



Table 1

Statement on principal adverse impacts of investment decisions on sustainability factors

Financial market participant

Carnegie Investment Bank AB (Private Banking SE), LEI 529900BR5NZNQZEVQ417

Summary

Carnegie Investment Bank AB (Private Banking SE), LEI 529900BR5NZNQZEVQ417 considers principal adverse impacts of its investment decisions on sustainability factors. We screen investments and external fund managers against excluded sectors and use data from MSCI ESG. We continuously work to integrate sustainability risks into the investment decisions made in the bank's managed funds, portfolio management and advisory management through, among other things, by integrating the UN Global Compact (UNGC), in the screening of potential investments and by working on diversification. Carnegie Investment Bank conducts engagement activities on behalf of its clients to safeguard good returns on its investments and sound practices in investee companies. The present statement is the consolidated statement on principal adverse impacts on sustainability factors of Carnegie Private Banking.

This statement on principal adverse impacts on sustainability factors covers the reference period from 1 January 2022 to 31 December 2022. The year 2022 is the first reported year and starting for the reported year 2023, a comparison of the data will be possible. : The results of the indicators are based on data from an external data provider MSCI ESG. The degree of coverage and whether the data is or is partially based on estimates is stated under the heading Explanation.

Description of the principal adverse impacts on sustainability factors

Indicators applicable to investments in investee companies

Adverse sustainability indicator	Metric	Impact 2022	Impact 2021	Explanation	Actions taken, and actions planned and targets set for the next reference period	
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS						
Greenhouse gas emissions	1. GHG emissions	Scope 1 GHG emissions	61,780.22	N/A	Sum of portfolio companies' Carbon Emissions - Scope 1 (tCO2e) weighted by the portfolio's value of investment in a company and by the company's most recently available enterprise value including cash. Coverage: 69.8%	Carnegie offers clients a choice of portfolios ranging from discretionary portfolios and funds which are screened for compliance with environmental principles, including the exclusion of fossil fuels. We also look to proactively invest in sustainability themes – which are often related to the UN Sustainable Development Goals – such as investments in renewable energy. One of our portfolios has as its main goal to reduce greenhouse gas emissions. The Portfolio's overarching ESG strategy is to invest in listed equities of enablers of the transition towards sustainable transports, industrial processes, buildings, food value chains as well as energy production and systems. Over time this is expected to lead to lower emissions of greenhouse gases for society. The sector-based exclusions include thresholds for exposure to fossil fuel production, distribution, power generation and services. Investments can be made in transition companies if they meet certain criteria related to credible transition targets and transition capex. The investments should not be involved in non-traditional oil exploration or production (e.g. oil sands, shale arctic areas). The energy transition is also a central theme in many of our other portfolios, we have for many years invested and written thematic research pieces about the different parts of the transition, including renewable energy, electrification, smarter building materials, batteries but also the transformation that is needed within the agricultural sector with
		Scope 2 GHG emissions	15,504.91	N/A	Sum of portfolio companies' Carbon Emissions - Scope 2 (tCO2e) weighted by the portfolio's value of investment in a company and by the company's most recently available enterprise value including cash. Coverage: 69.8%	
		Scope 3 GHG emissions	600,011.93	N/A	Sum of portfolio companies' Scope 3 - Total Emission Estimated (tCO2e) weighted by the portfolio's value of investment in a company and by the company's most recently available enterprise value including cash. Coverage: 70.3%	
		Total GHG emissions	677,297.08	N/A	The total annual Scope 1, Scope 2, and estimated Scope 3 GHG emissions associated with the market value of the portfolio. Companies' carbon emissions are apportioned across all outstanding shares and bonds (based on the most recently available enterprise value including cash). Coverage: 70.2%	
	2. Carbon footprint	Carbon footprint	358.82	N/A	The total annual Scope 1, Scope 2, and estimated Scope 3 GHG emissions associated with 1 million EUR invested in the portfolio. Companies' carbon emissions are apportioned across all outstanding shares and bonds (based on the most recently available enterprise value including cash). Coverage: 70.2%	
	3. GHG intensity of investee companies	GHG intensity of investee companies	879.00	N/A	The portfolio's weighted average of its holding issuers' GHG Intensity (Scope 1, Scope 2 and estimated Scope 3 GHG emissions/EUR million revenue). Coverage: 79.0%	

