



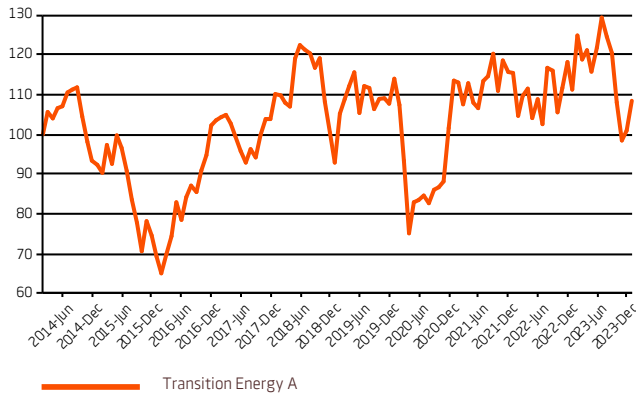
# Annual Report 2023

## Swedbank Robur Transition Energy

Fund Manager: Robert Slorach  
 Management Company: Swedbank Robur Fonder AB  
 Fund type: Equity funds  
 Start date: 1994-05-05

Share classes open for trading: A  
 Benchmark: MSCI All Country World Net  
 Base currency: SEK

### Performance



### Investment Policy

Transition Energy is an actively managed equity fund that invests globally in shares in different companies based on the theme of sustainable energy transition. The distribution between countries and markets can vary over time. The fund invests in a selection of companies, which, through their products, services or activities, contribute to the transition to a more sustainable society. The fund can also invest in companies where the Management Company has identified an ongoing transition, either through the company's products, services or operations, and which thus have the opportunity to contribute to a sustainable energy transition in the future. The fund has a long-term investment horizon and the management selects companies that are considered attractively valued in relation to the assessment of the company's future earnings potential. The fund complies with the Management Company's Policy for Responsible Investments and applies an extended exclusion level. Read more in the fund's Information Brochure.

### Fund Performance

In 2023, the fund decreased by -2.5 %. The benchmark index rose by 18.2% during the same period.

During the year, the fund developed weaker than its benchmark index, which is a very broad global index containing virtually all market segments. The very strong performance of the shares of a number of the world's largest IT companies, which weigh heavily in the benchmark index but are outside the fund's investment mandate, was a major contributor to the fund's weaker performance during the year. Due to the fund's investment theme, the exposure to consumer products and communications, two sectors that performed strongly during the period, was also very low and hampered the fund's performance relative to the benchmark.

For many shares with exposure to the energy transition, 2023 was a weak year and many industry indices fell. As the energy transition requires many very large investments, whose calculations are sensitive to interest rates and other factors, the rapid rise in market interest rates in the autumn meant that some projects were postponed. This, in turn, meant that the equity market questioned the current expectations of the companies' profits, which resulted in falling equity prices.

The largest positive contributors to the fund development during the year were found in the electrification segment. The fund's largest contributors were MYR Group and Quanta Services, which are both involved in the expansion of the North American electricity grids. Rexel and Schneider Electric, two French companies that manufacture and sell electrical components, also made a positive contribution to the return.

Among the negative contributors were a number of shares related to solar power. SolarEdge Technologies and Enphase, both manufacturers of components for small-scale solar power plants, suffered from declining demand in the wake of e.g. rising interest rates, which combined with too high stocks at the distribution level meant disappointments in connection with the earnings reports. Xinyi Solar and Flat Glass, two Chinese companies that manufacture glass for solar panels, also saw their share prices fall and thus contributed negatively to the fund's development.

During the period, a number of new investments were made, including in the American Hubbell Inc. that manufactures components related to the power grid. At the end of the year, companies active in the electrification of society were the largest sub-segment of the fund. This exposure consisted of shares such as Nexans, Prysmian and NKT, all of which manufacture high-voltage cables. Larger holdings in the aforementioned MYR Group and Quanta Services, supplemented the cable companies.

Information on the environmental and/or social characteristics of the fund and the disclosure of such investments can be found in the annex to this annual report.

### Market Performance

For Europe, 2023 was a much calmer year in energy markets than the previous year, a year that was marked by the war in Ukraine and the ensuing large swings in energy prices. After a relatively mild winter and thus a good stock situation in Europe, the price of natural gas fell back from the autumn 2022 peaks but continued to trade at very high levels in 2023. Electricity, whose price in Europe is largely determined by the price of natural gas, thus became expensive in a historical context and continued to put pressure on the profitability of energy-intensive industries in Europe.

In global financial markets, inflation, but above all the outlook for interest rates, was the focus of the year. After a relatively undramatic first half of the year, a rapid rise in market interest rates in the autumn led to a weak performance of stock markets, especially interest rate sensitive stocks. However, the situation changed at the end of October when signals from the US central bank indicated possible future interest rate cuts in 2024, which caused long-term interest rates to fall back. The stock exchanges reacted positively with rising share prices, primarily within the interest rate sensitive segment.

### Level of Activity

As a consequence of the fund's investment policy, the fund has had a high Active risk over the period.

The large discrepancies between the fund's holdings and the benchmark index were the main reason for the high active risk. Since the fund's focus changed in the autumn of 2020, active risk has risen significantly but remained at a relatively stable level.

### Other

The fund may use derivative instruments, including OTC derivatives, as part of its investment policy. During the period, the fund did not use any derivatives. According to Swedbank Robur's internal rules, securities lending is not allowed. No conflicts of interest have arisen in connection with the fund's investments.

