

Sustainability is about who we are and what we do.

Our sustainability year in brief

Get a quick insight into our sustainability year in numbers and highlights

→ Read more on pages 3 -4

Sustainable investments are a long-term game

Reflections from our CEO

→ Read more on page 5

How we work in practice

A few case study examples showing sustainability in practice in our funds

→ Read more on pages 12-16

Sustainability disclosures

Our sustainability work and developments including metrics and targets

→ Read more on pages 17-38

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Risk information

SEB Investment Management AB is a fund company and a wholly owned subsidiary of Skandinaviska Enskilda Banken AB ("SEB").

Past performance is no guarantee of future returns. Fund units can both increase and decrease in value and there is no guarantee that you will get back the full amount invested. Funds with a risk level of 5-7, according to the fund's key information document (KID), can both decrease and increase significantly in value. When deciding whether to invest in the funds, consider not only their sustainability-related features but also all other characteristics detailed in the prospectus/information brochure. Fund information, including the KID, prospectus/information brochure, and sustainability-related disclosures, are available under each respective fund at www.sebgroup.lu/funds or www.seb.se/fonder.

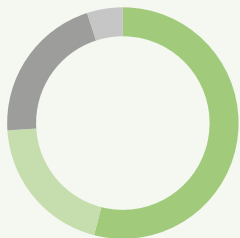
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Production: SEB Investment Management AB

2023 in brief¹

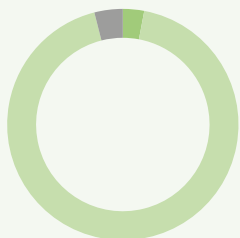
General facts

- SEK 758 billion in assets under management in SEB-labelled mutual funds
- A diversified asset base



Assets under management by asset class

● Equities	54%
● Fixed income	20%
● Multi-management	21%
● Alternatives	5%



Assets under management by SFDR² classification

● Article 9 funds ²	3%
● Article 8 funds ²	93%
● Other funds	4%

¹ Source: SEB Investment Management AB per 31 December 2023

² See definitions on page 38.

³ The long-term target is to reach net zero GHG emissions by 2040 for the total assets under management.

⁴ Listed equities and corporate bonds.

⁵ Issuers have approved or committed to SBT targets according to SBTi's definition, <https://sciencebasedtargets.org/>, or other kinds of science-based targets.

Sustainability key figures

– 65%

From the baseline year of 2019, we have reduced our invested Scopes 1 and 2 greenhouse gas emissions from about 3.4 MtCO₂e to 1.2 MtCO₂e³

57%

The share of investments in our portfolios⁴ where issuers have approved or committed to science-based targets (SBT)⁵, read more on page 25

33%

The share of our listed equities investments that are defined as “sustainable investments” in line with SFDR, read more on page 16

5%

The share of investments in bonds that are green, social or sustainable bonds (sustainability labelled bonds), see definition on page 38

Active ownership

793

Number of annual general meetings at which we voted at 2023

30

Number of nomination committees on which we served prior to the 2023 annual general meetings

41%

Proportion of women on boards for which we served on nomination committees prior to annual general meetings in 2023

2,837

Number of dialogues we have had with companies on sustainability and corporate governance issues either individually or through collaborative initiatives

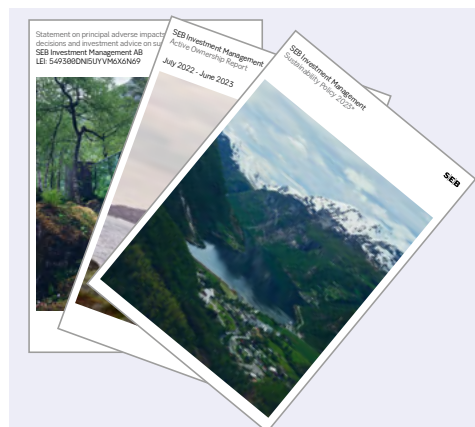
Sustainability highlights 2023

Publications

We published our second separate [Active Ownership Report](#).

We updated our [Sustainability Policy](#), now including biodiversity.

We published our [Report and process for principal adverse impact indicators for sustainability factors in asset management](#).



Recognitions

Winner of the Ethical Finance Awards 2023

We were one of Wealth & Finance International's winners of the 2023 Ethical Finance Awards.

10 years of successful impact investing with Microfinance funds

2023 marked a decade of successful impact investing and we introduced our eleventh microfinance fund.

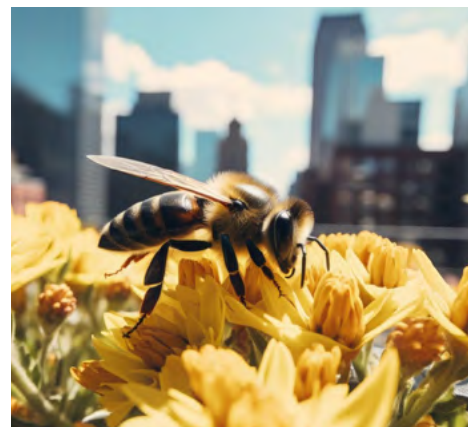
→ [Read more here](#)



Participations

We participated in Nature Action 100, a global investor initiative to drive necessary actions to reverse nature and biodiversity loss.

SEB Investment Management AB signed the Finance for Biodiversity Pledge. In total, 163 financial institutions representing 21.7 trillion euros in assets, have now signed the pledge. The aim of the initiative is to support a call to action and collaboration between financial institutions. → [Read more here](#)

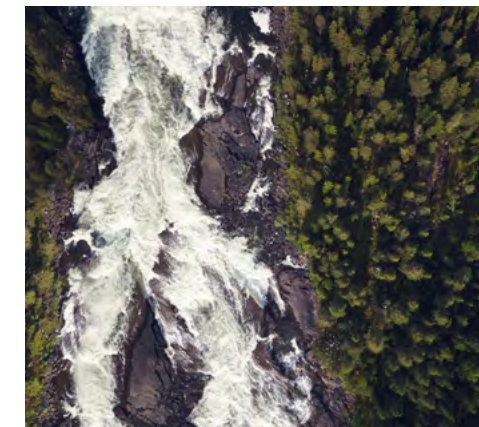


Engagement focus

We encouraged Environmental, Social and Governance (ESG) targets linked to variable pay in investee companies. The number of companies with such targets has increased. Read more on page 21.

Top score from PRI

We attained a score of 92 out of 100 in the "Policy, Governance, and Strategy" module when the UN-supported Principles for Responsible Investment released its latest assessment. Read more on page 35.



Sustainable investments are a long-term game

Looking back at 2023, we see that the year turned out to be a good year for investments in general. Fixed income continued to yield high returns, as interest rate levels remained high compared to what we have been used to. Equity markets turned upwards during the latter part of the year, as inflationary pressure started to blow over and central banks indicated that we had reached the end of the rate-hiking cycle. Sustainability focused investments had a harder time, with underperformance during most of the year.

FUNDS INVESTING IN renewable energy and energy efficiency have had a difficult time due to inflation, higher cost of capital, political uncertainty, lack of investments, and slow development of projects, creating a negative, short-sighted sentiment. Many projects in the renewable energy industry were launched in an environment of very low interest rates and cost of capital, projects that with the current interest rate level are no longer profitable, thus severely affecting valuation.

During times like these, it is important to remember that the negative sentiment will change and that the net-zero transition requires significant investment in renewable energy technologies.

We should not get caught up in the short-term challenges that sustainable investments are facing but rather consider long-term

opportunities. Furthermore, the conclusions of the 2023 United Nations Climate Change Conference (COP28), highlighting the importance of the transition away from fossil fuels, and the broad consensus around an ambitious renewables and energy efficiency target, may also be considered a positive long-term driver of sustainable investments. Funds positioned towards delivering solutions, especially on energy transition, circularity, and resource efficiency, will be in a prime position to benefit from higher long-term growth prospects.

I hope you enjoy reading about the progress we have made during 2023 in working towards our net-zero target, gender equality and other sustainability goals.



“We should not get caught up in the short-term challenges that sustainable investments are facing but rather consider long-term opportunities.”

Javiera Ragnartz
CEO of SEB Investment Management AB

The call to **transition away** from fossil fuels

The effects of climate change were disturbingly more evident last year in many ways. Higher temperatures and more frequent and intense flooding, droughts and storms are just a few examples. At COP28, world leaders finally agreed that we should “transition away” from fossil fuels. 2023 was also a breakthrough year for biodiversity and natural capital, which became increasingly important for fund and asset managers.

2023 went down in history as the warmest year on record. While weather phenomena, such as El Niño, have probably contributed to this, we now seem to be mercilessly feeling the effects of climate change, both in the form of higher temperatures and more frequent extreme weather events, such as storms, droughts and floods. We are rapidly approaching the temperature levels that the countries of the world previously agreed to try to stay under in the 2015 Paris Agreement⁶.

Transition away from fossil fuels

Against this backdrop, COP28 – the UN Climate Change Conference took place in Dubai in December. The transition away from fossil fuels is mentioned for the first time in the agreement that was negotiated. In addition, the participating countries agreed to triple investments in renewable energy, double energy efficiency improvements and accelerate the reduction of coal power.

Moreover, major investments in nuclear power and compensation for damage caused by climate change were among the agreements made. The overall goal is that the world should reach zero net emissions of greenhouse gases by 2050.

Our view on fossil fuels

For a few years now, our funds have excluded investments in companies that are directly involved in the extraction or production of fossil fuels. The decision not to invest in fossil fuels is based on research that shows that fossil fuels need to be phased out and replaced by energy sources that do not emit greenhouse gases.

We favour companies in transition

On the other hand, we are happy to invest in transition companies. This applies, for example, to companies involved in energy and power generation that are currently, to some

extent, dependent on fossil fuels but have a credible plan for the transition to non-fossil energy sources. We also strive to invest in companies that can help with the transition to a fossil-free economy with new technologies, products or services. Our thematic funds, with sustainable investments as their objective, focus a great deal on these types of companies. This applies to both solutions to combat climate change itself and those that contribute to reducing its effects. Read more about transition companies on page 24.

The companies in which our funds invest are getting better at identifying their climate risks, reporting on them and, not least, setting targets to reduce their emissions in line with the Paris Agreement.

Science-based targets in focus

At present, 57 per cent of the companies we have invested in have set science-based targets to reach net zero emissions by 2050. Science-based targets (SBT)⁷ are something that we often highlight in our dialogues with the companies we invest in. When a company sets science-based targets to reduce its greenhouse gas emissions in line with the Paris Agreement, it shows both commitment and a well-thought-out view of the risks and pace of change within the companies.

At the same time, we are following with great interest, the development of alternative technologies that reduce greenhouse gas emissions in the atmosphere.



“We are rapidly approaching the temperature levels that the countries of the world previously agreed to try to stay under in the 2015 Paris Agreement.”

Elisabet Jamal Bergström
Head of Sustainability, SEB Investment Management AB

⁶ Source: [EU's Copernicus, 17 November 2023](#)

⁷ See definition on page 38.

Biodiversity and natural capital

2023 was also the year when biodiversity and natural capital took the stage as a theme for fund and asset managers, both in terms of investments and risk management. This happened after governments of the world agreed on a new set of goals to halt and reverse nature loss by 2030 at the UN Biodiversity Conference (COP15) in Montreal at the end of 2022.

Not only does nature provide us with the raw materials and services needed to produce everything from food to industrial products, but we are also dependent on nature to deal with the effects and consequences of climate change, such as floods and excessive heat, and to store carbon dioxide in forests and oceans.

The loss of biodiversity and natural capital, which has accelerated in recent years, poses

a significant risk, not only to ecosystems (see fact box on page 11) but also to the companies in which our funds invest.

Next on the agenda

Companies, through their operations, can have a negative impact on biodiversity, natural capital and ecosystems. Many companies have been working on mitigating the risks linked to climate change for a long time. Now is the time to do the same for biodiversity and natural capital. Companies need to understand what the loss of biodiversity means for their operations and the impact their operations have, and they need to report on risks and risk management.

As investors, it is of utmost importance to understand how the risks associated with natural capital in general, and biodiversity loss in particular, affect the entities that we invest in and include in our portfolios.

The search for biodiversity data

While we strive to minimise the negative impact on biodiversity and natural capital loss in our portfolios, we recognise the scarcity of data that we need to measure this impact. Currently, our focus is on increasing our knowledge and access to data, but also on encouraging companies to report on their risks and opportunities related to biodiversity and natural capital loss. Ultimately, we want to better understand how nature and biodiversity risks translate into financial risks. Read more about this in the section “The search for biodiversity data” on page 27.

Our efforts within biodiversity

To contribute to increased transparency and better reporting in this area, we are engaged

What is natural capital?

The term natural capital refers to the elements of the natural environment that provide valuable goods and services to society. It applies an economic lens to the world’s stocks of natural assets — like forests, rivers, and soil — and how society and businesses rely on them to function. Think clean air and water, medicine and food, temperature and weather regulation.

