

Statement on principal adverse impacts of investment decisions on sustainability factors

Financial market participant Norron AB, 549300797MRPM953BJ78

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Summary

Norron AB, 549300797MRPM953BJ78, considers principal adverse impacts of its investment decisions on sustainability factors.

The statement constitutes the consolidated statement on principal adverse impacts on sustainability factors of Norron AB and covers the reference period from 1 January to 31 December 2025. As both portfolio holdings and weights in the respective funds vary over the reference period, data from four different dates has been used (31 March, 30 June, 30 September and 31 December), from which an average value for each indicator has been calculated.

Norron's sole business activity is the portfolio management of Norron SICAV, which in 2025 comprised five UCITS funds. These include one equity fund (*Norron SICAV – Nordic Sustainable Equity*), two absolute return funds (*Norron SICAV – Nordic Multi Strategy* and *Norron SICAV – Long/Short Equity*), and two fixed income funds (*Norron SICAV – Nordic Sustainable Corporate Bond* and *Norron SICAV – Premium*). *Norron SICAV – Nordic Sustainable Equity* and *Norron SICAV – Sustainable Corporate Bond* are classified as Article 9 funds under the SFDR and have sustainable investments as their objective. The remaining funds are classified as Article 8 funds, meaning they pursue investment strategies that, among other things, promote environmental and/or social characteristics. All funds consider adverse impacts on sustainability factors. Further information on the integration of sustainability considerations within each fund is available in the Norron SICAV 2025 Annual Report and on Norron's website (www.norron.com).

Principal adverse impacts on sustainability factors are considered throughout the investment process. As a first step, Norron applies exclusion criteria to certain sectors deemed to entail unacceptable sustainability risks or to significantly impede the achievement of Agenda 2030 and the UN Sustainable Development Goals. Excluded sectors include pornography, tobacco, cannabis, alcohol production, controversial weapons, conventional weapons, commercial gambling, and fossil fuel extraction (oil, gas, and coal). In certain cases, companies deriving no more than 5% of their revenue from an excluded activity may remain eligible for investment. This approach allows for the inclusion of companies that are transitioning their business models or whose primary operations serve a different purpose. Additionally, Norron excludes companies known, or reasonably suspected, to be involved in corruption, financial crime, or breaches of internationally recognised norms.

The consideration of principal adverse impacts is integrated both in the investment selection process and throughout the holding period through ongoing company and portfolio analysis. Sustainability data is obtained from both investee companies as well as established third-party data providers. Norron places significant emphasis on active ownership and seeks to influence investee companies to reduce their negative impact on sustainability factors over time. Engagement activities are conducted in line with Norron's principles for shareholder engagement.

Given the broad Nordic investment universe in which Norron invests, encompassing a wide range of sectors and business models, the firm monitors a diverse set of adverse impacts on sustainability factors. These include indicators relating to climate and the environment, social and employee matters,

respect for human rights, and anti-corruption and anti-bribery matters. The indicators considered by Norron and the corresponding impacts for 2025 are presented below in the section *Description of the principal adverse impacts on sustainability factors*.

Norron's overarching objective is to reduce the adverse impacts of its investments on sustainability factors over time. However, limitations in data availability, quality, and comparability of sustainability data continue to present challenges when interpreting and comparing results over time. As investee companies increasingly disclose relevant data and regulatory reporting standards become more established, Norron expects the quality and reliability of its assessments to increase, enabling more reliable year-on-year analysis. Nevertheless, data limitations do not diminish Norron's commitment to engaging with portfolio companies and encouraging them to reduce their environmental and social impact.

The table below is based on data provided by MSCI, and includes the portfolio coverage for each indicator.

