

## Sustainability-related disclosures

**Product name:** SEB ELTIF – Private Equity I

**Legal entity identifier:** 636700RH4I9FFYIUS824

### Summary

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

The Sub-Fund promotes environmental and social characteristics within the meaning of Article 8 SFDR:

- a) For direct investments – by taking the 17 United Nations' sustainable development goals (“UN SDGs”) into account across the entire investment lifecycle. As such, the Sub-Fund promotes investments making contributions to one or more of the UN SDGs.
- b) For partnership investments - by, in a majority of cases, partnering with private equity managers which have a dedicated in-house ESG team which drives the sustainability agenda in their investment process and value creation activities.

The Sub-Fund is actively managed and seeks direct private equity investments globally, primarily in North America and Europe (including the Nordic market). The Sub-Fund may also make partnership investments. The Sub-Fund's strategy to attain the promoted social and environmental characteristics are divided into integration, active ownership and exclusions. Integrating sustainability into the investment strategy is done by for example applying rigorous due diligence around sustainability risks and opportunities when making new investments, screening for companies which meet the Sub-Fund's criteria on sustainability and selecting investments which meet the Sub-Fund's sustainable characteristics. As part of the active ownership, 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. The Sub-Fund will comply with the AIFM's Sustainability Policy and the exclusions outlined in the policy.

At least 30% of the Sub-Fund 's investments are aligned with environmental or social characteristics. During the ramp-up, the divestment phase or during the liquidation of the Sub-Fund, the Sub-Fund may depart from this allocation.

The SEB Private Equity Team will periodically monitor the sustainability indicators used, through data collection from General Partners (private equity managers), third-party estimates and internal analysis. Moreover, SEB Private Equity Team's deal team will influence investments in the right direction by actively advocating in its forums of influence.

The performance of the sustainability indicators is measured on an annual basis:

- a) For direct investments – as a percentage of the market value of unrealized direct investments of the portfolio of the Sub-Fund aligned with 1 or more UN sub-SDGs.
- b) For partnership investments – as a percentage of the market value of partnership investments allocated to partners with a dedicated in-house ESG team.

The ESG due diligence process is conducted by SEB Private Equity team, in collaboration with SEB Investment Management Sustainability Team. The due diligence includes, but is not limited to, materiality analysis, practices and policies of the firm, principal adverse impacts indicators, EU Taxonomy alignment / eligibility and sustainability meetings with the management bodies of the investments to assess the impact of the investment from an ESG and sustainability perspective. Findings relating to sustainability in the due diligence phase are presented to the investment committee as part of the decision and approval process of new investments. In addition to the initial due diligence, continuous follow-ups are made during the investments holding period.

The data collected to attain the promoted social and environmental characteristics is gathered during the investment due diligence process applicable to the Sub-Fund. Moreover, the Sub-Fund monitors the sustainability performance of its investments during the holding period by collecting principal adverse impact indicators, EU Taxonomy alignment / eligibility, and other key metrics on an annual basis. Before initiating the due diligence process or making an investment, the SEB Private Equity Team cannot control and assess with certainty what ESG data will be available at the end. Consequently, it is neither possible to fully control the actual data quality nor the share of data based on estimates prior to

making investments in the Sub-Fund. However, the focus is on engaging with the General Partners to stress the importance of ESG matters including ESG data. The gathered data is stored on internal files or fund administration system for record keeping and monitoring.

A limitation to methodologies and data applied in this process is that there is no third-party verification of the data and insights gathered. This can affect the objectivity of the information gathered and conclusions derived from the data.

No reference benchmark has been designated for this Sub-Fund.

Summaries in multiple languages:

[https://seb.se/pow/fmk/SFDR/636700RH4I9FFYIUS824\\_LT.pdf](https://seb.se/pow/fmk/SFDR/636700RH4I9FFYIUS824_LT.pdf)

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## No sustainable investment objective

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

## Environmental or social characteristics of the financial product

The Sub-Fund promotes environmental and social characteristics within the meaning of Article 8 SFDR:

- a) For direct investments – by taking the 17 United Nations' sustainable development goals ("UN SDGs") into account across the entire investment lifecycle. As such, the Sub-Fund promotes investments making contributions to one or more of the UN SDGs. The alignment is measured by assessing whether the investments have a clear link, as decided by the investment team in its sole discretion, to one or more UN sub-SDGs (which are more detailed than the overarching UN SDGs). The link must be part of the core business model.
- b) For partnership investments - by, in a majority of cases, partnering with private equity managers which have a dedicated in-house ESG team which drives the sustainability agenda in their investment process and value creation activities. The AIFM finds this to be of significant importance when evaluating new partnership investments, as partnerships lack existing holdings to analyse when investing into the partnerships, and the AIFM rather has to assess the maturity and rigor of the manager's processes and strategy in relation to sustainability. In our experience, dedicated in-house ESG resources have been a good predictor of the performance of the manager on sustainability-related matters. Having dedicated ESG resources is defined as having one or more specialists in-house spending the majority of their time on sustainability issues.