## Risk Class



## Fund's top 5 holdings

	Market value, tSEK	% of fund
Nexans	334,944	6.1
Rexel	332,716	6.1
Quanta Services	315,942	5.8
MYR Group	292,824	5.4
Terna	286,192	5.2

## Share classes

The fund currently has class A open for trading. Share class A is a non-dividend share class traded in SEK. Other share classes are not currently open for trading. The various share classes differ with regards to charges, dividend, threshold for subscription charges, currency for subscription and redemption plus specific terms and conditions for distribution. The shares in a share class have equal rights to the assets in the fund. More information on the fund's share classes can be found in the Information Brochure.

Basic facts	231231	221231	211231	201231	191231	181231	171231	161231	151231	141231
Fund net asset value, SEKk	5,465,549	6,149,849	3,770,699	2,081,349	601,327	808,067	820,269	1,442,472	343,531	415,414
Net asset value, share class A, SEK	19.75	20.26	21.02	20.66	20.75	16.92	20.05	18.85	12.63	16.82
Number of outstanding units, share class A, thousands	276,705	303,598	179,391	100,754	28,985	47,749	40,907	76,535	27,206	24,697
Fund return closing price (incl. div.) share class A, %	-2.5	-3.6	1.7	-0.4	22.6	-15.6	6.4	49.3	-24.9	-10.8
Benchmark (incl. div.) share class A, %	18.2	-6.1	30.7	-29.0	23.8	-8.1	6.7	48.8	-27.5	-10.1
Tracking error (active risk), %	14.9	13.8	15.4	11.5	4.5	3.5	2.5	2.7	2.6	2.6

## Holdings and positions in financial instruments as of 2023-12-31

### Transferable securities on a regulated or equivalent market outside the EES

	Unit / Nom	Market value, SEKk	% of fund
<b>Financial</b>			
Hannon Armstrong Sustainable Infrastructure (US)	585,265	162,673	3.0
		<b>162,673</b>	<b>3.0</b>

### Industry

Alfen Beheer (NL)	44,237	29,686	0.5
Array Technologies (US)	1,135,800	192,300	3.5
Eolus Vind B (SE)	195,706	17,359	0.3
Hubbell (US)	13,000	43,094	0.8
Inwido (SE)	214,356	28,981	0.5
Lindab International (SE)	125,491	24,985	0.5
MasTec (US)	280,200	213,819	3.9
MYR Group (US)	200,900	292,824	5.4
Nexans (FR)	379,647	334,944	6.1
NKT (DK)	261,738	181,287	3.3
Nordex (DE)	181,595	21,025	0.4
Prysmian (IT)	584,257	267,780	4.9
Quanta Services (US)	145,274	315,942	5.8
Rexel (FR)	1,206,578	332,716	6.1
Rockwool International (DK)	36,679	108,237	2.0
Schneider Electric (FR)	95,431	193,120	3.5
Shoals Technologies Group (US)	1,309,400	205,065	3.8
SIF (NL)	726,914	84,484	1.5
Soltec Power (ES)	2,675,445	102,518	1.9
Stem (US)	386,100	15,097	0.3
Systemair (SE)	396,068	31,171	0.6
Vestas Wind Systems (DK)	115,158	36,854	0.7
Willdan Group (US)	435,600	94,383	1.7
Zehnder Group (CH)	176,081	112,798	2.1
		<b>3,280,469</b>	<b>60.0</b>
<b>Information technology</b>			
Enphase Energy (US)	89,600	119,319	2.2
Flat Glass (CN)	7,775,000	132,255	2.4
Itron (US)	13,500	10,273	0.2
Landis+Gyr (CH)	101,250	92,139	1.7
Samsung SDI (KR)	59,238	218,790	4.0
SMA Solar Technology (DE)	19,353	13,045	0.2
SolarEdge Technologies (IL)	27,531	25,970	0.5
Xinyi Solar (CN)	18,891,472	111,180	2.0
		<b>722,973</b>	<b>13.2</b>
<b>Public utilities &amp; services</b>			
Acciona (ES)	61,012	90,540	1.7
Altus Power (US)	2,633,700	181,282	3.3
EDP Renovaveis (ES)	315,809	65,129	1.2
Elia Group (BE)	11,000	13,874	0.3
Enel (IT)	2,413,287	180,808	3.3
Iberdrola (ES)	200,000	26,429	0.5

	Unit / Nom	Market value, SEKk	% of fund
Redeia (ES)	851,998	141,419	2.6
ReNew Energy Global (IN)	866,100	66,860	1.2
Sunnova Energy International (US)	743,600	114,282	2.1
Terna (IT)	3,403,199	286,192	5.2
		<b>1,166,814</b>	<b>21.3</b>