Source: www2.deloitte.com/uk, 2024



in several initiatives, such as the Finance for Biodiversity pledge, Nature Action 100, and the PRI Stewardship Initiative on Nature. We also supported the TNFD (Taskforce on Nature-related Financial Disclosures) Forum, supporting the new standardised framework for reporting on nature-related risks, which was launched in 2023.

There are challenges, but also investment opportunities in this area in the near future. Read more about our efforts within climate, biodiversity and natural capital on pages 23-28 in this review.

What is biodiversity?

Biodiversity is the variety of all living things on Earth, and how they fit together in the ecosystem, bringing oxygen, water, food, and countless other benefits. Land and the ocean absorb more than half of all carbon emissions. But nature is in crisis and is reaching several “tipping points” i.e., a point at which an ecosystem can no longer cope with environmental change, and the ecosystem suddenly shifts from one state to another. Species are threatened with extinction, many within decades.

Source: www.un.org, December 2022



SEB WWF Nordenfond **contributes** to WWF's nature and climate efforts

Over the past five years, SEB WWF Nordenfond has contributed more than SEK 45 million to WWF in Sweden and Finland – money that has been used to gear up WWF's efforts to strengthen biodiversity in Sweden and abroad and to reduce the climate footprint. In 2023, the contribution to WWF was close to SEK 11 million.

SEB WWF Nordenfond is managed by SEB Investment Management AB and is a non-profit fund. This means, among other things, that dividends from the fund are paid to the World Wide Fund for Nature (WWF). In addition, SEB and SEB Investment Management AB contribute a large portion of the fund's management fee to WWF.

In 2023, a total of SEK 10.8 million was contributed from the fund to WWF in Sweden and Finland.

“We are very grateful that SEB WWF Nordenfond's shareholders and managers contribute to our business in this way,” says Mats Landén, who is responsible at WWF Sweden for the collaboration with SEB. “The money is a much-needed addition for our organisation to run various projects both in Sweden and abroad. WWF is the world's largest conservation organisation and works in a larger context to halt the loss of habitats, stop species extinction, and reduce our impact on the climate.”



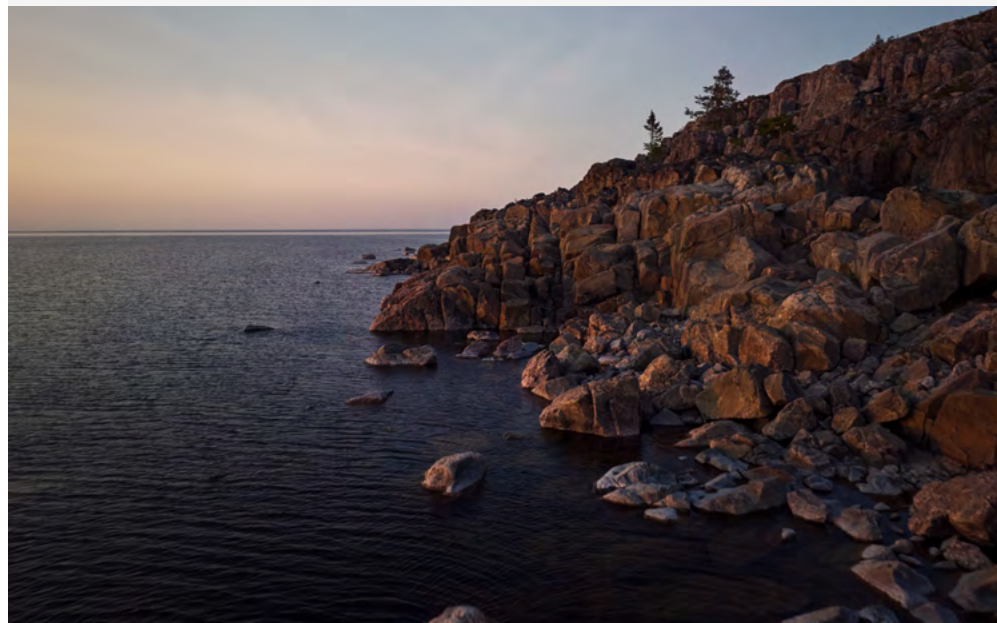
“We are very grateful that SEB WWF Nordenfond's shareholders and managers contribute to our operations in this way.”

Mats Landén
Senior Manager Corporate Partnerships, WWF

About WWF

WWF is an independent and non-partisan environmental and nature conservation organisation that was founded in 1961. WWF has projects in more than 100 countries and its activities are mainly funded by donations from the public. WWF Sweden conducts activities in several areas with the main task of protecting biodiversity and facilitating the sustainable use of natural resources, both in Sweden and globally.

Source: www.wwf.se



What is **important to our customers** is important to us

For the seventh consecutive year, we surveyed our customers who have fund and/or pension savings with SEB. The customers were asked to choose which three of the UN Sustainable Development Goals (SDGs) they find most important. Below, our Senior Sustainability Investment Specialist Anette Andersson elaborates on the survey.

Tell us a little more about the survey. How many took part and what was the result?

“Nearly 2,000 fund investors took the opportunity to respond to the survey, and 45 per cent stated that “combating climate change” was the most important goal. The second most important was “clean water and sanitation”, and just like last year, the third most important goal was “quality education for all”.

Why is the survey important for SEB’s sustainability work?

“Thanks to the substantial number of individuals investing in our funds, we add significant influence, enabling us to make meaningful contributions to the sustainability efforts of companies. Naturally, we also aspire to empower our customers by providing them with a platform to voice their opinions.”

In this year’s survey, the goal “life on land” climbed up a step to fourth place. Are you surprised?

“No, biodiversity and natural capital are areas that engage more and more people and that are also prioritised areas for us. As an example, we have introduced a new exclusion criterion in our funds, which means that we avoid investing in companies that have a negative impact on endangered species or sensitive biotopes.”

Is there any area which is more challenging to have influence in?

“Yes, the SDG “quality education for all” has proved to be challenging for us to directly influence, as education systems are predominantly governed by public authorities and institutions. Given these limitations, we have allocated more of our resources and efforts towards biodiversity. We do engage in discussing education concerns

with companies, and we acknowledge that technical solutions enable more people to have access to educational opportunities, especially in developing countries, but it is difficult to measure.”

What have you been doing within these areas?

“Every year we conduct hundreds of engagement dialogues with our investee companies. We vote at many of our investee companies’ annual general meetings and participate in nomination committees. In addition to this, we measure and follow up on the companies that have set goals to achieve climate neutrality by 2040. We continually see major improvements, for instance, the number of companies with approved SBT is increasing. Read about some of our efforts and achievements on pages 10-11.”



“Climate change remains a prioritised issue for our customers. We will continue our work to discuss and follow up on companies’ climate strategies.”

Anette Andersson, Senior Sustainability Investment Specialist
SEB Investment Management AB



These are the SDGs that our customers find most important



Out of 2,000 fund investors 45 per cent stated that “combating climate change” was the most important goal.



Climate action

The global economy is heading for global warming in excess of 2°C. We continue to prioritise this issue and require the companies in which we invest to align their business models and climate strategies with the objectives of the Paris Agreement, including the net zero objective.

We also advocate science-based targets, since these provide companies with a roadmap for reducing emissions at the pace and on the scale that the scientific research describes is necessary, i.e. in order not to exceed a temperature increase of 1.5°C.

In engagement with our holdings, we address and emphasise the importance of:

- implementing science-based targets and disclosure of carbon emissions;
- disclosure of a net zero transition plan, including a strategy and investment plan; and
- climate resilience in companies' businesses.



During 2023, we measured and followed up on the proportion of the companies we have invested in that have set goals to achieve climate neutrality by 2040 at the latest. For companies with an unclear or lacking strategy, this was addressed in our company dialogues.

In 2023, through investor initiatives and along with our partners, we engaged with companies such as ABB, Boliden, Owens Corning, Stora Enso, Boralex, Heimstaden Bostad and AP Moller-Maersk. We encouraged them to either establish and monitor credible net zero emission targets or clearly disclose their climate impact.



Clean water and sanitation

Clean water plays a fundamental ecological role and provides essential products and services. While the proportion of the global population with access to safely managed drinking water is increasing, around two billion people are still without access.

Natural wetlands are also in decline around the world. The degradation of wetlands releases stored carbon, adding yet more fuel to climate change.⁸

Improving water-use efficiency is key to reducing water stress. We therefore encourage investee companies to continue their efforts to increase water-use efficiency and take further action to ensure that their business does not threaten water-related ecosystems in which it operates.

The impact on local waterways and on ecosystems from certain industries, such as

the mining, chemicals and textile industries is significant in terms of impact on both the environment and local communities.

Ensuring that existing and new businesses and factories minimise, mitigate and reverse any potential negative impact is paramount from both an environmental and a local development perspective.

In engagement dialogues with our holdings we address and emphasise the importance of:

- disclosure of dependencies and impacts on water-related ecosystems and the development of a strategy, as well as adequate risk management; and
- monitoring and mitigation of local water environmental impact, as well as access to water for local communities.

⁸Source: IEA (2021), World Energy Outlook 2021, IEA, Paris



Together with ISS ESG, we have participated in proactive company dialogues on water issues. The dialogues have aimed to improve transparency and reporting on water use, water strategies and water risk management. Specifically, companies in the chemical industry and the textile and clothing industry are subject to dialogues, as these sectors are particularly exposed to water risks.

In 2023, we engaged with companies such as Associated British Foods PLC, Kellogg CO, Nestlé, and Barrick Gold on issues regarding water management, water use and emissions.



Life on land (ecosystems and biodiversity)

Two of the issues that customers increasingly want us to prioritise when engaging in company dialogues are ecosystems and biodiversity. Biodiversity and natural capital loss includes the extinction of species worldwide, as well as the local reduction or depletion of species in a certain habitat, resulting in a loss of biological diversity.

Biodiversity loss and climate change are both driven by human activities and mutually reinforce each other. We therefore address investee companies operating in sectors with a high potential biodiversity impact, such as agriculture, forestry and power generation, including biofuel and hydropower, to take measures to limit their negative impacts.

We encourage companies to commit to full traceability in their production processes and supply chains.

In engagement dialogues with our holdings, we address and emphasise the importance of:

- implementing a policy on deforestation, with focus on the forestry and agriculture sectors;
- disclosure of company dependencies and impacts on biodiversity and ecosystems – reporting on metrics and targets; and
- developing strategy and risk management of material dependencies and impacts on biodiversity and ecosystems.

We have begun the work of including biodiversity and ecosystems into our sustainability model, SIMS-S. Read more about our sustainability model on page 20. This work will continue to evolve and will give us a better insight into the impact of our holdings with regards to ecosystems and biodiversity.

In 2023, we engaged with companies such as General Mills Inc, PepsiCo Inc, Procter & Gamble Co and Johnson & Johnson on issues regarding ecosystems and biodiversity. To read more about our biodiversity work in 2023 see page 27.



What is an ecosystem?

An ecosystem is a geographic area where plants, animals, and other organisms, as well as weather and landscape, work together to form a bubble of life. Ecosystems contain biotic or living parts, as well as abiotic factors, or nonliving parts. Biotic factors include plants, animals and other organisms. Abiotic factors include rocks, temperature and humidity.

Source: [National Geographic](#), 2024

Case study: SEB Climate Focus High Yield Fund BEWI ASA – packaging solutions with sustainability throughout its value chain

A leading international provider of packaging, components and insulation solutions, BEWI ASA is one of the investments in SEB Climate Focus High Yield Fund. The investment team chose to invest in BEWI due to the circularity exhibited in the packaging industry and the product offering centred around resource efficiency.

About the fund

- Article 9 fund (see definition on page 38)
- The fund aims to invest in companies and projects that contribute to a sustainable future
- SEB Climate Focus High Yield Fund invests in high-yield corporate bonds with a strong climate focus

Sustainability in the value chain

BEWI, which was founded in Norway, has a strong commitment to sustainability throughout its value chain. The packaging solutions include food and pharmaceutical packaging, as well as protective packaging such as shock-absorbing components for cars, child seats, and bike helmets. The insulation solutions are mostly sold to the building and construction industry. With integration across the entire process, from the production of raw materials to the manufacturing of end products, as well as the collection and recycling stages, the company oversees the complete life cycle of its products.

BEWI's boxes for the transport of fresh fish are a good example of circularity. Following delivery of the fish, the boxes are compressed and returned to BEWI for extrusion, then recycled and used in insulation boards.

Insulation improves energy efficiency

BEWI's products are used in the building process and improve the energy efficiency of the building, significantly reducing greenhouse gas emissions. Moreover, BEWI's lightweight packaging solutions foster lower fuel consumption and emissions during transportation and less food waste, contributing to environmental preservation.

BEWI is investing in facilities and machinery for recycling to ensure that the materials collected can be reused in new products, thus mitigating the associated carbon emissions.

