

E. Öhman J:or Fonder AB

Adopted by the Board of Directors
5 December 2023
Responsible for document
CEO

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Öhman Fonder Responsible Investment Policy

This policy covers all funds managed by E. Öhman J:or Fonder AB ("Öhman Fonder" or "the fund company") and applies to the funds' direct investments in Swedish and foreign stocks and bonds. When indirect investments are made via fund units or derivatives, the policy is applied to the greatest possible extent.

Öhman Fonder has signed the UN-backed Principles for Responsible Investment (PRI) initiative and its six principles, which guide Öhman Fonder's efforts related to responsible investment. In addition to PRI, the fund company supports the 17 UN Sustainable Development Goals and adheres to international conventions.

Öhman Fonder applies the EU Sustainable Finance Disclosure Regulation (SFDR). Comprehensive ESG-related information is provided on each fund's page on the fund company's website, ohman.se.

Öhman Fonder's investment philosophy

Öhman Fonder's primary mission is to create long-term, sustainable returns to fund unitholders.

In order to fulfil its mission, the fund company must constantly scan the horizon and preferably remain one step ahead of external developments. Based on thorough analysis of the risks and opportunities associated with a specific investment, the fund company is able to clarify the full potential of the investment. Öhman Fonder is thus convinced that environmental, social and governance (ESG) factors affect corporate capacity to generate sustainable long-term growth and profitability and in so doing create value for shareholders.

Through active involvement in the investment process, investor engagement and advocacy, and as a discussion partner to clients, companies and other stakeholders, Öhman Fonder promotes a long-term investment strategy that encompasses ESG factors. The fund company furthermore acts as a responsible owner and advocates high environmental and social standards and good governance practices in the companies in which the funds invest.

ESG integration into the investment process

Öhman Fonder strives for high awareness of relevant risks within the framework of the investment process and analyses which risks the funds can accept and which risks the funds decline to bear. Companies are analysed before each investment decision based on the positive and negative criteria that are material to the company and its sector and which could impact a

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company's long-term financial performance. In this context, it is essential to also look at how a company affects people and the external environment, giving special consideration to any adverse social and environmental impacts that could be caused by the company's activities. In this way, the fund company can make well-grounded investment decisions that improve return and reduce risk over time.

Companies whose products and services contribute in one way or another to overcoming current ESG challenges while contributing to the company's short-term and long-term financial success are particularly interesting from the investment perspective. This may, for example, involve companies that contribute through their products and services to renewable energy, cleaner water, health technology, or access to medicine, or which contribute through their operating activities to less harmful emissions or greater equality.

Active ownership

Öhman Fonder shall practice active ownership on behalf of the funds to ensure that the joint interests of unitholders are protected and to achieve the best possible long-term and sustainable returns to unitholders.

Öhman Fonder continuously evaluates global ESG risks and opportunities in the companies in which the funds invest to ensure that companies where a need for engagement dialogue can be identified at an early stage. This also applies to interesting companies that must adjust and align their operations with the fund company's requirements to make investments by the funds possible. The engagement dialogues may be proactive or reactive.

Proactive dialogues take place with companies that the fund company believes have the potential to bring about positive impact on factors such as the environment and climate, which in turn could attract more investors and generate better returns. Reactive dialogues occur in connection with an incident or controversy, such as discrimination, that the fund does not want to be repeated.

Examples of reasons for initiating engagement dialogue:

- The company is the object of any of Öhman Fonder's focus areas.
- The company is the object of an initiative that Öhman Fonder has chosen to initiate, participate in, or sign.
- An incident or controversy has occurred during the period in which any of the funds has been a shareholder in the company.
- The company issues sub-standard sustainability reports that impede the analysis of risks and opportunities.

The fund company identifies focus areas to enable effective action. The focus areas address

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risks that the fund company has assessed as systemic, rather than unique risks. Systemic risks affect the entire market and cannot be completely eliminated through diversification. Examples of identified systemic risks are risks linked to climate change and the loss of biodiversity.

Depending upon the company's circumstances and capacity to change, the shareholder engagement process normally lasts for one to five years.

Öhman Fonder is convinced that cooperation with other investors has greater impact and thus works extensively in partnership with other investors and, where applicable, other relevant stakeholders.

In addition to engagement dialogues, Öhman Fonder exercises its voting rights at general meetings of companies in which the funds are shareholders. For more detailed information about how Öhman Fonder votes and governance practices within the fund company, please refer to the Shareholder Engagement Policy available online at ohman.se.

Companies in which the funds do not invest

Öhman Fonder's funds do not invest in companies that systematically and materially breach international conventions.

The funds furthermore exclude investments in companies engaged in controversial activities, such as production or marketing of controversial weapons (cluster bombs, anti-personnel landmines, nuclear weapons, chemical weapons), and companies that produce tobacco products or pornographic material. Nor do the funds invest in companies where more than five percent of turnover is derived from the production and distribution of alcohol or the distribution of tobacco, gambling products, weapons, munitions or cannabis. The funds also exclude investments in the production and extraction of fossil fuels.

Öhman Fonder's bond funds exclude investments in government bonds issued by countries subject to sanctions issued by the UN Security Council.

There is more information about the conventions to which Öhman Fonder adheres and detailed information about the funds' exclusion criteria on the fund company's website (under "Sustainability") and on each fund's page on the company website, ohman.se.

Exemption for companies involved in energy transition

Notwithstanding that said above, the fund company believes that many companies with exposure to fossil fuels have the potential to play a vital role in the transition from a fossil-based economy to an economy based on renewable energy. Such companies are on the brink of a significant, positive journey that Öhman Fonder wants to be part of. The fund company's funds therefore have the option to invest in companies whose share of turnover derived from coal-based energy production exceeds five percent when the following three criteria are met:

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1. The company has set science-based climate targets in accordance with the Paris Agreement, through SBTi for example, or has committed to achieving carbon emission reductions in line with that required under the Paris Agreement.
2. The company's investments support a transition to a fossil-free economy.
3. The company's business is not primarily related to fossil fuels and a maximum of 50 percent of turnover from fossil-related business is permitted.

Organisation of the ESG programme

This policy has been adopted by the board of directors of Öhman Fonder. The policy shall be reviewed, approved and adopted at least annually even if no changes have been decided.

The CEO or the CEO's appointee shall be responsible for updating this policy.

The Corporate Governance and Sustainability team continuously drives the further development of the fund company's ESG programme. The Chief Investment Officer is responsible for implementation of the policy. The fund managers comply with the issued investment instructions for each fund, including ESG integration into the investment process. The Head of Corporate Governance and Sustainability is responsible for shareholder engagement and advocacy at Öhman Fonder. The Öhman Fonder Responsible Investment Committee (RIC) is responsible for the fund company's overall positions and perspectives concerning controversial business activities in the funds' investments and for overseeing the fund company's collaborations and initiatives.

Monitoring and transparency

The risk control function verifies on a daily basis that the funds' holdings comply with current investment instructions. Deviations from the funds' exclusion criteria shall be immediately reported to the responsible fund manager, the CEO and the Head of Corporate Governance and Sustainability. Thereafter, the fund manager shall promptly sell the holding that conflicts with the fund's investment instructions, which shall occur within no later than three months or in conjunction with the next index rebalancing for the fund company's index tracker funds.

Öhman Fonder considers it imperative to demonstrate compliance with this policy and expressed ambitions. The fund company strives for full transparency with respect to the funds' contributions to sustainable development and generated returns. Accordingly, the fund company discloses information about the fund company's fund management and ESG work in the Responsible Investment Report that is published annually on the fund company's website, ohman.se.