

Document / Contents Sustainability policy	Document number R25	Version 1.2	Document type Instruktion el policy från styrelse
Issued by Martin Silverling	Creation date 2019-06-13	Company unit ISEC Services AB	
Approved by The board	Valid from 2021-02-25	Valid to 2022-12-31	Privacy Ingen sekretess

Sustainability policy

Historik

Version	Date	Description	By	Approved by
1.2	2021-02-25	Updated and adjusted for the SFDR	U. Hasselgren	Lars Melander
1.1	2020-12-07	Editorial changes	C. Dahlheim	
1	2019-06-18	First version of the policy	M. Silverling	Lars Melander

Table of contents

1. Introduction.....	3
2. Scope and application	3
3. Policy content.....	3
4. Governance and follow-up.....	5
5. Reporting and accounting.....	5
6. Adoption of the policy.....	6
7. Compliance	6

1. Introduction

ISEC's vision is to play an important role in the conversion to a sustainable world. By **spreading information, collaboration and partnership** we seek to contribute to a movement which channels capital towards sustainable investments. In this way, ISEC can be involved and change the financial market, the fund market and society at large.

This sustainability policy governs and describes our work involving the integration of sustainability in our business and business relationships, how we work with sustainability, how we configure and develop our systems and our reporting, and how we desire to influence and support our customers, suppliers and delegated investment managers and distributors. It is an important part of ISEC's social engagement and fundamental values, which are covered by our four core values: **Innovative, Secure, Engaged and Competent**. In other words, ISEC's management, employees and corporate culture are to be characterised by these four values.

ISEC complies with the Regulation (EU) of the European Parliament and of the Council on sustainability-related disclosures in the financial services sector,¹ which we refer to below as the "Disclosure Regulation".

2. Scope and application

This policy is based on ISEC Group's sustainability policy which covers all employees, all functions and all units within the ISEC Group. This policy also applies to subsidiaries and separate legal units once it has been adopted by their relevant governing bodies.

Appended to this policy are guidelines, instructions or routines descriptions for the respective areas.

3. Policy content

ISEC's work involving sustainability covers our entire operation and may be summarised as follows:

- **Ecological sustainability** – we strive to limit as much as possible our negative impact on the environment and climate and endeavour to preserve biological diversity.
- **Social sustainability** – we work to contribute to a society which values the equal value of humans and which prioritises human needs and wellbeing.
- **Economic sustainability** – we actively pursue long-term and responsible economic growth. In our operations, we will continuously strive to minimise risks both to ISEC and our customers. We wish to secure long-term economic growth by seeing to it that all business decisions for operations will be made without generating negative consequences for ecological or social sustainability.

ISEC follows the requirements of the Disclosure Regulation for financial participants in respect of reporting and transparency for our operations and our funds. In summary, this encompasses:

- Policies for integration of sustainability risks in the investment-decision process;
- Fact sheets for the funds which provide information regarding the terms applicable to the integration of sustainability risks in investment decisions and investment advice;
- Fact sheets for the funds which provide information regarding the extent to which risks are deemed to have a material impact on returns for the relevant product provided or recommended;
- The remuneration policy for the funds which indicate compatibility with the integration of sustainability risks.

¹ Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector

Through its work and information in the form of annual reports and via its website, ISEC intends to differentiate the information requirements for the funds' various sustainability levels in accordance with the Disclosure Regulation's categorisation:

- Level 1: Funds in which adverse impacts on sustainability factors are not considered in investment decisions;
- Level 2: Funds in which the principal adverse impacts on sustainability factors are considered in investment decisions;
- Level 3: Funds which promote environmental and/or social characteristics;
- Level 4: Funds which have sustainability investment as a benchmark.

ISEC's policy for integration of sustainability risks in the investment decision process

- ISEC integrates sustainability risks in investment decisions by reviewing environmental, social and governance risks (so-called ESG risks) in our funds. This entails that we examine our funds on the basis of established methods and criteria with a focus on identifying financially material ESG risks. This focus involves the addressing integration of sustainability risks as one factor together with the financial factors to assist us in taking better-informed decisions. The review forms the basis of a plan of action for information and dialogue with the funds.
- ISEC considers principal adverse impacts for the integration of sustainability risks by focusing on ESG risks which are deemed to be financially material and which can thereby have an impact on the risk and return on investment, both positively and negatively.
- ISEC adheres to responsible business conduct codes and internationally recognised standards for due diligence and reporting such as, for example, the UN Global Compact and the UN-supported Principles for Responsible Investment.
- ISEC has as a goal the reduction of direct and indirect emissions of greenhouse gases for the purpose of becoming climate-positive not later than 2025 in keeping with the Paris Agreement. This entails that we will measure our own (direct) and our funds' (indirect) climate footprint and take steps to reduce our own climate footprint and exert influence on our funds to reduce their climate footprint. The measurement will form the basis of a plan of action to reduce emissions at a rate which allows us to reach our goals.

