ANNEX II

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Storebrand Global Multifactor **Legal entity identifier:** 529900MX52OX1TU9W791

Environmental and/or social characteristics

Sustainable investment: means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities.** That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

☐ **Yes**

- ☐ It will make a minimum of **sustainable investments with an environmental objective: __ %**
  - ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy
  - ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- ☐ It will make a minimum of **sustainable investments with a social objective: __ %**

☒ **No**

- ☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 15 % of sustainable investments
  - ☒ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
  - ☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
  - ☒ with a social objective
- ☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

Storebrand Global Multifactor promotes environmental and social characteristics through investments in companies that meet clearly defined ESG criteria relating to environmental, social, and corporate governance matters.

The Fund promotes environmental characteristics by:

- The Fund promotes environmental characteristics by investing in companies whose economic activities are deemed to contribute to an environmental objective under the UN Sustainable Development Goals and the Paris Agreement and/or activities aligned with the EU taxonomy.
- Apply exclusion criteria for companies with activities linked to fossil fuels or with large fossil fuel reserves, as well as companies that violate international norms and conventions on environmental issues.
- Take into account the main negative impacts on sustainability factors (PAI) related to the environment and climate.

The fund promotes social characteristics by:

- Investing in companies whose economic activities are deemed to contribute to a social objective as defined by the UN Sustainable Development Goals and the Paris Agreement
- Applying exclusion criteria for companies with activities related to prohibited weapons, nuclear weapons, arms and munitions, alcohol, tobacco, cannabis, pornography, commercial gambling and by excluding companies that are confirmed to act in violation of international norms and conventions related to human rights, labour law or anti-corruption and bribery.
- Consider the main negative impacts on sustainability factors (PAI) related to human rights, labour law and anti-corruption and bribery.

The fund promote good corporate governance and sustainable business practices through active ownership and advocacy.

The benchmark used by the fund has not been selected to achieve the environmental and/or social characteristics that it promotes.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

- **What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**
  - % Share of sustainable investments
  - The fund's carbon footprint calculated based on the holdings' greenhouse gas emissions (scope 1 and 2)
  - The fund's sustainability rating (scale 1-10), based on Storebrand's own assessment that takes into account environmental, social and governance aspects
  - % Proportion of the fund's investments linked to companies in the fossil fuel sector (PAI 4)
  - Existence of violations of the UN Global Compact principles and the OECD Guidelines for Multinational Enterprises (PAI 10)
  - % Exposure to controversial weapons, including anti-personnel mines, cluster munitions, chemical and biological weapons (PAI 14)
  - % The share of investments, aligned with the fund's environmental or social characteristics, that are not compatible with the fund's exclusion criteria. (Exclusion criteria refer to prohibited weapons, nuclear weapons, other weapons and military equipment, as well as activities related to alcohol, tobacco, cannabis, pornography, commercial gambling, and fossil fuels)

- **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives**

  Sustainable investments primarily contribute to the stated objectives by investing in companies that support the 17 UN Sustainable Development Goals or activities aligned with the EU taxonomy. This is achieved by companies exceeding a minimum level of turnover that is in line with the SDGs or the EU taxonomy, or a combination of these. In addition to the company's turnover, capital expenditure (CAPEX) or operating expenditure (OPEX) can also be used to assess a company's contribution to these goals.

  For an investment to be considered sustainable, at least one of the following criteria must be met:

  - The company or issuer has at least 25 % of its revenue directed towards an environmental or social goal contributing to the achievement of the Global Goals, SDG's.
  - Issuer with at least 25 % of their reported CapEx, OpEx or revenue aligned with the EU Taxonomy
  - Issuer with at least 25 % green revenues

  At the same time, a sustainable investment must not cause any significant harm to other environmental or social objectives and must follow good corporate governance practices.

  The fund's sustainable investments contribute to the following environmental objectives defined in the EU Taxonomy for environmentally sustainable activities: climate change mitigation and climate change adaptation.

  The distribution of investments contributing to social or environmental objectives may change over time, depending on the fund's composition.

- **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

To be classified as sustainable investments, companies whose economic activities contribute to the achievement of an environmental or social objective must not simultaneously cause significant harm. To ensure this, we adhere to a number of principles.