**Total financial instruments with positive market value** 5,332,929 97.6

**Total financial instruments with negative market value** 0 0.0

**Total financial instruments** 5,332,929 97.6

Net other assets and liabilities 132,620 2.4

**Fund capital** 5,465,549 100.0

## Fund facts

**Risk and return measures** 231231

Standard deviation fund, % 24.0

Standard deviation benchmark, % 13.4

Tracking error (active risk), % 14.9

Average annual return 2 yrs, %

- Share class A -3.1

Average annual return 5 yrs, %

- Share class A 3.1

### Costs

Management fee as % of average fund assets\*

- Share class A 1.25

Transaction costs (turnover costs), SEKk\* 1.192

Transaction costs in % of securities traded\* 0.05

Management fees and other administrative or operating costs\*\*, %

- Share class A 1.25

Management fee in SEK, saving amount 10,000 SEK\*

- Share class A 128

Management fee in SEK, saving amount 100 SEK/month\*

- Share class A 7.79

### Turnover

Turnover rate, times/year

0.2

### Derivative instruments

Highest gross derivative exposure, % 0.0

Lowest gross derivative exposure, % 0.0

Average gross derivative exposure, % 0.0

### Trading of financial instruments

Turnover through funds managed by Swedbank Robur Fonder AB, %

4.4

Rounding differences may occur.

See explanations in the glossary on swedbank.se/ordlistafonder

\* Based on the previous 12 months.

\*\* Management fee and other costs as interest costs are included.

However commissions/transaction fees are not included. Based on the previous 12 months.

## Balance sheet

Assets, SEKk	231231	221231
Transferable securities	5,332,929	5,919,654
<b>Total financial instruments with positive market value</b>	<b>5,332,929</b>	<b>5,919,654</b>
Cash assets and other liquid assets	136,227	228,073
Prepaid costs and accrued income	494	869
Other assets	10,893	14,692
<b>Total assets</b>	<b>5,480,543</b>	<b>6,163,289</b>

Liabilities, SEKk	231231	221231
Accrued costs and prepaid income	1,127	1,276
Other liabilities	13,867	12,164
<b>Total liabilities</b>	<b>14,994</b>	<b>13,440</b>
<b>Fund capital</b>	<b>5,465,549</b>	<b>6,149,849</b>

## Income statement

Income and changes in value, SEKk	231231	221231
Value changes on negotiable securities	-196,830	-90,283
Interest income	12,080	3,301
Dividends	80,615	67,833
Currency exchange gains and losses net	9,277	8,267
Other income	1	7
<b>Total income and change in value</b>	<b>-94,858</b>	<b>-10,876</b>

Costs, SEKk	231231	221231
Administrative costs	79,693	68,777
Interest costs	0	53
Other financial costs	11	66
Other costs	1,234	3,300
<b>Total costs</b>	<b>80,938</b>	<b>72,196</b>
<b>Profit for the year</b>	<b>-175,796</b>	<b>-83,072</b>

Change of fund assets, SEKk	231231
Fund assets at the beginning of the year	6,149,849
Unit issuance	990,867
Unit redemption	-1,499,371
Profit for the year according to the income statement	-175,796
<b>Fund assets at end year</b>	<b>5,465,549</b>

## The fund's sustainability work

Information about the fund's environmental and/or social characteristics can be found in the appendix to this document.

## Level of activity

The activity in the fund can be measured in various ways. A common measure is active risk, or tracking error, showing how much the fund's historical returns have varied in value in relation to its benchmark.

The level of tracking error differs between different fund categories (equities, interest rates) as the volatility of the underlying markets differs. Tracking error is calculated according to industry standards and is based on monthly data and covers the last 24-month period.

## Description of activity rate

The fund is actively managed. The fund manager conducts an ongoing analysis and makes active decisions regarding the fund's composition and holdings. The fund manager monitors and modifies the portfolio in order to meet the fund's objectives.

## Description of Benchmark Index

The fund's benchmark index is the MSCI All Country World Index, which follows the development of large and medium-sized companies in stock markets in countries all over the world. The index includes emerging market countries. The Management Company assesses that the index is in line with the fund's investment policy with regard to the choice of asset class and market.

## Risk assessment method

The Management Company measures the total exposure of the fund using the commitment approach on a daily basis. The commitment approach calculates the fund's global exposure from using derivatives. This calculation involves converting derivative positions into a comparable position in the underlying assets of the derivative. A delta calculation is also done for options and similar. When calculating total exposure, the Management Company considers netting and hedging.

## Fund Risks

Normally, equity funds have the highest potential for long-term value growth. However, any investment in an equity fund also implies a higher risk, as prices fluctuate more in the equity markets than in the interest markets.

Material risks in the fund that are not fully reflected in the risk indicator are:

- Concentration risk. Limiting the number of sectors in which the fund invests increases risk as compared to investing in a broader fund.
- Currency risk. The fund invests in securities denominated in currencies other than the fund's base currency (SEK), and exchange rate fluctuations can therefore affect the fund's value.
- As the fund uses derivatives to a small extent, the fund's risk profile is affected to some degree.

## Remuneration Policy

The Management Company's Board has adopted a remuneration policy which is consistent with and promotes sound and effective risk management. The Management Company's remuneration policy is also structured to counter risk-taking that is incompatible with the risk profiles of the funds managed by the Management Company. The remuneration policy shall counteract excessive risk-taking and encourage employees to deliver sustainable performance at any given time.

The remuneration system consists of two variable remuneration policies, in addition to fixed remuneration in the form of monthly payments in cash. The variable remuneration programme, "Eken", is group-wide and the individual performance and remuneration programme, "IPAM", which is based on fund shares, was introduced in 2017 specifically for Robur as the regulatory framework for fund companies differs from the regulatory framework that is applied within the Group in general. Variable remuneration can be paid with a maximum of 12 fixed monthly salaries.