The engagement dialogue

We have discussed the governance structure linked to improving the climate footprint with BEWI, and outlined that we expect measurable, relevant, and transparent

Important information

All investments involve risk. This is material is for marketing purposes only and should not be construed as investment advice. Fund information, including the fund's key information document (KID), prospectus, and sustainability-related disclosures, are available at www.sebgroup.lu/funds or www.seb.se/fonder. The fund may invest up to 100% of its net assets in different transferable securities and money market instruments issued or guaranteed by a Member State of the EU, one or more of its local authorities, by a member state of the OECD, G20, Singapore or Hong Kong or public international body to which one or more Member States of the EU belong.



sustainability targets linked to their long-term business strategy, i.e. ESG targets linked to a significant part of the variable pay in line with a broader initiative within SEB Investment Management AB (read more about this initiative on page 21).

We have also supported BEWI's ambition to commit to science-based targets (SBT)⁹ in order to ensure that they have a commitment in their strategy for carbon emission reduction. BEWI is working on a reduction plan, wherein their local business units commit in line with the group's overall strategy and targets.

In line with our dialogue, BEWI confirmed their commitment to SBTs as well as ESG-targets linked to variable pay.



“We have a significant opportunity to actively engage on meaningful sustainability topics with BEWI, and we believe that the dialogue is valuable for both parties.”

Charlotte Lind
Portfolio manager SEB Climate Focus High Yield Fund

SDG to which the investment contributes



Ensure sustainable consumption and production patterns.



Boxes for transportation of fresh fish

⁹ See definition on page 38.

Case study: SEB Impact Fund

Invests in PureCycle providing a technology for recycling of plastics into reusable material

SEB Impact Fund allows investments in companies with a pure impact focus or those transitioning towards dedicated impact targets. PureCycle is an example of an investment that takes polypropylene waste and transforms it into reusable material.

About the fund

- Article 8 fund (see definition on page 38) open for private and institutional investors
- Broad exposure: The fund offers investors broad exposure to companies addressing global environmental and social challenges
- Five themes: Organised into food and agriculture, resource efficiency, social improvement, sustainable energy and water availability

Recycling reduces the environmental impact

The complete elimination of plastic may be challenging in the short term (although significant progress has been made, especially in regard to single-use plastic). Using better recycling, repurposing, and reuse practices offers a viable, temporary approach to reduce the environmental impact of plastic.



Plastic pollution crisis

The world's inadequate infrastructure for managing the surge in plastic production has triggered a global plastic pollution crisis, endangering human health and biodiversity. Often designed for short-term use and quick disposal, plastics' durability and resistance to degradation has led to their accumulation in landfills, waterways and oceans.

Microplastics, tiny fragments derived from plastic degradation, infiltrate the food chain, negatively affecting the health of life on Earth.

Important information





All investments involve risk. This is material is for marketing purposes only and should not be construed as investment advice. The manager of the fund is Amundi Asset Management. The manager has appointed SEB Investment Management AB to act as investment manager. Fund information, including the fund's key information document (KID), prospectus, and sustainability-related disclosures, are available at www.seb.se/fonder. The fund may invest up to 100% of net assets in different transferable securities and money market instruments issued or guaranteed by any Member State of the EU, its local authorities, non-Member States of the EU or public international body of which one or more Member States of the EU are members.



About PureCycle

PureCycle is an American company that has a patented recycling technology, originally developed by Procter & Gamble, that takes polypropylene waste and transforms it into reusable material. This unique process does not involve chemical reactions.

SDGs to which the investment contributes

- 
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
 Ensure sustainable consumption and production patterns.
- 
14 LIFE BELOW WATER
 Conserve and sustainably use the oceans, seas and marine resources for sustainable development.
- 
15 LIFE ON LAND
 Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.
- 
3 GOOD HEALTH AND WELL-BEING
 Ensure healthy lives and promote well-being for all at all ages.

Case study: SEB Nordic Energy

Acquisition of a small-scale hydropower plant in Biskopsberg, Blekinge County

Small-scale hydropower plants are one of the focus areas of SEB Nordic Energy. Hydropower has many advantages, such as circularity through upgrading of equipment and playing a key role in the regional energy system. One example is the fund's acquisition of the small-scale hydropower plant in Kättilsmåla outside Karlskrona, Blekinge County.

About the fund

- Article 9 fund (see definition on page 38) open for institutional investors
- A renewable energy fund enabling energy transition
- Investments in hydropower plants, wind energy, geothermal energy systems, solar energy, and combined heat and power (CHP), also known as cogeneration

Circularity through upgrading

In 2023, SEB Nordic Energy acquired a small-scale hydropower plant of 5.225 GWh in Kättilsmåla, outside Karlskrona, in southern Sweden. This is one of the larger small-scale assets in Blekinge County, with a 21m drop with a colocated water reservoir. The plant was initially built in 1987 and has a significant upgrading potential of approximately 20 per cent in electricity output. We have formulated a plan aimed at unlocking the full upgrading potential of this plant, recognising opportunities for enhancements in both power and energy production. For example,

with refurbished turbines, better-optimised steering of water flows, and battery energy storage, their electricity output can be considerably improved. Simultaneously, we are committed to ensuring that the environmental considerations are diligently addressed.

One example is the required upstream and downstream migration of fish, or improvement of the local ecosystem through the sanitation of previously contaminated riverbeds caused by industrial activities.

Crucial for the local energy system

Since small-scale hydropower plants are capable of operating independently from the main power grid, the plant has been identified by Karlskrona municipality as a key strategic



“Hydropower has many advantages, such as circularity through upgrading of equipment and playing a key role in the regional energy system.”

Elin Löfblad and Richard Gavel
Portfolio managers SEB Nordic Energy

Important information

All investments involve risk. This is marketing material, and the fund is intended for professional investors only. This material should not be construed as investment advice, nor is it an offer to sell or solicitation of an offer to purchase securities. Fund units can both increase and decrease significantly in value and there is no guarantee that you will get back the full amount invested. An investment in the fund provides limited liquidity. For more information, including the fund's prospectus and sustainability-related disclosures, please contact your Client Executive at SEB.

small-scale asset for electricity provision, for example, in the case of a crisis.

The plant produces most of the energy during the winter when the need for energy is the highest. Since the plant also has a colocated water reservoir, there are possibilities to store water and produce additional energy when the water flow is lower and there is a high demand in the market.

Many new projects are hampered by new complexities of yet not fully proven technologies, or public opposition to projects claiming undeveloped land or sea spaces. However, existing small-scale hydropower plants, like Biskopsberg, have none of these challenges. Instead, small-scale hydropower plants are and will be, an important part of the local energy system. Together with the possibility of upgrading the production output, they will, with proper management, remain a vital part of the local and sustainable energy systems in Sweden.

SDG to which the investment contributes



Ensure access to affordable, reliable, sustainable and modern energy for all.



Case study: SEB Private Equity Nordic Direct II Combatting food waste – a collaboration for impact between Råsaft and Rscued

Direct investments have enabled a high level of engagement and active ownership in the investee companies. As a majority shareholder of Loviseberg Presseri, SEB Private Equity is represented on the board of directors, providing opportunities to support the company on strategic matters. Råsaft and Rscued are two brands owned by Loviseberg Presseri.

About the fund

- Article 8 fund (see definition on page 38) open for institutional investors
- The investment team selects companies with great care in areas such as technology, healthcare and sustainability

Unique juice company

In 2021, SEB Private Equity invested in Loviseberg Presseri, a unique juice company providing unprocessed fruit and vegetable juice in the Nordics.

The company started out in Stockholm in 2012 and has since built a strong brand in major Swedish cities and has even expanded to Denmark and Finland.

Collaboration to reduce food waste

Offering the freshest juice on the market also led to some juice waste due to short expiry dates – something that needed to be solved. In early 2023, the solution was found through the acquisition of Rscued, an impact-driven opponent to food waste, offering juices and other products from leftover fruit and vegetables.

This acquisition created significant synergies for both parties. When Råsaft's juices are approaching the expiry date, Rscued collects the juices, pasteurises them, and refines them into fruit shots. This gives the shots a longer expiry date making them ready to be sent out to the stores again; i.e. Råsaft's juices that would otherwise have been discarded become an essential raw material for Rscued. To us, this is a clear example of the possibilities we see to combine attractive financial returns with sustainable practices in the companies we invest in.



Every year, 1.3 bn tonnes of food is lost or wasted around the globe. That represents 1/3 of all food produced for human consumption. 45 per cent of all fruits and vegetables are wasted. Food loss and waste also amount to a major squandering of resources, including water, land, energy, labour and capital, and needlessly produce greenhouse gas emissions, contributing to global warming and climate change.

Source: Food and Agriculture Organization of the United Nations (FAO), 2015

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RÅSAFT RSCUED

SDG to which the investment contributes



Ensure sustainable consumption and production patterns.



Case study: SEB Impact Opportunity Fund

Making electricity available to rural households in the Ivory Coast

SEB Impact Opportunity Fund is filling the financing gap of micro, small and medium-sized enterprises (MSME) and low- and middle-income households in developing countries, making capital available for people when starting or growing their business. Our portfolio management team visited Baobab+ in the Ivory Coast. Their focus is energy and digital access for rural households.

About the fund

- Article 9 fund (see definition on page 38) open for institutional investors
- The fund aims to invest in companies and projects that contribute to a sustainable future

Enabling digital inclusion

Baobab+, one of the fund's investments, is a social enterprise that operates in the access to energy and digital technology sectors in sub-Saharan Africa. Baobab+ is a subsidiary of Baobab Group, which focuses on financial inclusion. Having Baobab Group as its owner gives them access to Baobab's microfinance branches in both urban and rural areas.

Enabling African households to participate in the digital revolution requires access to electricity. Baobab+ has distributed 290,000 energy access products (solar panels and batteries of various sizes) and 170,000 digital access products since its inception, benefiting 1.5 million individuals.

SEB visited Baobab+ in the Ivory Coast in West Africa in November 2023.

Making electricity available

This type of solar home system costs between USD 140 and USD 700 depending on size. Since very few clients can pay the entire amount upfront, they can borrow and pay it off in one or two years, and the client then owns the system and can benefit from free electricity.

Making electricity available can make a significant difference, as this provides numerous benefits, such as making it possible to keep shops open in the evenings. A home powered by a solar home system can make



“It has been truly gratifying to visit the end clients and witness firsthand the impact that our investors' capital has had.”

Hanna Holmberg and Camilla Löwenhielm
Portfolio managers SEB Impact Opportunity Fund

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a great difference in a family's safety and quality of life by providing electricity to power light so children can study, a mobile phone charger, a television and much more.

The same company is also in the process of introducing larger solar systems (USD 1,200-4,800) to their SME clients which include, e.g. a freezer or a station that can power other electric tools. Electricity tariffs have already increased this year, so this product is targeting clients who want to ensure reliable electricity or want to hedge against further rate rises.

SDG to which the investment contributes



Ensure access to affordable, reliable, sustainable and modern energy for all.



2. Sustainability disclosures

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General disclosures

As a fully owned subsidiary, SEB Investment Management AB (also referred to as the fund company) adheres to SEB AB's policies and guidelines when applicable. In addition, the fund company's Board of Directors has adopted the SEB Investment Management AB's Sustainability Policy, which is the framework that governs our ambitions and integration of sustainability.

Sustainability governance

Sustainability team

SEB Investment Management AB's Sustainability team coordinates, communicates, and supports the organisation. However, sustainability resources and competencies are not limited to this team, as there are several working groups involving portfolio managers and product specialists in addition to sustainability specialists.

Portfolio managers

The portfolio managers integrate sustainability into their analyses and investment processes, while product managers focus on sustainability and coordinate across asset classes for all products. Internal processes continuously monitor sustainability issues in tandem with other independent control functions, such as Compliance, Risk Oversight and Internal Audit.

Exclusion Committee

The fund company's Exclusion Committee makes decisions on:

- exclusions and divestment based on the sustainability policy; and
- decides on exceptions from the policy, such as transition companies.

Sustainable Product Committee

SEB Group's Sustainable Product Committee pre-approves all sustainability-labelled products from SEB, and as such, approves Article 9 funds¹.

Sustainable Investment Committee

The fund company's Sustainable Investment Committee makes assessments and decisions as to whether listed shares and corporate bonds can be classified as sustainable investments under SFDR.

Sustainability Oversight Committee

The fund company's Sustainability Oversight Committee monitors sustainability risks.

Strategy

SEB Investment Management AB invests with the objective to provide attractive, long-term financial returns to unitholders and customers. At the same time, the fund company provides long-term economic, social and environmental value for its unitholders, owners, and society at large. The fund company is convinced that companies with sustainable business models, or a strategy for transition, will be more successful in the long term and generate a higher return on investment for unitholders.

The fund company encourages transparency and clarity concerning sustainability risks and opportunities, and therefore actively seeks continuous improvement in this respect.

