

SUSTAINABILITY-RELATED DISCLOSURES

CARNEGIE LIKVIDITETFOND - SUMMARY

The information below is presented in compliance with EU Regulation 2019/2088 Sustainable Finance Disclosure Regulation (SFDR).

No sustainable investment objective

This financial product promotes environmental or social characteristics, but does not have sustainable investment as its objective. The fund has however committed to investing at least 30% of invested capital in sustainable investments.

Carnegie Fonder works with three general methods for managing and limiting ESG risks and principal adverse impacts on sustainable development. These are screening in, screening out and shareholder engagement/advocacy. Specific objectives, tools and strategies for the assessment of each indicator. Depending on the outcome of the analysis, strategies are applied for company selection, advocacy dialogues, exclusion and voting at general meetings in accordance with the Carnegie Fonder Sustainability Policy.

Holdings in all funds managed by Carnegie Fonder are assessed against the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights to ensure that an investee company's activities are not in breach of the same.

The environmental or social characteristics promoted by this financial product

The fund promotes environmental and social characteristics from three different angles:

- The fund's investments promote attainment of global commitments and targets such as the Paris Agreement and the UN Agenda 2030.
- The fund also promotes higher standards and good practices of general performance in promotion of environmental and social characteristics by investee companies.
- The fund also promotes higher standards of good governance

Investment strategy

The fund's strategy to promote environmental and social characteristics is based on three components: positive screening, negative screening and engagement. For an investment to be classified as sustainable, all of the following criteria must be met.

1. **Contributes to one or more UN SDGs**
Implemented in the investment process via an internally developed tool to identify companies whose turnover contributes to one or more UN SDGs and thus contribute to the environmental objectives as they are worded in the EU Taxonomy, per previous tables.
2. **No significant harm is done to other social or environmental objectives**
Implemented by excluding economic activities deemed to cause significant harm to environmental or social objectives from the fund's investment universe in accordance with the fund company's policy.
3. **Compliance with good governance practices**
Implemented through the Carnegie Fonder Shareholder Engagement Policy. As active fund managers, we continuously monitor all holdings to make investee companies aware of potential improvements that we have identified, with a view to increasing or safeguarding the value of investee companies and thus the value of the fund's investments.

Share of investments

All investments excluding cash in the fund promote environmental or social characteristics (minimum 90%). A minimum share of 30% of these investments also have environmental or social objectives. The remaining maximum share of 70% covers investments that are aligned with the environmental or social characteristics but which do not qualify as sustainable investments. The fund retains a certain portion of total fund assets as

cash reserves in order to meet flows to and from fund unitholders on an ongoing basis. This share is not used to attain environmental or social characteristics (maximum 10%).

Monitoring of environmental or social characteristics

The fund uses the following ESG indicators to measure the environmental and social characteristics that are preferred:

1. Share of fund assets invested in credits issued by companies for which 25% of turnover contributes to at least one or more SDG.
2. Share of fund assets invested in green, social, sustainable and sustainability-linked bonds.
3. Share of fund assets invested in credits issued by companies whose turnover is aligned with the environmental objectives "climate change mitigation" and "climate change adaptation" in the EU Taxonomy.
4. Share of fund assets invested in credits issued by companies with Adequate, Strong or Very Strong ratings in the fund company's internally developed tool for ESG analysis.
5. Number of advocacy dialogues held with investee companies.
6. Share of fund assets invested in credits issued by companies that have committed to having or have already had their climate targets approved by Science Based Target initiative.

Methodology

The fund applies continuous monitoring of all ESG indicators to measure how well the product is attaining the environmental and social criteria it promotes.

Data sources and data processing

We use both internally generated data and external data. Carnegie Fonder's work with shareholder engagement is also tracked and documented continuously in an engagement log, which generates internal data. Our primary suppliers of external data are Bloomberg, Sustainalytics, CDP and SBTi (Science Based Target initiative). We have assured data quality according to our best judgement by using only established suppliers. Data is used primarily as input in our internal analysis tool THOR and in our internal controls to ensure compliance by all holdings in line with our policy, regarding exclusion for example.

Methodological and data limitations

There are various types of limitations associated with the methods and data sources we use. Lack of data is the primary limitation. Corporate disclosures regarding sustainability work are largely voluntary and numerous companies therefore do not report how they are managing ESG aspects. Where reported data is unavailable, we use estimated data obtained from established suppliers. We consider data from our suppliers to be reliable. If, despite this, information is unavailable, we seek answers to our questions directly from the companies to ensure compliance with our standards.

Due diligence

In the due diligence process, all investments are evaluated in Carnegie Fonder's ESG analysis tool, THOR, which covers a large number of questions. The analysis focuses on both risks and business opportunities. Carnegie Fonder applies a materiality assessment to determine the areas that are most critical to our view of the company as an investment. The questions are categorised under Corporate Governance, Environment and Social Development and consist of more than 100 data points and 21 qualitative questions.

Engagement strategies

Carnegie Fonder engages in ongoing dialogue with the companies in which we invest regarding both financial and sustainability-related matters. The goal of our dialogues is for the companies in which we are invested or are considering investing in to get "better". We encourage the companies to grasp sustainability-related opportunities and to minimise and manage the sustainability-related risks we have identified, as we believe this can increase the value of our investments and mitigate downside risk.

Selected reference benchmark

The fund is actively managed and does not use a reference benchmark to determine alignment with the environmental and social characteristics that it promotes. The previously mentioned ESG indicators and the binding elements of the investment strategy are used for this purpose instead.