

Engagement and Voting Policy

Storebrand Fonder AB

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1 Background and purpose

On 10 June 2019, legislation on shareholder engagement, The Shareholders Rights Directive II ('SRD II') was introduced implementing Directive (EU) 2017/828 of the European Parliament and of the Council amending Directive 2007/36/EC. The SRD II aims to promote effective stewardship and long-term investment decision making. It sets requirements in several areas, including transparency of engagement policies and investment strategies across the institutional investment community. SRD II is one of a series of actions launched by the European Commission to promote better shareholder engagement and improve transparency in the ownership of companies. A key aim of SRD II is to enable asset owners to understand the way in which their asset managers engage with the companies they invest in.

This policy is a supporting document to the Storebrand Group Sustainable Investment Policy. The policy applies to investments made by companies or on behalf of customers of the Storebrand Group including subsidiaries and it covers investments of all asset classes and describes¹:

1. how investment firms monitor investee companies in relevant areas,
2. how investment firms engage in dialogue with investee companies,
3. the exercise of voting rights and other rights related to the shares,
4. collaboration and communication with other shareholders and stakeholders; and
5. how investment firms handle conflicts of interest in relation to the exercise of ownership rights.

In relation to the capital managed on behalf of the unitholders, across all fund management companies within the Storebrand Asset Management Group (SAM Group), the respective fund management company ("The Company") shall perform an ownership role in those portfolio companies where the execution of ownership is considered material financially, regulatory, or in terms of fiduciary duty. The ownership role must be performed in such a way that the interests of the unit holders are held foremost, for example by maximising the long-term value of the companies. This means that the other interests of the Company or associated companies in the exercising of ownership must always give way in the event of any conflicts of interest.

Fund management legislation stipulates that a fund management company managing a fund that invests in shares listed for trading on a regulated market and issued by a company within the EEA must adopt principles for its shareholder engagement in relation to such shares. The requirement to adopt principles with a specific content is of a "comply or explain" nature.

The SAM Group has a range of group-wide policies and guidelines, and this specific policy a specified supplement to our Policy on Sustainable Investments, which can be found via the Company's websites, in which the management of, among other things, advocacy and engagement in relation to shareholdings in the Company's funds is governed at group level.

1 The directive was implemented into Norwegian Law by Resolution by Ministry of Finance 22. June 2023 pursuant to Act no. 17 of 10 April 2015 relating to financial institutions and financial groups Sections 13-22 and 13-23, Act no. 28 of 20 June 2014 relating to the management of alternative investment funds § 4-1 a and § 4-7, Act of 25 November 2011 No. 44 relating to mutual funds § 8-1 a and § 8-8 and Act of 29 June 2007 No. 75 relating to securities trading § 9-16 a and § 10-10 a. EEA references: Annex XXII (10g of the EEA Agreement (Directive 2007/36/EC as amended by Directive (EU) 2017/828)

2 Refers to the exercise of ownership rights either directly or through management as described in the Financial Institutions Regulations, the AIF Regulations, the Mutual Fund Regulations or the Securities Regulations

3 For further description of how active ownership is integrated into the investment strategy, see section of Integration in Sustainable investment policy.

2 Roles and responsibilities

This Policy is anchored with the Board of Directors in Storebrand ASA and Storebrand Asset Management AS, and adopted by the Board of Directors in Storebrand Fonder AB. The CEO of Storebrand Fonder AB, or the appoin-

ted representative, shall be responsible for ownership matters. The contact details of the person responsible for ownership matters shall be made available to investors, for example via the website or prospectus.

3 General principles and commitments

Based on the circumstances of the individual fund, voting rights shall be exercised in the common interest of the unit holders. Where justified on the grounds of the interest of the unit holders, the Company shall exercise its voting rights at the general meetings of companies in which a fund invests. The Company may also choose to sell shares in a company as an expression of its shareholder engagement. The Storebrand Asset Management Group has engaged an external proxy advisory firm to monitor relevant company events, notify the Company about events of special interest, and to vote according to the Company's instructions.

The purpose of the Company's shareholder engagement is to safeguard the common interest of the unit holders in ownership matters and to contribute to the healthy long-term development of both the specific company and the financial markets in general.

The following general principles for shareholder engagement apply irrespective of whether a fund is managed actively or passively and irrespective of whether consideration is given to sustainability in the fund. Voting rights may be exercised only in accordance with the objectives and investment policy of the fund in question. The principles also aim to describe how the Company integrates shareholder engagement in its investment strategy.

3.1 Monitoring

Our monitoring refers to relevant issues relating to the strategy, financial and non-financial performance and risks, capital structure, social and environmental impact, and corporate governance of the portfolio companies⁴.

