

## Summary

Under EU regulations, sustainability-related disclosures are required for financial products, including discretionary portfolios. This document contains information on 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 through the so-called Article 8 funds in which the portfolio invests. The portfolio consists of a selection of Lannebo's own funds. The portfolio does not have a sustainable investment objective but may still make sustainable investments. The portfolio is a so-called Article 8 product.

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 investments do not cause significant harm to any other environmental or social objective and that the investees follow good governance practices. The 17 UN Global Goals and the EU Taxonomy are used to identify environmental and social goals.

**Environmental or social characteristics of the financial product.** The portfolio promotes environmental and social characteristics as follows

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

**Investment strategy:** The portfolio's investment process begins with information gathering, where the managers, for the underlying funds, take note of sustainability factors and information from companies and external suppliers. The purpose of the sustainability analysis is to identify companies that conduct their operations in a sustainable manner and to identify their exposure to sustainability risks and the extent to which they manage these risks. The portfolio shall not invest in companies that are active in industries or business areas that are deemed to have major sustainability challenges. The managers, in the underlying funds, have continuous contact with the companies in order to influence them in a sustainable direction.

**Share of investments.** The portfolio is expected to invest over time at least 90% of the portfolio's market value in holdings that are aligned with the environmental or social characteristics of the portfolio. The remainder will be in cash and possibly other permitted asset classes for which no data is available.

**Monitoring of environmental or social characteristics.** The portfolio measures the carbon footprint and the proportion of holdings that have set science-based climate targets to meet

*Lannebos discretionary mandat starts at January 2, 2024.*

the objectives of the Paris Agreement. It also measures the portfolio's exclusion criteria and activities that violate international standards and guidelines. In addition, the number of company general meetings the managers, in the underlying funds, votes in, the number of engagement dialogues and the consideration of principal adverse impacts (PAIs) for sustainability factors such as gender equality on the board are measured.

The risk management function checks that the portfolio'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.

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

**Due diligence.** The fundamental company analysis including the sustainability analysis is the fund company's central due diligence tool where the sustainability of all investments is documented. Read more under the heading "Investment strategy".

**Strategies for engagement.** In all activities related to the management of the funds, Lannebo shall act exclusively in the common interest of the unit holders, which includes evaluation of sustainability-related risks and opportunities in existing and potential investments. The goal 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, in order to reduce main negative impacts on sustainability factors. All shareholder engagements that Lannebo conducts are logged to ensure that the dialogue follows the set goals, time, and escalation process. The effect of the fund company's influence dialogues is continuously evaluated and once a year a public corporate governance report is compiled.