All investments in the fund are checked, both at the time of investment and on an ongoing basis, against the fund's exclusion criteria to ensure that no companies are involved in activities considered incompatible with the fund's focus.

The objective of our sustainability criteria is to reduce risk in our funds and help generate strong risk-adjusted returns. In addition, we aim to ensure that we invest in accordance with international norms and conventions, such as the UN Declaration of Human Rights, while avoiding product categories and sectors that are not sustainable. Certain economic activities and sectors carry a high risk of causing significant harm to the environment and society. To ensure that the product does not invest in such activities, a screening of the Fund's holdings is carried out to identify companies that breach our exclusion criteria or exceed established threshold values.

The Fund may not invest in any company that is involved in:

- Exclusion criteria related to controversial sectors and products and services that may be considered detrimental to sustainable development, as well as specific PAI indicators such as fossil fuels and controversial weapons.
- Exclusion criteria for companies that have been confirmed to act in violation of international norms and conventions.

- An assessment that the investment does not cause significant adverse impacts on sustainability factors (PAI). This is carried out through the management company's internal Do No Significant Harm (DNSH) test, a traffic light system used to review companies and assess whether their products and services are otherwise involved in activities that may have a significant negative impact on sustainable development.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti- corruption and anti- bribery matters.

– – **How have the indicators for adverse impacts on sustainability factors been taken into account?**

By continuously applying the three main principles in our management process, sustainability analysis (inclusion), exclusion and active ownershipe the portfolio managers consistently take into account indicators of adverse impacts on sustainability factors in all investment decisions. The objective is to avoid investments in companies with an unacceptable risk of negative impacts and instead select companies that manage their sustainability risks in an acceptable manner. Through dialogue and active ownership, the management company seeks to influence portfolio companies to address their sustainability risks as well as potential principal adverse impacts on sustainability factors.

Through screening and exclusion, the management company excludes companies operating in controversial sectors, as well as companies that have been confirmed to act in breach of international norms and conventions, such as the UN Global Compact and the OECD Guidelines for Multinational Enterprises.

To ensure this, we have developed a Do No Significant Harm (DNSH) test consisting of a review of companies to identify those that breach our exclusion criteria or exceed established threshold values. The exclusion review consists of three parts: (1) norm-based exclusions, (2) product-based exclusions, and (3) exclusions relating to sovereign bonds. Companies that are non-compliant with the below are not eligible as sustainable investments, and the Fund does not invest in them.

The DNSH test also includes a suitability assessment. This suitability assessment involves an additional review to identify companies that exceed established threshold values for adverse impacts on sustainability factors and therefore cannot be classified as sustainable investments. If a company fails the suitability assessment, it cannot be classified as a sustainable investment and will therefore not be included in the calculation of the share of sustainable investments in the Fund.

All underlying securities are assessed for adverse impacts as part of the DNSH test in the following manner:

1) For several of the adverse impact indicators the set thresholds defines what is considered as significant harm to environmental or social objectives, based on the indicators measured by the Investment Manager. An investment that exceeds the defined thresholds is excluded from the Fund´s investment universe.

For indicators without a defined threshold, the dedicated sustainability team is responsible to assess each entity on an individual basis, where data from an external data provider is used to assess whether an entity is involved with a breach or in risk of breaching one of these indicators. In this assessment conditions such as severity, scope of harm, and risk of recurrence is analyzed using a predefined scoring table to ensure consistency in the evaluation process. The final decision to exclude the investment from Sub-Fund's investment universe is however qualitative and based on the evaluation of the dedicated sustainability team and the assessment of the issue by the Investment Manager's Sustainable Investment Committee.

2) Adverse impacts indicators are accounted for, and for all of the underlying securities based on the data availability, coverage and quality which allows for setting measurable or quantifiable thresholds, or where there is sufficient information to make a qualitative assessment of adverse impacts. As the data quality and availability improves, the Investment Manager will be considering a range of methods to better account for these and mitigate adverse impact.

The Fund's screening and exclusion process described above covers several of the indicators for adverse impacts on sustainability factors listed in Annex I.

