

Norron AB



Sustainability Policy and Policy for Responsible Investments

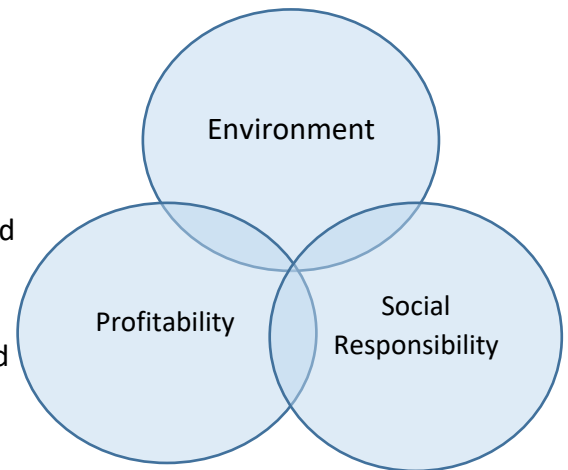
Adopted by Norron AB's board of Directors, org. nr 556812-4209 ("The Company")

as of the 11 of June 2018

The guidelines shall, at least once a year, be reviewed and approved by the Board of Directors of the Company.

SUSTAINABILITY AT NORRON

Norron has established a sustainability policy, a policy for corporate governance and a Code of Conduct. These policy documents are interlinked as they on many levels concern the same subject areas. The sustainability policy and the ownership policy define the company's positions, values and attitudes within the concept of sustainability and how the administration should work with regards to responsible investments. The Code of Conduct describes how we should act in order to live up to our views and values.



A sustainable company is a company that combines profitability, environmental considerations and social commitment. Sustainable business practice involves saving on our own resources and reducing the negative environmental impact. Norron's investment operation has both a direct and indirect impact on the markets in which the companies Norron invest in are active. We always strive to seek environmentally sustainable and cost-effective ways of conducting our daily activities.

The fact that a company is economically sustainable is a prerequisite for the company to survive, which should be the motivator for development. This involves, among other things, that the business in the long run is profitable, can grow and employ staff. However, economic sustainability should not be at the expense of the environment or the earth's resources.

Social sustainability is about the company's social responsibility. For example, when producing or importing from another country, demands are placed on suppliers and producers that employees have decent working conditions, reasonable working hours and wages. Social sustainability is also about how a company can engage in different societal issues. Our work shall be based on the Company's values. Employees must be treated fairly and work under equal working conditions. Diversity in the form of competence and experience should be seen as an asset and something that must be pursued at all times. Everyone at Norron should treat each other with respect and all employees should be encouraged to have a healthy lifestyle.

THE COMPANY'S VALUES

Norron shall in all its activities promote a healthy and sustainable society. Norron and its employees must show consideration, respect and openness towards partners and employees. In our entrepreneurship and administration, we must demonstrate that we:

- respect human rights
- care about the environment and working conditions
- rejects corruption and bribery

- comply with laws and regulations

OBJECTIVES

Norron's sustainability work should be an integrated and natural part of the business. Our overall objective is to regularly monitor, evaluate and improve the work we do and we will continuously develop our employees' competence within the field of sustainability.

Through information and education, Norron will maintain a high level of knowledge among employees so that their approach and commitment can be passed on to partners, suppliers and other stakeholders. Thus, sustainability becomes an important part of the employees' competence.

The company's work in regards to sustainability must be transparent to our stakeholders, through continuous monitoring and reporting.

The sustainability factors should be a natural part of the Company's innovative business model and fund management.

AIM

This policy aims to create a framework for responsible investment in the portfolio management process.

The purpose of this policy is also to set guidelines for how Norron creates a long-term and sustainable development for the business and its employees, investors, partners and other stakeholders.

SCOPE

This policy concerns all employees at Norron AB and the investment process of the funds.

