

# Product name: SEB Green Bond Fund

Legal entity identifier: 6367003Z3XG05ESJBN70

## Sustainable investment objective

**Sustainable investment:** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

### Did this financial product have a sustainable investment objective?

<p><input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> It made <b>sustainable investments with an environmental objective</b>: 94.46 %</p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input checked="" type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul> <p><input type="checkbox"/> It made <b>sustainable investments with a social objective</b>: _ %</p>	<p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> No</p> <p><input type="checkbox"/> It promoted <b>Environmental/Social (E/S) characteristics</b> and while it did not have as its objective a sustainable investment, it had a proportion of _% of sustainable investments</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with a social objective</li> </ul> <p><input type="checkbox"/> It promoted E/S characteristics, but <b>did not make any sustainable investments</b></p>
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## To what extent was the sustainable investment objective of this financial product met?

For the previous year, the Sub-Fund had sustainable investments as its objective, within the meaning of Article 9 of the SFDR.

The Sub-Fund aimed to contribute to a reduction in global greenhouse gas emissions in accordance with the Paris Agreement. This was achieved by investing in green bonds that funded projects focused on generating renewable energy, improving energy efficiency, developing green buildings, and promoting sustainable transport. The Sub-Fund supported companies' efforts to reduce climate impact and develop new sustainable technologies, thereby contributing to sustainable development.

The alignment of the companies' activities with the objectives of the EU Taxonomy was based on the availability and quality of data from third-party vendors. Depending on the investment opportunities, the Sub-Fund could contribute to any of the six environmental objectives outlined in Article 9 of the Taxonomy Regulation.

The benchmark was the Bloomberg MSCI Green Bond Index 1-5 Years, which did not qualify as an EU Climate Transition Benchmark or an EU Paris-aligned Benchmark and did not fully comply with all the methodological requirements set out in Commission Delegated Regulation (EU) 2020/181. The benchmark was used solely for performance comparison.

The objective of reducing carbon emissions was achieved by identifying and investing in green bonds linked to projects with a clear focus on renewable energy, sustainable transport, and the development of new sustainable technologies, in line with the long-term goals of the Paris Agreement. The impact was measured by avoided emissions from the underlying projects, which during 2025 amounted to 345 tonnes CO<sub>2e</sub> per EUR 1 million invested.

Green bonds were classified and reported as sustainable investments, as their use of proceeds contributed to environmental objectives. The Management Company had procedures in place to ensure that the bonds in which the Sub-Fund invested were aligned with recognised market principles, such as the Green Bond Principles (GBP) issued by the International Capital Market Association (ICMA).

The Management Company's proprietary sustainability model, SIMS-S, was central to the sustainability integration process and evaluation. SIMS-S focuses on sustainability-related risks and opportunities in company management, products and services, and operations, using metrics such as alignment with the Paris Agreement, carbon footprint, gender diversity, Taxonomy alignment, and revenues linked to the UN Sustainable Development Goals (SDGs). The Sub-Fund used the SIMS-S framework and ratings as part of ESG integration.

SIMS-S consists of overall scores and underlying component scores, each with two versions – a raw score and an adjusted score. The raw score represents the issuer’s standalone sustainability score, while the adjusted score was sector- and region-adjusted. The underlying component scores, which build up to the overall SIMS-S score, allow for focused analysis of specific sustainability topics. SIMS-S ratings ranged from 0 to 10, with 10 representing the highest sustainability score.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

● **How did the sustainability indicators perform?**

Corporate engagements			
	Total number	Number of companies	Share of the portfolio
Dialogues	68	37	33.36%

SIMS-Score		
	The fund portfolio	Investment universe index
Market-weighted SIMS-Score	6.76	6.66
Coverage ratio	66.66%	44.86%

Sustainable investments		
	The fund portfolio	Investment universe index
Market-weighted share	94.46%	96.32%
Degree of coverage	94.46%	97.77%

● **...and compared to previous periods?**

Corporate engagements			
		2025	2024
Dialogues	Total number	68	68
	Number of companies	37	33
	Share of the portfolio	33.36%	36.57%

SIMS-Score		
	2025	2024
The fund portfolio	6.76	6.21
Investment universe index	6.66	6.06

