

Product name: Storebrand Global Solutions Legal entity identifier: 529900NAA9WOOHE4WE12

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 lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



Does this financial product have a sustainable investment objective?

Yes

 No

<p><input checked="" type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective: 10 %</p> <ul style="list-style-type: none"> <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input checked="" type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <p><input checked="" type="checkbox"/> It will make a minimum of sustainable investments with a social objective: 10 %</p>	<p><input type="checkbox"/> It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of __ % of sustainable investments</p> <ul style="list-style-type: none"> <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective <p><input type="checkbox"/> It promotes E/S characteristics, but will not make any sustainable investments</p>
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What is the sustainable investment objective of this financial product?

Storebrand Global Solutions has sustainable investments as a goal and the fund's goal is to invest companies with services, products or technology than in our view contribute to meeting the UN's global sustainable development goals. The fund applies a thematic investment strategy with a focus on climate, sustainable cities, sustainable consumption and empowerment.

The Fund's environmentally sustainable investments contribute to the following environmental objectives defined in the EU taxonomy for environmentally sustainable activities: climate change mitigation and climate change adaptation.

The Fund integrates ESG aspects (environmental, social and corporate governance issues) into the decisions. These aspects include both ESG risks and limiting climate change. In the Sustainability analysis of the companies, we measure, among other things, financially significant risks regarding environmental, social and corporate governance issues that have a significant impact on the company's financial value. We analyze both ESG risks and SDG opportunities (the UN's global sustainability goals) and weigh these together into a rating.

- Environmental characteristics** (e.g., the company's impact on the environment and climate)
- Social characteristics** (e.g., human rights, labor rights and equal opportunities)
- Good governance practices** (e.g., shareholders rights, issues related to remuneration of executives and measures against corruption)

The Fund seeks to achieve its sustainable investment objective by investing notably in companies within four themes;

- Climate (solar, wind, grid/infrastructur)
- Sustainable cities (water, urban planning, mobility)
- The also seeks to contribute to a transition to a world with low carbon dioxide emissions (greenhouse gases) by excluding entities which derive a large part of their net sales from the production and/or distribution of fossil fuels and entities with large fossil fuel reserves
- The Fund considers social characteristics by excluding investments in companies with business operations linked to banned weapons, nuclear weapons, weapons and war materials, alcohol, tobacco, cannabis, pornography and commercial gambling, as well as by excluding companies that violate international norms and conventions related to human rights, labor law or combating corruption and bribery
- As part of the objective of making sustainable investments in the areas specified above, The Fund also applies an exclusion strategy. The Fund excludes investments in companies with business activities associated with fossil fuels and in companies that violate international norms and conventions related to environmental issues

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

- **What sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?**
 - Storebrand Sustainability ESG Score
 - Carbon intensity scoope 1 and 2
 - Green Revenue
 - PAI 4 (Exposure to companies active in the fossil fuel sector)
 - PAI 5 (Share of non-renewable energy consumption and production)
 - PAI 10 (Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises)
 - PAI 14 (Exposure to controversial weapons (antipersonnel mines, cluster munitions, chemical weapons, and biological weapons)
 - Revenues from business activities related to the production and distribution of nuclear weapons, weapons, alcohol, tobacco, cannabis, pornography, commercial gambling and fossil fuels
- **How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?**
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For all investments in the fund, at the time of investment and on an ongoing basis, checks are carried out against the fund company's exclusion criteria to ensure that no companies are involved in activities which the fund company considers incompatible with the fund's focus. The process to exclude a company is very extensive. It contains both internal and external data and assessments are carried out by our Risk & Ownership team. The excluded companies are removed from the fund's investment universe and a company can be excluded on several criteria. The team follows a methodology that is based on a screening process where the investments exposure and impact on several sustainability indicators are measured.