Eken is a general equity-related remuneration programme and in principle includes all employees within the Swedbank Group, though not all employees within the Management Company, and normally consists of deferred remuneration in the form of equities in Swedbank AB (publ). Those that are entitled to IPAM are not entitled to Eken. IPAM covers 67 employees in the Management Company. IPAM consists of both cash and fund shares. 60% of variable remuneration is paid directly after the year of performance; 50% is paid in fund units and 50% in cash. 40% of the remuneration is deferred as below, of which 50% is paid in fund shares and 50% in cash. Fund units (including deferred fund units) are locked as performance rights for one year after allocation before they can be sold.

The deferment period should reflect the recommended holding period that is stated in the fund factsheet; no less than 3 years, however.

For funds with a 3-year recommended holding period, the deferred element should be paid after 3 years, without being prorated.

For funds with a 5-year recommended holding period and for alternative investment funds, the deferred element should be paid over a period of 5 years via a prorated distribution (evenly distributed over the period the compensation is deferred) where the first payment of cash and the transfer of fund units may only be made one year after the date the variable remuneration was decided.

This rule shall only apply for alternative investment funds provided that the 5-year deferral period does not conflict with the estimated average holding period of the holding in the relevant fund according to the fund documentation, e.g., the Information brochure and Investment contract).

Variable remuneration should only be paid or transferred to the employee for that portion that is justifiable with regard to Robur's financial situation and be motivated with regard to the results of the fund, the business unit and the employee. The deferred portion of the remuneration can disappear completely for the same reason.

The remuneration programme is designed to ensure that, to the greatest possible extent, conflicts of interest are avoided. Every portfolio manager is monitored and assessed based on all management assignments. The variable remuneration system is continuously followed up and monitored. Variable remuneration is designed to stimulate sound behaviour and desired results, and to create a healthy balance between fund rewards and fund risk exposure.

In setting employee targets, consideration is given to the risk profile in the funds the employee administers, the benchmark index and the investment horizon. These targets are measurable, clear and transparent. These objectives also include how the employee experiences the company's values (open, modest and considerate).

Variable remuneration is based on the performance of the individual, which is evaluated against performance criteria that are set at the start of each calendar year. The assessment is based on a combination of quantitative and qualitative results. Variable remuneration is only paid if quantitative targets with regard to returns or qualitative targets with regards to a long-term sustainable strategic transfer is fulfilled over time. According to Robur, a sustainable strategic transfer is a prerequisite for reaching long-term financially sustainable returns. This means that maximum returns cannot be generated unless both the target rates of return and sustainability targets have been taken into consideration.

During the year, implementation of the remuneration policy has been the subject of an independent review by internal audit without any essential deviations. Information on remuneration in line with Swedish Financial Supervisory Authority regulations on securities funds and regulations on managers of alternative investment funds can be found on the Management Company's website.

## Remuneration Amount

The Management Company's combined remuneration amount paid 2023: SEK 256,537,360 of which SEK 27,136,290 relates to variable remuneration in Sweden. SEK 26,558,016 of which SEK 727,790 relates to variable remuneration in Lithuania. Remuneration covers all 279 employees (208 in Sweden and 71 in Lithuania). The total amount of remuneration paid out during the year to the company's senior management, employees who have a significant influence on the risk profiles of the fund company/funds and employees with responsibility for control functions (SRS), 80 people, amounted to SEK 145,724,614 excluding retirement pension costs, of which risk takers were paid: SEK 119,490,657, leading strategic positions: SEK 23,412,467 and control functions: SEK 2,821,490.

## Accounting Principles

This annual report has been prepared as regulated by the Swedish Investment Funds Act (2004:46), The Swedish Financial Supervisory Authority's regulations FFFS 2013:9, ESMA's guidelines, and takes into account the guidelines for accounting for key performance indicators regarding mutual funds and special funds issued by the Swedish Investment Fund Association.

## Valuation Principles

The fund's financial instruments including liabilities and derivatives are valued at market value corresponding to the closing price on the balance sheet date (31/12/2023). If the closing day is not a trading day, the valuation from the last trading day prior to the closing day is used. If the valuation cannot be obtained or is misleading as so deemed by the Management Company, valuation may be made according to generally accepted valuation principles.

Product name:  
Swedbank Robur Transition Energy

Legal entity identifier:  
549300IDPQWFIFK73179

**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, establishing a list of **environmentally sustainable economic activities**. For the time being, it does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

# Environmental and/or social characteristics

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



Yes



No



It made **sustainable investments with an environmental objective**: \_%



in economic activities that do qualify as environmentally sustainable under the EU Taxonomy



in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy



It made **sustainable investments with a social objective**: \_%



It promoted **Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 56% of sustainable investments



with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy



with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy



with a social objective



It promoted E/S characteristics, but **did not make any sustainable investments**



## To what extent were the environmental and/or social characteristics promoted by this financial product met?

During the year, the fund has promoted environmental and/or social characteristics by:

- Taking into account the carbon intensity of fund holdings with the ambition to reduce the carbon footprint over time and/or to have a low footprint versus the fund's benchmark index (**indicator Carbon emissions**).
- Investing in companies that have set verified Net Zero targets for their efforts to reduce their climate footprint (**indicator Net zero target**).
- Investing in companies whose operations contribute to the achievement of the UN's Sustainable Development Goals (SDGs) (**indicator SDG aligned revenues**).
- Dialogues with companies to increase their environmental and/or social responsibility. If the dialogue concerned both environmental and social issues, the dialogue is recorded under both categories (**indicator Environmental Engagement and/or Social Engagement**).