Description of the principal adverse impacts on sustainability factors					
Indicators applicable to investments in investee companies					
Adverse sustainability indicator	Metric	Impact 2025	Historical comparison	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	10745.6 tCO ₂ e	2024: 13637.4 tCO ₂ e 2023: 13381.7 tCO ₂ e 2022: 11264.9 tCO ₂ e	GHG emissions decreased during 2025 compared to the previous reporting period, primarily driven by lower scope 3 emissions. The carbon footprint and GHG intensity also improved. These developments are viewed positively and are broadly aligned with Norron's ambition to reduce the climate impact of its investments over time. However, caution should be exercised when interpreting year-on-year changes, as the results may also be influenced by changes in portfolio composition, company reporting practices, estimation methodologies, and data
		Scope 2 GHG emissions	3830.4 tCO ₂ e	2024: 3506.9 tCO ₂ e 2023: 3150.2 tCO ₂ e 2022: 3305.5 tCO ₂ e	
		Scope 3 GHG emissions	171206.4 tCO ₂ e	2024: 192191.0 tCO ₂ e 2023: 347901.1 tCO ₂ e 2022: 117088.7 tCO ₂ e	
		Total GHG emissions	185976.6 tCO ₂ e	2024: 205002.7 tCO ₂ e 2023: 364433.1 tCO ₂ e 2022: 131662.6 tCO ₂ e	
	2. Carbon footprint	Carbon footprint	281.9 tCO ₂ e/MEUR	2024: 341.9 tCO ₂ e/MEUR 2023: 814.9 tCO ₂ e/MEUR 2022: 337.6	Norron seeks to reduce the climate impact of its investments over time and continuously monitors GHG emissions and other climate-related indicators across its portfolio companies. As part of its investment process, Norron excludes companies that derive more than 5% of their revenue from the extraction of fossil fuels (oil, gas, and coal), as well as companies whose primary business is to facilitate or enable fossil fuel extraction. In certain cases, Norron may invest in companies that use fossil fuels for energy production, provided they can clearly demonstrate measurable targets and concrete actions to reduce emissions in alignment with the Paris Agreement. Norron has established science-based climate targets that have been validated by the Science Based Targets initiative (SBTi). Norron's long-term goal for scope 3 emissions (i.e., indirect emissions resulting from the funds' investments) is for all portfolio companies to have set validated science-based climate targets by 2040. An interim target of 50% is set for 2026, and we

			tCO2e/MEUR	availability. The portfolio coverage of reported data is 71.7% (2024: 77.1%, 2023: 45.9%, 2022: 49.2%).	are actively engaging with companies that have yet to establish such targets to encourage alignment with this objective.
3. GHG intensity of investee companies	GHG intensity of investee companies	559.5 tCO2e/MEUR	2024: 699.4 tCO2e/MEUR 2023: 2006.6 tCO2e/MEUR 2022: 633.3 tCO2e/MEUR	See the above explanation. Portfolio coverage of reported data is 71.7% (2024: 70.1%, 2023: 60.2%, 2022: 58.2%).	
4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	1.4%	2024: 1.8% 2023: 0.0% 2022: 0.6%	Portfolio coverage of reported data is 68.0% (2024: 72.8%, 2023: 66.8%, 2022: 64.6%).	Companies that derive more than 5% of their revenue from the extraction of fossil fuels (coal, gas, and oil) are excluded from Norron's investment universe.
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	44.4%	2024: 48.7% 2023: 50.8% / 17.8% 2022: 52.9% / 22.0%	The share of non-renewable energy consumption and energy production decreased compared to 2024, indicating a reduced reliance on non-renewable energy sources among investee companies. Note that the 2025 and 2024 data no longer distinguishes between consumption and production, as was the case in previous years. Portfolio coverage of reported data is 58.9% (2024: 59.8%, 2023: 32.8%, 2022: 23.4%).	Norron's ambition is to reduce the share of non-renewable energy consumption and energy production over time.
6. Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million EUR of revenue in investee companies, per high impact climate sector	NACE sector A: Agriculture, forestry and fishing: 0.3 NACE sector B: Mining and quarrying: 1.9 NACE sector C: Manufacturing: 0.7 NACE sector D: Electricity, gas, steam and air conditioning supply:	2024: 2.9 (total) 2023: 4.2 (total) 2022: 13.0 (total)	Energy consumption intensity per high impact climate sector is monitored across investee companies. The highest energy consumption intensity in 2025 was observed in the electricity, gas, steam and air conditioning supply sector (NACE D). Comparisons with previous periods should be made with caution, as the methodology and	Norron's ambition is to reduce energy consumption intensity over time.

