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*Policy on  
sustainability and  
social responsibility*



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## Objective

The objective of the policy is to highlight Stefnr's emphasis regarding sustainability and describe the social responsibility that the company carries in its operations and according to the authority that the company is entrusted with in the management of capital. The policy covers Stefnr's commitments regarding sustainability, the Sustainable Development Goals, responsible investment and environmental, social and governance factors.

The policy on sustainability and social responsibility applies to Stefnr's operations as well as funds managed by the company.

## Declaration on sustainability and social responsibility

*Responsible and diverse investment options as well as a thorough analysis and disclosure of information are key factors in the implementation and visibility of the social responsibility that Stefnr wants to represent. By promoting sustainability in Stefnr's operations and investments on behalf of our clients, we aim to maximize sustainable long-term value for all stakeholders.*

With its investments, Stefnr contributes to many aspects of the Icelandic economy and can thus have a positive effect on its progress in a measurable way. Active participation of capital owners contributes to Iceland achieving its goals, society and the environment for the better.

## Responsible investments

Stefnr wants to be a leader in the field of responsible investment, where our influence can create the most value for the economy and society. In responsible investments, investments are considered regarding environmental, social and governance factors (ESG) with the aim of steering risk and delivering sustainable long-term returns. The company can, through the portfolios of funds, have a great impact by integrating ESG issues into the investment process of funds under management. Private equity, specifically, as the company is directly involved in the operation of companies. Stefnr is a responsible and active owner of capital on behalf of its clients and has the right to vote at shareholders' meetings and promotes discussion and responsible investments.

In addition, five of Stefnr's funds are defined as Article 8 funds under the EU's SFDR regulation.





## Environmental

Stefnir emphasizes on keeping the negative environmental impact of its operations to a minimum and wants to be exemplary in environmental and climate matters. It is important that the company is aware of the environmental impact of its operations and how they can be reduced. The company measures its carbon footprint annually and publishes it in its non-financial information.

Stefnir buys approved carbon credits to bind the carbon emissions that result from emissions in the company's activities, e.g., due to employees' car journeys to and from work as well as air transport.

Stefnir also publishes the financed emission from the assets of funds under Stefnir's management, where i.e., information on emission allowances for each 1 million ISK invest in a specific fund.

## Social

Stefnir wants to create a positive and encouraging work environment and support employees in life and work. Great emphasis is placed on retaining and attracting excellent staff. Each employee shall be evaluated regardless of their origin, nationality, religion, sex, outlook on life, disabilities, occupational disability, sexual orientation or gender identity.

A policy on diversity, equity and inclusion and its goals aim to make Stefnir a model company that encourages diversity that reflects the community and the customers we serve in our daily work.

## Governance

Stefnir's Board of Directors considers good governance to be an important part of Stefnir's success as a leading fund management company in Iceland. Good governance should promote the right incentives for the board and management to pursue opportunities that serve the interests of customers, the company, shareholders and the public. Good governance should also make it easier for the board to perform its supervisory role effectively in order to achieve its goals.

Stefnir is a model company in good governance and follows the laws and rules that apply to its operations and recognized guidelines on corporate governance.



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## Commitments and initiatives regarding sustainability

In 2020, Stefmir participated in signing a declaration of intent for investments for a sustainable recovery. The company publishes, among other things, a policy on responsible and sustainable investments and provides information on ways in this regard.

Stefmir is an active participant in discussions about responsible investments, i.e., through IcelandSIF, an association for responsible investments in Iceland, of which Stefmir is a founding member. Stefmir is also a signatory to the PRI, the main advocate for responsible investments globally, and therefore commits to disclose how environmental, social and governance issues are taken into consideration when investing.

Stefmir has set a Supplier Code of Conduct. The objective of the code of conduct is to set out Stefmir's key focuses with respect to suppliers and to safeguard transparency in buying and services. This code of conduct is designed to provide a clear idea of what we desire from our suppliers

in terms of the environment, diversity, human rights and governance. Stefmir has a positive impact on its local community by supporting various **matters**.

## Responsibility for policy

The chief executive officer is responsible for that the policy is pursued and introduced employees and stakeholders.

## Policy review, publishing and transparency

The policy will be reviewed each year by the board and published on the company's website. Stefmir's annual non-financial disclosure is based on Nasdaq OMX's ESG guidelines that provides information on environmental, social and governance factors.

Stefmir's Sustainability and social report is published annually, with the Board's annual report, in accordance with international standards and reviewed by independent third party.