The sustainability indicators have been calculated on all instruments of the fund that are used to meet the environmental and social characteristics where data has been available. For the indicators that are calculated as a weighted average, the measurable parts have been normalised.

During the year some of the fund's investments also contributed to the environmental objectives Climate change mitigation or Climate change adaptation in the EU taxonomy.

**Sustainability indicators** measure how the sustainable objective of this financial product are attained.

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

Indicator	Result	Coverage fund	Coverage measurable part of the fund
Carbon emissions (tCO2e/mUSD)	177	95%	99%
Net zero target (%)	44	96%	100%
SDG aligned revenues (%)	42	95%	99%
Environmental Engagement (#)	60	N/A	N/A
Social Engagement (#)	41	N/A	N/A

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

Indicator	Result				
	2022	2021	2020	2019	2018
Carbon emissions (tCO2e/mUSD)	185				
Net zero target (%)	37				
SDG aligned revenues (%)	37				
Environmental Engagement (#)	45				
Social Engagement (#)	41				

*The sustainability indicators in the table are not subject to auditor approval or third-party review.*

- **What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?**

The fund has made some environmentally related investments that are considered sustainable according to the EU's Sustainable Finance Disclosure Regulation (SFDR). These investments have been made in companies whose products and services have contributed to the fulfilment of the environmental objectives included in the UN's Sustainable Development Goals (SDGs). The companies have had a turnover in line with one or more SDGs of at least 20 %, with the exception of companies where the Management Company considered that exemption from the limit value is justified within Swedbank Robur's definition for sustainable investments according to SFDR. Swedbank Robur's definition of sustainable investments according to SFDR is described on the Management Company's website.

The fund has furthermore invested in economic activities that are considered environmentally sustainable under the EU taxonomy. However, the taxonomy regulatory framework is evolving and there is limited access to reported data on the taxonomy alignment of companies active in the capital market, non corporations active in the capital market and the alignment of bond issues. As a first step, the fund has invested in companies that have been consistent with the taxonomy objectives Climate change mitigation and Climate change adaptation. The share of an investment that is aligned with the EU taxonomy is also assessed as a sustainable investment according to SFDR.

- **How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?**

During the year, the Management Company has analysed how the sustainable investments have affected emissions, water and biodiversity, among other things. It has been ensured that the holdings have not seriously and systematically violated international norms or conventions of the United Nations, the ILO and the OECD or been otherwise involved in unacceptable activities with regard to sustainability or corporate governance. Thus, the Management Company has assessed that the sustainable investments did not cause significant harm to any environmental or social objective.

**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, anticorruption and antibribery matters.



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

The indicators for adverse impacts on sustainability factors (PAI) have been analysed based on the Management Company's set limit values to assess whether the fund's individual holdings caused significant damage to any environmental or social objective. In cases where the PAI indicators exceeded any of these thresholds, the security was not considered to be a sustainable investment.

In special cases where Swedbank Robur has made the assessment that an investment despite exceeding the limit value has not caused significant harm, for example due to company or sector-specific factors, the holding has been considered a sustainable investment if the other criteria have been met.

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

The sustainable investments were adapted to OECD guidelines for multi-national enterprises and the UN's guiding principles on business and human rights. This has been ensured by analysis from external suppliers. If Swedbank Robur has been informed that a company is associated with a violation of international norms or conventions, checks of the standard analysis suppliers' assessment have been carried out. If Swedbank Robur's own assessment has confirmed that there has been a serious and systematic breach, the security has not been deemed to constitute a sustainable investment.

The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the Union criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the Union criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



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

The fund has taken into account the principle adverse impacts on sustainability factors (PAI) by following Swedbank Robur's "Strategies to identify and prioritize principal adverse sustainability impacts" (in Swedish). In the fund's management, investments linked to PAI have been identified, prioritised and mitigated or accepted.

The inspection found that many main negative impacts were already mitigated and no additional measures have been taken. This applies, for example, to exposure to fossil fuels, controversial weapons and violations of international norms where the Management Company has limits or processes in place to avoid and reduce these negative consequences.

For example, the following indicators have been prioritised and mitigated:

- Greenhouse gas emissions. This has been accomplished through dialogue with Rockwool A/S regarding the manufacturing process for stone wool. The company plans on reducing its greenhouse gas emissions by converting its factories over time to new technologies using fuels that are less carbon dioxide intensive or to electricity.
- Biodiversity. This has been accomplished through dialogue with Acciona SA regarding how the company's operations impact biodiversity. The company is working with mapping what risks their projects could constitute and have set goals for minimising effects.



