

Catella Fondförvaltning AB

POLICY FOR RESPONSIBLE INVESTMENT

Adopted by the Board of Directors 4 December 2017

Catella Fondförvaltning AB's Policy for Responsible Investment

Ethic profile

Catella Fondförvaltning AB (the Company) is a fund management company that offers a wide range of funds with a focus on the Nordic region.

It is important that issues of ethics and sustainability are taken into account in the Company's management activities and by the companies that the fund assets are invested in, from both the risk and return perspectives. For this reason, the Company has taken an ethical stance by signing the Principles for Responsible Investments (PRI), by adopting this policy and by generally and transparently disclosing its work with ethics. This is the backbone of our ethical profile. Based on our own values and our clients' preferences, this position has resulted in the integration of environmental, social and governance aspects with our management activities.

The policy's scope

The policy covers the Company's equity funds, with the exception of Catella Sverige Index, and their equity holdings.

Ethical review of our equity holdings

Based on international standards

- The Company strives to ensure that the companies we invest in should consider ethics and sustainability in the areas of environmental, social and governance (ESG) in their operations.
- The Company encourages greater transparency and increased reporting of ESG by the companies we invest in.

Transparency of holdings

- The funds' investment universe is regularly screened by Sustainalytics based on global standards and negative criteria, and the results are monitored internally within Catella by the fund managers and the risk management function.
- The fund managers should take an active stance on how a holding should be handled when information is obtained that a company is in violation of the principles above. These stances should be justified and documented.
- Catella Sverige Aktiv Hållbarhet will not invest in companies that breach current international norms and conventions and will divest existing holdings in such companies.

Ongoing work

Daily

- The Company's managers consider ethical aspects in their company analyses and investment decisions. As a guide in their day-to-day management, the Company has appointed a sustainability manager and has adopted internal guidelines based on the PRI. Furthermore, the Company purchases research services from Sustainalytics regarding corporate ESG ratings. In their ongoing contact with companies, fund managers should maintain dialogue regarding the risks associated with ESG, both at company level and at sub-contractor level, and should encourage companies to be transparent in this area. The

sustainability manager should be a natural interlocutor for the fund managers when gathering information about a company when it comes to ethics.

- The risk management function is responsible for monitoring compliance with the Company's ethics policy in the management of the Company's funds which means supersede that no investment is done in a company that in accordance to Sustainalytics breach current international norms and conventions.
- Screening of fund holdings is conducted semi-annually based on the SIXRX and VINX. Sustainalytics performs a norm-based screening that identifies companies involved in violations of international standards regarding the environment, human rights, corruption and working conditions. Screening of individual holdings is also regularly conducted when a manager wishes to invest in a new company outside these indexes.

Annually

- The Company annually documents its sustainability work in a Sustainability Review in accordance with Swedish Investment Fund Association guidelines, which are available on the Company's website..
- The Company reports its work through a PRI survey.
- The annual report for Catella Sverige Aktiv Hållbarhet contains a report on compliance with the investment policy, as well as any deviations from the policy and actions taken in response.

Table I: Document revision history

2015-02-13	Elisabeth Hult	New document	V 1
2015-06-04	Elisabeth Hult	Annual review	V 2
2016-09-29	Elisabeth Hult	Annual review	V 3
2017-04-25	Elisabeth Hult	Update following Catella Sverige Aktiv Hållbarhet	V 4
2017-10-11	Elisabeth Hult	Annual review	V 5