

SUMMARY OF STATEMENT ON PRINCIPAL ADVERSE IMPACTS OF INVESTMENT DECISIONS ON SUSTAINABILITY FACTORS

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Öhman Fonder

Summary of statement on principal adverse impacts of investment decisions on sustainability factors

Financial market participant: E. Öhman J:or Fonder AB, LEI-code: 549300VKZ5UYSWL0KI68

Summary

E. Öhman J:or Fonder AB, (Öhman Fonder or the Fund company), LEI code: 549300VKZ5UYSWL0KI68, considers principal adverse impacts of its investment decisions on sustainability factors. The present statement is the consolidated statement on principal adverse impacts on sustainability factors of Öhman Fonder.

This statement on principal adverse impacts on sustainability factors covers the reference period from 1 January 1 to 31 December year 2023.

In the statement the Fund company reports both mandatory and optional indicators for principal adverse impacts. The four optional indicators from table 2 and 3 are: (i) Investments in companies without carbon emission reduction initiatives, (ii) deforestation reduction initiatives, (iii) lack of grievance/complaints handling mechanism related to employee matters, and (iv) companies lacking human rights policies. These indicators align with the Fund company's engagement focus areas for 2023 and 2024: Climate (Science Based Targets), biodiversity, and human rights. The focus areas address what the Fund company assesses as systemic risks rather than unique risks. Systemic risks affect the entire market and cannot be completely diversified, hence the choice of these optional indicators.

The statement describes how the Fund company considers principal adverse impacts, i.e. through thresholds, engagement dialogues, or exclusion. The probability and severity of these principal adverse impacts, including the potential irreversibility, are considered in investment decisions. In the case of an exceeded threshold, the portfolio manager within Öhman Fonder needs to motivate its investment decision, such as in the case of investing in a company with very high emissions but transitioning from fossil-based production to renewable energy. The Fund company uses active ownership to influence companies and mitigate identified risks as well as to achieve the best possible long-term sustainable returns for the unit owners and owners of the discretionary portfolios. In 2023, the Fund company had a total of 724 engagement dialogues, of which 91 were the Fund company's own dialogues or in collaboration with other investors, and the remaining 633 were external dialogues through different initiatives. Additionally, the Fund company voted at 1,144 general meetings.

Öhman Fonder exclude investments in companies that systematically and extensively violate internationally accepted and established conventions and guidelines, such as the UN Global Compact, OECD Guidelines for Multinational Enterprises, UN Guiding Principles on Business and Human Rights (UNGP), and their underlying conventions. Further details are provided in the statement. Which principal adverse impacts that each fund or relevant discretionary portfolios considers are disclosed in the sustainability-related pre-contractual information and in the annual report. Not all factors are considered in all products and are not relevant for all investments but are analyzed based on materiality for a specific company and its industry. The principal adverse impacts which are considered may be revised as data becomes available and depending on its relevance. The Fund company uses, as far as possible, actual reported data from companies, supplemented with estimates from data providers when such data is lacking. The following indicators have been considered where applicable and to the extent data is available.

Climate and other environment-related indicators:

- Greenhouse gas emissions
- Carbon footprint
- Exposure to companies active in the fossil fuel sector
- Investments in companies without carbon emission reduction initiatives
- Companies without a policy to address deforestation

Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters:

- Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises
- Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises
- Board gender diversity
- Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)
- Lack of grievance/complaints handling mechanism related to employee matters
- Lack of human rights policy