The list includes the investments constituting the **greatest proportion of investments** of the financial product during the reference period which is: 2023 (annual average)

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

Large investments	Sector	% Assets	Country
MYR Group	Construction	5.6%	United States
Rexel	Wholesale and retail trade	5.6%	France
Prysmian	Manufacturing	5.4%	Italy
Quanta Services	Construction	5.4%	United States
Nexans	Manufacturing	5.3%	France
MasTec	Construction	4.9%	United States
Samsung SDI	Manufacturing	4.7%	Korea, Republic of
Terna	Electricity, gas, steam and air conditioning supply	4.7%	Italy
Shoals Technologies Group	Manufacturing	4.2%	United States
Schneider Electric	Manufacturing	3.9%	France
Array Technologies	Manufacturing	3.8%	United States

*In these calculations, the cash account has been excluded.*



**Asset allocation** describes the share of investments in specific assets.

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

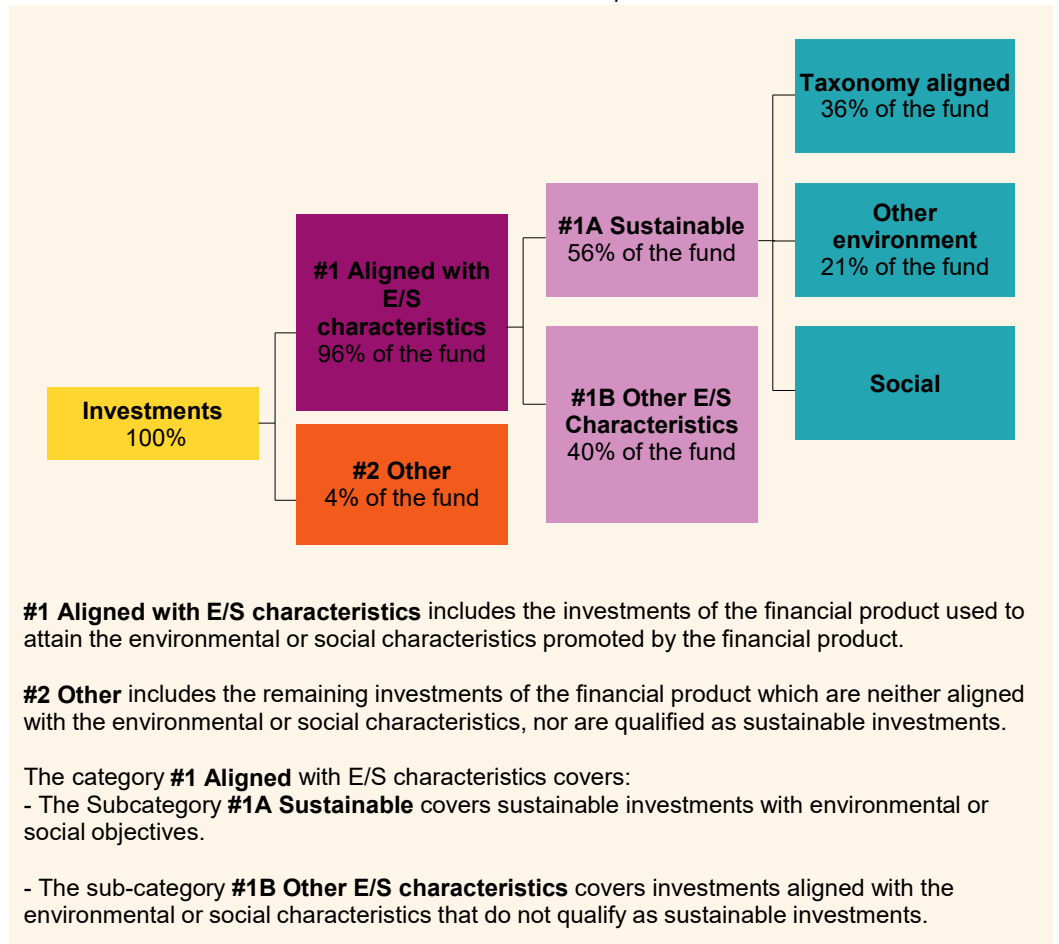
- **What was the asset allocation?**

The image below shows the average share of the fund's investments that during the year, as a result of Swedbank Robur's policy for responsible investments, were adapted to the environmental or social characteristics. The image also shows the average share of the fund's assets that constituted sustainable investments during the year.

Exceptions to the policy have been made for, for example, cash accounts and derivatives. Exceptions have also been made where sustainability screened alternatives were not available on the market, where the required liquidity was lacking or where there was a lack of transparency for the product. For example, investments in the "other" category have been used for liquidity management, diversification or to protect and/or expose the portfolio to certain market risk.

The "Taxonomy- alignment" box shows the proportion of taxonomy-aligned investments that also meet Swedbank Robur's criteria for sustainable investments according to SFDR in terms of good governance and the principle of not causing significant harm. This share may therefore be lower than the taxonomy share specified in the other parts of this Appendix.

The number in each box is rounded to the nearest whole percent.



• **In which economic sectors were the investments made?**

The figures shown in the table below are yearly averages and rounded.

Sector	% Assets
Manufacturing	54.7%
Construction	21.0%
Electricity, gas, steam and air conditioning supply	14.8%
Wholesale and retail trade	5.6%
Real estate activities	2.6%
Professional, scientific and technical activities	1.4%

*In these calculations, the cash account has been excluded.*



Taxonomy-aligned activities are expressed as a share of:

- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.

- **turnover** reflecting the share of revenue from green activities of investee companies

- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



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

The bar graphs below show the alignment of investments with the environmental objectives Climate change mitigation and Climate change adaptation in the EU taxonomy. Several environmental objectives in the EU taxonomy still lack data on the market. This means that it is not yet possible to assess what the fund's investments contribute for some of the objectives.