Sustainable investments		
	2025	2024
The fund portfolio	94.46%	93.40%
Investment universe index	96.32%	100.00%

● **How did the sustainable investments not cause significant harm to any sustainable investment objective?**

To ensure that no sustainable investment caused significant harm to any environmental or social sustainability objective, the Sub-Fund undertook the following actions during the reference period:

- Excluded companies that did not comply with international norms and standards.
- Excluded companies operating in controversial sectors and business areas.
- Excluded companies with exposure to fossil fuels or other activities with a negative environmental impact (green bonds supporting energy transition or other energy-efficiency projects are allowed).
- Excluded companies deemed not to meet the levels of social safeguards as defined by the EU Taxonomy.

- Relied on assessments from an external analysis partner regarding companies' governance structures, employment practices, tax compliance, and remuneration policies.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

● *How were the indicators for adverse impacts on sustainability factors taken into account?*

During the 2024 reference period, the Management Company's model for identifying companies with extreme values among indicators for adverse impacts was utilised to avoid investing in companies that cause significant harm.

The indicators for adverse impacts on sustainability factors applied are those described in Annex I of the technical standards of the Disclosure Regulation (CDR 2022/1288), as well as relevant indicators in Tables 2 and 3 of Annex I to CDR 2022/1288. These indicators are dependent on the current availability of data. However, where sufficient data coverage existed, companies with significantly negative results in a geographical and sectoral context were excluded from being considered sustainable investments.

Some indicators were addressed through exclusions outlined in the Management Company's sustainability policy, which excludes:

- Companies operating in the fossil fuel sector;
- Companies with operations or facilities located in or near biodiversity-sensitive areas where their activities negatively impact these areas;
- Companies that fail to adhere to international norms and standards, such as the Ten Principles of the UN Global Compact and the OECD Guidelines for Multinational Enterprises;
- Companies involved in the manufacturing or sale of controversial weapons (e.g. landmines, cluster munitions, chemical, and biological weapons);
- Companies whose activities negatively affect endangered species.

● *Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?*

The Sub-Fund's investments during the reference period were aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights through the norm-based exclusion criteria outlined in the Management Company's sustainability policy.

Norm-based exclusions mean that the Management Company expects issuers to comply with international laws and conventions, such as:

- The UN Principles for Responsible Investment (PRI).
- The Ten Principles of the UN Global Compact.
- The OECD Guidelines for Multinational Enterprises.
- The UN Guiding Principles on Business and Human Rights, including the principles and rights established in the eight core conventions identified in the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, as well as the Universal Declaration of Human Rights.

Companies with verified violations were excluded and, therefore, were not considered sustainable investments.



## How did this financial product consider principal adverse impacts on sustainability factors?

During the reference period, the fund considered principal adverse impacts on sustainability factors through the exclusions outlined in the management company's sustainability policy, which excluded the following:

- Companies operating in the fossil fuel sector.
- Companies with facilities or operations located in or near biodiversity-sensitive areas, where their activities negatively impact these areas.
- Companies that do not adhere to international norms and standards, such as the Ten Principles of the UN Global Compact and the OECD Guidelines for Multinational Enterprises.
- Companies involved in the production or sale of controversial weapons (landmines, cluster munitions, chemical, and biological weapons).
- Companies whose activities affect endangered species.



## What were the top investments of this financial product?

The list includes the investments constituting the **greatest proportion of investments** of the financial product during the reference period which is: 1/1/2025-12/31/2025

