



CARNEGIE FONDER

RESPONSIBLE INVESTMENT AND SHAREHOLDER ENGAGEMENT POLICY

CONTENTS

1. OUR VISION	2
2. OUR MISSION	2
3. OUR OBJECTIVES	2
4. OUR METHOD	3
4.1. POSITIVE SCREENING	4
4.2. NEGATIVE SCREENING	6
4.3. ADVOCACY/ENGAGEMENT: SHAREHOLDER ENGAGEMENT AND VOTING POLICIES	7
4.3.1. Advocacy dialogues	7
4.3.2. Exercising voting rights at general meetings	8
4.3.2.1. Voting policies	8
4.3.3. Policies for participation in nomination committees	10
5. RESPONSIBILITIES, REPORTING AND CONFLICTS OF INTEREST	10
5.1. RESPONSIBILITIES AND REPORTING	10
5.1.1. CIO and fund managers	10
5.1.2. Independent control functions (Risk Manager/Compliance Officer)	10
5.1.3. Responsible Investment Board	11
5.1.4. Information on the website, etc	11
5.2. CONFLICTS OF INTEREST	11
6. REGULATIONS	11
6.1. SFDR	11
6.2. OTHER	12

1. OUR VISION

Through responsible fund management, Carnegie Fonder will contribute to a greater future for our unitholders. By this we mean that we aim to create good long-term risk-adjusted return for unitholders while advocating for positive social and environmental progress.

2. OUR MISSION

Carnegie Fonder's fund management mission is to act exclusively in the joint interests of unitholders. Management must be carried out within the framework of the fund rules of each fund.

Carnegie Fonder believes that our mandate from fund unitholders includes integrating material sustainability-related risks and opportunities into the investment process and exercising our ownership role in a responsible manner. As a major shareholder in numerous companies traded on Nasdaq Stockholm, we have both the capacity and the responsibility to influence the companies to operate sustainably.

In addition to the fund business, Carnegie Fonder provides discretionary portfolio management services to professional investors. Carnegie Fonder believes that integrating material sustainability-related risks and opportunities into the investment process and exercising our ownership role in a responsible manner is also part of these mandates. The financial instruments that can be selected within the portfolio management service consist of listed shares and bonds, UCITS, alternative investment funds and UCITS management companies that are directly or on behalf of another fund management company managed by Carnegie Fonder or another company within the Carnegie Group. Another goal is for all of these funds to be classified as either light green or dark green in accordance with EU's Sustainable Financial Disclosure Regulation 2019/2088 (SFDR).

Within portfolio management services, sustainability risks are integrated in the investment decision process for the individual portfolios, based partly on the choices of the individual client within the framework of the suitability assessment and partly through the funds in which the fund manager invests the client's capital. Carnegie Fonder's work with responsible investment and shareholder engagement is thus carried out both in the fund business (directly) and the portfolio management business (indirectly). "Sustainability risks" refer to environmental, social or governance-related events or circumstances that, if they occurred, would have actual or potential material adverse impact on the value of the investment.

This Responsible Investment and Shareholder Engagement Policy describes how Carnegie Fonder works with responsible investment and integrates relevant sustainability risks and sustainability aspects into the three areas often applied by investors: environmental, social and governance factors, often abbreviated as ESG.

3. OUR OBJECTIVES

Carnegie Fonder's overall fund management objective is to create good long-term risk-adjusted return on assets under management.

The aim of responsible investment and governance is to act in a manner that promotes the conditions for sustainable development in investee companies to ensure optimal performance over the long term. This objective applies in relation to all UCITS and special funds actively managed by Carnegie Fonder, which must be classified as either "light green" or "dark green" in accordance with the Sustainable Finance Disclosure Regulation (EU) 2019/2088 (SFDR).

Promoting sustainable development through its investments is another goal for Carnegie Fonder. This is achieved by allocating capital only to companies and issuers that meet or exceed our sustainability requirements and allocating capital to companies and issuers whose turnover contributes to achieving the 17 UN Sustainable Development Goals (SDGs).