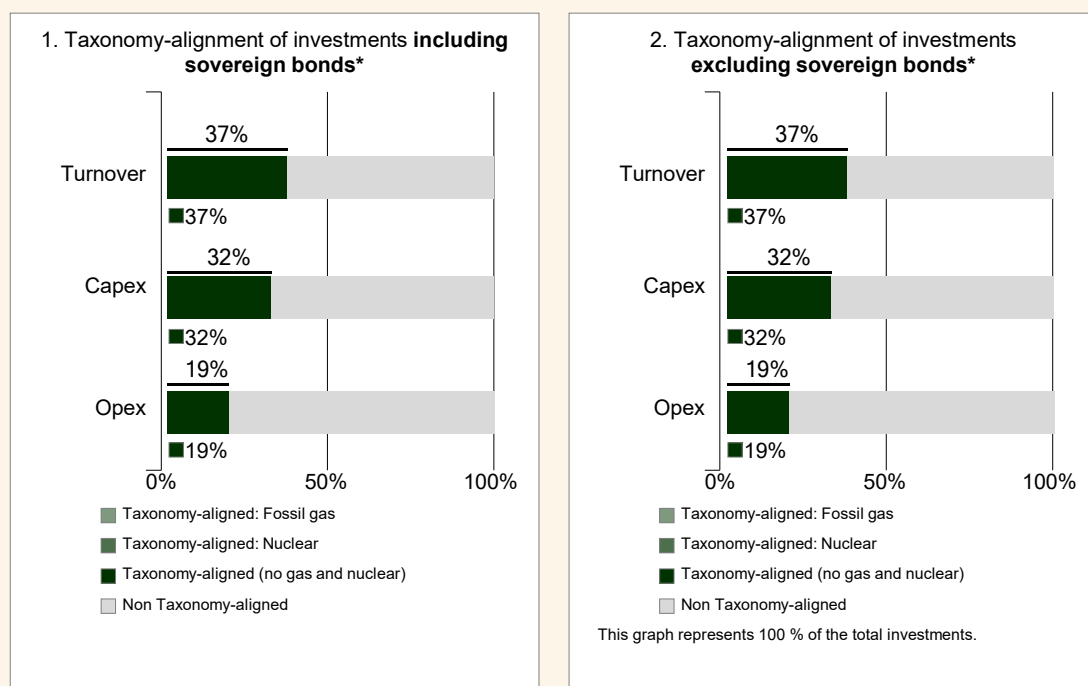
The taxonomy-aligned investments are not subject to auditor approval or a review by a third party. In order to calculate the proportion of taxonomy-aligned investments, reported and estimated data from third party suppliers have been used. There is as yet limited access to reported data on the taxonomy alignment of companies active in the capital market, non corporations active in the capital market and the alignment of bond issues. The majority of the data used to calculate the distribution below is therefore estimated. The input data will be improved when future EU rules enter into force on companies' obligations to report on their business's taxonomy alignment and when more environmental targets are reported.

### • Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy<sup>1</sup>?

- Yes
- In fossil gas                       In nuclear energy
- No

Figures below 0.5% of fossil gas or nuclear energy are rounded to 0% and are therefore not presented in this report.

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.



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

<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.

**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 green-house gas emission levels corresponding to the best performance.



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 investments made in transitional and enabling activities?**

During the year, the share of investments that, according to the taxonomy, consisted of transitional activities and enabling activities averaged 0 % and 32 % respectively. There is as yet limited availability of reported and estimated data on the taxonomy alignment of companies active in the capital market, non corporations active in the capital market and the alignment of bond issues with respect to these activities. This means that the data is not complete.

• **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

	Taxonomy-alignment of investments including sovereign bonds					Taxonomy-alignment of investments excluding sovereign bonds				
	2022	2021	2020	2019	2018	2022	2021	2020	2019	2018
Turnover	28%					28%				
Capex	12%					12%				
Opex	0%					0%				



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

During the year, an average of 21 % of the fund's holdings were sustainable investments with environmental objectives that were not aligned with EU taxonomy. The Management Company has set criteria and thresholds to assess whether companies active in the capital market, non corporations active in the capital market and bond issues constitute sustainable investments according to SFDR. These investments are not always in line with EU taxonomy, partly because of a lack of reported data and because the EU taxonomy for 2023 included only two out of six environmental objectives. However, the share of sustainable investments constituting taxonomy-aligned investments is expected to increase as more reported data on the taxonomy alignment of companies becomes available.



**What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?**

Some of the fund's holdings were placed in accounts that did not promote environmental or social characteristics. The purpose of the cash account was, among other things, to manage outflows of capital.



**What actions have been taken to meet the environmental and/or social characteristics during the reference period?**

During the year, a number of measures have been taken in order to meet the environmental or social characteristics promoted by the fund.

- The fund has made some sustainable investments.
- The fund has excluded securities in accordance with the Management Company's policy for responsible investments.
- Securities have been selected and the environmental and social characteristics have been taken into account.
- Dialogues have been conducted with a focus on environmental work and/or social characteristics.
- Relevant indicators of principal adverse impacts on sustainability factors (PAI) have been taken into account. Some PAI indicators are relevant to the sustainability indicators: Carbon emissions and Net zero target.

