

## Sustainability-related information

Product name: Lannebo Småbolag

Identification code for legal persons: 549300JC5787N3394631

### Summary

This document contains information on the environmental and social characteristics of financial products and sustainable investments, in accordance with Article 10 of the Disclosure Regulation (SFDR).

This financial product promotes environmental or social characteristics, but does not have sustainable investment as an objective. The product may nevertheless make sustainable investments. A sustainable investment is defined in the SFDR as an investment in an economic activity that contributes to an environmental or social objective, provided that the investment do not cause significant harm to any other environmental or social objective and that the investee company comply with good governance practices. The 17 UN Global Goals and the EU Taxonomy are used to identify environmental and social objectives.

**The environmental or social characteristics of the financial product.** The fund promotes environmental and social characteristics by the following:

- companies integrate sustainability into their business models and strategies and they strive to achieve the goals of the Paris Agreement
- companies follow good corporate governance practices
- companies are excluded that do not respect international standards and conventions on the environment, human rights, labour rights and diversity
- companies that are involved in controversial activities or in activities with a significant negative climate impact are excluded

**Investment strategy.** The fund's investment process begins with information gathering, where the managers take note of sustainability factors and information from the companies and external providers. The purpose of the sustainability analysis is to identify companies that operate in a sustainable manner and to identify companies' exposure to sustainability risks and the extent to which they are managing these risks. The fund shall not invest in companies operating in sectors or areas of activity that are deemed to have significant sustainability challenges. The managers are in constant contact with the companies, with the purpose of influencing them in a sustainable direction.

**Proportions of investments.** The fund is expected to, over time, invest at least 90% of the fund's market value in holdings that are aligned with the fund's environmental or social characteristics. The remaining part will be in cash and possibly other permitted asset classes, for which data is not available.

**Monitoring of environmental or social characteristics.** The fund measures carbon footprint and share of holdings that have set science-based climate targets to meet the Paris Agreement goals. In addition, the fund's exclusion criteria and activities that contravene international standards and guidelines are measured and monitored. Furthermore, it measures the number of company meetings the fund votes at, the number of advocacy dialogues and the consideration of principle adverse impacts (PAI) on sustainability factors, such as gender equality on the board.

The risk management function verifies that the fund's investments have undergone a sustainability analysis and that the investments are in line with the set criteria. This is done for new holdings and on an ongoing basis.

You can read more about our data sources under the heading "Data sources and processing". The limitations of the methods and data sources are described in detail under the heading "Limitations to methodologies and data".

**Due diligence.** Fundamental company analysis, including sustainability analysis, is the fund company's key due diligence tool, documenting the sustainability of all investments. Read more under the heading "Investment Strategy".

**Engagement policies.** In all activities related to the management of the funds, Lannebo shall act exclusively in the common interest of the unitholders, including the evaluation of sustainability-related risks and opportunities in existing and potential investments. The objective of being an active owner is to act in a way that promotes the conditions for long-term sustainable development in the companies in which the funds have invested. Lannebo's engagement consists of three strategies:

- a) voting at general meetings
- b) advocacy dialogues
- c) participation in nomination committees

Lannebo has continuous contact with companies to influence them in a sustainable direction, with the aim of reducing principle adverse impacts on sustainability factors. All shareholder engagements conducted by Lannebo are logged to ensure that the dialogues follow set targets, time and the escalation process. The impacts of the fund company's advocacy dialogues are evaluated on an ongoing basis and a public shareholder governance report is issued once a year.