The result of this screening will give an indication of whether the investment is exposed to adverse impacts, based on the indicators we measure. If any of our investments are exposed to impacts that we consider to be significant, then the investment is considered to harm our environmental or social objectives and the financial instrument will be excluded from The Fund's investment universe.

All investments are subject to a screening process to assess whether the investee is negatively affecting environmental or social objectives related to:

- Significant damage to the environment or climate,
- Significant harm to workers, communities and society, such as severe and systematical violations of international law and human rights,
- Significant damage through gross corruption and financial crime,
- Production and distribution of controversial weapons,
- Production and distribution of tobacco and cannabis,
- Production and distribution of alcohol,
- Production and distribution of pornography,
- Production and distribution of commercial gaming activities,
- Production and distribution of coal, oil and gas, as well as large fossil reserves,
- Production and distribution of oil sands,
- Unsustainable production of palm oil,
- Companies that actively lobby against the goals of the Paris Agreement,
- Countries that lack basic institutions to prevent corruption, meet basic laying social and political rights and contributing to maintaining international peace and security.

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 have the indicators for adverse impacts on sustainability factors been taken into account?

The Investment Manager takes into account the indicators for adverse impacts on sustainability factors in all of the Investment Management's investment decisions on an ongoing basis. The Fund will only invests in companies that have gone through the Management Company's own sustainability analysis. The Fund's viable investments are made in companies whose products and services contribute to achieving a positive impact and achieving a more sustainable development.

Storebrands DNSH-test consists of an exclusionary screening of companies which exceed set thresholds. The exclusionary screening consists of three components: 1) norm-based exclusion screening, 2) product-based exclusion screening and 3) sovereign bond screening.

Companies that are non-compliant with the below are not eligible as sustainable investments.

All of the underlying securities are assessed for adverse impacts as part of the DNSH-process in the following manner:

1) For several of the adverse impact indicators the set thresholds defines what is considered as significant harm to environmental or social objectives, based on the indicators measured by the Investment Manager. An investment that exceeds the defined thresholds is excluded from the Fund's investment universe.

For indicators without a defined threshold, the dedicated sustainability team is responsible to assess each entity on an individual basis, where data from an external data provider is used to assess whether an entity is involved with a breach or in risk of breaching one of these indicators. In this assessment conditions such as severity, scope of harm, and risk of recurrence is analyzed using a predefined scoring table to ensure consistency in the evaluation process. The final decision to exclude the investment from Fund's investment universe is however qualitative and based on the evaluation of the dedicated sustainability team and the assessment of the issue by the Investment Manager's Sustainable Investment Committee.

2) Adverse impact indicators are accounted for, and for all of the underlying securities based on the data availability, coverage and quality which allows for setting measurable or quantifiable thresholds, or where there is sufficient information to make a qualitative assessment of adverse impact. As the data quality and availability improves, the Investment Manager will be considering a range of methods to better account for these and mitigate adverse impact.

The Fund's screening and exclusion process described above covers several of the indicators for adverse impacts on sustainability factors listed in Annex I.

In the DNSH-process, The Fund currently considers the following indicators from Table 1 of Annex I:

PAI 4 Exposure to companies active in the fossil fuel sector

PAI 7 Activities negatively affecting biodiversity sensitive areas

PAI 8 Emissions to water PAI 9 Hazardous waste

PAI 10 Violations of UNGC principles and OECD guidelines

PAI 14 Exposure to controversial weapons

PAI 16 Sovereigns: Investee countries subject to social violations

In addition The Fund considers the following indicator from Table 2 of Annex 1:

PAI 15 Deforestation

The Fund's investment universe is monitored daily for potential breaches of Storebrand Sustainable Investment Policy and screened quarterly to assess if companies are in breach of this sustainability policy.

Storebrand's Investment Control and Analytics (ICA) department is responsible for verifying that management complies with individual mandates as well as internal and external laws and regulations. As part of the daily compliance controls, all trades and positions are controlled for breaches on the Group Sustainability Policy, including the above-mentioned exclusion criteria's.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?