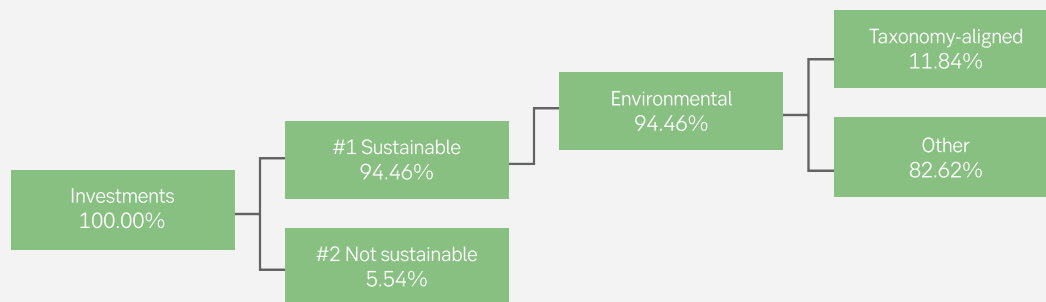
Largest investments	Sector	% of assets	Country
Vasakronan AB	-	2.15	Sweden
Fortum Varme Holding samagt med Stockholms stad AB	Utilities	2.02	Sweden
DNB Bank ASA	Financials	2.00	Norway
Danske Bank A/S	Financials	1.97	Denmark
Ellevio AB	Utilities	1.92	Sweden
ABN AMRO Bank NV	Financials	1.90	Netherlands
Swedbank AB	Financials	1.88	Sweden
SBAB Bank AB	-	1.82	Sweden
Tomra Systems ASA	Industrials	1.77	Norway
Skandinaviska Enskilda Banken AB	Financials	1.76	Sweden
UPM-Kymmene OYJ	Materials	1.71	Finland
SKF AB	Industrials	1.67	Sweden
Jyske Bank A/S	Financials	1.65	Denmark
Fingrid OYJ	-	1.55	Finland
SpareBank 1 SMN	Financials	1.54	Norway



## What was the proportion of sustainability-related investments?

The question is answered in the sub-questions below.

### ● What was the asset allocation?



**#1 Sustainable** covers sustainable investments with environmental or social objectives.

**#2 Not sustainable** includes investments which do not qualify as sustainable investments.

### ● In which economic sectors were the investments made?

*If present in the portfolio, sub-sectors related to fossil fuels, as defined in Article 2(62) of Regulation (EU) 2018/1999, are disclosed. Where such sub-sectors are not applicable, only top-level sector classifications are reported.*

Sector	% assets
Mixed	36.25

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Materials	4.05
Industrials	6.00
Consumer Discretionary	1.85
Consumer Staples	0.04
Financials	40.29
Information Technology	0.41
Communication Services	1.33
Utilities	6.59
Real Estate	3.20



## To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

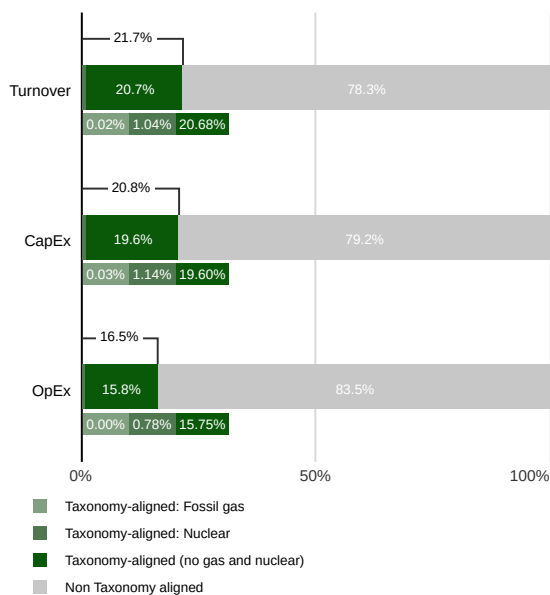
The question is answered in the sub-questions below.

### Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>1</sup>?

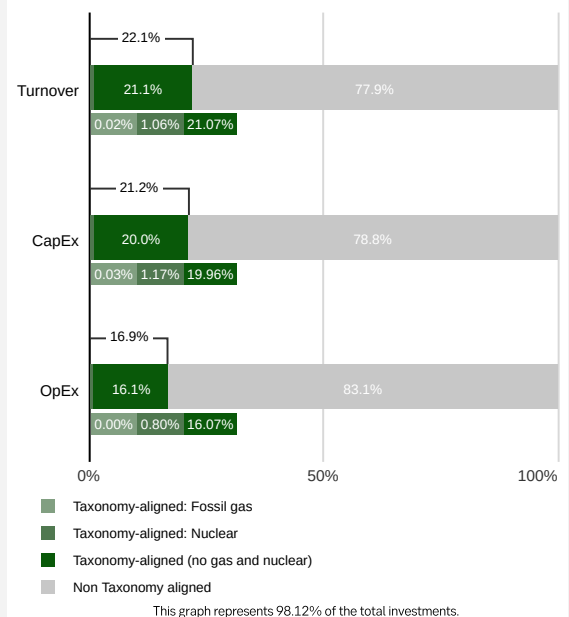
- Yes
- in fossil gas     in nuclear energy
- No

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.