			4.3 <i>NACE sector E: Water supply, sewerage, waste management and remediation: 0.4</i> <i>NACE sector F: Construction: 0.1</i> <i>NACE sector G: Wholesale & retail trade, repair of motor vehicles and motorcycles: 0.1</i> <i>NACE sector H: Transportation and storage: 1.4</i> <i>NACE sector L: Real estate activities: 0.6</i> <i>Total: 9.8</i>		<i>level of sectoral granularity may affect the reported results. Furthermore, changes in portfolio composition, data availability, and company reporting practices may influence year-on-year developments. Portfolio coverage of reported data is 59.8% (2024: 63.2%, 2023: 35.4%, 2022: 29.5%).</i>	
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	2.1%	2024: 2.8% 2023: 0.0% 2022: 0.2%	<i>The share of investments negatively affecting biodiversity sensitive areas has decreased slightly compared to 2024. This development is viewed positively and suggests a reduction in the portfolio's exposure to biodiversity-related risks. However, the indicator should be interpreted with caution, as changes may also be influenced by portfolio composition, evolving company disclosures, and the availability and quality of underlying data. Portfolio coverage of reported data is 67.6% (2024: 75.9%, 2023: 66.8%, 2022: 64.6%).</i>	The negative impact on biodiversity remains limited, and Norron's ambition is to ensure it stays that way. The low figure may also reflect insufficient data availability in this area. Norron engages with portfolio companies operating in sectors with potential biodiversity impacts to encourage the development of policies, processes and governance structures aimed at identifying, mitigating, and monitoring biodiversity-related risks. Particular emphasis is placed on improving transparency, disclosure practices, and the integration of biodiversity considerations into companies' operational and strategic decision-making.

Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	1.2	2024: 0.0 2023: 0.0 2022: 0.5	<i>Emissions to water increased during 2025. While this may indicate an increase in water-related emissions among certain investee companies, the indicator should be interpreted with considerable caution due to the very limited availability of underlying data. Portfolio coverage of reported data is 3.1% (2024: 3.7%, 2023: 1.0%, 2022: 4.3%).</i>	Data availability for this indicator remains limited. Nevertheless, Norron monitors water-related environmental risks as part of its sustainability analysis and engagement activities. Where relevant, Norron encourages investee companies to improve their management of water resources, reduce pollution, and strengthen environmental reporting and transparency. Norron's long-term ambition is to minimize negative impacts on water resources.
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	0.9	2024: 4.1 2023: 1.6 2022: 1.2	<i>Hazardous waste and radioactive waste generated by investee companies decreased during 2025. While the development is viewed positively, the results should be interpreted with caution due to the rather low portfolio coverage. Portfolio coverage of reported data is 27.2% (2024: 28.3%, 2023: 45.9%, 2022: 48.3%).</i>	The amount of hazardous waste and radioactive waste generated by investee companies remains limited, and Norron's ambition is to ensure it stays that way. The low figure may also reflect insufficient data availability in this area. Norron encourages portfolio companies to improve waste management practices, reduce hazardous waste generation where feasible, and enhance transparency regarding waste-related impacts and targets.
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	0.0%	2024: 0.0% 2023: 0.0% 2022: 0.0%	<i>No investee companies were identified as being involved in violations of the UN Global Compact principles or the OECD Guidelines for Multinational Enterprises during the reporting period. Portfolio coverage of reported data is 68.6% (2024: 74.5%, 2023: 66.8%, 2022: 64.6%).</i>	Norron conducts monthly portfolio screenings to identify incidents or potential breaches of international conventions. Where violations are identified, Norron assesses the severity of the incident, engages with the company to understand remedial actions, and may ultimately divest if the company fails to demonstrate sufficient commitment to addressing the issue. The objective is to ensure that no violations of the UN Global Compact or OECD Guidelines occur. In addition, Norron has established a target for 100% of portfolio companies to be signatories to the UN Global Compact by 2040, with an interim goal of 90% by 2026.