In the DNSH-process, The Fund currently considers the following indicators from Table 1 of Annex I:

- PAI 4 Exposure to companies active in the fossil fuel sector
- PAI 7 Activities negatively affecting biodiversity sensitive areas
- PAI 8 Emissions to water
- PAI 9 Hazardous waste
- PAI 10 Violations of UNGC principles and OECD guidelines
- PAI 14 Exposure to controversial weapons
- PAI 16 Sovereigns: Investee countries subject to social violations

In addition the Fund considers the following indicator from Table 2 of Annex 1:

- PAI 15 Deforestation

The exclusions resulting from this are binding for the management company in the Fund's management. As part of the daily compliance checks, it is verified that all transactions and positions do not violate Storebrand's sustainable investment policy, comply with the above-mentioned exclusion criteria, and uphold the environmental and social characteristics promoted by the Fund.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?
The alignment of sustainable investments with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights is ensured by the management company excluding companies that have been confirmed to act in violation of these guidelines. Compliance of the Fund is monitored through daily checks.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Does this financial product consider principal adverse impacts on sustainability factors?

☐ **No**

☒ **Yes**

The portfolio manager considers principal adverse impacts on sustainability factors (PAI). The Fund's exclusion strategy covers several of the principal adverse impacts on sustainability factors (PAI). The exclusions aim to ensure that companies are not involved in activities with an elevated risk of contributing negatively to sustainability factors. Fossil fuel companies and companies confirmed to be acting in violation of international norms and conventions related to human rights, the environment, labour law or anti-corruption and bribery. Checks regarding the fund's exclusion strategy are made at the time of investment and on an ongoing basis.

Storebrand's method for identifying PAI, negative consequences for sustainability factors, is a traffic light system: laggards (red PAI), middle performers (yellow PAI) and leaders (green PAI) so that risks can be avoided, and more capital can be allocated to those with high sustainability performance and what we call solution companies and companies with a high sustainability rating.

The following analytical work can be linked to the different levels of PAIs:

RED: Companies identified as laggards will be further analysed by the Risk & Ownership team and may result in exclusions depending on the risk and severity of the identified negative impact and the total cumulative negative impact across all PAI indicators.

YELLOW: Companies identified as PAI intermediate performers will also be further analysed with the aim of mitigating negative impacts through, for example, dialogue.

GREEN: For leaders, the PAI data will mean that it can be further integrated into financial decisions with the aim of allocating more capital to PAI leaders and thus lifting the sustainability value of the fund.

Data quality and data availability currently affect the integration of key negative sustainability impacts into management.

For companies considered to have high PAI risks, these are primarily managed through exclusion or active governance and engagement.

Information on material adverse impacts on sustainability factors will be disclosed in the Fund's annual report, which is available in the fund list on our website.

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

What investment strategy does this financial product follow?

We integrate sustainability into investment decisions through our processes and practies with three methods:

Exclusion strategy:

The fund applies sustainability requirements through an exclusion strategy. The fund does not invest in companies involved in the production or distribution of prohibited weapons, nuclear weapons, weapons and military equipment, tobacco, cannabis, alcohol, pornography, or commercial gambling. The exclusion also covers companies operating in fossil fuels (coal, oil, gas), oil sands, or with large fossil reserves, as well as companies that have acted in violation of international norms and conventions regarding human rights, the environment and climate, labor rights, or anti-corruption and bribery.

Product- and activity-based exclusions when revenue exceeds thresholds

Area	Production	Distribution
Tobacco	0 %	5%
Cannabis	5 %	5 %
Alcohol	5 %	5 %
Commercial gambling	5 %	5 %
Weapons and military equipment	5 %	5 %
Pornography	0 %	5 %
Fossil fuels (coal, oil, gas)* PAB	5 %	5 %
Oilsands	5 %	n/a

*Follows the Paris-Aligned Benchmark (PAB) or goes beyond. For coal-related revenues from exploration, mining, extraction, distribution, or refining, the threshold is 1%. The fund may include transition companies operating in the production, transmission, and distribution of electricity (the power supply sector) with exposure to fossil fuels, provided they have a clear and credible transition plan towards renewable energy.