The Investment Manager aims to ensure that all investee companies follow the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights and the ILO conventions. The Investment Manager's process for this is to screen all investments in The Fund's investment universe by using data and research from an external data provider.



This screening is intended to assess and screen how companies adhere to these standards, and if in breach of them, how they respond to incidents and implement changes. The Fund will not invest in entities defined as non-compliant, based on this screening.

Once an entity has been defined as non-compliant, the entity is excluded from The Fund's investment universe, and the entity is no longer investable until the status has changed.

This list of excluded entities are updated on a quarterly basis.

Does this financial product consider principal adverse impacts on sustainability factors?

No

Yes

The Fund's screening and exclusion process described above cover several of the principal adverse impacts (the "PAIs") on sustainability factors.

The Investment Manager has been working to reduce adverse impact in its portfolios since the turn of the century and it has identified the following as main adverse sustainability impact categories that apply to all equity and debt portfolios including The Fund:

- Adverse impacts affecting the environment and climate such as: severe environmental damage; Green House Gas emissions; biodiversity loss and deforestation
- Adverse impact affecting workers, communities, and society such as: violations of basic workers' rights; forced labor; gender/diversity discrimination or indigenous rights violations
- Adverse impact in connection with gross corruption and money laundering
- Adverse impact in connection with controversial weapons (landmines, cluster munitions and nuclear weapons)
- Adverse impact in connection with tobacco products
- Fossil fuels (coal, oil, gas), oil sands, alcohol, commercial gambling, cannabis, pornography and weapons. These products are associated with significant risks and negative consequences for society, the environment or health

The Investment Manager has also identified some products as adverse impacts that it aims to avoid such as coal or oil sands and others such as alcohol, gambling, and conventional weapons. These products are associated with significant risks and liabilities to society, the environment or health.

The Investment Manager's methodology is to identify PAI laggards (red), PAI intermediate performers (yellow) and PAI leaders (green) so that risk can be avoided, and more capital can be allocated to more sustainable companies and solution companies.

RED: Those companies identified as PAI laggards will be further analyzed by the Risk and Active Ownership team and may result in exclusion depending on the risk and severity of the negative impact identified and the total cumulative negative impact identified across all PAI indicators.

YELLOW: PAI intermediate performers will also be further analyzed with the aim to mitigate adverse impact through engagement. Please see 3.3 Addressing of PAIs and Mitigation.

GREEN: In addition, the analyzed PAI data will be further integrated in financial decisions with the aim to allocate more capital to PAI leaders, and thus lift the sustainability value of The Fund. Please see 3.3 Addressing PAIs and Mitigation.

Information on principal adverse impacts considered by the Fund will be available in the fund's annual report.



The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

What investment strategy does this financial product follow?

In order to promote environmental and social characteristics, the following three methods are central to The Fund's investment strategy:

- Inclusions
- Exclusions
- Active Ownership

The Investment Manager takes sustainability risks into account in its investment decisions and integrates ESG aspects into the decisions. These aspects include both ESG risks and limiting climate change. In the sustainability analysis of the companies, the Investment Manager measures, among other things, financially significant risks regarding environmental, social and corporate governance issues that have a significant impact on the company's financial value.

The Investment Manager analyzes both ESG risks and SDG opportunities and weighs these together into a rating. 50 percent of the rating is based on ESG risks and 50 percent on SDG opportunities. The SDG rating measures opportunities linked to the UN's global sustainability goals and the Paris Agreement with a focus on products and services that help achieve the SDGs. Gender equality constitutes 10 percentage points of the SDG rating.

The Fund has a thematic equity strategy investing in companies that deliver products and services which contribute to the SDGs. As such, the investment philosophy is rooted in the SDGs as an investment framework. The strategy applies a holistic focus on sustainable development through investing in companies with business models linked to financially material SDG indicators, and the products and services they offer while maintaining a value chain approach to company identification.