The Company has a clear objective to exercise the rights conferred on the unit holders of the various funds. The manager of the Company's funds shall always work to ensure that the portfolio companies act in accordance with the relevant codes and guidelines and otherwise in accordance with good practice on the stock market and that they report on their work relating to the environment, social responsibility, and governance. The Company shall also work to ensure that the companies in which the Company's funds invest are managed in accordance to

the principles of Storebrand's Sustainable Investment Policy and have well-composed boards of directors in terms of expertise, diversity, and gender balance.

Where it is suspected that a portfolio company is failing to comply with the Company's policies, it may be useful to continue to monitor developments at the portfolio company and gather further information. Situations may also arise where a portfolio company is working on corrective measures, but such measures cannot yet be assessed or verified. In such situations, the portfolio company may be placed on an observation list, which involves specific investment restrictions, to allow time for information to be collected and for engagement. Companies on the observation list shall be monitored on an ongoing basis and dialogue shall be held with representatives of the portfolio company. Depending on the outcome of this work, the portfolio company will subsequently either be removed from the observation list or placed on the exclusion list and consequently excluded from the investment universe of the Company's funds.

3.2 Engagement with representatives of portfolio companies

The manager (or the representative of the manager) of the Company's funds shall strive to achieve a dialogue with representatives of portfolio companies in various respects⁵. Ownership shall be exercised primarily through the exercising of voting rights at the general meetings of the portfolio companies and through engagement in the form of dialogue with the management and the boards of directors of the portfolio companies. These methods combined can also be an effective way to drive forward the issues that are important to the Company. The decision about which portfolio companies may be suitable for engagement is based on factors such as the type of issues at hand, the size of the funds' holding, the likelihood of having an impact and the possibility of interacting with other investors. The engagement work conducted by the Company is described in greater detail in Storebrand's group policy on sustainable investments, which is available on the Company's website. Dialogues with representatives of portfolio companies often take place in collaboration with other shareholders through collaborate engagements.

⁴ Refers to how the undertakings monitor investee companies in relevant areas as required by SRD II as implemented in local regulations.

⁵ This section refers to how the undertakings engage in dialogue with the investee companies as required by SRD II as implemented in local regulations.

3.3 Exercising of voting rights and other rights linked to shareholdings

The manager (or the representative of the manager) of the Company's funds shall, where technically possible, usually participate in a well-considered manner at the general meetings of those companies where the shareholding of the funds under management is of such size, and otherwise at those meetings where for other reasons in the interest of the unit holders, it is considered justified to exercise the voting rights.⁶

The manager of the Company's funds shall ensure that the portfolio companies comply with the rules regarding ownership influence under the laws and regulations of the marketplace in question and other commitments and that the shareholders receive information in good time before the general meeting, which provides the opportunity to take a position on the proposals to be presented at the general meeting. This voting policy, adopted at SAM group level, applies to the management of the Company's funds. Under this policy, voting rights and other rights deriving from shareholdings shall be exercised solely in the common interest of the unit holders, with the aim of ensuring the best possible risk-adjusted return for the unit holders. Responsibility for voting is delegated to the responsible manager, or to the Risk & Ownership team, who determines how to exercise the voting rights appropriately and who then reports back to the manager's board of directors. The manager's board of directors evaluates the performance of corporate governance for the Company's funds annually and the Company's board of directors shall be informed of this evaluation. Voting rights are exercised either directly as part of management or using a system for exercising voting rights (known as proxy voting). The following topics are of particular importance when exercising our shareholder vote:

- Insufficient information before a general meeting.
- Absence of a majority of independent board members or independent management committees (remuneration, nomination, and audit committees).
- If the Company considers that the board of directors and/or board members do not meet the requirements for sufficient competence and knowledge.
- Existence of mechanisms for preventing takeovers (poison pills, etc.) that counteract shareholders' final decision-making power in these matters.
- Unnecessary or indefensible changes in capital structure. The Company supports the principle of one share = one vote.

- Existence of remuneration structures for senior executives leading to conflicts of interest between management and shareholders.
- Unsatisfactory stewardship of climate, environment, fair labour practices, non-discrimination, and the protection of human rights.

All votes and voting rationales activities are published online on the Company website.

3.4 Collaboration with other shareholders

If deemed to be in the interest of the unit holders, Storebrand will cooperate with other investors in engagement efforts towards portfolio companies.⁷

The Company may cooperate with other shareholders, either individually or at Group level. As well as its established partnerships, the Company is also open to theme-based collaborations on an ongoing basis. For more information about collaborations and partnerships, see the Company's website.

As stated above, dialogues often take place in collaboration with other shareholders.