One of the most important limitations with the strategy is that there is still a lack of data and data quality assurance available, making the sustainability outcome and forecasts uncertain. However, the fund company continuously strives to improve data quality and coverage. In addition, new regulations and future legislation in the EU will substantially improve both the availability and quality of data, thus improving the understanding of the present and the forecasts. Read more on page 27.

For different sustainability areas, such as climate change, biodiversity, water, and other environmental aspects, as well as human rights and business ethics, the specific targets and strategies are explained in more detail in the following sections.

Some developments during 2023

During 2023, the fund company further developed its [Sustainability Policy](#) with an increased focus on environmental areas such as biodiversity. Great efforts have been related to adhere to regulations, especially concerning the Sustainable Finance Disclosure Regulation (SFDR). As a subsidiary of SEB AB, the fund company has also been involved in the preparation to report under the Corporate Sustainability Reporting Directive (CSRD), for example, by performing a materiality analysis of our impacts and dependencies related to natural capital. One example of this analysis may be found on page 28.



¹ See definition on page 38.

Methods for impact, risk and opportunity management

To mitigate the negative impact on people and the planet, and to seize the opportunities in the transition to more sustainable societies, SEB Investment Management AB's engagement is based on three main methods: **Exclusion, Integration and Active ownership** (see illustration to the right).



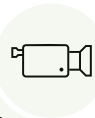
Exclusion: We refrain from investing in companies or industries for sustainability-related reasons, such as those with norm-based issues², companies involved in, for example, the extraction of fossil fuels or tobacco production.



Integration: We invest in companies that integrate sustainability into their business operations, for example by promoting gender equality and reducing climate impact.



Active ownership: We use our ownership influence to promote more sustainable development, for example, engaging in dialogue, voting at annual general meetings, and participating in nomination committees.



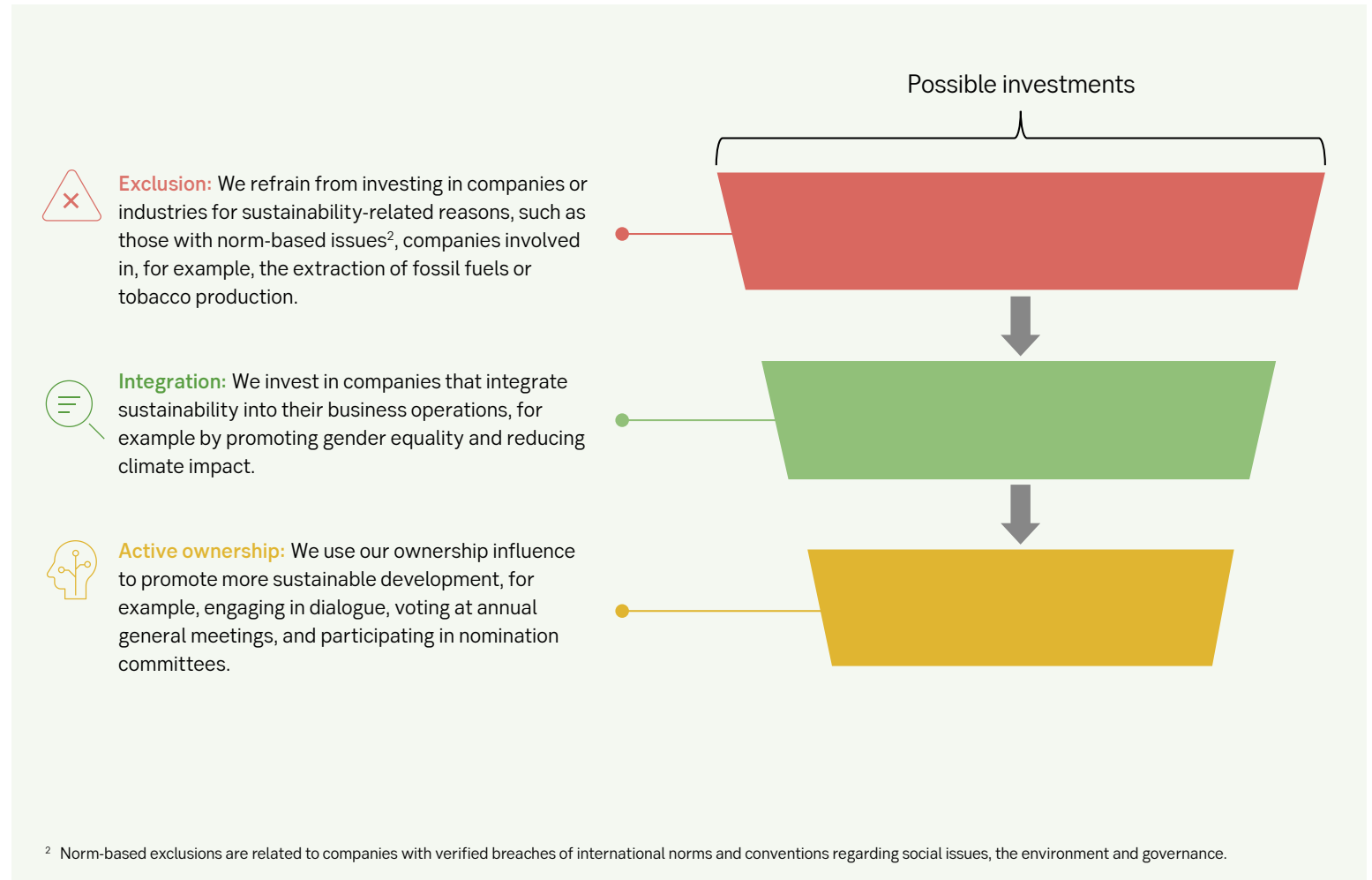
See how our sustainability analysis model SIMS-S works in practice.

Click on the link or scan the QR-code below with your phone to watch the video.

→ [Watch the video here](#)



² Norm-based exclusions are related to companies with verified breaches of international norms and conventions regarding social issues, the environment and governance.



Exclusion

Exclusion is used to limit exposure to industries and companies that have a significant negative impact on people or the planet. The criteria are set to govern and minimise the most important sustainability risks, both to people and the planet as well as to the funds' unitholders.

Exclusion criteria

The funds exclude investments in companies that operate in sectors or business areas that are assessed to present major sustainability challenges.

Exceptions can be made for companies that have clear goals and can demonstrate an ongoing and active transition.

— Fossil-based exclusions
— Norm-based exclusions
— Product-based exclusions

+ Transition, see page 24.

Integration

Integration is focused on the investment decisions process, where different sustainability aspects are included. By integrating analyses of risks and opportunities related to the environment, and social responsibility and corporate governance issues in all investment decisions and engagements, SEB Investment Management AB ensures continuous handling of both risks and opportunities related to sustainable development. In practice, this

includes, for example, the identification of sustainable and innovative business models, resource-efficient operations, as well as analysing policies and processes set up to reduce negative environmental impact.

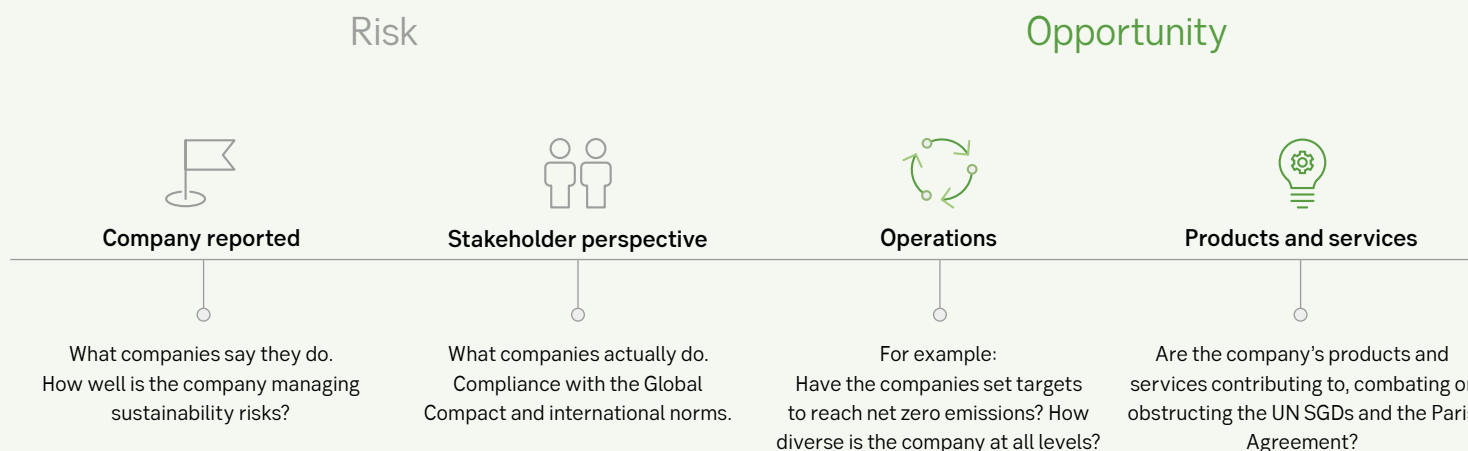
As a part of their sustainability integration, most portfolio managers are also using the SEB Investment Management AB Sustainability Score (SIMS-S), a proprietary sustainability score including both risks and opportunities concerning the environment, social

sustainability as well as aspects of governance when making investment decisions.

More asset specific integration methods are described on page 22, and details related to which sustainability aspects are in focus for different sustainability areas (i.e. climate, biodiversity, water, etc.) are described on pages 21-31.

SEB Investment Management AB Sustainability Score (SIMS-S)

The SIMS-S model focuses on risks and opportunities related to sustainable development in company management, products, services and operations, using metrics such as alignment with the Paris Agreement, carbon footprint, gender diversity, taxonomy alignment and SDG revenues.



Active ownership

Active ownership consists of the work that SEB Investment Management AB exercises as active investors in the investee companies. This includes voting at annual general meetings in investee companies, nomination committee work and dialogues with companies' boards of directors and company management. Furthermore, the fund company may exercise influence and conduct dialogues through collaboration with other stakeholders.

Dialogues are mostly proactive. Proactive dialogues entail influencing companies to improve sustainability initiatives and working with the company on issues that are relevant and material. The proactive dialogues and prioritised themes are also guided by our customers' priorities, as described on page 9. Reactive dialogue is pursued when situations arise where SEB Investment Management AB

assesses that a company fails to fulfil international standards and guidelines. Through dialogue, SEB Investment Management AB investigates the factual circumstances and any corrective measures planned by the company. The objective of each reactive dialogue is to seek to achieve change to avoid future infringements, and to ensure that in the longer term, the company adheres to applicable regulations and international standards. Read more about this in our [Active Ownership Report](#).

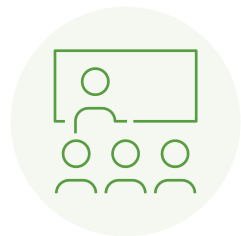
The interaction and balance between integrated sustainability analysis, exclusion, and active ownership are vital for managing impact and risks, and to generate sustainable long-term value. During 2023, SEB Investment Management AB voted at 793 annual general meetings.

Example of an active ownership initiative

Since 2022, we have engaged with our 100 largest holdings listed on Nasdaq Stockholm to link sustainability targets to their remuneration schemes for senior management. We believe that companies integrating environmental and social factors into their decision-making, where these aspects underpin both the long-term strategy and the organisation, are more likely to be profitable in the long term. Sustainability issues that are important to a company's long-term financial development should therefore be reflected in the remuneration scheme.

Having measured the progress in terms of ESG targets in variable pay, out of the nearly 100 companies contacted, we conclude that 14 companies already had ESG variables in their long-term incentive plan (LTIP)³ before the annual general meetings (AGMs). At the same time, 12 companies had ESG targets in their short-term incentive plan (STIP)³. After the voting season, 17 companies have adopted sustainability targets in LTIPs and 18 in STIPs. In summary, there is progress but the need for continuous engagement dialogues is clear. We had therefore reiterated this engagement in 2023, ahead of the 2024 AGMs.

→ Read more in our [Active Ownership Report](#)



During 2023, SEB Investment Management AB voted at 793 annual general meetings.

³ See definition on page 38.

Integration of sustainability in portfolio management

SEB Investment Management AB has close to 100 investment professionals located at three offices in Stockholm, Copenhagen, and Helsinki. The common goal is to generate positive risk-adjusted returns by integrating sustainability across investment strategies.

All the funds, independent of asset class, are governed by the Sustainability Policy. All equity and fixed-income funds exclude companies according to the exclusion criteria in our [Sustainability Policy](#).

Many equity and fixed-income managers use the proprietary **SIMS-S**, scoring mainly listed companies on sustainability risks and opportunities. Similarly, active ownership is used proactively and directly with holdings in the Nordics, as well as the larger global holdings. Both are described on page 21. You can also find more information in our [Active Ownership Report](#).

Fundamental equities

Fundamental analysis of company performance and future, including sustainability data (incl. SIMS-S).