	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	6.29%	N/A	The percentage of the portfolio's market value exposed to issuers with fossil fuels related activities, including extraction, processing, storage and transportation of petroleum products, natural gas, and thermal and metallurgical coal. Coverage: 79.9%	solutions to water scarcity and ways to produce food in a more sustainable way. In our article 8 products we aim to reduce our greenhouse gas emissions over time.
	5. Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources	61.24%	N/A	The portfolio's weighted average of issuers' energy consumption and/or production from nonrenewable sources as a percentage of total energy used and/or generated. Coverage: 63.4%	
	6. Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector	A: 0.23% B: 0.81% C: 0.70% D: 1.87% E: 0.57% F: 0.05% G: 0.09% H: 0.75% L: 2.35%	N/A	The portfolio's weighted average of Energy, Consumption Intensity (GWh/million EUR revenue). Coverage: 67.3%	
Biodiversity	7. Activities negatively affecting biodiversity-sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas	0.04%	N/A	Coverage: 79.9%	We intend to update processes and actions over time.
Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	12.35	N/A	The total annual wastewater discharged (metric tons reported) into surface waters as a result of industrial or manufacturing activities associated with 1 million EUR invested in the portfolio . Companies' water emissions are apportioned across all outstanding shares and bonds (based on the most recently available enterprise value including cash). Coverage: 7.8%	We have for several years been invested in funds and companies that tries to provide solutions to the problems around water scarcity. Areas such as water treatment, upgrading of the water infrastructure and ways to use water in a more efficient way.
Waste	9. Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average	23.15	N/A	Coverage: 28.0%	Smart materials, water, circular economy, recycling and waste treatment are parts of the investment universe in some of our thematic investments. We have for several years been invested in funds and companies that tries to provide solutions to the problems in these areas.
INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS						
Social and employee matters	10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0.21%	N/A	The percentage of the portfolio's market value exposed to issuers with very severe controversies related to the company's operations and/or products. Coverage: 80.0%	As a participant in the UN Global Compact (UNGC), Carnegie Investment Bank commits to the ten corporate sustainability principles in the areas of environment, labor conditions and anti-corruption. In the investment decision-making process, we screen all our discretionary portfolios and funds for compliance with these principles.

	11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance/complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	33.75%	N/A	The percentage of the portfolio's market value exposed to issuers that are not signatories in the UN Global Compact. Coverage: 78.9%	Our aim is to avoid investments in companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises.
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	9.50%	N/A	The portfolio holdings' weighted average of the difference between the average gross hourly earnings of male and female employees, as a percentage of male gross earnings. Coverage: 13.6%	We intend to update processes and actions over time.
	13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	28.62%	N/A	The portfolio holdings' weighted average of the ratio of female to male board members. Coverage: 78.6%	We intend to update processes and actions over time.
	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0.06%	N/A	The percentage of the portfolio's market value exposed to issuers with an industry tie to landmines, cluster munitions, chemical weapons or biological weapons. Note: Industry ties includes ownership, manufacturing and investments. Ties to landmines do not include related safety products. Coverage: 79.9%	In all of our active investments as part of our framework we screen and exclude all companies with revenues from distribution or production from controversial weapons. Our aim is to avoid investments in companies involved in the manufacture or selling of controversial weapons.
Indicators applicable to investments in sovereigns and supranationals						
	Adverse sustainability indicator	Metric	Impact 2022	Impact 2021	Explanation	Actions taken, and actions planned and targets set for the next reference period
Environmental	15. GHG intensity	GHG intensity of investee countries	30.97	N/A	The portfolio's weighted average of sovereign issuers' GHG Emissions Intensity (Scope 1, 2 and 3 emissions/EUR M GDP. Coverage: 6.97%	We intend to update processes and actions over time.
Social	16. Investee countries subject to social violations	Number of investee countries subject to social violations (absolute number and relative number divided by all investee countries), as referred to in international treaties and conventions, United Nations principles and, where applicable, national law	Absolute: 0.01% Relative: 0.00%	N/A	The portfolio's number of unique sovereign issuers with European External Action Service (EEAS) restrictive measures (sanctions) on imports and exports. Coverage: 6.70%	We intend to update processes and actions over time.
Indicators applicable to investments in real estate assets						
	Adverse sustainability indicator	Metric	Impact 2022	Impact 2021	Explanation	Actions taken, and actions planned and targets set for the next reference period
Fossil fuels	17. Exposure to fossil fuels through real estate assets	Share of investments in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels	No data available	N/A	Not currently available.	We intend to update processes and actions over time.
Energy efficiency	18. Exposure to energy-inefficient real estate assets	Share of investments in energy-inefficient real estate assets	No data available	N/A	Not currently available.	We intend to update processes and actions over time.



