

Summary of statement on principal adverse impacts of investment decisions on sustainability factors

Financial market participant: Lannebo Kapitalförvaltning AB, LEI code: 549300VKZ5UYSWL0KI68

Summary

Lannebo Kapitalförvaltning AB, LEI code: 549300VKZ5UYSWL0KI68, considers principal adverse impacts (PAI) of its investment decisions on sustainability factors. This statement is the consolidated statement on principal adverse impacts on sustainability factors of Lannebo Kapitalförvaltning AB ("Lannebo" or "the Fund Management Company").

This statement on principal adverse impacts on sustainability factors covers the reference period from 1 January to 31 December 2024.

In the statement the Fund company reports both mandatory and optional indicators for principal adverse impact. The four optional indicators from table 2 and 3 are: (i) investments in companies without carbon emission reduction initiatives, (ii) deforestation, (iii) lack of grievance/complaints handling mechanism related to employee matters, and (iv) companies lacking human rights policies. These indicators align with the Fund company's engagement focus areas for 2022, 2023, and 2024: climate, biodiversity, human rights, and, as of 16 September 2024, corporate governance. These focus areas will continue during the next reference period (2025). Except for corporate governance, the focus areas address what the Fund company assesses as systemic risks rather than unique risks. Systemic risks affect the entire market and cannot be completely diversified, hence the choice of these optional indicators.

The statement describes how the Fund company considers these principal adverse impacts through three strategies: 1) exclusion, 2) thresholds in the sustainability analysis, and 3) engagement dialogues.

Investment decisions take into account the probability and severity of principal adverse impacts, including the potential irreversibility. As a core requirement, Lannebo identifies and mitigates negative impact by excluding companies engaged in activities deemed to cause significant environmental or social harm and/or unwanted sustainability risks.

When investing in actively managed funds, the Fund company applies specific thresholds in its sustainability analysis regarding PAI indicators. In the cases of an exceeded threshold, the portfolio manager needs to motivate its investment decision, such as the case of investing in a company with very high emissions but transitioning from fossil-based production to renewable energy.

For Lannebo's index-tracking funds, also known as market funds, indicators for principal adverse impact are primarily considered through an exclusion strategy. These funds exclude companies exposed to fossil fuels, controversial weapons and systemic breaches that imply violations on internationally accepted and established conventions and guidelines.

Engagement dialogues are conducted as part of the Fund company's active ownership to influence companies to mitigate identified risks as well as to achieve the best possible long-term sustainable returns for the unit owners and owners of the discretionary portfolios. In 2024, the Fund company had a total of 622 engagement dialogues, of which 104 were direct dialogues (the Fund company's own or in collaboration with other investors), and the remaining 518 were external dialogues through different initiatives. Additionally, the Fund company voted at

approximately 1,100 shareholder meetings.

Principal adverse impacts on sustainability factors are incorporated in discretionary portfolios by ensuring that the underlying funds integrate these aspects into their investment strategies, in line with the methods described above.

Not all factors are considered in all products and are not relevant for all investments but are analysed based on materiality for a specific company and industry. The principal adverse impacts which are considered may be revised as data becomes available and depend on its relevance. The Fund company uses, to the extent possible, actual reported data from companies, supplemented with estimates from data providers when such data is lacking. If complete and/or reliable data is lacking, it is not included in calculations. In the "Impacts" columns, the so-called coverage ratio is also presented, indicating the portion of investments for which data was obtained. The following indicators have been considered where applicable and to the extent data is available.

Climate and other environmental-related indicators:

- Greenhouse gas emissions
- Carbon footprint
- Exposure to companies active in the fossil fuel sector
- Investments in companies without carbon emission reduction initiatives
- Companies without a policy to address deforestation

Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters:

- Violations of the UN Global Compact or OECD Guidelines for Multinational Enterprises
- Lack of processes or compliance mechanisms to monitor compliance with the UN Global Compact principles and OECD Guidelines for Multinational Enterprises
- Board gender diversity
- Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical and biological weapons)
- Lack of grievance/complaints handling mechanisms related to employee matters
- Lack of human rights policy

On 16 September 2024, Lannebo Fonder AB merged into the Company (formerly E. Öhman J:or Fonder AB). The merger has resulted in increased total assets under management. The impacts shown in the tables of this statement may therefore differ materially compared to 2023, primarily due to the merger and the increased volume of assets under management.