Quantitative equities

Systematic integration of sustainability data and SIMS-S.

Fixed income

Mainly fundamental analysis of SIMS-S and other sustainability data.

Since the purpose of a green bond is to contribute to environmental goals, sustainability is a prerequisite.

Multi-management

A broad range of asset classes, sectors, regions, and types of instruments, via direct investments or in our own or external funds. The mix of investments means that we need to address the issue of sustainability in different ways to maximise positive impact.

Microfinance

In-depth evaluations of microfinance institutes' operations are conducted. The evaluation also assesses how institutes engage with end clients and, for example, how they help to reduce financial illiteracy and provide borrowers with the tools and knowledge to avoid becoming over-indebted.

Private equity

Sustainability is an integrated part of the investment process and is included in all investments. It is also an integrated part of evaluating partners and collaborations.

For Nordic holdings, the investment team is usually represented on each company's Board. For global investments, we collaborate with other private equity firms and influence our partners and holdings either directly or through the LPAC (Limited Partner Advisory Committee).

The Private Equity team engages in close cooperation with entrepreneurs, management teams and our partners, advocating sustainability initiatives in all our forums of influence.

Real estate and infrastructure

In the investment process, the team will evaluate the asset's EU taxonomy eligibility and alignment, risk assessment, resilience, environmental certifications and sustainability potential.

The factors that the Real Estate and Infrastructure team focuses on include improved energy efficiency for buildings, reduced carbon emissions, how a building impacts its immediate environment, and increasing the availability of renewable energy.

Metrics and targets:

Assets under management in Article 9 funds⁴

20 bn
AUM

3%
of total AUM

Share of sustainable investments in equities

33%
of AUM

Share of bonds invested in sustainability labelled bonds

5%
of AUM

Source: SEB Investment Management AB per 31 December 2023.

⁴ See definition on page 38.

Climate change

SEB Investment Management AB's main goal is to reach net zero greenhouse gas emissions by 2040 for the total assets under management in funds.

Strategy

Climate impact is monitored continuously and in line with the following interim targets (baseline 2019):

- Achieve a 50 per cent reduction of financed greenhouse gas emissions by 2025
- Achieve a 75 per cent reduction of financed greenhouse gas emissions by 2030

In line with SEB Investment Management AB's Sustainability Policy, the fund company maintains a strict approach to fossil fuels. All funds exclude companies that extract or process fossil fuels, including unconventional fossil fuel extraction, such as oil sands and deep-sea drilling. Similar restrictions apply to power generation and distribution of fossil fuels. Exceptions can be made for companies in transition (see "Transition" section on

page 21) which have clear targets in line with the Paris Agreement and demonstrate the will and clear investment plans for achieving the target. Engaging with companies is an important strategic tool for understanding how a company's activities affect and are affected by climate change. SEB Investment Management AB can accelerate and support companies in establishing climate strategies in their business models through active ownership, either by engaging directly with the company or in partnership with other investors. The fund company engages with some of the world's largest corporate greenhouse gas emitters via IIGCC Climate Action 100+ and other initiatives, including ISS ESG.

During 2023, SEB Investment Management AB conducted 458 dialogues on climate with 315 companies⁵.

Successful transition case: Boralex

During 2021, the Canadian power production company Boralex was assessed as a transition company. While having a large share of renewable power generation, a single-digit percentage of fossil power warranted a deeper analysis. SEB Investment Management AB conducted dialogues on these issues. In 2023, it was confirmed that the company's fossil power assets had been divested and the transition was deemed successful.



During 2023, SEB Investment Management AB conducted 458 dialogues on climate with 315 companies.

⁵ This represents the number of dialogues that can be linked to SEB Investment Management AB's different engagement themes.

Transition

SEB Investment Management AB has a clear strategy for assessing transition companies. These companies may currently have relatively high emissions but are on the path to lower their emissions. By the end of 2023, the total number of active transition cases, in all funds, was 24 (see [SEB Investment Management Exclusion and Transition September 2023](#)).

To be qualified as a transition company, a clear plan for evolving towards a more sustainable business model and proactive dialogue are some of the necessary criteria that the company needs to demonstrate. The portfolio manager is required to assess the adherence to the requirements.

How we decide if a company is eligible for transition assessment:

Eligible

When we decide whether a company is eligible for transition assessment, we consider whether it:

- meets the minimum requirements of our sustainability policy from a conduct-based perspective. For example, the company's activities should follow international norms, conventions, and environmental regulatory frameworks such as the UN Guiding Principles, UN Global Compact, OECD and ILO;
- has high future potential to contribute to the achievement of the Paris Agreement and UN Sustainable Development Goals (SDGs) through its products or services, even if the business activities are not yet fully aligned;
- has a strategic decarbonisation plan with a concise, measurable transition time frame as part of the company's transition strategy. This time frame can vary, but should be transparent from a capital expenditure (CAPEX) perspective; and
- is open to investor dialogue and commitment to science-based targets (SBT).

Willingness

We assess a company's strategic understanding of and plan for managing climate-related risks and opportunities, including:

- adherence to and implementation of frameworks such as SBTi, TCFD, EU Taxonomy or other relevant present and future sustainability regulatory frameworks;
- a scenario analysis of the company's business model and its strategic plan to adapt and manage climate risk in line with its business model; and
- management buy-in and company sustainability KPIs.

Readiness

We assess a company's current operational preparedness in order to determine whether the business model can transform to meet the 1.5°C goal as stated in the Paris Agreement within set time frames, including:

- products or revenues enable the low carbon transition of other sectors, such as the percentage of non-fossil revenue streams, EU taxonomy alignment, etc; and
- alignment with average sectoral decarbonisation, meaning, is the company a climate leader or laggard compared to peers.

Action

At this stage, we examine a company's actual work and its investments towards achieving alignment with the Paris Agreement. A company must demonstrate its financial commitment to strategic plans, including:

- investments related to transition energy efficiency or other climate-related investments that can be identified in company accounting and reporting;
- assessment of investment plans going forward and evaluation of the effects of capital expenditure; and
- fulfilment of the company's medium/long-term decarbonisation targets at company level, such as science-based target adherence.

Impact, risk and opportunity management

In addition to the exclusion and transition strategy focused on fossil fuels, SEB Investment Management AB integrates contributions to SDG 13 – Climate Action, Science Based Targets (SBT), physical risks, and greenhouse gas (GHG) emissions for Scopes 1, 2 and 3 (from the GHG Protocol)⁶ in the investment process.

Related data points are also included in the SIMS-S score. The models and related data points are also monitored in the Sustainability Oversight Committee (SOC) and taken into consideration when managing opportunities and developing thematic products, such as the Article 9 funds that contribute to sustainable investment objectives.

To be able to leverage climate-related opportunities, the intention is to increase exposure to companies and business models that actively contribute to the mitigation of and adaptation to climate change, and that provide climate solutions that help reduce the carbon footprint. Thus, the fund company seeks to reorient capital flows to climate solutions, and climate-resilient and transitional business models. In line with this commitment, the fund company has multiple Article 9 products focused on climate solutions and, in particular, renewable energy:

- SEB Global Climate Opportunity Fund
- SEB Climate Focus High-Yield Fund
- SEB Green Bond Fund
- SEB Nordic Energy
- SEB Nordic Future Opportunity Fund

Metrics and targets

Our commitment is to reach, on an aggregated level, net zero greenhouse gas emissions by 2040 for the total capital in funds. In line with this commitment, the fund company is a signatory of the Net Zero Asset Management initiative (NZAMi) and is therefore reporting our progress via PRI (Principles for Responsible Investments) in addition to the internal governance monitoring and reporting.

The chart to the right shows the progress of SEB Investment Management AB's investments since the baseline year of 2019 through 2023. During the same period, the share of investments where investee companies have approved or committed science-based targets (SBT) has increased from 19 per cent in 2019 to 58 per cent. Among the remaining, 29 per cent have targets (but not science-based) and 14 per cent have no targets. This number is adjusted for coverage, which corresponds to 83 per cent. The share of taxonomy eligible and aligned AUM 2023 is 14 per cent, and 3 per cent, respectively – the share of AUM that is aligned out of the eligible share is 20 per cent.

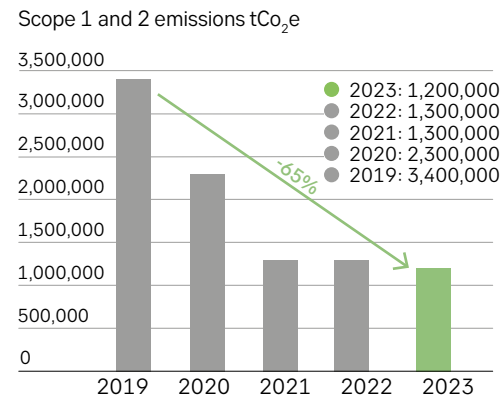
Engagement dialogue with Stora Enso

As investors in Stora Enso, SEB Investment Management AB has actively discussed the opportunities to replace traditional, fossil-based products within packaging, building and other consumer durables with renewable, fibre-based alternatives. This also includes the dialogue with potential customers, sub-contractors, etc. to be an even more relevant owner and verbal partner. Here, the building and construction industry is of particular interest, given its sizable share of global CO₂ emissions. Hence, replacing concrete and steel with massive wooden materials is an opportunity to achieve several short and long-term benefits. Apart from their reduced CO₂ footprint and storage of carbon, a healthier society is also promoted by improved thermal insulation and acoustic performance.

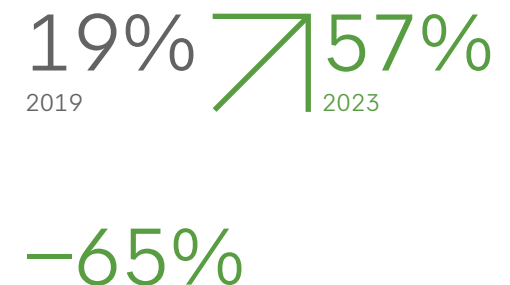
“Climate change serves as a key driver for all our opportunities to both grow our business and deliver solutions that contribute towards our 2050 goal to offer 100 per cent regenerative products. Building solutions is one of our strategic key areas and we aim to further strengthen our position as a leading supplier of wood-based construction solutions, which is also encouraged by SEB Investment Management AB in the ongoing engagement dialogue. Our focus on low-carbon and recyclable fibre-based products will support our customers in meeting the demand for renewable eco-friendly products.”

Anna-Lena Åström, SVP Investor Relations at Stora Enso

Absolute greenhouse gas emissions from our investments



The progress of investee companies' science-based targets over time



From the baseline year of 2019 we have reduced our invested Scope 1 and 2 greenhouse gas emissions from about 3.4 MtCO₂e to 1.2 MtCO₂e

⁶ GHG emissions correspond to the total amount of invested carbon dioxide and other greenhouse gases emitted by investee companies and is measured in tonnes of carbon dioxide equivalents (tCO₂e). Scopes 1 and 2 encompass emissions that are invested or controlled by a company, e.g. generated by the companies' operations and their energy consumption. Scope 3 encompasses emissions that are not produced by the companies themselves and are not the result of activities from assets invested or controlled by them, but by those that are indirectly responsible up and down its value chain.

Source: SEB Investment Management AB and ISS ESG per 31 December 2023.

Biodiversity, natural capital and ecosystems

SEB Investment Management AB's sustainability policy includes its position, targets and focus areas related to biodiversity. One strong commitment is to exclude companies that have a negative impact on threatened species or bio-sensitive areas, including companies that have verified breaches of biodiversity-related norms.

Strategy

SEB Investment Management AB recognises that biodiversity and its interaction with ecosystems is complex and that transparency of operational risks and companies' impact on biodiversity, natural capital and ecosystems is key to developing and improving work with sustainability. Thus, the fund company takes part in multiple forums set up to increase understanding, transparency, and reporting. The fund company recognises the necessity to integrate risks and opportunities linked to nature into investment decisions and targets.

Impact, risk and opportunity management

The fund company's holdings have a high dependency on nature and ecosystems, mirroring society in general. However, sectors that have a large direct effect and dependency on biodiversity, such as agriculture and forestry⁷, only constitute 2 per cent of the funds' total assets under management

(as of 31 October 2023), which limits the immediate financial risks.

The SIMS-S score incorporates companies' effects on SDGs, such as goal number 15 – Life on Land. This includes information on businesses' strategies and measures to manage and reduce impacts from operations on life, biodiversity, and ecosystems on land (terrestrial ecosystems including inland freshwater ecosystems).

SEB Investment Management AB encourages companies to commit to full traceability in their production processes and supply chains. In engagement dialogues with companies, the fund company focuses on the themes set up by the TNFD framework (see definition on page 39). This includes promoting transparency and disclosure, as well as developing strategy and risk management of dependencies and impacts, setting targets and making commitments that accelerate the movement towards net positive contributions to biodiversity. SEB Investment

Management AB has also been a part of the TNFD Forum, a consultative group taking part in the development of the framework. In addition, the fund company has signed the Finance for Biodiversity Pledge in 2023.