Finally, the Management Company's corporate governance specialists have worked to ensure that companies we have invested in are managed in an efficient and long-term sustainable manner. This has been done by Swedbank Robur's corporate governance specialists having actively participated in general meetings and/or in nomination committees for companies in which the fund has invested. One purpose of this is for the fund to fulfil its environmental and social characteristics.

## Audit Report

To shareholders in Swedbank Robur Transition Energy.

### Annual Report Statements

As auditors of Swedbank Robur Fonder AB, corporate identity number 556198-0128, we have carried out an audit of the Annual Report Swedbank Robur Transition Energy for 2023, with the exception of the sustainability information under the headings: The fund's sustainability work and Annex 1 ("The Sustainability Information").

In our view, the annual report has been produced in accordance with the Securities Act and the Swedish Financial Supervisory Authority regulations on securities funds and provides, in all material respects, a true picture of the financial position of Swedbank Robur Transition Energy as of 31 December 2023 and of its financial performance for the year, in accordance with the Securities Funds Act and the Swedish Financial Supervisory Authority regulations on securities funds. Our statement does not cover the sustainability information under the headings The fund's sustainability work and Annex 1 ("The Sustainability Information").

### Basis for Statement

We performed the audit in accordance with the International Standards on Auditing (ISA) and generally accepted accounting practice in Sweden. Our responsibility, according to these standards, has been described in more detail in the section *Auditor's responsibilities*. We are independent in relation to the Management Company in accordance with professional ethics for accountants in Sweden and have fulfilled our ethical responsibility according to these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

### Other information than the Annual Report

The other information consists of the sustainability information under the headings The fund's sustainability work and Annex 1 ("The Sustainability Information"). The Management Company is responsible for this other information.

Our statement regarding the Annual Report does not include this information and we make no certified statement regarding this other information.

In connection with our audit of the Annual Report, it is our responsibility to read the information identified above and consider whether the information is materially inconsistent with the Annual Report. During this review, we also take into account the knowledge we have otherwise acquired during the audit and assess whether the information otherwise appears to contain material inaccuracies.

If, based on the work done regarding this information, we conclude that this other information contains a material misstatement, we are required to report this. We have nothing to report in that regard.

### Management Company's liability

The Management Company is responsible for producing the Annual Report and that it presents a true picture in accordance with the Investment Funds Act and the Swedish Financial Supervisory regulations on securities funds. The Management Company is also responsible for internal checks that it assesses as necessary to produce an Annual Report that does not contain any material misstatements, either due to irregularities or errors.

### Auditor's responsibilities

Our goal is to reach a reasonable amount of security as to whether the Annual Report as a whole, is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high degree of certainty, but there is no guarantee that an audit performed in accordance with ISA and generally accepted auditing standards in Sweden will always detect a material misstatement, if such exists. Inaccuracies can arise due to irregularities or errors and are considered to be important if they individually or together can reasonably be expected to affect the financial decisions that users make on the basis of the Annual Report.

As part of an audit as per ISA, we use professional judgement and adopt a professionally sceptical attitude throughout the audit. In addition:

- We identify and assess the risks of material misstatement in the Annual Report, whether due to irregularities or error; we design and carry out audit procedures, based on these risks etc., and obtain audit evidence that is sufficient and appropriate to provide a basis for our statements. The risk of not discovering a material misstatement due to irregularities is greater than for a material misstatement due to errors, as irregularities can include actions in collusion, falsification, deliberate omissions, the provision of incorrect information or a breach of internal controls.
- We acquire an understanding of the part of the Management Company's internal controls that is of importance for our audit in order to design audit procedures that are appropriate in respect of the circumstances, but not to express an opinion on the effectiveness of internal controls.
- We evaluate the appropriateness of the accounting principles used and the reasonableness of the Management Company's estimates in the accounts and associated information.
- We evaluate the general presentation, structure and content of the Annual Report, including the information, and whether the Annual Report reflects the underlying transactions and events in a way that gives a true picture.

We are required to notify the Management Company of the scope of the planned audit and orientation and the time for this. We are also required to provide notification of significant observations during the audit, including any material failings in the internal controls we have identified.

### The auditor's statement regarding the statutory sustainability information

The Management Company is responsible for the sustainability information under the headings The fund's sustainability work and Annex 1 ("The Sustainability Information") and for ensuring that it is in accordance with the Swedish Investment Funds Act.

Our review of the fund's sustainability information has taken place in accordance with FAR recommendation RevR 12 Auditor's statement on the statutory sustainability report. This means that our review of the sustainability information has a different focus and is substantially limited in scope compared to the focus and scope of an audit conducted in accordance with the International Standards on Auditing and generally accepted auditing practice in Sweden. We believe that this review gives us reasonable grounds for our statement.

Sustainability information has been provided in the Annual Report.

Stockholm, 07 March 2024

PricewaterhouseCoopers AB

Peter Nilsson

Certified public accountant

Auditor in charge

The Board of Directors and the Chief Executive Officer of Swedbank Robur AB hereby issue annual report 2023 for Swedbank Robur Transition Energy.

Stockholm, 07 March 2024

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Liza Jonson,  
CEO

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Joachim Spetz,  
Chairman

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Gunilla Nyström

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Lars Afrell

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Monica Åsmyr

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Lenart Jacobsen

Our audit report on this annual report was issued on 07 March 2024.

PricewaterhouseCoopers AB

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Peter Nilsson,  
Certified public accountant  
Auditor in charge