Activity-based exclusions

Area
State-controlled companies
Lobbying against climate and nature
Deforestation and forest-risk commodities: palm oil, soy, timber, cattle, cocoa, coffee, rubber, and minerals
Oil and gas activities in the Arctic, seabed mining, sea disposal of mining waste, and ecologically sensitive areas

Exclusions based on norms and conventions

Area	
Controversial weapon	Companies involved in the manufacture of cluster bombs, landmines, chemical weapons, and biological weapons.
Nuclear weapons	Companies involved in the manufacture or distribution of nuclear weapons.
International norms and conventions	Companies that act in violation of international norms and conventions.

Sustainability analysis:

The Fund has specific and stated criteria for selecting companies based on environmental, social and corporate governance issues. Each individual company that is selected for the Fund, and continuously after the acquisition of a security, is assessed and graded based on our fundamental sustainability analysis where the companies are classified based on many different sustainability indicators, have comprehensive systems for managing ESG risks and contribute positively to the UN's Global Sustainability Goals. In the sustainability analysis, both ESG risks and SDG opportunities are analysed and combined into a rating. 50 percent of the rating is based on the ESG risks and 50 percent on the SDG opportunities. The SDG rating measures opportunities linked to the UN's Global Sustainability Goals and the Paris Agreement with a focus on products and services that help achieve the SDGs. Equality makes up 10 percentage points of the SDG grade.

Active Ownership:
As owners, we practice active ownership to drive value-creating and sustainable improvements in the companies we invest in. This strengthens the companies' long-term development, reduces risks, and enhances the quality of our investments. We work both proactively to promote the development of companies' sustainability efforts and reactively in cases where companies do not meet the international norms and conventions we support. Our engagement takes place through direct dialogues with companies, collaboration with other investors, and participation in industry initiatives. These dialogues are typically led by our Risk and Ownership team and are sometimes conducted together with, or by, our portfolio managers. Collaboration with other investors is a key part of our engagement, as joint action often has greater impact and increases the likelihood of achieving concrete results. We generally vote at general meetings where we have significant ownership, on issues considered in the interest of unit holders, and when proposals are not aligned with our ownership policy.

The fund promotes the transition to a low-carbon world (greenhouse gas reduction) by excluding companies with activities related to fossil fuels, companies with large fossil reserves, and companies that violate international norms and conventions related to environmental issues.

- **What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?**
  The binding elements of the Fund's investment strategy are as follows:

  - **Exclusion strategy:** The fund applies an exclusion strategy, which is binding in the management of the fund.
  - **Share of sustainable investments:** The fund maintains a minimum proportion of sustainable investments, based on the assessment methodology applied by the fund management company, which is binding in the management of the fund.

- **What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?**
  The Fund has no commitment to reduce the size of its investments by a minimum percentage.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

- **What is the policy to assess good governance practices of the investee companies?**
  The fund has an exclusion strategy to assess whether the companies in its investment universe adhere to good corporate governance practices. The assessment process consists of two steps:

  1) A data-driven analysis, in which Storebrand's data providers assign a rating to the companies. This rating reflects how well the companies perform in relation to good corporate governance.

  The analysis considers corporate governance practices using several key indicators, including:

  - Board and management quality and integrity,
  - Board structure,
  - Ownership and shareholder rights,
  - Remuneration packages,
  - Auditing and financial reporting,
  - Stakeholder governance.

We also receive information on potential incidents and controversies from our data providers, which is used for further internal assessment.

As part of this screening, Storebrand also evaluates whether companies comply with the OECD Guidelines for Multinational Enterprises and the UN Global Compact, along with their underlying conventions. This screening aims to assess how companies adhere to these standards, and, in cases of breaches, how they respond to incidents and implement corrective actions.

In line with the exclusion criteria outlined above, the fund does not invest in companies involved in corruption or economic crime, or those that violate international norms and conventions. This includes companies that breach human rights, international law, and labor rights, or are responsible for significant climate or environmental damage. We screen our holdings for these criteria every quarter, using data from external data providers.

2) An internal qualitative assessment is conducted, where the Risk & Ownership team evaluates the seriousness of a breach, whether it has occurred or is believed to be likely to occur. This assessment is based on qualitative factors, such as geography, sector, and the severity of the individual breach. All companies assessed are anonymized, and the final decision on exclusion is made by Storebrand's Investment Committee.

