

# *Policy on Sustainability and Social Responsibility*

---

## **Objective**

The objective of the policy is to set out Stefnir's focuses in terms of sustainability and to thereby describe the social responsibility which the company adopts in its business and in accordance with the mandate granted to the company to manage capital. The policy applies to commitments undertaken by Stefnir regarding sustainability, the UN Sustainable Development Goals, responsible investment and environmental, social and governance (ESG) factors.

The policy on Sustainability and Social Responsibility applies to the activities of Stefnir and the funds managed by the company.

## **Sustainability and Social Responsibility Statement**

*Responsible and diverse investment options and in-depth analysis and thorough disclosure of information are central to the corporate social responsibility that Stefnir wants to*

*represent. By promoting sustainability in Stefnir's operations and the investments made on behalf of our clients we aim to maximize sustainable long-term value for all stakeholders.*

## **Stefnir and the UN Sustainable Development Goals**

The UN Sustainable Development Goals create a balance between the three pillars of sustainable development: economic, social and environmental. Stefnir places special emphasis on the following Sustainable Development Goals in its activities:

- Goal 5: Gender equality
- Goal 8: Decent work and economic growth
- Goal 10: Reduced inequality
- Goal 12: Responsible consumption and production
- Goal 13: Climate action
- Goal 17: Partnership to achieve the goals

Through its investments Stefmir is involved in many areas of the Icelandic economy and can have a positive, measurable impact on economic progress. Active participation by owners of capital helps Iceland meet its targets for the benefit of society and the environment.

### **Responsible investment**

Stefmir aims to be a leader in responsible investments, as it is the platform on which our impact can create the greatest value for the economy and society overall. Responsible investments refer to investments which take into account

environmental, social and governance (ESG) factors with the goal of reducing risk and generating long-term sustainable investment returns. Through the funds' asset portfolios, the company can have a positive impact by integrating ESG factors into the investment processes of the funds under management. This is especially true of alternative investments where the company is directly involved in the running of companies. Stefmir is a responsible and active owner of capital on behalf of its clients and has voting rights at shareholders' meetings and promotes dialogue and learning on responsible investment.



### **Environment**

Stefmir places great importance on minimizing the environmental impact of its activities and aims to act as a role model in environmental and climate issues. It is vital that the company knows what the environmental impact of its activities is and how it can reduce it. The company measures its carbon footprint on an annual basis and reports it as non-financial information.

Stefmir has entered into an agreement with the Iceland Carbon Fund on offsetting the carbon emissions produced by its activities, such as from employees' car journeys and flights.

### **Social**

Stefmir strives to create a positive and motivational working environment and to support our employees in their work and private lives. We endeavour to attract and retain outstanding employees. Each employee should be valued irrespective of their origin, nationality, gender, religion, view of life, disability, occupational disability, age, sexuality or gender identity.

The policy on diversity, equity and inclusion and the goals contained within are designed to enable Stefmir to become a model company which embraces diversity and reflects the society and clients we serve on a daily basis.

### **Governance**

The board of directors of Stefmir believes that good corporate governance is a key factor behind Stefmir's success as a leading fund management company in Iceland. Good corporate governance is designed to provide the right incentives to the board of directors and management to exploit the opportunities which serve the interests of the clients, the company, the shareholders and the general public. Good corporate governance also enables the board to perform its monitoring duties effectively and enable it to reach its goals in this area.

Stefmir is a model company in terms of governance and complies with the laws and rules applicable to its activities and recognized guidelines on corporate governance.



---

### **Obligations and initiatives relating to sustainability undertaken by Stefmir**

In 2020 Stefmir signed a declaration of intent on investment for a sustainable recovery. The company undertakes to publish a policy on sustainable and responsible investment and provide information on investment options in this area.

Stefmir is a signatory to the Principles for Responsible Investment and undertakes to provide information on how it takes into account environmental, social and governance factors when managing its investments. Stefmir is also a founding member of IcelandSIF, the Iceland Sustainable Investment Forum.

Stefmir has a positive impact on its local community by supporting a range of causes.

### **Responsible policy**

The managing director is responsible for ensuring compliance with the policy and presenting it to employees and stakeholders.

### **Reviewing the policy, publication and transparency**

This policy is reviewed annually by the board of directors of Stefmir and published on the company's website. Stefmir's annual reporting of non-financial information, which is based on the Nasdaq ESG Reporting Guide, contains information on ESG factors in Stefmir's activities.

Stefmir's sustainability report is published annually in conjunction with the annual report of the board of directors. It is published in accordance with international guidelines and is reviewed by an independent third party.