CARNEGIE FONDER

SUSTAINABILITY-RELATED DISCLOSURES FOR CARNEGIE EUROPA PLUS - SUMMARY

No sustainable investment objective

This financial product promotes environmental and/or social characteristics but does not have sustainable investment as its objective. However, the fund commits to investing at least 10% of its assets in sustainable investments.

Carnegie Fonder applies three overarching methods to manage and mitigate sustainability risks and principal adverse impacts on sustainability factors: **positive screening, exclusion, and active ownership**. For each indicator considered, specific objectives, tools, and strategies are applied. Depending on the outcome of the analysis, investment selection strategies and engagement activities are carried out in accordance with Carnegie Fonder's Sustainability Policy.

Holdings in all funds managed by Carnegie Fonder are assessed in light of the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights to ensure that investment activities are not conducted in violation of these standards.

The environmental or social characteristics promoted by this financial product

The fund provides exposure to a portfolio of European equities with broad geographic and sector diversification. The fund uses leverage to achieve exposure that exceeds the fund's net asset value. Derivative instruments are currently used to provide exposure to the **MSCI Europe Screened Index** ("the Index").

The fund promotes environmental and social characteristics from three perspectives:

- The fund's investments support the achievement of globally established commitments and objectives, such as the Paris Agreement and the UN 2030 Agenda.
- The fund promotes higher standards and practices regarding environmental and social performance among portfolio companies.
- The fund promotes higher standards of good corporate governance.

Investment strategy

The fund's strategy for promoting environmental and social characteristics is based on the components positive screening, exclusion, and engagement.

1. Positive screening: Implemented through investments in bonds where the proceeds are used for sustainable investments, such as those classified under the EU Green Bond Standard or as Green, Social, or Sustainability Bonds in accordance with the ICMA Bond Principles.
2. Exclusion: Implemented by excluding activities considered to cause significant harm to environmental or social objectives from the fund's investment universe, in accordance with the management company's policy.
3. Engagement: Carnegie Fonder continuously monitors all holdings to identify opportunities for improvement and engages with investee companies accordingly, with the aim of increasing or preserving company value and thereby the value of the funds' investments.

The management company has a Responsible Investment and Ownership Engagement Policy that outlines its expectations and principles regarding good corporate governance. To ensure that all investments meet these requirements, good governance practices are assessed through the three components described above.

Share of investments

All investments in the fund, excluding cash holdings, promote environmental and/or social characteristics (at least 90%). A minimum of 10% of these investments also qualify as sustainable investments with environmental and/or social objectives.

The remaining maximum proportion of 90% consists of investments aligned with the promoted environmental or social characteristics but which do not qualify as sustainable investments.

The fund maintains a proportion of its assets in cash to manage ongoing subscriptions and redemptions. This portion is not used to promote environmental or social characteristics (maximum 10%).

Monitoring of environmental or social characteristics

The fund uses the following sustainability indicators to measure the promoted environmental and social characteristics:

1. Share of fund assets invested in credits issued by companies where at least 25% of revenue contributes to the UN Sustainable Development Goals (SDGs), excluding green and social bonds.
2. Share of fund assets invested in green and social bonds.
3. Share of fund assets invested in credits issued by issuers whose revenues are aligned with the EU Taxonomy environmental objectives of "climate change mitigation" and "climate change adaptation".
4. Share of fund assets invested in credits issued by issuers rated Adequate, Strong, or Very Strong according to the management company's internally developed sustainability analysis tool.
5. Number of engagement dialogues conducted with investee issuers.
6. Share of fund assets invested in credits issued by issuers that have committed to, or had their climate targets approved by, the Science Based Targets initiative (SBTi).

Methodology

The fund continuously monitors all sustainability indicators to assess how effectively the product promotes its environmental and social characteristics.

Data sources and data processing

Both internally generated and external data are used. Carnegie Fonder's engagement activities are continuously mapped and documented in an engagement log, generating internal data. The primary external data providers are Bloomberg, Sustainalytics, CDP and SBTi (Science Based Targets initiative). By using established data providers, Carnegie Fonder seeks to ensure data quality to the best of its ability. Data is primarily used within the firm's internal sustainability analysis tool, **THOR**, and in internal compliance controls to ensure that all holdings comply with applicable policies, including exclusion criteria.

Methodological and data limitations

There are various limitations associated with the methodologies and data sources used. The primary limitation is the availability of data. Disclosure of corporate sustainability performance remains largely voluntary, and many companies do not report comprehensively on how they manage sustainability issues.

Where reported data is unavailable, estimated data from established providers is used. Carnegie Fonder considers the data from its providers to be reliable. If information remains unavailable, the company engages directly with issuers to obtain the information required to ensure compliance with its standards and expectations.

Due Diligence

The due diligence process involves evaluating all investments using Carnegie Fonder's sustainability analysis tool, THOR, and covers a wide range of issues. The analysis focuses on both risks and business opportunities. Carnegie Fonder applies a materiality assessment to determine which areas are most important in its evaluation of a company as an investment.

The assessment framework covers more than one hundred data points across three categories: Governance, Environmental issues and Social issues

Engagement strategies

Carnegie Fonder maintains an ongoing dialogue with the companies in which it invests regarding both financial and sustainability-related matters. The objective of these dialogues is to encourage investee companies, or companies under consideration for investment, to become better businesses. Carnegie Fonder encourages companies to capitalize on sustainability-related opportunities and to minimize and manage identified sustainability risks, as this is believed to enhance investment value and reduce downside risk.

Selected reference benchmark

The fund obtains exposure to a sustainable index through derivative instruments. The index is described in greater detail in the section "Environmental or Social Characteristics of the Financial Product." However, the index is **not** used as a reference benchmark for determining whether the fund promotes environmental and/or social characteristics.