4. OUR METHOD

Investments made by the funds must be directed to companies with sustainable operations and to companies that promote sustainable development. As a general rule, the funds' investments must contribute to achieving one or more of the 17 UN SDGs. This is ensured by analysing the investments' own operations and confirming that they meet or exceed Carnegie Fonder's sustainability-related requirements. For investments also classified as "sustainable" according to SFDR, the investment's products and services must also contribute to achieving the UN SDGs. More information about the UN SDGs: <https://sustainabledevelopment.un.org>.

The agenda is part of a political framework, and although all the goals are relevant to the companies we invest in, not all of them are applicable in a financial analysis. We therefore divide the goals into two groups. The universal and operational goals are those that all companies should work towards in their day-to-day operations.

Operative SDG:

- | | |
|--------------------------------|--|
| 5. Gender Equality | 8. Decent Work and Economic Growth |
| 10. Reduced Inequalities | 16. Peace, Justice and Strong Institutions |
| 17. Partnerships for the Goals | |



We consider the other goals to be investable and recognise that they can affect demand for a company's products and services in both a positive and negative sense depending on their operations. These goals are:

Investable SDG:

- | | |
|--|--|
| 1. No Poverty | 2. Zero Hunger |
| 3. Good Health and Well-being | 4. Quality Education |
| 6. Clean Water and Sanitation | 7. Affordable and Clean Energy |
| 9. Industry, Innovation and Infrastructure | 11. Sustainable Cities and Communities |
| 12. Responsible Consumption and Production | 13. Climate Action |
| 14. Life Below Water | 15. Life on Land |



Carnegie Fonder has also joined several initiatives, including the PRI, Global Compact, CDP, TCFD and SBTi.

The UN Principles for Responsible Investment (PRI). This initiative is an international agreement with a set of investment principles. PRI comprises six principles for incorporating ESG factors into investment analysis and decision-making processes, being an active owner and promoting transparency and good reporting. For more information: www.unpri.org.

Carnegie Fonder's benchmark for ethics and responsibility is that companies – in addition to the laws, rules and business practices that apply where they operate – must comply with international standards for the environment, human rights, working conditions and anti-corruption. These standards are formulated as ten principles in the **UN Global Compact**, a global initiative for business. For more information: www.unglobalcompact.org. These principles are the basis of our minimum expectation from our investee companies, including internationally.

Carnegie Fonder has supported **the Carbon Disclosure Project (CDP)** since 2017. CDP is an organisation that encourages companies and cities to measure, report and reduce their climate impact, particularly with regard to greenhouse gas emissions.

On the same theme, the company backs the **Task Force on Climate-related Financial Disclosures (TCFD)**, which also works to increase the transparency of climate-based financial metrics to enable companies and investors to price, manage and strategically plan to meet climate-related risks.

In 2021, Carnegie Fonder became the first Swedish fund company to join the **Science Based Targets initiative (SBTi)**. SBTi is a framework for setting corporate science-based climate targets that align with the actions necessary to achieve the goals of the Paris Agreement. The target is for 100% of assets under management by Carnegie Fonder to be invested in businesses that contribute to lowering the global temperature rise and have thus set an SBT.

Our method for integrating the SDGs into fund management is based on three different processes:

- Positive screening
- Negative screening
- Engagement/Advocacy

4.1. POSITIVE SCREENING

ESG factors can directly or indirectly affect a company's revenues and/or costs and thus have substantial positive or negative impact on its financial performance and value, and thus value growth in the funds. Carnegie Fonder shall therefore and to the greatest possible extent seek to understand how the ESG factors that are considered the most material to the specific investee company may affect its future business model, competitiveness and financial position. These might involve, for example, environmental factors such as climate, emissions, resource and energy efficiency and water and waste management, or social factors such as human rights, employment conditions, equality and diversity, the working environment and a responsible supply chain, or governance factors, such as good business ethics and prevention of bribery and corruption ("anti-corruption").

The assessment is made using three main methods.