The Fund is designed to have the highest possible impact from its portfolio companies on the real economy. The strategy is not only focused on the most evident ESG solution companies, (i.e. companies that significantly contribute to sustainable development without causing substantial harm to environment or society. Examples are companies whose key business is centered around investment themes like renewable energy, technologies for sustainable city development, circular economy and empowerment etc.), but considers innovative aspects such as how technologies lead to less resources used in the first place or how connectivity lifts people out of poverty.

The value proposition for the proposed strategy is its ability to identify investable themes linked directly to specific SDGs and then identify companies that can have the largest impact in delivering products or services to facilitate meeting these objectives.

The four major themes and corresponding investment opportunities that the Fund has derived from the SDGs and chosen to include are: Renewable Energy, Equal Opportunities, Circular Economy and Smart Cities.

Storebrand Global Solutions promotes the transition to a world with low carbon dioxide emissions (greenhouse gases) by excluding companies where more than five per cent of their sales come from the production and/or distribution of fossil fuels and also companies holding large fossil fuel reserves.

The fund applies sustainability requirements in the form of an exclusion strategy, which means that the fund refrains from investing in companies that violate international norms and conventions. It includes human rights, labor law and international law, corruption and economic crime, serious climate and environmental damage, deforestation and controversial weapons (landmines, cluster bombs, chemical and biological weapons). The fund also excludes companies with operations linked to tobacco, weapons, alcohol, gambling, pornography,

cannabis, fossil fuels (coal, oil, gas), oil sands and companies with large fossil reserves. The exclusions that result from this are binding on the fund company when managing the fund.

Our specialists in sustainable investments and corporate governance together with our managers have ongoing dialogue and meetings with the companies, by telephone, e-mail or personal meetings. This takes place both reactively if a controversial event has occurred and proactively within our prioritized areas of influence. In the case of common issues, we join forces with other large owners through our involvement in, among other things, PRI (UN Principles for Responsible Investment) to gain greater influence. We generally vote at general meetings where we have a significant ownership, on matters deemed to be in the interests of the shareholders and on matters that are not in line with our ownership governance policy.

- **What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?**

For all investments in the fund, at the time of investment and on an ongoing basis, checks are carried out against the fund company's exclusion criteria to ensure that no companies violate Storebrand Fonder's policy for sustainable investments and that the fund complies with the environmental/social characteristics the fund promotes and the proportion of sustainable investments that the fund promises to make .

The fund selects companies based on a thematic investment strategy with a focus on climate, smart cities, sustainable consumption and equal opportunities.

The fund promotes a transition to a world with low carbon dioxide emissions (greenhouse gases) by excluding companies whose turnover to more than 5 percent comes from the production and/or distribution of fossil fuels, companies with large fossil reserves and companies that violate international norms and conventions linked to serious climate or environmental damage and deforestation. The fund promotes social aspects by opting out of investments in companies with activities linked to prohibited weapons, nuclear weapons, weapons and military equipment, alcohol, tobacco, cannabis, pornography and commercial gaming activities as well as by opting out of companies that violate international norms and conventions related to human rights, labor law, corruption and financial crime.

For product-based exclusion criteria, we use a limit of 5 percent of the companies' revenues for the companies to be excluded. This is according to the recommendations of The Swedish Investment Fund Association, which has determined that up to five percent of the turnover in the company in which one invests can refer to the unwanted activity, when a fund company emphasizes that investments in certain activities are selected out. In most cases, the income is from these industries 0 percent or close to 0 percent, but they can therefore amount to a maximum of 5 percent. For controversial weapons, it is always 0 percent that applies to both production and distribution. For exact limits see the fund company's website.

For norm-based criteria, an assessment of the degree of seriousness, the risk of repetition and the handling of the case by company management is made, among other things. The norm-based incidents are analyzed and presented anonymously to an investment committee that decides on possible exclusion.