Table 2

Additional climate and other environment-related indicators

Adverse sustainability impact	Adverse impact on sustainability factors (qualitative or quantitative)	Metric	Impact 2022	Impact 2021	Explanation	Actions taken, and actions planned and targets set for the next reference period
Indicators applicable to investments in investee companies						
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS						
	4. Investments in companies without carbon emission reduction initiatives	Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement	35.17%	N/A	The percentage of the portfolio's market value exposed to issuers without a carbon emissions reduction target aligned with the Paris Agreement. Coverage: 77.9%	

Table 3

Additional indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters

INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS

Adverse sustainability impact	Adverse impact on sustainability factors (qualitative or quantitative)	Metric	Impact 2022	Impact 2021	Explanation	Actions taken, and actions planned and targets set for the next reference period
Indicators applicable to investments in investee companies						
Social and employee matters	6. Insufficient whistleblower protection	Share of investments in entities without policies on the protection of whistleblowers	5.20%	N/A	The percentage of the portfolio's market value exposed to issuers without a whistleblower protection policy. Coverage: 79.1%	
Human Rights	9. Lack of a human rights policy	Share of investments in entities without a human rights policy	8.89%	N/A	Coverage: 79.1%	

Description of policies to identify and prioritise principal adverse impacts on sustainability factors

Carnegie Private Banking's governing body decided on the ESG strategies on 2022-11-21. Carnegie considers negative consequences for sustainability factors in our discretionary portfolio management. We screen investments and external fund managers against excluded sectors and use data from MSCI ESG. We continuously work to integrate sustainability risks into the investment decisions made in the bank's managed funds, portfolio management and advisory management through, among other things, by integrating the UN Global Compact (UNGC), in the screening of potential investments and by working on diversification. Find out more on <https://www.carnegie.se/en/approach-to-sustainability/>
Data source used: MSCI

Engagement policies

Carnegie Investment Bank conducts engagement activities on behalf of its clients to safeguard good returns on its investments and sound practices in investee companies. Engagement activities consist primarily of monitoring, where we screen our investments on regular basis against excluded sectors, violations against UN Global Compact and sanction lists. It also includes conducting dialogues with management in investee companies and voting at shareholders meeting. Carnegie may decide to abstain from investing if target companies don't meet our requirements. Also, Carnegie may divest existing holdings for the same reason. Meeting investee companies management on a regular basis is an integral part of the investment process so dialogues are an ongoing subject. Voting is typically done via proxy voting.

References to international standards

Carnegie is a member of the UN's Global Compact initiative. We thereby support and follow ten principles regarding human rights, the environment, labor law and anti-corruption. We have also signed the Principles for Responsible Investments (PRI) initiative founded by the UN. This means that we operate in accordance with the following six principles:
We incorporate sustainability issues into our investment analysis and into our decision-making processes.
We must be active owners and include sustainability issues in our ownership policy.
We will ask the objects we invest in for relevant information regarding sustainability.
We will work for these principles to be implemented and accepted within our industry.
We will work with others to improve the implementation of these principles.
We will report on our activities and our progress regarding the implementation of these principles.

Historical comparison

The year 2022 is the first reported year and starting for the reported year 2023, a comparison of the data will be possible.