- ESG analysis using CF THOR
- Fund manager meetings with company management teams
- Investments in bonds linked to sustainable investments

The ESG analysis is integrated into the investment process (within which relevant financial risks are also taken into account) by the fund manager using Carnegie Fonder's internally developed ESG tool, CF THOR. The name is an acronym for the four keywords we consider essential to the analysis:

Tangible – We analyse tangible risks and opportunities

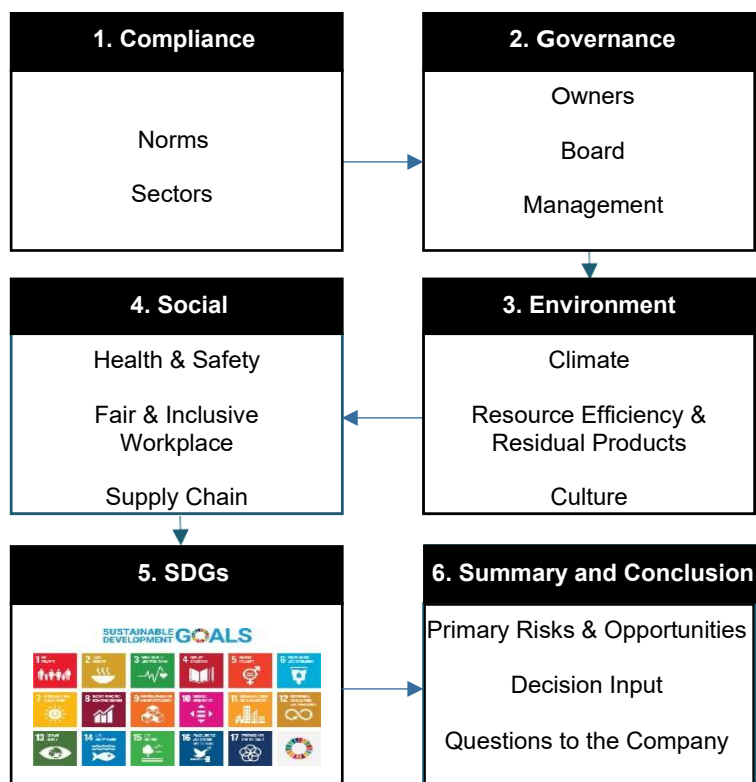
Holistic – We take a more holistic stance and look beyond simply financial aspects or only ESG factors

Original – We conduct our own analysis. Always

Realistic – The analysis is based on objective data and reasonable assumptions

CF THOR creates structure in the analysis process and ensures that managers take material ESG factors into account. This involves identifying risks, but also business opportunities. The tool is based on long-established and accepted sustainability frameworks and initiatives such as GRI, CDP and the 17 UN SDGs, and also takes into account future developments in, for example, the EU taxonomy and the Task Force for Climate Related Financial Disclosures (TCFD) and Sustainable Finance Disclosure Regulation (SFDR).

The tool encompasses more than 100 data points with questions that cover environmental, social and governance (ESG) factors. It also includes analysis of the principal adverse impacts (PAI) of the investments and classification of “sustainable investments” according to SFDR. In addition to the questions resulting in a basis for investment decisions, they often raise supplementary questions for the companies and create input for advocacy dialogues. All portfolio holdings are analysed using CF THOR. The analysis is updated as necessary, but at least annually. The process is illustrated below.



Fund manager meetings are a key component of Carnegie Fonder’s company analysis and are also important for understanding a company’s ESG/sustainability work. Data is often available in company sustainability reports, for example, but the meetings provide an opportunity to better understand a company’s future ambitions and actions. We use both internally generated data and external data. Our primary external data providers are Bloomberg, Sustainalytics, CDP and SBTi (Science Based Targets initiative). We have assured data quality according to our best judgement by using only reputable data providers.

Carnegie Fonder is a major investor in Nordic corporate bonds. One readily available method in this context, as part of the ESG analysis, we use in this context is to positively screen **bonds** that are directly **linked to** a company's investments in **sustainability**. The most common are green bonds, which help finance a company's investments to make the business more sustainable from an environmental perspective. Less common are social bonds, where the proceeds are instead earmarked for particular social impact projects, such as projects that promote youth, integration or health. Regarding sustainability-linked bonds, proceeds are allocated to the company's general sustainability programme and its set targets, rather than to a specific project.