## Investment strategy

The Sub-Fund is actively managed and seeks direct private equity investments globally, primarily in North America and Europe (including the Nordic market). The Sub-Fund may also make partnership investments.

The Sub-Fund's strategy to attain the promoted social and environmental characteristics are divided into integration, active ownership and exclusions.

### Integration

- Integrating sustainability into the investment strategy by applying rigorous due diligence around sustainability risks and opportunities when making new investments, screening for companies which meet the Sub-Fund's criteria on sustainability and selecting investments which meet the Sub-Fund's sustainable characteristics.
- At exit consider the attainment of the social and environmental characteristics and take ESG considerations into account in the choice of buyer.

### Active ownership

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.

### Exclusion

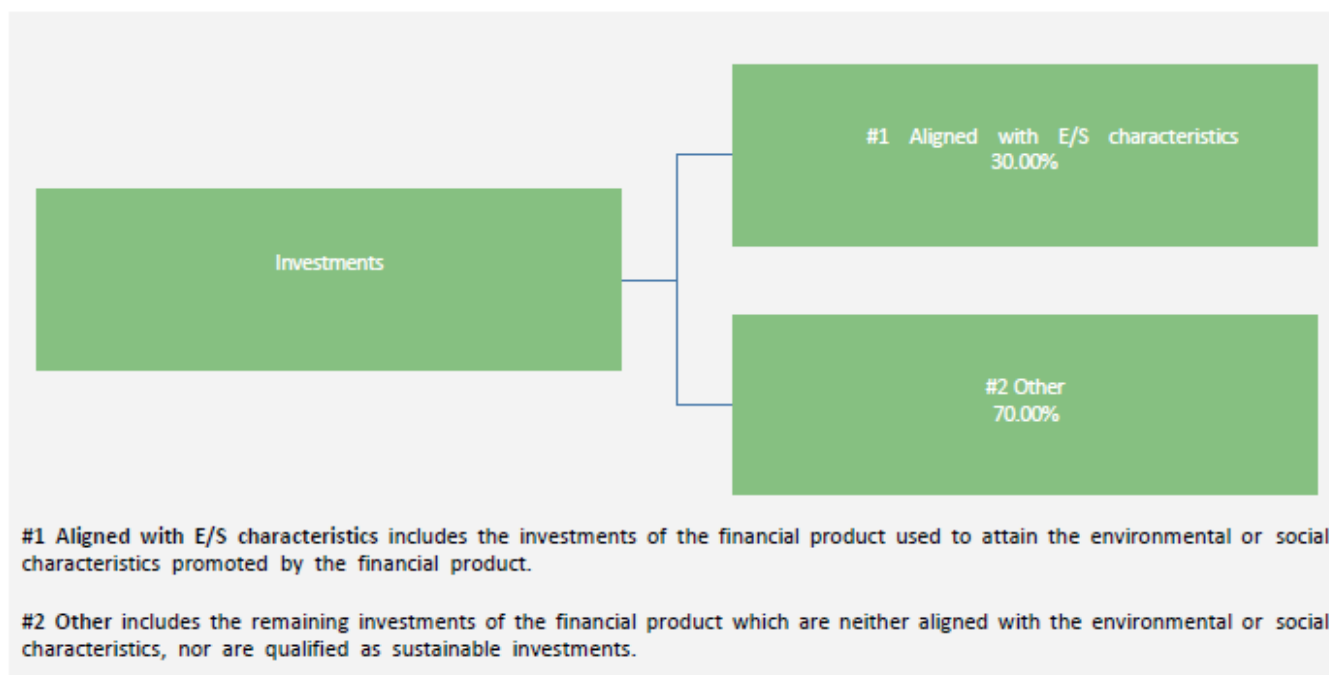
The Sub-Fund will comply with the AIFM's Sustainability Policy and the exclusions outlined in the policy. The Sub-Fund is not permitted to invest in companies that:

- Are verified as non-compliant with international standards and conventions concerning human rights, the environment, anti-corruption, or employment rights, and where the company cannot present clear objectives and ongoing measures to address the issue(s);
- Do not adhere to good corporate governance practices;
- Contribute to the development of nuclear weapon programmes or the production of nuclear weapons;
- Produce tobacco or tobacco products, or companies which derive more than 5% of their revenue from the distribution of tobacco products;
- Produce cannabis for non-medical purposes;
- Receive more than 5% of their revenue from the production of alcohol;
- Receive more than 5% of their revenue from the production, distribution, or service of commercial gambling;
- Are in conflict with international conventions or are involved in the manufacture, development or sale of prohibited weapons;
- Receive more than 5% of their revenue from the production or sale of civilian weapons;
- Engaged in the production of pornography, or for which more than 5% of their revenue comes from the distribution of pornography;
- Produce fossil fuels, including unconventional extraction of fossil fuels, such as tar sands and deep-sea drilling in particularly sensitive areas;
- Generate energy from fossil fuel sources, unless the company has clear targets and can refer to ongoing active transformation to renewable energy sources in line with the Paris Agreement;
- Have facilities/operations located in or near biodiversity-sensitive areas where activities of these companies negatively impact these areas; and
- Have activities that affect endangered species.