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	0.1%	2024: 0.5% 2023: 28.3% 2022: 26.5%	<i>The share of investments in investee companies without strategies to monitor compliance with the UN Global Compact principles and OECD Guidelines decreased further during 2025. The development is viewed positively and is consistent with Norron's objective of promoting responsible business conduct among portfolio companies. However, improvements may partly reflect enhanced corporate reporting and data availability in addition to actual changes in company practices. Portfolio coverage of reported data is 68.1% (2024: 72.8%, 2023: 65.2%, 2022: 63.0%).</i>	Norron actively engages with portfolio companies to promote the adoption and maintenance of policies, governance structures, and compliance mechanisms that support adherence to the UN Global Compact principles and the OECD Guidelines for Multinational Enterprises. Norron has established a target for 100% of portfolio companies to be signatories to the UN Global Compact by 2040, with an interim target of 90% by 2026.
12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	13.9%	2024: 12.4% 2023: No data 2022: No data	<i>The average unadjusted gender pay gap increased during 2025. While this represents a negative trend, the result should be interpreted with caution given the relatively limited portfolio coverage and the ongoing development of company reporting practices in this area. Portfolio coverage of reported data is 36.9% (2024: 28.7%, 2023: 0.0%, 2022: 0.0%).</i>	Data for this indicator remains limited, but Norron recognises the importance of gender equality and equal pay as part of responsible corporate governance and social sustainability. Through its investment analysis and active ownership approach, Norron encourages investee companies to improve transparency regarding workforce diversity, pay equity, and broader human capital management practices. Where relevant, Norron engages with companies on issues related to diversity, inclusion, talent management, and remuneration policies.

13. Board gender diversity	Average ratio of female to male Board members in investee companies, expressed as a percentage of all Board members	41.8%	2024: 42.2% 2023: 39.7% 2022: 36.4%	<i>Board gender diversity decreased slightly in 2025. While this represents a minor decline compared to the previous reporting period, the level of Board gender diversity remains high and continues to exceed both the 2023 and 2022 results. Portfolio coverage of reported data is 67.4% (2024: 71.3%, 2023: 60.3%, 2022: 60.4%).</i>	Norron promotes diversity and inclusion as part of its active ownership approach and believes that balanced Board composition contributes to stronger governance, broader perspectives, and better long-term decision making. Norron engages with portfolio companies on Board composition and governance matters where relevant and encourages companies to consider diversity, experience, and competence when making Board appointments. Through ongoing dialogue with investee companies, Norron seeks to support continued progress towards more balanced gender representation at Board level.
14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons, and biological weapons)	Share of investee companies involved in the manufacture or selling of controversial weapons	0.0%	2024: 0.0% 2023: 0.0% 2022: 0.0%	<i>No exposure to companies involved in the manufacture or sale of controversial weapons was identified during the reporting period. Portfolio coverage of reported data is 100.0% (2024: 100%, 2023: 100.0%, 2022: 100.0%).</i>	Companies involved in the production and distribution of controversial weapons are excluded from Norron's investment universe.

Indicators applicable to investments in sovereigns and supranationals

Environmental	15. GHG intensity	GHG intensity of investee countries	125.6	2024: 0.0 2023: 0.0 2022: 0.1	<i>Portfolio coverage of reported data is 100.0% (2024: 0.0%, 2023: 0.0%, 2022: 0.4%).</i>	Norron only invests in government bonds issued by the Swedish state, meaning that the indicator is driven by the GHG intensity of Sweden.
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	0.0	2024: 0.0 2023: 0.0 2022: 0.0	<i>Portfolio coverage of reported data is 100.0% (2024: 0.0%, 2023: 0.0%, 2022: 0.4%).</i>	Norron only invests in government bonds issued by the Swedish state, meaning that this indicator reflects the assessment of a single sovereign issuer.