4.2. NEGATIVE SCREENING

Carnegie Fonder screens out investments in companies whose operations are assessed as harmful to the environment or society.

Carnegie Fonder therefore does not invest in companies that have been proven in a serious or systematic way to violate international conventions and norms concerning labour law, human rights, the environment and corruption, and that have not been assessed as demonstrating sufficient willingness to change to address the problems. Norms that are given special consideration are the UN Global Compact and the OECD Guidelines for Multinational Enterprises. This includes companies that have either been identified as "non-compliant" in the Sustainalytics Global Standards Screening, or companies that have otherwise been brought to the attention of Carnegie Fonder as unsuitable. A systematic review of all portfolio companies is carried out twice a year.

In addition to complying with international conventions as described above, additional ESG factors must also be taken into account in fund management. To comply with SFDR, managers must state how certain types of investments are excluded. Carnegie Fonder has therefore set minimum requirements intended to respond to this requirement. Sustainalytics Global Standards Screening also identifies companies with operations (generating more than 5% of turnover) in the sectors below. The minimum requirement that normally applies to all fund management within Carnegie Fonder is the exclusion of the following.

Economic activity	Production	Distribution	Service
Controversial weapons	0%	0%	
Pornography	0%	5%	
Tobacco	0%	5%	
Alcohol	5%	5%	
Gambling	5%	5%	
Oil	5%	5%	50%
Gas	5%	5%	50%
Coal	5%	5%	50%

In addition, the CEO may decide on additional factors that must be considered when managing an individual fund. This is the case, for example, for exclusion of conventional weapons and in the setting of limits in relation to Oil and Gas in certain funds.

Precise definitions of each excluded sector and the procedures followed when companies are shown to violate the screened international norms can be found in the document called "Sector Definitions", which is available on Carnegie Fonder's website.

4.3. ADVOCACY/ENGAGEMENT: SHAREHOLDER ENGAGEMENT AND VOTING POLICIES

Governance is a central component of investment decisions at Carnegie Fonder. Good leadership and adept decision-makers have positive impact on the company's environmental and social initiatives, capacity to recruit the right people and its growth and profitability. Key aspects of governance include the integrity and business intentions of owners and decision-makers, policy implementation and tools to promote good business ethics and fight corruption. An embedded company culture that is based on a long-term view and imbues all levels of the organisation is a fundamental factor in value-creating decision-making.

For these reasons, Carnegie Fonder exerts influence on the companies held by the funds through active shareholder engagement. A set of policies for shareholder engagement and voting has been adopted for this purpose. These policies apply to Carnegie Fonder's shareholder engagement in companies that have issued shares admitted to trading on a regulated market in Sweden or the equivalent abroad, and are applied to equity and bond holdings and other debt instruments. The sole purpose of Carnegie Fonder's shareholder engagement is to preserve or increase the return on fund investments.

Shareholders, boards of directors and company management have different roles and it is important that there is a balance among these roles. Shareholder engagement is the influence of shareholders on, and their monitoring of, the work performed by company boards and management. Carnegie Fonder's shareholder engagement takes place mainly on three levels: dialogues with representatives of investee companies, voting at general meetings and our work on nomination committees.

Carnegie Fonder is a member of the Swedish Institutional Investors Association (SIIA) and collaborates with other shareholders if it improves the opportunities for active and effective shareholder engagement.

To avoid restricting the freedom of Carnegie Fonder to trade in securities in listed companies, employees of Carnegie Fonder are not allowed to serve on the boards of directors of listed companies.

4.3.1. Advocacy dialogues

Carnegie Fonder's fund management organisation analyses and monitors the business strategies of investee companies on a daily basis, including both financial and the non-financial aspects in accordance with the fund company's Investment Policy and Internal Rules for Fund Management. Carnegie Fonder's management organisation maintains ongoing dialogues with representatives of investee companies. During these dialogues, discussions are held about the company's development, sustainability efforts and corporate governance. The dialogues are aimed at gathering information, communicating our preferences and expressing any demands we may have, and following up on progress since previous discussions.