- **What is the policy to assess good governance practices of the investee companies?**

The Investment Manager has implemented a norm-based exclusion screening process to assess whether investee companies follow good governance practises. The purpose of this screening is to exclude all companies that do not follow what the Investment Manager considers to be good governance practices from the Fund's investment universe.

The Investment Manager has defined criteria for what good governance practices is. In order to assess whether a company follows such criteria, a dedicated team assesses how the investee companies perform in relation to the Investment Manager's definition of good governance practices using several different governance indicators.

In the assessment specific indicators are considered on:

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

- board and management quality and integrity,
- board structure,
- ownership and shareholder rights,
- remuneration packages,
- auditing and financial reporting,
- stakeholder governance.

The list is however not inclusive of all indicators used to measure good governance practices, and a full list can be found on our website. To assess each entities performance against the indicators, two steps are followed:

1) A data-driven analysis where the Investment Manager's external data providers provide a score which gives an indication on how the investee companies perform in relation to The Fund's definition of good governance practices, measured by the specific indicators. The Fund will not invest in any company assessed to be non-compliant with the principles of good governance.

2) Internal qualitative assessment where the dedicated team assesses the seriousness of the breach that either has or may take place. This assessment is based on a qualitative assessment where factors such as geography, sector and the individual incident are considered. The Fund will not exclude companies based on operations in specific countries but will assess the manner in which they run their business in the countries where they operate. The Investment Manager will screen all investments in a norm-based exclusion assessment, which means that it will not invest if the investee companies have contributed or are involved with violations of its criteria for good governance practices.

What is the asset allocation and the minimum share of sustainable investments?

The Fund intends to only invest in sustainable investments with a minimum proportion of 90 percent of its investments. The remaining other investments, which are not sustainable, may include cash for liquidity management purposes.



Asset allocation

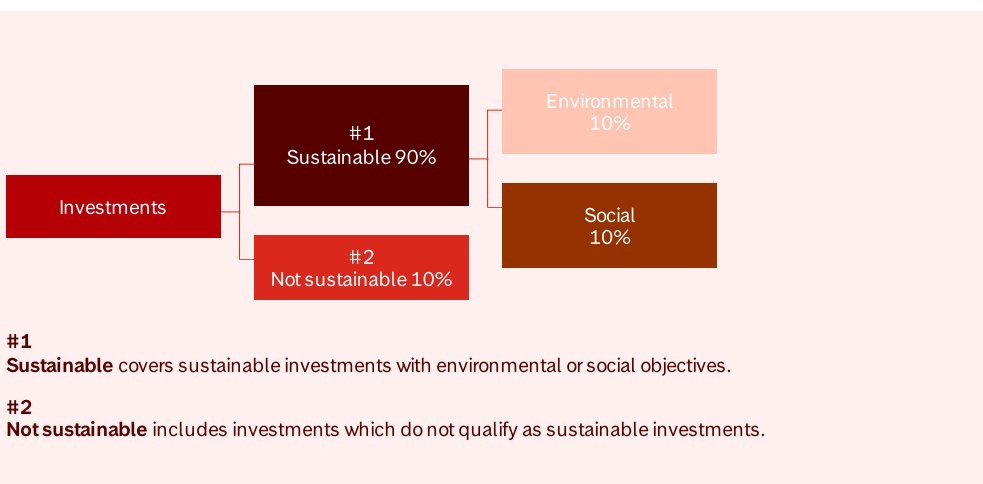
describes the share of investments in specific assets.

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



• How does the use of derivatives attain the sustainable investment objective?