3.5 Communication with relevant stakeholders in portfolio companies

As well as direct dialogue with the company management (see sections 2.2 and 2.4 above), the manager of the Company's funds shall strive to communicate with relevant stakeholders in portfolio companies.⁸

3.6 Handling of actual and potential conflicts of interest

The Company shall have systems in place to identify, manage and document the conflicts of interest that may arise in the exercising of voting rights.⁹ The Company's procedure for handling conflicts of interest is set out in the Company's Guidelines for identifying and handling conflicts of interest. The Company has identified that persons who participate in the management or who are responsible for representing the Company's funds during voting could potentially make decisions designed to benefit the value of private investments or exploit the voting rights for similar purpose. The conflict of interest is managed through the stipulation in the funds' investment guidelines that the funds may hold a maximum of 10% of an issuer's outstanding financial instruments. This minimises the risk of the funds having a considerable influence over the issuer.

⁶ This section refers to how the exercise of voting rights and other rights related to the shares as required by SRD II as implemented in local regulations.

⁷ This section refers to collaboration and communication with other shareholders as required by SRD II as implemented in local regulations.

⁸ This section refers to collaboration and communication with other stakeholders as required by SRD II as implemented in local regulations.

⁹ This section refers to how enterprises handle conflicts of interest in relation to the exercise of ownership rights as required by SRD II as implemented in local regulations.

3.7 Participation in the work of the nominations committee

The Company agrees that the manager or the representative of the manager of the Company's funds may participate in the work of the nominations committee where this is possible and in line with the investment strategy of the funds. The Company shall normally take a position on board nominations at those companies where the funds under management have large shareholdings. The Company shall perform its ownership role without board representation at the portfolio companies.

3.8 Insider information

The manager of the Company's funds needs to have access to information relating to the portfolio companies to be able to follow up on corporate governance issues. It is also important to always act in the common interest of the unit holders, where the funds' investments must be characterized by flexibility. Rules concerning insider information and market abuse also apply to information which the manager of the Company's funds or the Company itself receives in the exercising of shareholder engagement. The Company expects the portfolio companies and their advisers to be aware of and comply with external rules in this respect and to share insider information only with prior consent. If there is any doubt, however, a clear statement should be required from the sender of the information as to whether the information constitutes insider information before it is received.

3.9 Action ("engagement") and escalation

Under this policy, the manager of the Company's funds shall consider acting in, for example, the following cases:

- Human rights violations.
- Large-scale corruption, money-laundering, and bribery.
- Serious environmental and climate-related deficiencies.
- A significant difference in the portfolio company's strategy or results compared with those previously communicated.
- Corporate governance issues (such as replacing senior executives, issuing shares and dividends, remuneration for personnel in key positions, transactions between related companies, gender equality issues).
- As part of formalised collaborations, the manager acts to reduce the carbon footprint of the portfolio companies over time. In addition, advocacy shall be conducted to provide encouragement to portfolio companies that are in a transitional phase where the carbon footprint effects can be reduced or improved.

If the results of the action do not fulfil expectations, the manager of the Company's funds may choose to escalate the action. Examples of escalation may include:

- Express the views publicly,
- Propose resolutions at the general meeting,
- Propose an extraordinary general meeting, or
- If the portfolio company is on Storebrand's observation list, perform an exclusion assessment.

3.10 Use of proxy advisers

The Company has, through Storebrand Asset Management AS, engaged an independent proxy voting service provider and proxy advisory firm. The proxy provider handles invitations to and registration for general meetings for the Company's funds and produces comprehensive information about the individual portfolio companies. The proxy provider presents the agendas of the meetings with research on all resolutions and recommendations on how managers of the Company's funds should vote. The Company's conduct in votes is nevertheless governed by Storebrand's common voting policy and is always based on what is in the interest of the funds and of the unit holders. In the absence of a policy for a specific vote, the recommendations of the proxy provider's Sustainability Proxy Voting Guidelines are usually followed. The manager of the Company's funds annually reviews the partnership with ISS and evaluates the quality and efficiency of the services provided. All the Company's funds have a depositary that is subject to supervision and which, in addition to the proxy provider, provides information relating to the general meetings of the portfolio companies in the Company's funds.

3.11 Principles for Securities Lending

The Company has entered into an agreement with a Securities Lending Agent that governs the terms of securities lending for selected Company funds. The agreement stipulates how securities lending is to be made and to what extent. The Company allows securities lending for the funds' shares but will normally recall the shares before general meetings to be able to vote with at least 50 percent of the Company's shares at the general meeting. If securities lending is deemed more beneficial for unit holders, or do not have any material impact on shareholder engagement, then after an individual assessment, recall before general meetings might not occur. Securities lending must not result in any material negative impact on the sustainability focus of the Company's funds.