Other indicators for principal adverse impacts on sustainability factors

Emissions	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	22.5%	2024: 34.1% 2023: 22.0% 2022: 19.8%	<i>The share of investments in investee companies without initiatives to reduce carbon emissions decreased during 2025. While the development is viewed positively, it may also reflect changes in portfolio composition, data availability, and company reporting practices. Portfolio coverage of reported data is 71.2% (2024: 76.5%, 2023: 66.5%, 2022: 92.3%).</i>	Norron seeks to reduce the share of investments that lack carbon emission reduction initiatives aligned with the objectives of the Paris Agreement. Norron's strategy in this area includes a long-term (2040) target that 100% of investee companies have set science-based targets validated by the SBTi, with an interim target of 50% by 2026. Norron continues to monitor this indicator and engages with investee companies to support progress towards a net-zero and Paris-aligned economy.
Anti-corruption and anti-bribery	15. Lack of anti-corruption and bribery-policies	Share of investments in entities without policies on anti-corruption and anti-bribery consistent with the United Nations Convention against Corruption	0.1%	2024: 0.5% 2023: 0.0% 2022: 0.9%	<i>The indicator shows that the vast majority of investee companies have established formal policies addressing anti-corruption and anti-bribery matters. Portfolio coverage of reported data is 67.7% (2024: 72.8%, 2023: 65.2%, 2022: 64.6%).</i>	Norron's objective is to maintain minimal exposure to companies lacking anti-corruption and anti-bribery policies and to support the continued development of strong governance practices across its investment portfolio.

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

Norron has adopted a Responsible Investment Policy that forms the foundation of its sustainability framework and investment approach. Under this policy, Norron's Board of Directors has ultimate responsibility for the company's sustainability strategy, while the CEO is responsible for its implementation and integration throughout the organization. The policy is reviewed and approved by the Board at least annually, with the latest version adopted on 18 December 2025. The policy is publicly available on Norron's website (www.norron.com).

To support the implementation of its sustainability strategy, Norron has established a dedicated sustainability organization led by the Sustainability Manager, who is responsible for day-to-day management and coordination of sustainability-related activities. Sustainability considerations are fully integrated into the investment process through an ESG team comprising the Sustainability Manager, an ESG Analyst, and portfolio managers. The ESG team is responsible for monitoring, coordinating, and evaluating Norron's sustainability efforts, including stewardship and shareholder engagement activities.

Norron is a signatory to both the UN Principles for Responsible Investment (UNPRI) and the UN Global Compact. Through these commitments, Norron undertakes to incorporate sustainability considerations into its investment analysis, decision-making, and ownership practices. In accordance with the Responsible Investment Policy, Norron's objective is to generate competitive long-term returns for fund shareholders through responsible investments that contribute to sustainable development and support the achievement of Agenda 2030 and the UN Sustainable Development Goals. Norron pursues this by applying exclusion criteria to screen out industries and companies that fail to meet Norron's fundamental standards. In addition, material sustainability risks and factors are integrated into investment decisions. Norron also acts as an active owner, using its position as an investor to influence companies to make both sustainable and financially sound decisions. All portfolio holdings are monitored on an ongoing basis, and established procedures are followed in the event of sustainability-related incidents or controversies.

Norron has established three company-level sustainability targets to be achieved by 2040, with interim goals set for 2026:

1. All companies in which Norron invests shall work to reduce their climate impact (50% with SBTi-validated targets by 2026; 100% by 2040)
2. All companies in which Norron invests shall sign the UN Global Compact (90% by 2026; 100% by 2040)
3. All companies in which Norron invests shall integrate and disclose sustainability risks (90% by 2026; 100% by 2040)

These sustainability targets are directly linked to Norron's investment activities and will thus be achieved through active portfolio management. Progress is monitored continuously and reported through Norron's monthly reporting as well as through annual disclosures published on the company's website.

Norron integrates sustainability considerations throughout its investment process, including the identification, assessment and prioritisation of principal adverse impacts on sustainability factors. Operating within a Nordic investment universe that includes a wide range of companies and industries, Norron recognises that these entities may affect climate, nature, and society in different ways. Accordingly, Norron considers it important to monitor a diverse set of sustainability indicators in order to identify, assess, and manage potential adverse impacts on sustainability factors.

Norron considers a broad range of climate- and environment-related indicators, as well as indicators relating to social and employee matters, respect for human rights, and anti-corruption and anti-bribery issues. In accordance with the SFDR, Norron reports on all mandatory indicators for principal adverse impacts (1–14). In addition, Norron has elected to report on two voluntary indicators: *4. Investments in companies without carbon emission reduction initiatives*, and *15. Lack of anti-corruption and anti-bribery policies*. The selection of these additional indicators aligns with Norron's company-

level sustainability goals as outlined above.