Not applicable to the Fund.

operational activities of investee companies.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

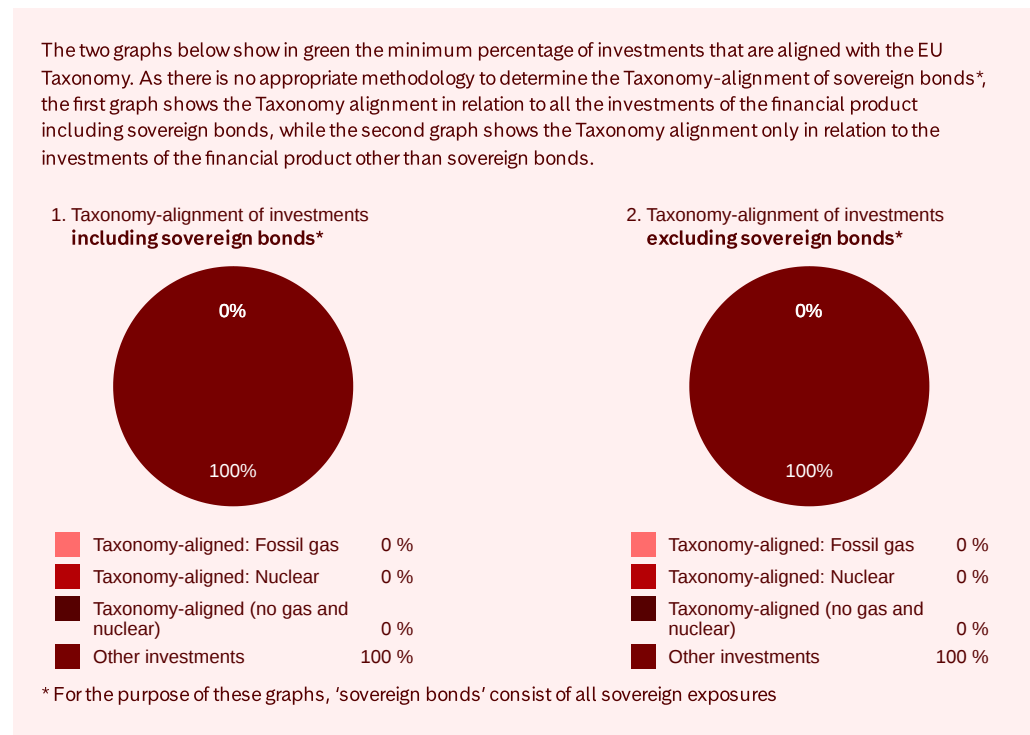


To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

Currently, the companies have not begun to fully disclose the extent to which their activities are aligned with the EU Taxonomy, and there are no technical standards for all environmental objectives. Consequently, the Management company has chosen at the present time to not state a minimum level with regard to alignment with the taxonomy and therefore reports 0 percent.

• Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?

- Yes
 - in fossil gas in nuclear energy
- No



• What is the minimum share of investments in transitional and enabling activities?
Not applicable to the Fund.



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy is 10 percent.

The Fund makes investments with both an environmental and a social objective. There is no prioritisation of environmental or social objectives. The investment process accommodates the combination of environmental and social objectives by allowing the Investment Manager the flexibility to allocate between these based on availability and attractiveness of investment opportunities, while keeping sustainable investments with environmental and/or social objectives to an overall minimum of 90 percent.



What is the minimum share of sustainable investments with a social objective?

The minimum share of sustainable investment with a social objective is 10%.

¹ 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.

The Fund makes investments with both an environmental and a social objective. There is no prioritisation of environmental or social objectives. The investment process accommodates the combination of environmental and social objectives by allowing the Investment Manager the flexibility to allocate between these based on availability and attractiveness of investment opportunities, while keeping sustainable investments with environmental and/or social objectives to an overall minimum of 90 percent.



What investments are included under “#2 Not sustainable”, what is their purpose and are there any minimum environmental or social safeguards?

Ancillary liquidity in the form of cash consists typically of 2 percent of The Fund but could increase in case of adverse marketing conditions. No minimum environmental or social safeguards are applied to cash.



Where can I find more product specific information online?

More product-specific information can be found on the website:

www.storebrandfonder.se/fonder/in-english