1. Taxonomy-alignment of investments including sovereign bonds\*



2. Taxonomy-alignment of investments excluding sovereign bonds\*



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

### What was the share of investments made in transitional and enabling activities?

During 2025, the share of investments in transitional activities was 0.57%. The share in enabling activities was 10.34%.

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective — see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

To comply with the EU Taxonomy, the criteria for fossil gas include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For nuclear energy, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

- How did the percentage of investments aligned with the EU Taxonomy compare with previous reference periods?

	Including sovereign bonds		Excluding sovereign bonds	
	2025	2024	2025	2024
<b>Turnover</b>	21.74%	13.81%	22.15%	14.05%
<b>Capital expenditure</b>	20.78%	13.12%	21.16%	13.35%
<b>Operational expenditure</b>	16.53%	10.64%	16.87%	10.83%



### What was the share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy?

During the period, the fund had a proportion of sustainable investments with an environmental objective that was not aligned with the EU Taxonomy, amounting to 87.20%. The fund invested exclusively in green bonds. The funding from these bonds must be used to contribute to an environmental goal in order to receive their green label; however, for the majority of them, taxonomy reporting for individual financial securities was lacking. It is likely that, in the vast majority of cases, these goals are clearly connected to the objectives outlined in the EU Taxonomy, but reliable data for such a classification is unavailable. The EU Taxonomy does not cover all economic sectors relevant to the fund's investment strategy and those that contribute to sustainability goals. There were also relatively few companies that reported in accordance with the EU Taxonomy. This may have been due both to their size and geographical location.

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.



### What was the share of socially sustainable investments?

At the end of 2024, 0% of the AuM of the fund's investments in green bonds were classified as socially sustainable investments. However, some of the green bonds may be issued by companies that are otherwise classified as socially sustainable, thus rendering the green investment also partly socially sustainable.

### What investments were included under “not sustainable”, what was their purpose and were there any minimum environmental or social safeguards?

During the reference period, the fund utilised cash and derivatives to manage liquidity and flows. The fund did not consider any environmental or social safeguards necessary for these investments during the reference period.



## What actions have been taken to attain the sustainable investment objective during the reference period?

The primary component of the Sub-Fund's sustainability strategy is investment in green bonds. Green bonds are bonds where the proceeds are earmarked for investments with a clear positive environmental impact. At the end of the year, 100% of the bond investments were green bonds, constituting approximately 95% of the Sub-Fund's AuM, while the remaining investments were held in cash or derivatives.

The impact was measured by avoided emissions from the underlying projects financed by the green bonds. This was quantified as tonnes of greenhouse gas (GHG) emissions avoided per EUR 1 million invested. For a EUR 1 million investment in the Sub-Fund, the impact corresponded to an avoidance of approximately 345 tonnes of GHG emissions.

The Sub-Fund excludes companies that do not meet the Management Company's sustainability criteria. The Management Company engaged in dialogue with companies regarding sustainability efforts. These dialogues focused primarily on environmental characteristics, with reducing greenhouse gas emissions as a key objective. Areas of engagement included reporting on Scopes 1–3 emissions, establishing clear emissions reduction pathways through commitments to science-based targets, and preparations for compliance with the EU Green Bond Standard.

During the year, engagement activities included dialogue with companies such as SKF and several financial institutions. Engagement was conducted directly or indirectly through third-party engagement partners.



## How did this financial product perform compared to the reference sustainable benchmark?

The Sub-Fund did not use a benchmark index to achieve its sustainable investment objective.

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- **How did the reference benchmark differ from a broad market index?**

The Sub-Fund did not use a benchmark index to achieve its sustainable investment objective.

- **How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the sustainable investment objective?**

The Sub-Fund did not use a benchmark index to achieve its sustainable investment objective.

- **How did this financial product perform compared with the reference benchmark?**

The Sub-Fund did not use a benchmark index to achieve its sustainable investment objective.

- **How did this financial product perform compared with the broad market index?**

The Sub-Fund did not use a benchmark index to achieve its sustainable investment objective.