Norron's sustainability process within fund management is structured around three core components, each designed to address adverse impacts on sustainability factors: exclusion, selection, and active ownership. Together, these pillars form the basis for how Norron identifies, assesses, manages, and seeks to reduce principal adverse impacts on sustainability factors. The first pillar is exclusion. Norron excludes certain sectors and activities that are considered to entail unacceptable sustainability risks or that may significantly impede the achievement of Agenda 2030 and the UN Sustainable Development Goals. By applying these exclusion criteria, Norron seeks to limit exposure to investments associated with significant adverse impacts on sustainability factors. Excluded sectors and industries include pornography, tobacco, cannabis, alcohol production, controversial weapons, conventional weapons, commercial gambling, and fossil fuel extraction (oil, gas, and coal). In certain cases, companies deriving no more than 5% of their revenue from an excluded activity may still be eligible for investment. This approach allows for investments in companies that are transitioning towards more sustainable business models or whose core operations serve a different and sustainable purpose. Norron also excludes companies known, or reasonably suspected, to be involved in corruption, financial crime, or serious breaches of international norms relating to human rights, labor rights, children's rights, or environmental protection. Further information regarding Norron's exclusion criteria is available on Norron's website (www.norron.com).

The second pillar is the integration of sustainability factors into the selection and analysis of investment opportunities. Relevant ESG data is collected from investee companies and from reputable third-party providers. In addition, Norron conducts regular portfolio screenings using independent third-party platforms to assess compliance with exclusion criteria, identify sustainability risks, and flag any incidents or controversies that may indicate actual or potential adverse impacts on sustainability factors. The purpose of this process is twofold: first, to ensure a comprehensive understanding of the sustainability risks present within the funds; and second, to lay the groundwork for engagement activities aimed at reducing the negative environmental and social impacts of portfolio companies.

The third pillar of sustainability is active ownership. Through engagement, Norron seeks to influence investee companies to reinforce positive developments and mitigate the adverse impact on sustainability factors. Engagement activities are conducted both at a strategic level, supporting Norron's overarching sustainability objectives, and at company-specific level, addressing material issues identified through ongoing sustainability analysis and monitoring. Further information on Norron's engagement strategy and the prioritisation of indicators can be found in the section *Engagement policies*.

Margins of error in the selected methods and data sources used

The assessment of principal adverse impacts on sustainability factors is subject to certain limitations relating to data availability, quality, and comparability. Although corporate sustainability reporting continues to improve, not all investee companies currently disclose the full range of information required to assess all principal adverse impact indicators comprehensively. Furthermore, differences in reporting standards, methodologies, assumptions, and calculation approaches may affect the consistency and comparability of the data provided. These limitations constitute an inherent constraint in the methodology used to identify, measure, and assess principal adverse impacts that the funds' investments may cause. Norron seeks to obtain relevant sustainability data for all investments to the greatest extent possible, but the availability of information varies across companies, sectors, and indicators.

Norron relies on a combination of data reported directly by investee companies and information provided by established third-party data providers. As a general principle, Norron prioritises company-reported data in its sustainability analysis and investment process. This is supplemented by external ESG research, data, and analytical tools. Where companies do not disclose sufficient data, estimates from third-party sources may be used. However, Norron recognises that such estimates are inherently subject to uncertainty and therefore considers such information with appropriate caution. The

principal adverse indicators presented in this statement are based on data provided by MSCI. Where available, MSCI uses reported company data and supplements this with estimates in accordance with its proprietary methodologies. As portfolio coverage varies across indicators and is not complete in all cases, the reported results may not fully capture the adverse impacts associated with all underlying investments. Norron therefore interprets the results in light of the available coverage and continues to support improved sustainability disclosure and transparency among investee companies.