In line with this, the fund company conducts dialogues with governments, public authorities, and industry organisations on systematic and sustainable use of land and stewardship of natural resources through the Investor Policy Dialogue on Deforestation (IPDD) collaboration. SEB Investment Management AB also engages with companies systematically on biodiversity-related issues through FAIRR⁸ as well as via ISS ESG thematic engagement practices.

During 2023, SEB Investment Management AB conducted 187 dialogues on the topic of biodiversity with 147 companies.



During 2023, SEB Investment Management AB conducted 187 dialogues on the topic of biodiversity with 147 companies.

An example of risk management

To reduce risks and monitor impact, SEB Investment Management AB follows up and integrates available data points into investment decisions, such as commitments to reduce biodiversity impacts, adoption of environmental management systems, certifications, and positions concerning palm oil, waste, and recycling. The fund company also monitors investment revenue streams with respect to their impact and dependencies on nature and biodiversity.



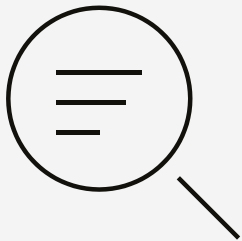
⁷ Constituting GICS codes 3020 and 151050.

⁸ See definition on page 38.

Source: SEB Investment Management AB and ISS ESG per 31 December 2023.

The search for biodiversity data

By the end of 2022, the United Nations Biodiversity Conference, COP 15, delivered the first global framework for the protection of biodiversity and nature. During 2023, the search for relevant biodiversity data, considering business models, asset locations, supply chain impact, policies, and management structures has accelerated. While some models and data are in place, other aspects are difficult to capture, at least from the point of view of a global investor.



During the year, with data from multiple NGOs, such as Forest 500, WBA⁹ and ENCORE (see analysis of data from the latter on page 28), as well as our main data providers, SEB Investment Management AB has analysed the holdings' environmental and social impacts, and the structures that they have in place to limit sustainability risks. As an example, CDP's Forest Champion team analysed listed equities and corporate bonds. They found that:

- by year-end 2022, of the relevant companies, 40 per cent of the fund company's holdings' data was disclosed through CDP forest surveys; and
- the disclosing companies that are holdings of the fund company are on average performing slightly better than the total set of disclosing companies in areas such as oversight, commitments, long-term planning, traceability, and restoration.

Given the relatively low level of transparency, SEB Investment Management AB continues to be a signatory of CDP's Non-Disclosure Campaign¹⁰, as well as joining multiple transparency, research and engagement initiatives related to the area.

This includes:

- Membership of the TNFD Forum – supporting the new standardised framework for assessing biodiversity risks and impacts, which was introduced in 2023
- Signatory of the Finance for Biodiversity pledge – committing to engaging, assessing impacts, and setting targets for the protection and restoration of biodiversity through our investment activities
- Collaboration with Swedish Investors for Sustainable Development (SISD) – an impact partner to the research program MISTRA Finance to Revive Biodiversity (FinBio), hosted by Stockholm Resilience Centre at Stockholm University
- Part of Nature Action 100 – a joint initiative by Ceres, IIGCC, Finance for Biodiversity, and Planet Tracker



Metrics and targets

Data on biodiversity and nature-related risks and impacts is still scarce, as discussed in the previous section, "The search for biodiversity data".

During 2023, SEB Investment Management AB has signed multiple disclosure campaigns and joined engagement collaborations with the same theme. Risk analyses, based on ENCORE data, are also presented on page 28. SEB Investment Management AB has implemented new, stricter exclusion criteria during 2023, and now excludes companies that have a significant negative impact on threatened species or bio-sensitive areas, including Arctic drilling. Finally, to reduce the risks of deforestation of the tropical forests, the fund company monitors companies with the greatest influence on, and exposure to tropical deforestation, and aims to set net zero deforestation targets as the global data quality on deforestation improves.

⁹ See definition on page 38.

¹⁰ CDP's Non-Disclosure Campaign is a collaboration with capital markets signatories to engage with companies that have failed to respond to requests to disclose through our climate change, forests and/or water security questionnaires.

Source: SEB Investment Management AB and ISS ESG per 31 December 2023.

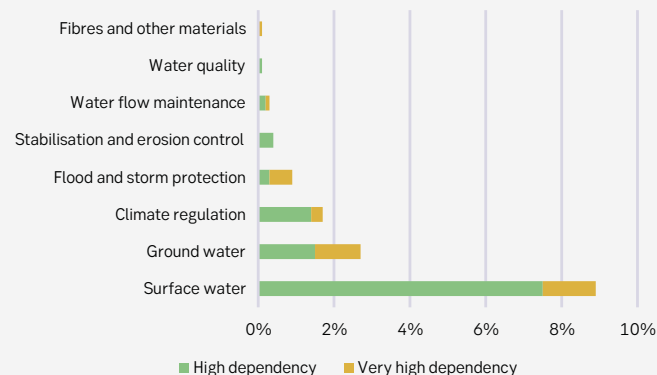
Risk analyses of our holdings of stocks and bonds

During 2023, SEB Investment Management AB has run sector-based risk analyses of our holdings of listed equities and corporate bonds using data from ENCORE¹¹.

Dependencies

Dependencies explore the ways in which economic activities rely on ecosystem services and natural capital. The table below shows the dependencies, based on portfolio weights, that SEB Investment Management's fund holdings, in listed equities and corporate bonds, have on different ecosystem services. As the chart shows, the highest dependencies are towards water related ecosystems as well as climate regulation.

Potential dependency on ecosystem services (% of portfolio)



Hence, to improve upon and safeguard our holdings from changes in ground water levels, storms, flooding and drought, SEB Investment Management makes sure to monitor the holdings':

- Physical risks
- Water management policies
- Water use intensity

¹¹ ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure) is a free, online tool that helps organisations explore their exposure to nature-related risk and take the first steps to understand their dependencies and impacts on nature.

¹² See definitions on page 38.

Source: ENCORE and SEB Investment Management AB, 31 October 2023.

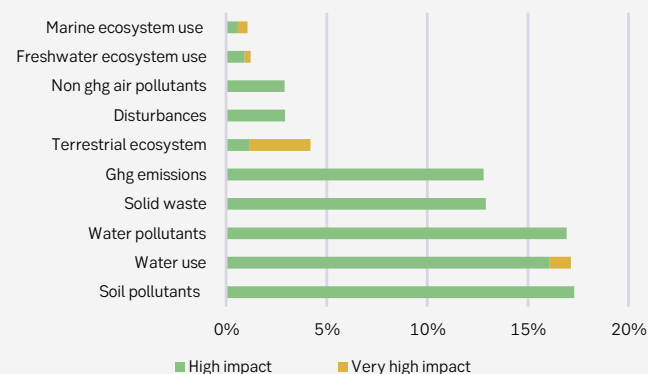
Impacts

Impacts explore the ways in which economic activities impact on ecosystem services and natural capital. In terms of SEB Investment Management's risk of impacting nature, the risk analysis suggests that there are a broader set of drivers impacted compared to dependency drivers. As shown in the graph below, the main sources of impacts are pollutants to soil and water, water usage, solid waste and greenhouse gas emissions.

To limit and control the potential risks of impact, SEB Investment Management AB:

- Includes nature, waste, and biodiversity related data into SIMS-S
- Excludes companies with significant negative exposure and harm to bio-sensitive areas and threatened species
- Conducts dialogues with companies and policy makers, for example, in collaboration with:
 - FAIRR¹² – focused on antibiotics, protein diversification as well as waste and pollution
 - IPDD¹² – focused on deforestation in the Amazon
 - ISS ESG¹² thematic engagement – both focused on water and biodiversity
- Follows up on sustainability related data, for example on:
 - Waste
 - Environmental certifications
 - Commitments and policies

Potential impact on drivers of environmental change (% of portfolio)



Water, pollution and circularity

SEB Investment Management AB's main commitments regarding water, marine resources, pollution, waste and circularity are included in our sustainability policy.

Strategy

SEB Investment Management AB commits to the exclusion of companies with verified failures to comply with norms and standards related to water, waste, and nature. The fund company wants to contribute to more sustainable water usage and limit negative effects of waste and pollution. In line with this, the fund company aims to increase water-use efficiency across investments and to stress the importance of water risk management and transparency in company dialogues.

Impact, risk and opportunity management

Risks and opportunities related to water are integrated in SIMS-S through the inclusion of the companies' effects on the Sustainable Development Goals, in particular, goal number 6 – Clean Water and Sanitation, and 14 – Life Below Water. Risks and impacts due to dependencies on natural capital and infrastructure are also integrated in the model through physical risk data points.

The fund company also monitors risks by following up on impacts and dependencies on water and pollution. In addition, the fund company's Sustainability team, as well as the Sustainability Oversight Committee (see the business conduct section on page 31) are

monitoring data points stated in SEB Investment Management AB's sustainability policy. Examples of such monitored data points are water management policies, sensitive areas, water usage and efficiency, wastewater and recycling, waste and hazardous waste, and recycling in general, including management and outcomes.

The data points that help SEB Investment Management AB to determine engagement, as well as to complement other aspects, are areas such as business model, transition path, and profit. Engagement dialogues on water, stress the importance of limiting negative impact, being transparent about water use and impact, having governance and management systems in place, and setting targets and aligning incentives with those targets.

Through CDP, the fund company has engaged with companies regarding water since 2018, which is part of a thematic engagement. For example, in collaboration with ISS ESG thematic engagement services in the fall of 2023, SEB Investment Management AB held dialogues with Givaudan and Dupont, focused on disclosure of water use reduction targets, as a first step to reduce their impact on water.

There are many investment opportunities within resource efficiency and water use.

One example of a fund that contributes to resource efficiency, with investments focused on water, is the Article 9 fund, SEB Nordic Future Opportunity Fund. Another example is SEB Investment Management AB's private equity fund, SEB Private Equity Nordic Direct II, which is presented on page 12.

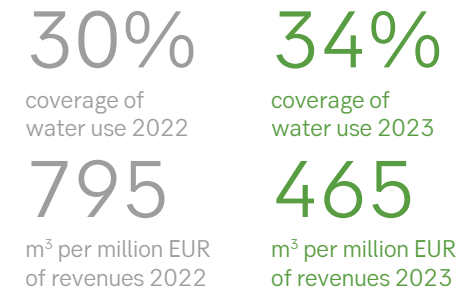
Metrics and targets

SEB Investment Management AB aims to increase water use efficiency across investments and monitors the share of investments without water management policies. See the current coverage for water use intensity among our listed equities and corporate bonds to the right.

In addition, SEB Investment Management AB aims to also stress the importance of water risk management and transparency in company dialogues.

During 2023, SEB Investment Management AB conducted 69 dialogues with 65 companies concerning water.

Water use intensity among our listed equities and corporate bonds



During 2023, SEB Investment Management AB conducted 69 dialogues with 65 companies concerning water.

Source: SEB Investment Management AB and ISS ESG per 31 December 2023.

Social sustainability

SEB Investment Management AB believes that human and labour rights should be an integral part of every business – that diversity, equal pay for equal work, and decent working conditions are key ingredients for businesses to thrive.

Strategy

SEB Investment Management AB is committed to respecting all human rights and will therefore exclude companies that verifiably violate international norms and conventions regarding human rights. The fund company also aims to increase and follow up on the share of investments that have at least one of the following in place:

- A human rights policy
- A human rights due diligence process
- A supplier code of conduct

Impact, risk and opportunity management

To establish good business practices in all investments, SEB Investment Management AB integrates social sustainability into the proprietary investment model, SIMS-S. Social aspects integrated into the model include information about companies that do not live up to conventions, laws, and norms related to the SDGs, such as SDG 5 – Gender Equality and SDG 8 – Decent Work and Economic Growth. Aspects such as equal gender representation, the gender pay gap, parental leave, anti-sexual harassment policies, and social impacts of products and services are also

integrated. The model considers the status as well as the year-on-year progression to capture both positive and negative developments within individual companies and sectors. Hence, companies receive a higher rank if their internal processes and business relationships established through the value and supply chains are in line with human and labour rights and contribute to social sustainability.

To reduce risks, the fund company monitors policies, processes, and commitments to improve human and labour rights as well as to monitor positive and negative outcomes, such as gender diversity and rate of workplace related accidents.

In dialogues, the fund company encourages companies to be transparent and report on issues related to human rights, with an emphasis on processes and mechanisms to monitor compliance with international standards and conventions, policies for human rights due diligence and supplier codes of conduct. As an example, dialogues centred around social aspects are conducted either reactively, when the fund company has received information about potential breaches of social standards or labour rights,

or proactively, for example, via thematic engagement collaboration on gender representation.