If Carnegie Fonder receives information about serious violations regarding ESG factors by a holding, for example, it is especially important to communicate our position and demands for change.

The following options for escalation then apply.

- The fund manager seeks further information and consults with the Sustainability Council (see 5.1).
- The fund manager contacts the holding to discuss our concerns.
- The CEO of Carnegie Fonder makes more formal contact with the CEO or board chair of the holding
- Outreach to other shareholders to initiate joint shareholder engagement.
- If the company's response is unsatisfactory, the holding is sold. In these cases, the sale must occur within three months of the date we became aware of the violation.
- If we see potential for improvement, the holding is given 24 months to correct the violation.
- A description of the incident is published on Carnegie Fonder's website within one month after we determine by means of overall assessment of the gravity, systematic nature and degree of the company's responsibility that there is unacceptably high risk that the company has violated our policy.

- Our assessment, how we intend to act, what we expect from the company and when we believe the incident has been resolved will be published within three months of the date the situation is assessed as entailing unacceptable risk of violation.

The time it takes to complete these processes varies, depending upon the nature of the matter, the size of our holding and where the company is based geographically. Each case is unique and is evaluated individually.

4.3.2. Exercising voting rights at general meetings

Through our equity funds and mixed funds, Carnegie Fonder is a shareholder in numerous companies.

Carnegie Fonder shall exercise its ownership with the aim of promoting growth in company value and thus long-term fund return, in the optimal manner and in the best interests of fund unitholders. Carnegie Fonder shall act to ensure that investee companies comply with codes and guidelines such as the Swedish Corporate Governance Code, OECD Guidelines for Multinational Enterprises and the UN Global Compact.

The right of shareholders to decide on the affairs of a listed limited company is exercised at the general meeting. Limited companies are led by the board of directors and the CEO. Directors and the CEO are prohibited from providing exclusive information to or acting on directives from individual shareholders in the company.

Given that the board is elected by the shareholders and that effective and positive leadership starts with a good board, it is especially important to participate in the election of directors and ensure that the board is composed in a manner that is beneficial to the company. The board of directors has an especially important responsibility to be engaged, informed and proactive in matters relating to business strategies, capital allocation and remuneration levels that encourage a long-term approach to financial matters, as well as environmental and social factors that affect the company.

The fund company may engage voting advisors. Carnegie Fonder exercises the voting rights attached to its shareholdings. This applies to all funds. Representatives of Carnegie Fonder attend and exercise the right to vote either in person or by proxy.

In the event that Carnegie Fonder's shareholding is negligible in relation to other shareholders, or the shareholding constitutes only a very small fraction of the funds' total portfolios, Carnegie Fonder's attendance and exercise of voting rights may be of little importance to unitholders. In such cases, Carnegie Fonder may then deviate from the principle of always voting.

If shares have been lent out, they must be recalled in sufficient time before the registration of voting rights so that Carnegie Fonder can exercise the voting rights.

4.3.2.1. Voting policies

For Carnegie Fonder, the key issues are:

- Equal treatment of shareholders
- Elimination of barriers preventing shareholders from exercising their voting rights effectively at general meetings
- That the board sets the tone for leadership
- That the interests of the board and CEO coincide with the joint interests of shareholders
- That external information from listed companies is transparent and relevant
- Companies report their climate risks and their social and environmental impacts.
- Companies have a clear policy regarding environmental and social factors.

Carnegie Fonder must therefore and in a reasonable manner advocate for the following:

Annual General Meetings

- Elimination of restrictions on shareholders to exercise voting rights at the general meeting
- Issuance of notices of general meetings as early as the law permits and that notices contain the proposals for resolutions that are to be submitted to the meeting
- Resolutions at the general meeting are decided by open voting using modern technology.
- Directors are elected individually rather than as a group, and the same applies to other proposals.

Nomination Committees

- The nomination committee safeguards the joint interests of all shareholders.
- Members of the nomination committee are appointed in accordance with policies adopted by the general meeting.
- The nomination committee is composed of the board chair and representatives of the largest shareholders.