Engagement policies

As portfolio manager of the funds, Norron represents fund shareholders in ownership-related matters concerning investee companies and acts in the best interests of investors at all times. Norron's mandate includes representing the funds in ownership matters concerning the companies in which Norron invests. In each case, Norron is responsible for safeguarding the collective interests of fund shareholders. As part of its engagement strategy, Norron pursues active ownership and engagement activities across both equity and fixed income holdings. Norron maintains regular dialogue with investee companies through meetings with company representatives, participation in conferences and industry seminars, interactions with external analysts and other stakeholders, and, where applicable, the exercise of voting rights at shareholder meetings (applies only to equity holdings). Norron's staff also participates in relevant industry forums and initiatives to strengthen their understanding of sustainability-related issues and evolving market practices.

Norron's investment philosophy is founded on investing in high-quality companies with strong long-term growth potential. A key element of this approach is maintaining confidence in company management and Boards, which are ultimately responsible for executing strategies that deliver returns to fund shareholders. This trust-based approach also shapes Norron's engagement strategy, which follows a constructive, long-term model in terms of ownership and change management. Norron maintains ongoing dialogue with portfolio companies, fostering collaborative relationships aimed at promoting sustainable growth and long-term value creation.

To support its stewardship activities, Norron has developed a structured process for identifying, managing, and monitoring sustainability-related issues within its portfolios. This process includes various components, such as portfolio screening, data collection, internal sustainability analysis, documentation of company interactions, and the management of sustainability-related incidents and controversies. Sustainability information and data is documented in Norron's ESG database, enabling systematic monitoring of sustainability risks and regular follow-up on company performance. Norron's engagement priorities are primarily informed by its internal sustainability performance of portfolio holdings. Each year, Norron performs a comprehensive review of its sustainable investments, identifying material sustainability risks, positive developments, and areas of improvement. The findings from this process form the basis for the planning, prioritisation, and follow-up of engagement activities, with particular emphasis on company-specific issues where Norron believes engagement can contribute to measurable improvements in sustainability performance and long-term value creation.

In addition to company-specific engagement activities, Norron conducts thematic engagement aligned with its three overarching sustainability goals (see *Description of policies to identify and prioritise principal adverse impacts on sustainability factors*). These goals guide Norron's focus across relevant indicators:

1. All companies Norron invests in shall actively work to reduce their climate impact. The indicators for the principal adverse impacts on sustainability factors considered most relevant to this goal are 1–3, but especially 4. *Investments in companies without carbon emission reduction initiatives.*
2. All companies Norron invests in shall sign the UN Global Compact. Given the broad scope of the UN Global Compact's 10 principles, the majority of indicators are relevant. However, we consider 10–11 particularly important, since these relate to breaches of the UN Global Compact's principles, along with 15. *Lack of anti-corruption and anti-bribery policies.*
3. All companies Norron invests in shall integrate and disclose sustainability risks into their overall risk assessment. For this goal, we have not

selected any specific indicator as it reflects each company's individual situation and their ability to identify and manage material sustainability risks relevant to its operations.

Norron also maintains a formal process for identifying, assessing, and managing sustainability-related incidents and controversies involving portfolio companies. When an incident is identified, a qualitative assessment is conducted to evaluate its severity and the appropriate course of action:

- Minor incident: documented for awareness purposes.
- Significant incident: triggers follow-up engagement with the company to obtain additional information, assess remedial actions, and monitor progress. If the company's response is considered insufficient or concerns remain unsolved, the company may be placed on Norron's ESG Watchlist.
- Severe incident: the company is placed on Norron's ESG Watchlist until it has demonstrated that the incident has been addressed and that appropriate governance measures are in place to prevent recurrence. In such cases, the company is typically contacted for a formal review.

Companies included on the ESG Watchlist are restricted from receiving new investments. If a company fails to implement adequate corrective measures or demonstrates insufficient commitment in light of the incident's nature and severity, Norron may conclude that the company no longer meets its investment criteria and divest the holding.

Norron continuously monitors principal adverse impacts on sustainability factors and evaluates progress against its sustainability targets. Long-term targets have been established for 2040, supported by interim milestones for 2026. Where developments indicate that these interim targets are at risk of not being achieved, corrective actions will be taken. As Norron's funds are actively managed, portfolio composition and sector exposures may change from year to year. While the long-term ambition is to reduce the principal adverse impacts on sustainability factors over time, short-term fluctuations may occur due to shifts in sector allocation or improvements in data availability and quality.