The result of ISEC's integration of sustainability risks in the investment decision process forms the basis of information and dialogue with the funds and any changes to our investment decisions.

Codes of conduct for responsible business and internationally recognised standards for due diligence and reporting

ISEC supports the United Nations' 17 global goals for sustainability development and focuses specifically on the following goals and sub-goals:

- Goal 7 is to ensure access to affordable, reliable, sustainable and modern energy.
 - 7.A By 2030, enhance international cooperation to facilitate access to clean energy research and technology, including renewable energy, energy efficiency and advanced and cleaner fossil-fuel technology, and promote investment in energy infrastructure and clean energy technology.
- Goal 11 is to make cities and human settlements inclusive, safe, resilient and sustainable.
 - 11.2 By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons.
- Goal 15 is to protect, restore and promote sustainable use of terrestrial ecosystems, sustainably managed forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.

- 15.3 By 2030, combat desertification, restore degraded land and soil, including land affected by desertification, drought and floods, and strive to achieve a land degradation-neutral world.
- Goal 17 strengthen the means of implementation and revitalise the Global Partnership for Sustainable Development.
 - 17.16 Enhance the Global Partnership for Sustainable Development, complemented by multi-stakeholder partnerships that mobilise and share knowledge, expertise, technology and financial resources, to support the achievement of the Sustainable Development Goals in all countries, in particular developing countries.

In addition, ISEC promotes voluntary initiatives and guidelines which facilitate our sustainability work and can encourage our customers, suppliers and delegated investment managers and distributors to also promote the same, e.g.:

- The UN Global Compact with principles for the environment, human rights, work and corruption;
- UN-supported Principles for Responsible Investment (PRI) directed to investors with principles regarding responsible investments and guidelines for integration of environmental issues, social responsibility and corporate governance in investment analyses and decisions, active ownership, cooperation, reporting and transparency;
- Swesif which is Sweden's forum for sustainable investments;
- Läkarmissionen's tree planting in the Sahel region and support for the Panzi hospital in eastern Congo.

4. Governance and follow-up

This sustainability policy is revised annually and where necessary and is supplemented by additional policy documents regarding, among other things, ethics, corruption, conflicts of interest and money laundering. It is incumbent on the managing director, where necessary, to formulate guidelines regarding areas and issues and to see to it that the relevant organisation, delegation procedures and instructions exist to ensure that this policy may be applied in practice.

5. Reporting and accounting

ISEC shall measure, report and follow up on sustainability work in accordance with laws and voluntary standards applicable to information reporting. Reporting shall be provided annually in ISEC's sustainability report and kept updated on ISEC's website.

ISEC shall annually measure its greenhouse gas footprint as a basis for its own climate compensation and reduction of our climate footprint.

ISEC will provide a voluntary sustainability report each year.

ISEC has as a long term goal to strive for conducting sustainability audits, including measurement of the climate footprint also of its funds, on an annual basis.

In accordance with the Disclosure Regulation, ISEC will publish information regarding the manner in which we influence investment managers to whom we have delegated management of ISEC's funds in their efforts to comply with the Disclosure Regulation.

Annually, ISEC shall update all information published on its website, and ensure that marketing materials do not contradict the information provided in accordance with the Disclosure Regulation. The managing director shall report to the board of directors regarding ISEC's sustainability work.

6. Adoption of the policy

This policy is adopted by the board of directors and enters into force on the day of the decision. The policy is to be established and approved annually or where necessary.

7. Compliance

The managing director shall be responsible for ensuring that all employees are aware of, and comply with, this policy.

A sustainability officer appointed by the managing director shall follow up on the policy and head the sustainability work together with an internal project group.

Each employee is to understand how his or her role has an impact on, and contributes to, ISEC's sustainability work and how they are key to achieving the sustainability policy goals of the business. Each employee is expected to actively seek out and read information.

Appendices

Document	Description