Boards of Directors

- That the board is well composed in terms of independence, expertise, versatility and equal gender distribution
- That directors are also shareholders
- That the number of directors is small enough to ensure that each director is required to be deeply involved in the work of the board, and that alternate directors are not appointed
- That officers of listed companies other than the CEO are not eligible to be appointed to the board
- Directors should preferably be elected for a term ending at the close of the next AGM, but with the possibility of re-election.

Remuneration

- That all remuneration to directors is decided by the general meeting
- That remuneration to the CEO contains a significant variable component, calculated in a way that puts the CEO's interests on an equal footing with the joint interests of the shareholders, and that a portion of the variable remuneration is paid in the form of shares or equity-related instruments in the company that entail significant exposure to positive and negative share price movements
- That pension benefits corresponding to the ITP plan or collective agreement become the norm for the CEO and that any additional pension benefits are reported with an indication of cost, as well as opening and closing capital value, including for unearned benefits
- That the CEO can be removed from the company without compensation other than severance pay corresponding to a maximum of two years' fixed salary (and accrued pension)
- Variable remuneration to management, as well as the board, is strongly linked to both financial metrics and relevant, transparent and quantifiable goals for social and environmental factors that affect the company.
- Share-based incentive programmes must promote long-term share ownership and must be supported by the company's major shareholders. Allocation should be based on quid pro quo of some kind, preferably in the form of a personal investment that involves risk-taking by the individual. The purpose of the allocation and target attainment must be reported openly. Shareholders must also be informed of the consequences of the programmes in the form of, among other things, costs for the company and dilutive effects.

Capital structure

- Elimination of provisions in the articles of association that obstruct acquisition of the company
- Elimination of cross-ownership
- That resolutions on the issuance of synthetic options and comparable are taken by the general meeting
- Distribution of excess liquidity to shareholders. Whether this is done through dividends, share buybacks or share redemptions must be determined by the company-specific situation
- Limitation of board authorisations to issue new shares to a maximum of 10 percent with waiver of shareholders' pre-emptive rights

Auditing

- That the procurement of audit services for the statutory review of listed companies' annual reports, accounts and management is not handled by the CEO or other officers of the company, other than for administrative purposes
- The auditors regularly report to the board and present the audit report to the general meeting.
- The sustainability report is also reviewed by an independent external auditor.

4.3.3. Policies for participation in nomination committees

When Carnegie Fonder's shareholding qualifies the company to participate in nomination committee work, this opportunity shall be used, provided that such participation does not restrict Carnegie Fonder's freedom to trade in shares in listed companies. The CIO of Carnegie Fonder may decide more specific guidelines for the company's nomination committee work.

5. RESPONSIBILITIES, REPORTING AND CONFLICTS OF INTEREST

5.1. RESPONSIBILITIES AND REPORTING

As established in this policy, work related to responsible investments and shareholder engagement is an integral part of fund management at Carnegie Fonder. This policy is adopted by the board of directors and is owned by the Chief Investment Officer (CIO). The policy shall be revised as required and at least annually. The policy must be made available to all staff. The policy may be supplemented with appendices, as necessary. Communication with other stakeholders about investee companies shall take place through the CIO of Carnegie Fonder or another person appointed by the CIO.

5.1.1. CIO and fund managers

The responsibility for the ongoing work with responsible investments and shareholder engagement is assigned to the CIO and the fund management organisation. Carnegie Fonder's fund managers are responsible for applying this policy in their daily management work in a manner that is appropriate to the specific fund's asset class, geography and management strategy. Within the framework of their ongoing reporting to the CIO, fund managers must report any non-compliance as well as significant updates and outcomes of their work with responsible investments and shareholder engagement.

The voting rights attributable to the funds managed by Carnegie Fonder shall be exercised in accordance with Carnegie Fonder's policies for shareholder engagement, the objectives of the funds concerned and investment guidelines. The responsibility for continuously monitoring this is assigned to the CIO and the fund management organisation. All voting must be documented.