## Proportion of investments

At least 30% of the Sub-Fund's investments are aligned with environmental or social, E/S, characteristics. The remaining 70% are investments that are not aligned with the environmental or social characteristics, derivatives and cash.

Derivatives are used for the purpose of hedging the risks inherent to other investments of the Sub-Fund, while cash is used in the meaning of ancillary liquid assets. During the Ramp-Up Period of 2 years from the first Subscription Day (which can be extended up to 4 years), the disinvestment phase or during the liquidation of the Sub-Fund, the Sub-Fund may depart from the above asset allocation.



## Monitoring of environmental or social characteristics

The SEB Private Equity Team will periodically monitor the sustainability indicators used through data collection from General Partners (private equity managers), third-party estimates and internal analysis.

Moreover, SEB Private Equity Team's deal team will influence investments in the right direction by actively advocating in its forums of influence (such as Limited Partners Advisory Committees, annual meetings and, if applicable, board meetings).

## Methodologies

The performance of the sustainability indicators is measured on an annual basis:

- a) For direct investments – as a percentage of the market value of unrealized direct investments of the portfolio of the Sub-Fund aligned with 1 or more UN sub-SDGs.
- b) For partnership investments – as a percentage of the market value of partnership investments allocated to partners with a dedicated in-house ESG team.

Please refer to the section “Environmental or social characteristics of the financial product” for further details on the methodology.

## Data sources and processing

Data collected during the investment due diligence process applicable to the Sub-Fund's investments relates to materiality analysis, practices and policies of the firm, principal adverse impact indicators, EU Taxonomy alignment / eligibility, and management interviews (including interactions with General Partners) which include sustainability meetings with the

management bodies of the investments to assess the impact of the investment from an ESG and sustainability perspective.

Moreover, the Sub-Fund monitors the sustainability performance of its investments during the holding period by collecting principal adverse impact indicators, EU Taxonomy alignment / eligibility, and other key metrics on an annual basis.

Before initiating the due diligence process or making an investment, the SEB Private Equity Team cannot control and assess with certainty what ESG data will be available at the end. Consequently, it is neither possible to fully control the actual data quality nor the share of data based on estimates prior to making investments in the Sub-Fund. However, both during the initial due diligence and continuously during the investments holding period, the focus is on engaging with the General Partners to stress the importance of ESG matters including ESG data.

The data that is gathered in the due diligence process is stored on internal files for record keeping and monitoring. The data gathered as part of the ongoing monitoring of active investments is stored in SEB Private Equity Team's fund administration system.

## Limitations to methodologies and data

A limitation to methodologies and data is that there is no third-party audit / verification of the data and insights gathered from this process. This can affect the objectivity of the information gathered and conclusions derived from the data.

## Due diligence

The investment process (including due diligence, negotiations, administration etc) is conducted in-house which allows the SEB Private Equity Team to have a full control over the process and all investment considerations. When conducting a due diligence for a potential direct investment, the SEB Private Equity Team goes through an extensive list of relevant analysis areas including ESG. The depth of the analysis is in part dependent on the type of transaction and the volume of data available in each specific case / provided by the General Partner. The ESG due diligence process is conducted by SEB Private Equity team, in collaboration with SEB Investment Management Sustainability Team. The due diligence includes, but is not limited to, materiality analysis, practices and policies of the firm, principal adverse impacts indicators, EU Taxonomy alignment / eligibility and management interviews which include sustainability meetings with the management bodies of the investments to assess the impact of the investment from an ESG and sustainability perspective. Findings relating to sustainability in the due diligence phase are presented to the investment committee as part of the decision and approval process of new investments.

In addition to the initial due diligence, continuous follow-ups are made (typically on a quarterly basis) during the investments holding period. In addition, SEB Private Equity Team engages in various other forms of communication with partners throughout the year, e.g., being part of Limited Partners Advisory Committees, annual general meetings, quarterly or sporadic calls with investment team members. The investments ESG development and performance is typically a topic covered in those discussions.

## Engagement policies

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.

## Designated reference benchmark

No reference benchmark has been designated for this Sub-Fund.

**03/03/2024**

Past performance is not indicative of future results. The value of investments and income derived from investments may rise as well as fall. Future returns are not guaranteed, and a loss of principal may occur. Key information documents and prospectuses are available on [www.sebgroup.lu](http://www.sebgroup.lu)