskuvi	0.5%	0.0%	1.0%	0.6	46.9	0.0	0.0	-25.3
<b>Industrial Conglomerates</b>	0.2%	1.4%	0.1%	0.1	4.4	536.6	70.4	4.2
Adris	0.2%	0.0%	0.1%	0.1	4.4	0.0	70.4	4.2
<b>Insurance</b>	6.0%	5.3%	0.9%	0.8	40.3	44.3	49.7	250.1
Powszechny Zaklad Ubezpiecze	4.5%	5.3%	0.8%	0.7	37.1	44.3	37.1	181.0
Pozavarovalnica SAva	1.5%	0.0%	0.1%	0.1	3.2	0.0	12.6	69.1
<b>Internet &amp; Direct Marketing Retail</b>	3.9%	5.1%	0.0%	0.4	0.7	0.9	0.7	190.9
Allegro.eu	3.9%	5.1%	0.0%	0.4	0.7	0.9	0.7	190.9
<b>Marine</b>	0.7%	0.2%	19.4%	9.7	912.6	312.1	912.6	-887.3
Tallink Group	0.7%	0.2%	19.4%	9.7	912.6	312.1	912.6	-887.3
<b>Media</b>	1.6%	2.1%	0.2%	0.4	8.6	11.8	8.6	65.8
Cyfrowy Polsat	1.6%	2.1%	0.2%	0.4	8.6	11.8	8.6	65.8
<b>Metals &amp; Mining</b>	3.5%	7.8%	10.5%	22.0	496.3	2'369.5	1'062.4	-337.7
KGHM Polska Miedz	1.8%	6.4%	8.3%	13.6	389.9	1'359.2	558.4	-309.0
Koza Altin Isletmeleri	1.7%	0.0%	2.3%	8.4	106.4	0.0	504.0	-28.7
<b>Pharmaceuticals</b>	3.6%	6.3%	0.4%	1.2	17.2	47.1	26.9	156.3
Richter Gedeon	3.6%	3.5%	0.4%	1.2	17.2	16.9	26.9	156.3

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)
Real Estate Management & Development	9.1%	0.0%	0.3%	0.6	12.5	0.0	0.0	438.1
Globe Trade Centre	0.4%	0.0%	0.0%	0.0	0.3	0.0	0.0	20.2
Immofinanz Immobilien Anlagen	2.4%	0.0%	0.0%	0.0	0.3	0.0	0.0	114.8
LC	6.3%	0.0%	0.3%	0.5	11.9	0.0	0.0	303.1
Textiles, Apparel & Luxury Goods	5.2%	3.5%	2.2%	3.8	102.1	39.8	59.1	146.4
CCC	2.4%	0.0%	1.5%	1.7	70.6	0.0	27.5	44.5
LPP	2.8%	3.5%	0.7%	2.0	31.5	39.8	31.5	101.8
<b>Total portfolio</b>	<b>82.1%</b>	<b>98.6%</b>	<b>82.1%</b>	<b>64.5</b>	<b>3'862.8</b>	<b>30'602.7</b>	<b>2'504.3</b>	

Note that the weighting for the benchmark will not always total 100% as the stocks shown are only for those held by the portfolio