SEB Investment Management AB's view is that there are many opportunities related to social sustainability. Opportunities are related to investments in business models that, for example, could be contributing to better health outcomes or financial inclusion. Another dimension is the companies' workforce, where the contribution and opportunities are related to inclusion, diversity, and good human resource management, which contributes to lower staff turnover and higher efficiency. One example of a fund focused on social sustainability is SEB Global Equal Opportunity Fund. Another example is the SEB Microfinance funds – for more information see the case study on page 16.

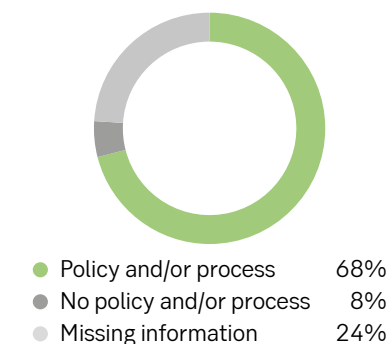
Metrics and targets

SEB Investment Management AB is committed to respecting all human rights and will therefore exclude companies that verifiably violate international norms and conventions

regarding human rights. During 2023, SEB Investment Management AB conducted 702 dialogues with 389 companies concerning social issues.

The fund company also aims to increase its share of investments in companies with human rights policies, human rights due diligence processes, or supplier codes of conduct. Currently, the share of holdings with at least one of the above-mentioned policies or processes is shown in the chart below.

Share of holdings with human rights policies, human rights due diligence processes, and/or supplier codes of conduct in place:



During 2023, SEB Investment Management AB conducted 702 dialogues with 389 companies concerning social issues.

Source: SEB Investment Management AB and ISS ESG per 31 December 2023.

Business conduct

SEB Investment Management AB believes that good governance is vital to maintaining high standards of accountability, transparency, and integrity among all our investments. Good governance is also related to board effectiveness, which includes alignment of skills with the company's strategic needs and diversity of perspective. This is decisive for companies to thrive.

Strategy

SEB Investment Management AB is committed to respecting international norms and will therefore exclude companies that verifiably do not live up to international norms and conventions, as well as companies with insufficient governance structures. In the work on nomination committees, the fund company aims for gender parity on average across the different companies' boards with at least 40 per cent of either gender in each board (see results under Metrics and Targets).

Impacts, risks and opportunity management

Board performance is vital to the long-term success of a company. Accordingly, this is a given theme when SEB Investment Management AB serves on nomination committees. The fund company also votes at annual general meetings and has set standards with respect to incentive programs, gender diversity and board independence. If the standards are not met, this results in either dialogues with the companies or voting against propositions.



During 2023, after new members were elected during general meetings, 41% of the board members were women.

Related to governance, in engagement dialogues with the holding companies, SEB Investment Management AB addresses and emphasises the importance of remuneration policies and programs expected to include relevant sustainability targets and transparent disclosure of incentive programs expected, as well as quantitative measurable targets.

To increase transparency and mitigate corruption, SEB Investment Management AB closely monitors breaches in procedures and standards of anti-corruption and anti-bribery of investee companies, and whether the actions taken to address the issues are sufficient or not. In addition, the fund company acts as a driving force behind a collaborative initiative under the umbrella of Transparency International Sweden.

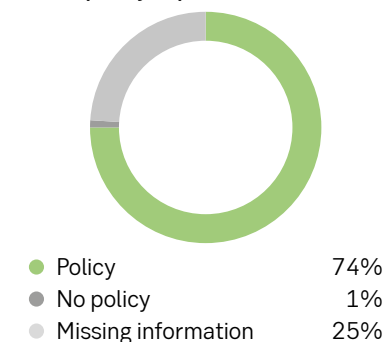
In 2023, special efforts were made to participate in discussions and engagement dialogues within the real estate and housing sector. The objective is to prevent and curb corruption in all forms, and at the same time encourage the sector to take measures to strengthen the control systems, management attention and company culture.

Metrics and targets

SEB Investment Management AB aims for at least 40 per cent women on the boards where SEB Investment Management AB is part of the nomination committee. During 2023, after new members were elected during general meetings, 41 per cent of the board members were women.

The fund company also monitors different quantitative measures concerning business conduct, for example, the share of holdings with a whistleblower protection policy (see below).

Share of holdings with a whistleblower protection policy in place



Sustainable investments in accordance with SFDR

Sustainable Finance Disclosure Regulation (SFDR) is part of the EU's Action Plan to create a carbon-neutral Europe by 2050, the EU's Green Deal. The goal is, among other things, to direct capital towards more sustainable investments to finance the transition that the EU wants to make.

A sustainable investment is an investment that contributes to environmental or social objectives. In addition, the investment cannot significantly harm any environmental or social objective and the investee company must follow good governance practices. The share of our listed equities investments that are defined as "sustainable investments" in line with SFDR is 33 per cent.

In practice, SEB Investment Management AB consider contributions to sustainable objectives to be, for example, investments aligned with the EU Taxonomy, green bonds supporting climate transition, microfinance supporting empowerment and poverty reduction, investments contributing to sustainable cities and responsible consumption, biodiversity, sustainable water use, circular economy, SDGs, and other social and climate-related themes that may be identified. To ensure no significant harm towards environmental or social objectives, our sustainable investments must, in addition to following the SEB Investment Management AB's Sustainability policy, also show adherence to the minimum social safeguards, not be outliers concerning the geographical and sectorial context in terms of indicators for Principal Adverse Impacts, and follow SEB Investment Management AB's strict policy on confirmed controversies related to environmental and/or social harm.

To follow up that the investee companies are adhering to good governance practices, we use external research on management structures, employee relations, tax compliance and remuneration.

Sustainable investments according to SFDR

For an investment to be classified as sustainable, the following criteria must be met:



1. Contribute to an environmental or social sustainability goal.



2. Not cause significant harm to environmental or social sustainability goals.



3. Good governance practices.

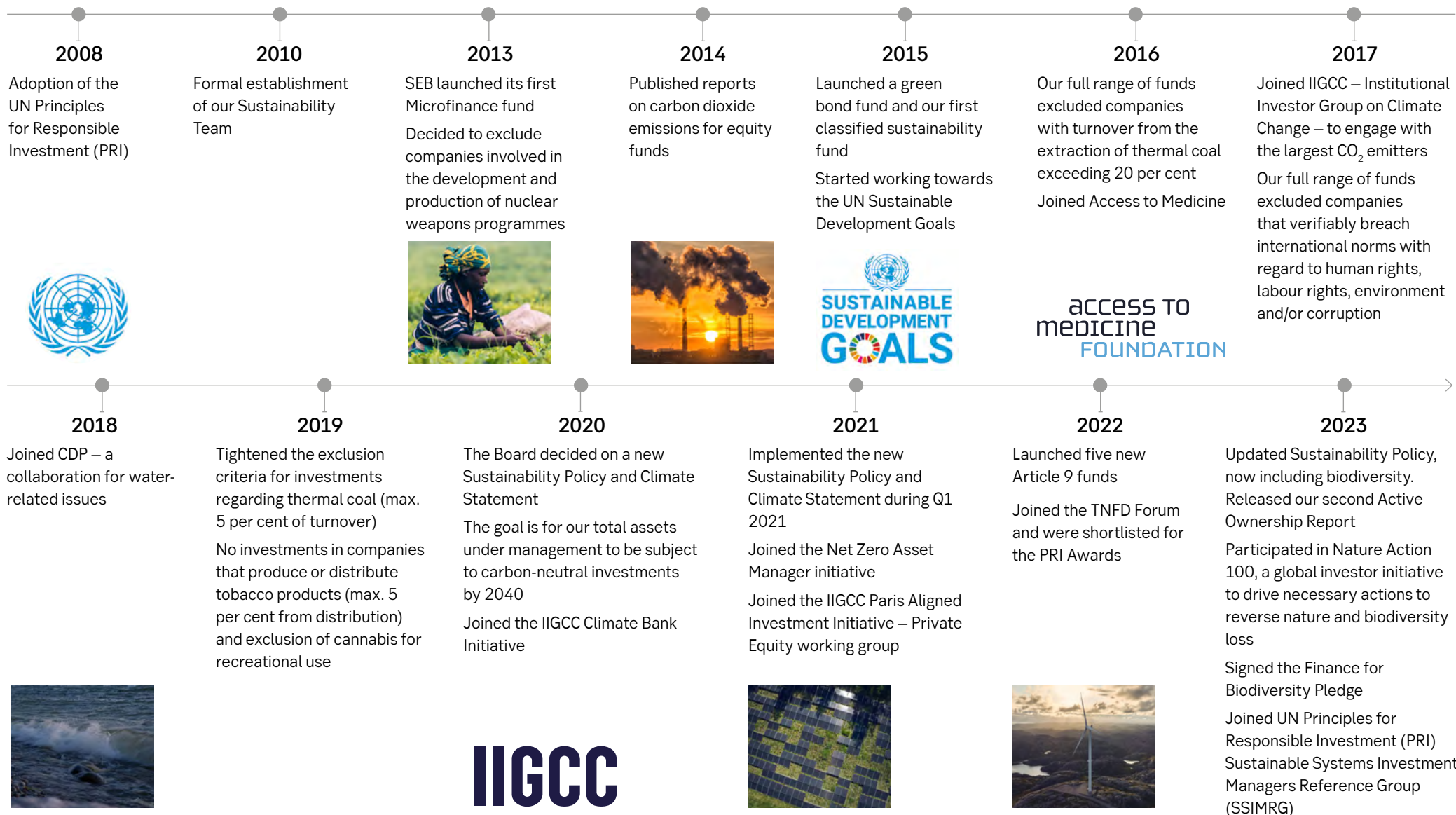


3. Additional disclosures

Contents

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International agreements and regulations	35
Collaborations and commitments	36
Definitions	38

Our sustainability journey



International agreements and regulations

2023 marked eight years since the Sustainable Development Goals of Agenda 2030 were adopted. Only six years remain for the world to achieve the ambitious targets set in 2015, including combating climate change and eradicating poverty. Meanwhile, the COP28 Climate Summit marked the eighth anniversary of the Paris Agreement to limit global warming, while the European Union made progress in adopting new regulations that define green investments and continues to point to the financial industry as a catalyst for transition.

Agenda 2030 and the Sustainable Development Goals

The UN's 17 Sustainable Development Goals (SDG) represent a joint, integrated approach, balancing the three cornerstones of sustainable development: economic growth, social inclusion and environmental issues. The financial sector has a relatively small direct environmental footprint, but it can nonetheless make a great contribution to achieving the goals by meeting clients' needs for sustainable financing and sustainable investments. In fact, we think investors and their representatives (e.g. asset managers) play a key role in achieving the SDGs. They do this by creating positive outcomes for society through investments and engagement, as the goals recognise the role of the private sector in financing sustainable development. Moreover, the SDGs provide a common framework and language for investors and companies to work towards the achievement of the shared goals, with measurable indicators of progress. They also provide a clear time frame in which change needs to take place and help to set targets.

The Paris Agreement

The Paris Agreement is a legally binding international treaty on climate change and was agreed upon on 12 December 2015 by 196 parties at COP21 in Paris. Its goal is to limit global warming to well below 2°C, preferably 1.5°C, compared to pre-industrial levels.

→ Read more [about the Paris Agreement | UNFCCC](#)

Sustainable Finance Disclosure Regulation

As a key aspect of the EU's Sustainable Development Policy Agenda, the Sustainable Finance Disclosure Regulation (SFDR) is intended to increase transparency concerning sustainability among financial institutions and market participants. The regulation consists of disclosure requirements at the organisational, service and product levels to standardise sustainability performance, thereby preventing "greenwashing" and enabling comparisons for sustainable investment decisions.

EU Taxonomy

The EU's Taxonomy Regulation is in line with the European Green Deal and the 2050 climate-neutrality target. Serving as a classification and screening tool, it brings clarity for companies, capital markets, and policymakers, identifying sustainable economic activities to guide investment flows.

The EU Taxonomy establishes a standardised, science-based framework for categorising environmentally sustainable economic activities. Aligned with six environmental objectives, it assesses contributions to areas such as climate change mitigation, circular economy transition and biodiversity protection. For a business to be classified as environmentally sustainable according to the taxonomy, it should fundamentally contribute to one or more of the six determined sustainability and environmental objectives, and at the same time, does not cause significant damage within any of the remaining objectives.

Principles for Responsible Investment

The UN-supported Principles for Responsible Investment (PRI) was launched in 2006, consisting of a framework and six principles for responsible investment and annual reporting on practical implementation. SEB signed PRI in 2008 and has since worked on integrating sustainability into investment and governance issues. The scoring methodology has undergone revisions over the years, with the most recent update occurring in 2023, rendering direct score comparisons challenging. Nevertheless, the annual

assessment report has proven instrumental for SEB Investment Management in identifying areas for enhancement and improvement.

Notably, SEB Investment Management has consistently achieved commendable scores throughout the years. In 2023, the fund company attained a score of 92 out of 100 in the "Policy, Governance, and Strategy" module. For further insights into the [report and detailed scoring information](#).