What is the asset allocation planned for this financial product?

The schematic below illustrates the minimum proportion of the Fund's investments that meet the environmental or social characteristics promoted by the Fund, as well as the minimum proportion of sustainable investments.

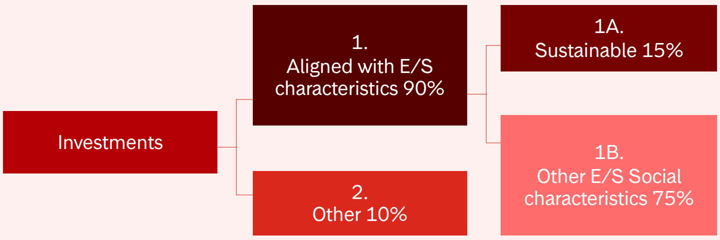
Asset allocation describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:
– turnover reflecting the share of revenue from green activities of investee companies

– capital expenditure (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.

– operational expenditure (OpEx) reflecting green operational activities of investee companies.

The Fund will invest at least 15 percent in sustainable investments, with the intention of reaching around 20 percent. The remainder of the investments will align with the Fund's promotion of environmental and/or social characteristics, along with a small proportion allocated to cash for liquidity management.



#1
Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2
Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category #1 Aligned with E/S characteristics covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

- **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**
  The fund does not use derivatives to achieve the environmental or social characteristics it promotes.

To comply with the EU Taxonomy, the criteria for **fossil gas** include

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

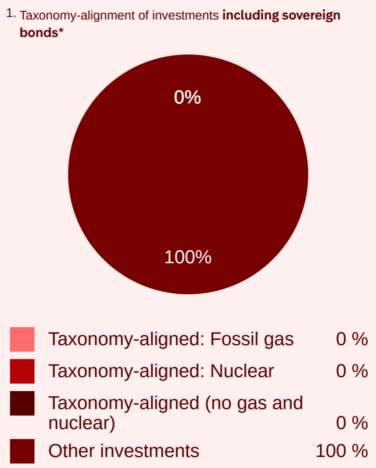
The fund has a committed minimum share of sustainable investments in accordance with Article 2(17) of the SFDR. These sustainable investments may be either aligned with the EU Taxonomy, limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

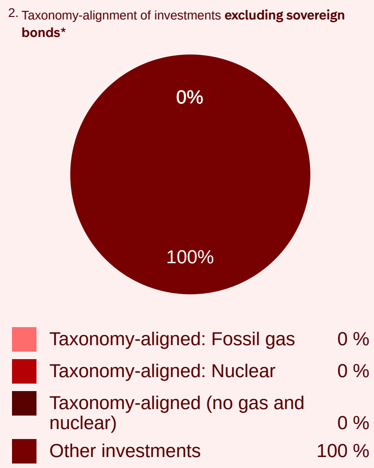
Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

environmentally sustainable in other ways, or have social objectives. The allocation between these categories of sustainable investments may vary over time. However, the fund does not commit to a specific minimum share of sustainable investments that meet the criteria for environmental objectives under the EU Taxonomy.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.





* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

- **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?**

☐ Yes

☐ in fossil gas ☐ in nuclear energy

☒ No

- **What is the minimum share of investments in transitional and enabling activities?**
The Fund does not commit to a minimum percentage of investments in transition or enabling activities.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Fund may make sustainable investments in companies that are assessed as contributing to both environmental and social objectives. The Fund does not rank different environmental or social objectives against each other and has therefore not specified any minimum allocation for each respective objective. However, the Fund has an overall minimum level of sustainable investments of 15 percent..

What is the minimum share of socially sustainable investments?

The Fund aims to have at least 15 in sustainable investments. The fund currently has no split between environmentally and socially sustainable investments.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

[1] *Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective — see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.*

The Fund uses cash and derivatives. Cash is used to manage liquidity and flows, while derivatives may be employed as part of the investment policy to optimize management efficiency. These assets are not subject to environmental or social minimum protection measures.

Where can I find more product specific information online?

More product-specific information can be found on the website:
https://www.storebrand.se/am/in-english/