RESPONSIBLE INVESTMENTS

Increased awareness in society as a whole, and increased demands from various stakeholders require that companies have a sound and effective approach towards sustainability. We believe that such companies, that also comply with international conventions, are companies that are able to provide the best long-term return for our stakeholders. For Norron, responsible investments mean that through active management, we integrate sustainability factors into our analysis and research and through our various ownerships we have the opportunity to influence companies.

RESPONSIBILITY AND ORGANISATION

The company's CEO is responsible for implementing the policy in the business operation and the fund management organisation. The Board is responsible for updating and maintaining this policy.

The company has also appointed a working group for sustainable investments. This group consists of the CEO, CIO, Compliance Officer and Communications and Sustainability

Manager. The group's responsibility is to continuously evaluate and improve the company's sustainability work and processes and to ensure that information and knowledge are shared internally.

FOLLOW UP AND REPORTING

At least once a year, the Company's Risk Manager (the CEO) shall monitor the funds' investments in terms of social factors, governance and environmental factors. This information must be reported to the Board.

On the Company's website, the Company's sustainability work shall be outlined based on this policy.

When it comes to the investment process, the company shall take into account the various sustainability factors and exclude investment that do not comply with the Company's values or the principles the Company has declared.

COMPANY VALUES AND RESPONSIBLE INVESTMENTS

By integrating sustainability factors into the company analysis, Norron proactively seeks to minimise the risk that companies we invest in

- can be corrupt
- do not consider environmental aspects

We do not invest in companies that are active within the following industries:

- pornography, tobacco and weapons (cluster bombs, landmines, biological and chemical weapons, and nuclear weapons), violate international human rights conventions.

As an important building block in the company's sustainability work, Norron has signed the UN guidelines for Responsible Investment (UNPRI) and is committed following its six principles:

1. Norron shall incorporate issues relating to ESG into the investment analysis and decision-making processes

How? As a part of the screening process that precedes all investments, is the analysis of the company's sustainability factors, together with operational and financial factors, which is an integral part of the investment process. The managers must consider all sustainability factors in their assessment. In cases where the managers have the opportunity to meet with representatives of the company, relevant sustainability issues must be addressed.

2. Norron shall act as active owners and incorporate sustainability issues into our ownership policy

How? The managers continuously meet with representatives from companies that we have invested in or intend to invest in. These meetings must always include a discussion on sustainability factors and the managers should be encouraged to raise ESG issues.

Furthermore, these must be documented. Norron shall maintain a continuous dialogue with the companies that do not exhibit the requirements that Norron sets. This can be done through influencing dialogues or follow-up on the company's reporting. This is to ensure that the companies work in the right direction to overcome the problems or risks that have been identified.

This can also be communicated through written feedback.

3. Norron shall seek appropriate reporting and sustainability reporting from the companies in which we invest

How? The company uses Bloomberg for analyzing and following up on the portfolio companies' sustainability factors. In cases where the portfolio company lacks relevant data, supplementary information must be obtained.

4. Norron shall promote acceptance and implementation of the principles in the industry

How? Continuous increased knowledge amongst managers and employees. Norron has set aside resources for the responsible investments work and also formed a working group.

Keep everyone at Norron up-to-date through various networking and training sessions.

5. We shall cooperate in order to improve the implementation of the principles

How? By communicating and constantly seeking a dialogue regarding sustainability with our partners, investors and other stakeholders. Norron will be responsive to these stakeholders' demands, wishes and views on various sustainability issues.

Our sustainability work is ongoing and under constant development, which is why Norron's employees should attend meetings and events to increase the knowledge and understanding of the portfolio companies' sustainability work.

6. We shall report on the work and the development regarding the implementation of the principles

How? In addition to the annual reporting to UNPRI, Norron shall ensure that requests from partners are correct and completed on time. Norron will also compile its work with responsible investments in each fund in an annual report to be published on the website. Furthermore, Norron shall ensure that independent parties such as Morningstar and Hållbarhetsprofilen (The Sustainability Profile) receive appropriate and correct information about the company's work. The risk function shall continuously screen the funds' holdings to ensure that these are in line with this policy.