References to international standards

Norron is a signatory to the UN Principles for Responsible Investment (UNPRI), whose six principles provide a framework for integrating ESG considerations throughout the investment process – including analysis, decision-making, active ownership, and disclosure practices. Norron is also committed to reporting on sustainability efforts in accordance with applicable EU regulations and other relevant frameworks. In addition, Norron is a signatory to the UN Global Compact and supports its ten principles relating to human rights, labor standards, environmental responsibility, and anti-corruption. These principles are integrated into Norron's investment process and stewardship activities and form an important basis for assessing portfolio companies' sustainability performance. Norron has established a long-term target for all investee companies to become signatories to the UN Global Compact by 2040, supported by an interim target of 90% by 2026. Progress towards this objective is monitored on an ongoing basis and reported through Norron's regular sustainability disclosures, including monthly and annual reports.

For investments classified as sustainable, Norron assesses whether companies follow sound governance practices and maintain policies and procedures aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. Norron also conducts monthly portfolio screenings to identify actual or potential breaches of international norms and standards, including the principles of the UN Global Compact. These screenings are based on data provided by MSCI and form part of Norron's broader process for identifying and monitoring sustainability risks and principal adverse impacts.

Norron has established science-based climate targets aligned with the Paris Agreement's 1.5-degree trajectory. These targets have been validated by the Science Based Targets initiative (SBTi) and measure the proportion of portfolio investments represented by companies with SBTi-validated climate targets. By 2026, Norron aims for at least 50% of its corporate bond portfolio and 52% of its equity portfolio to be invested in companies with such targets. The long-term objective is for 100% of investee companies to have validated SBTi-validated climate targets by 2040. In support of these climate ambitions, Norron has chosen to monitor the voluntary indicator 4. *Investments in companies without carbon emission reduction initiatives* as part of its principal adverse impacts on sustainability factors assessment. Additional indicators relevant to assessing alignment with the Paris Agreement include *GHG emissions (scopes 1, 2, and 3)*, *Carbon footprint*, *GHG intensity of investee companies*, and *Exposure to companies active in the fossil fuel sector*.

Norron does not currently apply forward-looking climate scenario analysis as part of its portfolio management process. Instead, the firm focuses its efforts on monitoring and increasing the proportion of portfolio companies with science-based targets and on engaging with investee companies to support the adoption of credible emission reduction strategies aligned with the goals of the Paris Agreement.

Historical comparison

Norron has previously reported data on the indicators for principal adverse impacts on sustainability factors for the reference periods 2024, 2023, and 2022. A comparison between 2025 and 2024 shows a generally positive development across several of the indicators monitored. The most notable improvements relate to climate-related indicators, including *GHG emissions (scope 1 and 3)*, *Carbon footprint*, and the *GHG intensity of investee companies*. *Exposure to companies active in the fossil fuel sector* also declined, while the *Share of investments in companies without carbon emission reduction initiatives aligned with the objectives of the Paris Agreement* decreased significantly. These developments are broadly consistent with Norron's long-term objective of supporting the transition to a low-carbon economy and increasing the proportion of portfolio companies with credible climate targets and emissions reduction initiatives.

At the same time, certain indicators developed less favorably. The *Average unadjusted gender pay gap* increased compared to 2024, while *Board*

gender diversity declined marginally, although it remained at a high level. Some environmental indicators, including *Emissions to water*, also showed higher reported values than in previous years. However, these indicators continue to be characterized by limited data availability and low portfolio coverage, making it difficult to draw firm conclusions regarding underlying trends.

Norrón continues to recognise that the availability, quality, and comparability of sustainability data vary across companies, sectors, and indicators. Consequently, changes over time should be interpreted with caution, as developments may reflect improvements in corporate reporting, estimation methodologies, portfolio composition, or sector exposure, in addition to actual changes in sustainability performance. Nevertheless, the continued improvement in portfolio coverage and data quality enhances the usefulness of these indicators and strengthens Norrón's ability to identify, prioritise, and address principal adverse impacts on sustainability factors through its investment and engagement activities.