4 Reporting

Risk & Ownership in collaboration with CIO and PMs will report on activities and progress related to this policy to management of Storebrand Asset Management and Boards of Directors as required on a regular basis.

Externally, SAM will report annually on the application of the principles for shareholder engagement, including disclosing voting, the most important votes and the use of advisory deputies.

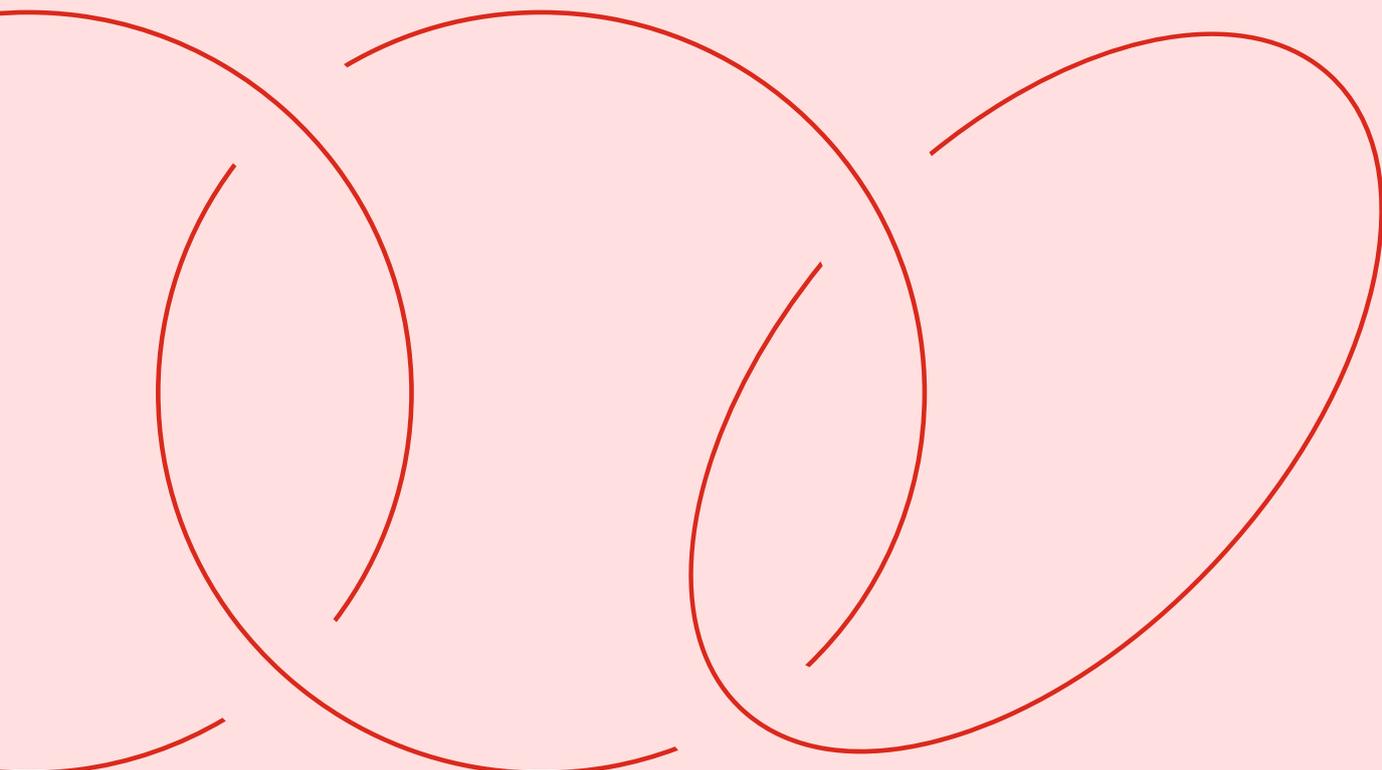
This report shall be published on the Company's website, including via the Proxy Voting Dashboard and the work conducted for the Company by the external service provider in its capacity as proxy adviser. The report should

cover all shares that form part of a fund managed by the Company, i.e., including shares which are not listed for trading on a regulated market and shares that are listed for trading on a market outside the EEA. If a report cannot be provided for the latter category of shares, an explanation shall instead be provided in the report.

A summary of the Company's guidelines and principles for shareholder engagement shall be made available and the Company has chosen to publish this on its website. Details of the actions taken based on these principles shall be made available to investors free of charge on request.

5 Revisions

Approved By	Date	Comments
SAM Board	20.10.2023	Full revision
Storebrand Fonder AB Board	18.04.2024	Replaces guidelines from 01.06.2023



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