

## Information about responsible investments SEB Life and Pension Baltic SE

### 1. Purpose and definitions

SEB Life and Pension SE (hereafter – the Company) has a strong ambition to contribute to sustainable development and we are committed to support our customers in the transformation towards a low-carbon economy. To us, sustainable development means that the economic, social and environmental effects are balanced in all our business decisions.

We are convinced that companies integrating sustainability perspectives into their operations are more successful in the long run and will thereby be able to generate a higher return on investment over time for our clients.

Our work is guided by SEB Group's and the Company's sustainability related policies, position statements and instructions. These documents provide guidelines for our sustainability work, they relate to best practice as well as on the international conventions and standards that we encourage companies to follow.

Sustainability usually means meeting the needs of the present without compromising the ability of future generations to meet their own needs. The concept is broad but can be summarized in three main areas:

- Environmental factors
- Social factors
- Governance factors

Often grouped under the abbreviation ESG (Environmental, Social and Governance).

Sustainability Factor: environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters (further – ESG).

Adverse Sustainability Impact (impact out): Adverse Sustainability Impact is when an issuer of an asset has a negative impact on Sustainability Factors.

Sustainability Risk (impact in): means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment

SEB: companies directly or indirectly controlled by Skandinaviska Enskilda Banken AB (publ).

### 2. Responsible investments

The Company's sustainability work embraces several perspectives and methods which together create value for our clients, but also for society at large. Interaction and balance between exclusionary screening, ESG integration and positive screening, active ownership and Sustainability themed and impact investing are vital for the generation of sustainable, long-term value.

#### 2.1. Exclusionary screening

The Company excludes investments in companies that operate in sectors or business areas that are assessed to present major sustainability challenges. The Company has restrictions when making direct investments in the following sectors: controversial weapons, nuclear weapons, fossil fuels, gambling, tobacco. The Company also excludes investments in companies with red flag signal relating to controversies (environment, human rights, labor rights, governance, etc) based on UN Global Compact or any other relevant principles and standards.

The Company has preference for investment funds, which follow an exclusion criteria similar to SEB's. Deviations concerning exclusion criteria could occur because the Company does not have control over the investment process of an external fund manager.

2.2. ESG integration and positive screening

The Company integrates sustainability perspectives in investment decisions and in the portfolio structure. By integrating analysis of risks and opportunities related to the environment, social responsibility and corporate governance issues in investment decisions and company dialogue, we ensure meticulous handling of both risks and opportunities related to sustainable development.

*External fund managers:* The Company has preference for external fund managers investing into listed markets, which are UN Principles for Responsible Investment (UN-PRI) signatories.

*Fixed income:* Company invests into different so-called ESG bonds, which include green, social, sustainable bonds and other bonds, which promote sustainability.

*Government bonds:* the Company has preference for government bonds with high ESG rating.

Principal adverse impact factors (PAIs): Information on PAIs shall be taken into account in the investment decision process if relevant data is available.

2.3. Active ownership

When investing in corporate bonds, the Company must contribute to ensuring that sustainability risks and opportunities are in focus and are handled in the companies in which the Company invests. The Company believes that all companies should have a sustainability policy that covers various issues that are vital to the company's long-term competitiveness, for example concerning the environment, social responsibility and corporate governance.

Dialogue between the companies may be either proactive or reactive. Proactive dialogue entails influencing companies in order to improve general sustainability initiatives, and also working proactively with the company on specific issues. Reactive dialogue is pursued when situations arise where we assess that a company fails to fulfil international standards and guidelines. Through dialogue, the Company will investigate the factual circumstances and any corrective measures planned by the company. The objective of each dialogue is to seek to achieve change so as to avoid future infringements, and to ensure that, in the longer term, the company adheres to applicable regulations and international standards.

2.4. Sustainability themed and impact investing

Company makes investments into sustainability themed and impact investments. Sustainability themed investments are investments in themes or assets linked to the development of sustainability. Impact investments are investments in companies, organizations and funds with the intention of generating a social and environmental impact alongside a financial return.

2.5 Description of actions to address principal adverse sustainability impacts

SEB has increasingly translated sustainability related positions to restrictions in order to operationalize how the business should deal with any potential Adverse Sustainability Impact. Restrictions have been clarified for the following areas and applies for direct investments:

Sector	Restriction
Controversial Weapons	SEB has restrictions on financing and investment in companies producing or developing controversial weapons or trading in such weapons.

Fossil Fuels	SEB has restrictions on financing and investments in companies engaging in the extraction, refining and power generation for the following fossil fuels: <ul style="list-style-type: none"> <li>• Thermal Coal</li> <li>• Oil and Gas (Conventional, Unconventional, Environmentally Sensitive Areas)</li> <li>• Thermal Peat</li> </ul>
Gambling	SEB has restrictions on financing and investments in companies whose primary revenue source is derived from products and services intended for gambling.
Tobacco	SEB has restrictions on financing and investments in companies engaged in manufacturing and distribution of cigarettes and e-cigarettes.

## 2.6. Portfolio classifications

The Company's investment products portfolio consists of 3 categories based on Sustainable Finance Disclosure Regulation (further - SFDR):

- Sustainability risks are not integrated into investment decisions regarding products (article 6 on SFDR)

- Products are promoting an environmental or social characteristic, but do not have as their objective a sustainable investment (article 8 based on SFDR)

- Products that have sustainable investment as their objective (article 9 based on SFDR)

Portfolio classification is based on the following methodology:

	Exclusionary screening	Active ownership	ESG integration and positive screening	Sustainability themed and impact investing
Sustainability risks are not integrated into investment decisions regarding products	-	-	-	-
Products promote environmental or social characteristics, but do not have as their objective a sustainable investment	+	+	++	
Products have sustainable investment as their objective	+	+	+	+++

In unit-linked portfolios investment fund manager's classification shall be used.

## 3. Investment and insurance advice

The Company provides advice on insurance or pension products linked with funds which are managed within the SEB Group or by external parties.

The Company includes in the offering and advisory process only financial instruments that are selected by Company and sustainability risks is a part of this product selecting process described in internal procedures.

The Company's advisory process and offering to the customer is currently based on suitability criteria and considers client needs and objectives, risk tolerance, ability to bear loss, knowledge and experience with financial products. Sustainability preferences in advisory process are planned to be implemented in line with regulatory requirements and timeline – during Q3 2022.

4. Remuneration policies in relation to the integration of sustainability risks

In the remuneration policy for the Company sustainability risks are included.

5. Governance and periodic review

The Company's investments shall be monitored regularly on the sustainability aspects. Monitoring shall include qualitative and quantitative analysis and for analysis underlying instrument data of investment funds shall be used if look through data is available