CSRD

The Corporate Sustainability Reporting Directive (CSRD) is a European regulation that expands the scope of sustainability reporting requirements for companies. Starting within EU in 2024, this new framework will be implemented gradually and is expected to include nearly 50,000 companies. The legislation is aimed at all listed companies and companies of public interest. The directive implies that companies and organisations will report according to European Sustainability Reporting Standards (ESRS). The new standard aims to result in comparable, sufficient, and high-quality information from companies about how they impact people and the environment, and in turn, how sustainability factors such as climate change affect the business.

Collaborations and commitments

SEB Investment Management AB is a member of the following associations and organisations that aim to promote responsible investments.

Access to Medicine

SEB Investment Management AB joined the Access to Medicine initiative in 2016, and in collaboration with other investors, engaged in dialogue with the major pharmaceutical companies concerning the challenge of the just distribution and availability of medicine in low- and middle-income countries.

CDP (Carbon Disclosure Project)

CDP is a not-for-profit charity that runs the global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts. Since 2018 SEB Investment Management AB has engaged with companies on water stewardship and other topics.

Climate Action 100+ (CA100+)

Climate Action 100+ is an investor-led initiative to engage with the world's largest corporate carbon emitters to ensure that they take necessary action on climate change. SEB Investment Management AB joined the initiative in 2018.

Farm Animal Investment Risk and Return (FAIRR)

The FAIRR initiative is a collaborative investor network that raises awareness of the material ESG risks and opportunities in intensive livestock production. SEB Investment Management AB is active in five

different collaborative engagements with FAIRR.

Finance for Biodiversity Pledge

The Finance for Biodiversity Pledge is an initiative of members of the Finance and Biodiversity community, which was first launched on 25 September 2020. To date, 153 financial institutions representing EUR 21.4 trillion in assets, have signed the pledge and have committed to collaborating, engaging, assessing their own biodiversity impact, setting targets, and reporting on biodiversity matters by 2024. SEB Investment Management AB signed the pledge in 2023.

Global Child Forum

The Global Child Forum is a Swedish not-for-profit foundation, based in Stockholm, Sweden. The organisation was founded by King Carl XVI Gustaf and Queen Silvia of Sweden in 2009 in order to advance children's rights in accordance with the UN Convention on the Rights of the Child. SEB Investment Management AB started to engage with the foundation in 2023.

Global Investors for Sustainable Development (GISD)

The GISD Alliance comprises prominent leaders from major financial institutions and corporations worldwide. Convened by the United Nations Secretary-General, its primary

purpose is to provide solutions that amplify private finance and investment, ultimately driving progress towards the achievement of the Sustainable Development Goals (SDG).

Global Investors for Sustainable Swedish Investment Fund Association

The association works to promote a sound industry that operates in the best interests of investors. The association's numerous working groups are the heart of its operations. SEB Investment Management AB participates in several working groups, such as the working group for sustainability and active ownership, which drives the ESG agenda in the industry. During 2023, SEB Investment Management AB's CEO was chair of the association's board of directors.

Institutional Investor Group on Climate Change (IIGCC)

IIGCC aims to address climate change-related risks and opportunities in investment practices. IIGCC provides a platform for investors to share knowledge, engage with policymakers, and advocate for policies that support the transition to a low-carbon economy.

Investor Initiative on Hazardous Chemicals (IIHC)

ChemSec coordinates the Investor Initiative on Hazardous Chemicals (IIHC), an investor-led collaborative engagement initiative

involving 50+ participating investors and their representatives with over \$10 trillion under management or advice. The initiative aims to reduce the adverse impacts of hazardous chemicals and thereby its members' exposure to the financial risks to which they are linked. SEB Investment Management AB is a supporting member since 2023.

Investor Integrity Forum

The forum was established in 2020 as a platform where investors and Transparency International Sweden can jointly pursue important issues linked to corruption risks, acquire and disseminate knowledge and promote transparency, integrity and accountability, and thus create better conditions for sustainable and profitable investments. SEB Investment Management AB is one of the founding members.

Investor Policy Dialogue on Deforestation (IPDD)

IPDD is a collaboration for dialogue with governments, public authorities and industrial organisations on systematic and sustainable use of land and stewardship of natural resources.

Nature Action 100 (NA100)

NA100 is a global-led initiative working to drive the necessary corporate action to reverse nature and biodiversity loss by 2030.

The initiative mobilises investors to establish a unified high-level agenda for engagements and a transparent set of expectations. In 2023, SEB Investment Management AB became a part of this initiative, and is one of 190 investor participants that started off direct engagement with 100 companies in key sectors around the world.

Net Zero Asset Managers initiative (NZAMi)

The Net Zero Asset Managers initiative is an international group of asset managers committed to supporting the goal of net zero greenhouse gas emissions. In 2021, SEB Investment Management AB joined the Net Zero Asset Managers initiative, an international group of asset managers committed to supporting the goal of net zero greenhouse gas emissions by 2050 or sooner.

PRI Sustainable Systems Investment Managers Reference Group (SSIMRG)

The PRI Sustainable Systems Investment Managers Reference Group (SSIMRG) provides an opportunity for investment managers to engage regularly in two-way communication with PRI about some of the most pressing issues currently facing the responsible investment community. This collaboration aims to shape a sustainable financial system that serves society's long-term needs.

Principles for Responsible Investment (PRI)

As a signatory of PRI, we contribute to developing a more sustainable global financial system through our implementation of the six principles. We are committed to being an active owner, include sustainability in our processes and strategies, enhance transparency and increase collaboration. SEB AB signed the PRI in 2008.

Sweden's Sustainable Investment Forum (Swesif)

Swesif is an interest forum that aims to disseminate, drive and increase knowledge about investments for sustainable development in collaboration with our members and equivalent organisations such as FINSIF, DANSIF and EUROSIF.

Swedish Institutional Investor Association (SIIA)

SEB Investment Management AB has been a member of SIIA since 2003. SEB Investment Management AB holds a seat in the association's board of directors.

Swedish Investors for Sustainable Development (SISD)

SISD is a partnership comprising of 21 of the largest financial actors in the Swedish market, including Sida (the Swedish International Development Cooperation Agency). The mission is to work side by side on the greatest

challenges of our times in a partnership to achieve the Sustainable Development Goals (SDGs). SEB Investment Management AB is part of the working group for SDG goal number 15: *Life on Land, and in particular how to halt the loss of biodiversity.*

Taskforce on Nature-related Financial Disclosures (TNFD)

The TNFD is a framework with the aim of standardising the reporting of environmental-related risks and opportunities. This includes land use, water use, biodiversity, pollution, and ecosystem services. The framework builds upon the Task Force on Climate-related Financial Disclosure (TCFD), which is used by SEB and many other organisations to report carbon emissions.

Definitions

Article 8 and Article 9 funds

The information that a fund management company must provide about its funds is governed by the European Union's Sustainable Finance Disclosure Regulation (SFDR) and that may differ depending on the fund classification. Funds are classified under Articles 8 and 9.

Article 8: Funds that promote environmental and social characteristics

Article 9: Funds that have sustainable investment as their objective

CDP (formerly the Carbon Disclosure Project)

CDP is a not-for-profit organisation that coordinates and runs a platform enabling investors, companies, cities, states and regions to manage their environmental impacts.

Corporate Sustainability Reporting Directive (CSRD)

CSRD requires companies to report on how sustainability issues, such as climate change, impact their business and how their operations in turn affect people and the planet – a unique principle called “double materiality”.

Environmental, Social and Governance (ESG)

ESG covers all sustainability issues affecting companies, organisations and society.

EU Taxonomy

The EU Taxonomy is a classification system establishing which economic activities are sustainable.

Farm Animal Investment Risk and Return (FAIRR)

FAIRR is a collaborative investor network that raises awareness of the material ESG risks and opportunities in intensive livestock production.

The Greenhouse Gas Protocol (GHG Protocol)

GHG Protocol is a comprehensive global standardised framework to measure and manage greenhouse gas emissions.

Institutional Investors Group on Climate Change (IIGCC)

IIGCC is a European membership body for investor collaboration on climate change, which SEB Investment Management AB joined in 2020.

Investor Policy Dialogue on Deforestation (IPDD)

IPDD is a collaboration for dialogue with governments, public authorities and industrial organisations on systematic and sustainable use of land and stewardship of natural resources.

ISS ESG

ISS ESG provides environmental, social, and governance solutions for asset owners, asset managers, hedge funds, and asset servicing providers. ISS ESG enables investors to develop and integrate responsible investing policies and practices, engage on responsible investment issues, and monitor portfolio company practices through screening solutions. The company also provides climate data, analytics, and advisory

services to help financial market participants understand, measure, and act on climate-related risks across all asset classes. In addition, ISS ESG delivers corporate and country ESG research and ratings enabling its clients to identify material social and environmental risks and opportunities. ISS ESG also provides institutions with an established standard in measuring, analysing, projecting, valuing, and discounting a firm's underlying economic profit.

Long-term incentive plan (LTIP)

LTIP is a company program that rewards employees for reaching long-term objectives, and ultimately increased shareholder value. Usually refers to a 36 month period or more, and often paid out in the form of options or shares.

Net zero

Net-zero emissions¹³, or “net zero,” will be achieved when all emissions released by human activities are counterbalanced by removing carbon from the atmosphere in a carbon removal process.

The Paris Agreement

In 2015, the countries of the world came together for the Paris Agreement, which set a target of keeping global warming to well below 2°C.

Principles for Responsible Investment (PRI)

PRI is a UN initiative providing guidelines for responsible investment, signed by SEB Investment Management AB in 2008.

Science Based targets (SBT)

Science-based targets provide a clearly-defined pathway for companies to reduce greenhouse gas (GHG) emissions, helping prevent the worst impacts of climate change and future-proof business growth.

Scopes 1, 2 & 3

Scopes 1, 2 and 3 are a way of classifying different types of carbon dioxide emissions created by a company as part of its own activities and in its value chain.

Scope 1: Direct greenhouse gas emissions

Scope 2: Indirect emissions from purchased energy

Scope 3: Indirect greenhouse gas emissions arising from areas such as the supply chain, transport, and so on

Short term incentive plans (STIP)

STIP aims to incentivise employees to reach the organisation's short-term strategies. Usually refers to a 12-month period and paid out in the form of cash.

Sustainable Financial Disclosure Regulation (SFDR)

SFDR is a mandatory sustainability-related disclosure requirement for asset managers and other financial market participants operating in the EU.

Sustainability labelled bonds

Sustainability labelled bonds are fixed-income instruments dedicated to generating positive

¹³ Source <https://www.wri.org/insights/net-zero-ghg-emissions-questions-answered> (World Resource Institute).

Contributors to the review

environmental and social outcomes. Most sustainability labelled bonds issued today adhere to the guidelines of the International Capital Market Association (ICMA), which defines Green, Social, Sustainability, and Sustainability-Linked bond principles. These principles are voluntary and technically a bond does not have to adhere to them to have a sustainability label. However, at SEB, we require that all sustainability-labelled bonds we help structure are issued according to the ICMA principles.

Sustainability labelled bonds can be split into two categories: Use of Proceeds (Green Bonds, Social Bonds, Sustainability Bonds) and Performance-Based (Sustainability-Linked Bonds, or SLB's). In the Use of Proceeds bonds, the proceeds are exclusively directed towards financing or refinancing of green projects (Green Bonds), social projects (Social Bonds), or a combination of both (Sustainability Bonds). In the Performance-Based bonds (SLBs) the proceeds of the bond can be used for general purposes, however the coupon is linked to pre-determined sustainability targets, outlined by the issuer. The issuer of an SLB can receive cheaper or more expensive financing depending on how well they perform against these targets.

Taskforce on Climate-related Financial Disclosures (TCFD)

TCFD is a framework created by the Financial Stability Board (FSB) for identifying corporate climate-related financial risks and opportunities.

Taskforce on nature-related Financial Disclosures (TNFD)

TNFD is a set of disclosure recommendations and guidance for organisations to report and act on evolving nature-related dependencies, impacts and risks.

UN Global Compact

The UN Global Compact is a framework for companies to implement ten principles relating to human rights, labour, environment and anti-corruption. SEB is a signatory of the UN Global Compact.

UN Sustainable Development Goals (SDGs)

The UN has adopted 17 global sustainable development goals for 2030. These have been adopted by 193 of the world's 195 countries. They were launched in 2015.

World Benchmarking Alliance (WBA)

WBA is a non-profit organisation that holds 2000 of the world's most influential companies accountable for their roles in achieving the Sustainable Development Goals. The WBA has developed two benchmarks so far: 2023 Gender Benchmark and 2023 Corporate Human Rights Benchmark.

Sustainability

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Susanne Lyons

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Useful links

For more information

- [SEB Investment Management AB](#)
- [Sustainability Approach](#)
- [Sustainability Policy](#)
- [Climate Statement](#)
- [Carbon Reports](#)
- [Active ownership and voting](#)
- [Nomination Committees](#)

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