5.1.2. Independent control functions (Risk Manager/Compliance Officer)

Based on their respective roles, Carnegie Fonder's independent control functions are responsible for ensuring that internal processes and monitoring are designed in a way that facilitates good internal control, and for implementing the specific control functions described in this policy and its appendices. Any non-compliance is reported to the CEO within the framework of the risk control function's ongoing work. At each ordinary board meeting, the CEO or Risk Manager/Compliance Officer shall report any non-compliance of such nature that the board should be informed and at the same time submit a report on measures taken in connection with the incident.

5.1.3. Responsible Investment Board

Carnegie Fonder's Responsible Investment Board has the task of supporting the company in its portfolio management so that it complies with responsible investment policy. The Board has an advisory role with regard to individual investments, how the company's sustainability work can further improve, and the ongoing training of Carnegie Fonder's staff in this area.

The Board meets monthly or when required. The members are Carnegie Fonder's Head of Sustainability (chair), ESG Analysts, CEO, Compliance Officer, Head of Sales, Head of Communications and representatives of the fund management team.

5.1.4. Information on the website, etc

Carnegie Fonder shall provide information on its website about 1) how sustainability risks have been integrated into the investment decision process, 2) whether the company considers or does not consider principal adverse impacts on sustainability and if not, why, and 3) whether the company has funds (or portfolios) that promote environmental or social characteristics or have sustainable investment as an objective. Furthermore, in the prospectus and in the annual report or ongoing reporting as required under MiFID II, Carnegie Fonder must disclose sustainability-related information based on the sustainability level of a fund or a discretionary mandate.

Carnegie Fonder must also report annually on its website how the Shareholder Engagement Policy has been applied. The report should cover all shares included in a fund. The report shall contain a general description of Carnegie Fonder's voting in investee companies, an explanation of the most important votes, information about the matters concerning which Carnegie Fonder has taken advice or voting recommendations from a voting adviser, and how the company has voted at the investee companies' general meetings. Votes that are insignificant due to the topic or the size of the shareholding do not need to be reported. Guidelines for nomination committee work may also be posted on the website.

5.2. CONFLICTS OF INTEREST

Any conflicts of interest that may arise in connection with Carnegie Fonder's exercise of shareholder rights are handled in accordance with the company's internal rules for managing conflicts of interest. The primary implication is that the interests of the unitholders are paramount. If there are conflicting interests between unitholders in funds managed by Carnegie Fonder, any interests other than the best interests of unitholders in each fund shall not be considered.

In cases where the fund manager is involved in ownership matters and, where relevant, comes into possession of related insider information, the situation is the same as when insider information related to other situations exists. This could thus mean that the fund manager is prevented from conducting business on behalf of the fund. If there is a need to share the information with the company's CIO or another person, compliance with the internal process for sharing insider information with another person is required.

6. REGULATIONS

6.1. SFDR

Carnegie Fonder's activities are covered by the EU *Sustainable Finance Disclosure Regulation* [(EU)2019/2088] (SFDR). Carnegie Fonder conducts systematic sustainability work and takes into account matters including ESG factors and sustainability risks using a number of ESG tools in the investment process. Principal adverse impacts on sustainability factors are identified and prioritised in accordance with the company's guidelines for ESG and responsible investments. The methods used to avoid or limit adverse impacts are further described in fund prospectuses. A description of the fund company's processes for

identifying and ranking the principal adverse impacts of investments is provided on the fund company's website, www.carnegiefonder.se.

6.2. OTHER

In addition to the regulations that are specific to the fund business, Carnegie Fonder also considers relevant industry recommendations issued by the Swedish Investment Fund Association, including the Swedish Code of Conduct for Fund Management Companies, the Guidelines for Marketing and Information, and the Guidelines for Investment Fund Managers as Shareholders.

Legal rules, ordinances, regulations and recommendations establish that Carnegie Fonder must provide the information that external stakeholders need to understand matters including which ESG factors (also called "sustainability aspects") and the sustainability risks considered in a fund's management process, the methods or tools used in fund management and tracking of the outcomes of this work. In addition, Carnegie Fonder shall adopt policies for its shareholder engagement in relation to equity investments. Carnegie Fonder must also adopt internal rules setting out strategies for exercising voting rights.

In the light of the foregoing, the Board of Directors of Carnegie Fonder has adopted this Responsible Investment and Shareholder Engagement Policy.