

## Sustainability-related disclosures

### **Article 10 Transparency of the promotion of environmental or social characteristics and of sustainable investments on websites**

1. Financial market participants shall publish and maintain on their websites the following information for each financial product referred to in Article 8(1) and Article 9(1), (2) and (3):

- (a) a description of the environmental or social characteristics or the sustainable investment objective;
- (b) information on the methodologies used to assess, measure, and monitor the environmental or social characteristics or the impact of the sustainable investments selected for the financial product, including its data sources, screening criteria for the underlying assets and the relevant sustainability indicators used to measure the environmental or social characteristics or the overall sustainable impact of the financial product.
- (c) the information referred to in Articles 8 and 9;
- (d) the information referred to in Article 11.

The information to be disclosed pursuant to the first subparagraph shall be clear, succinct, and understandable to investors. It shall be published in a way that is accurate, fair, clear, not misleading, simple, and concise and in a prominent easily accessible area of the website.

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## Summary

The disclosures are a summary of Fondita Fund Management Company's fund products. The disclosure is divided according to the financial product categories Article 8 and Article 9, which are the following:

Fund	Article	Exclusion	PAI	Sustainable Investment *
Fondita European Micro Cap	8	Yes	Yes	50%
Fondita European Small Cap	8	Yes	Yes	50%
Fondita Finland Micro Cap	8	Yes	Yes	50%
Fondita Global Megatrends	8	Yes	Yes	50%
Fondita Nordic Small Cap	8	Yes	Yes	50%
Fondita Nordic Micro Cap	8	Yes	Yes	50%
Fondita Healthcare	9	Yes	Yes	90%
Fondita Sustainable Europe	9	Yes	Yes	90%

\* a sustainable investment according to the fund's sustainability classification

All Fondita's products have an aligned assessment methodology, monitoring process, data sources and screening criteria. Individual funds have separate investment strategies according to the financial product investment universe and sustainable investment targets. Information about our Responsible Investment Policy, Exclusion criteria, PAI reports, and other relevant documents can be found on the webpage <https://fondita.fi/en/reports-and-documents/>

## Article 8

Article 8 financial products promote environmental and social characteristics, including good governance practices.

### No sustainable investment objective

For Fondita, sustainable investments in an Article 8 fund are investments that contribute to sustainable development in environmental, social and economic terms.

Although the financial product promotes environmental aspects, the financial products are not committed to making sustainable investments according to SFDR.

### Environmental and social characteristics of the financial product

The financial product's main environmental objective is to promote climate change mitigation and social objective is to promote equality including safeguarding fundamental human rights.

Fondita has defined the main criteria for a sustainable investment as follows: an environmentally sustainable investment means that the company has in its strategy set CO<sub>2</sub> reduction initiatives and/or has a plan for CO<sub>2</sub> neutrality.

In terms of socially sustainable investments, the company should have an equality and/or diversity policy in place. All companies are to follow good governance practices.

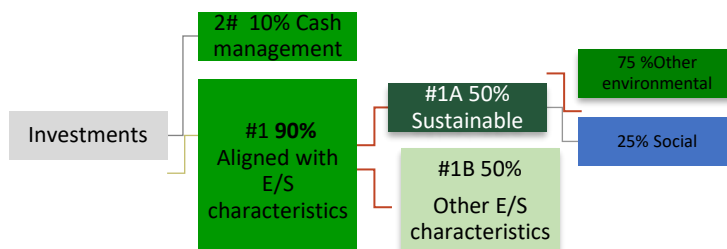
The company cannot have violations of UN Global Compact, OECD guidelines for multinational enterprises or the EU Taxonomy "Do No Significant Harm" principle. These international norms and standards consider what Fondita considers as fundamental environmental, social and governance aspects which serves as a minimum requirement. A screen is conducted monthly against all of Fondita's exclusion criteria and if a company is found in violation, a escalation process is conducted which, if verified through dialogue with the company, ultimately results in selling the company from our fund.

### Investment strategy

Fondita's financial products are equity funds with a stock picking strategy. Individual financial products have specific investment strategies according to the financial products investment universe specified in the product descriptions and prospectus. Fondita incorporates ESG assessments into all investment processes across the financial products and monitors monthly the progress of each financial product's individual sustainability targets.

### Proportion of investments

A minimum 50% of the fund's holdings promotes sustainable investments. The environmental objective aims for climate change mitigation and the social objective targets equality. The proportion that promotes sustainable investments targets 75% towards the environmental objective and 25% towards the social objectives.



### Monitoring of environmental and social characteristics

Monitoring of the financial products environmental and social characteristics is performed in MSCI, complemented with Fondita's internal ESG assessment in case MSCI lacks coverage. The monitoring is performed

monthly, and the screening is based on Fondita's exclusion criteria as well as the fund's environmental and social characteristics.

### Methodologies

The attainment of the environmental and/or social characteristics promoted by the financial product is completed by:

- a) screening in MSCI towards the promoted environmental and social characteristics
- b) conducting ESG assessments according to our internal analysis based on financial materiality
- c) screening towards Fondita's exclusion criteria
- d) good governance testing in MSCI
- e) screening and assessment of PAI indicators annually
- f) quarterly ESG reporting for each fund

### Data sources and processes

Fondita uses MSCI's ESG database as our main source of sustainability related data. MSCI has delivered ESG related data since 1990 and has 1.700 clients including leading pension funds, asset managers and consultants. The MSCI database covers over 14.000 companies, and they have a team of over 200 analysts that validate the data. In our view MSCI is the industry leader within ESG data for investors today. Fondita conducts a yearly control of potential data sources.

### Limitations to methodologies and data

The limitations to methodology and data are largely related to attainability of data, specifically for our small and micro cap financial products where the coverage in MSCI potentially is low. In cases where the coverage is low, we complement the data by conducting internal ESG assessments on a best effort basis to reach on a better coverage. We expect better availability of data as reporting regulations such as CSRD are implemented completely.

### Engagement policies

Fondita is an active owner and aims to influence companies in each meeting with the management. In the meetings we strive to promote environmental and social characteristics of the financial products, specifically carbon reduction initiatives and equality. Fondita participates in collaborative engagement activities, such as the CDP Non-disclosure campaign where Fondita reached out to 12 of our holdings to encourage reporting in relevant modules in CDP during 2023. Three of the companies decided to report.

### Index

The financial products do not have an official reference index but we compare each fund to a broad relevant benchmark index.

## Article 9

Article 9 financial products have sustainable investments as the investment objective.

### No significant harm to the sustainable investment objective

The financial products are screened towards EU Taxonomy principle “do no significant harm” monthly in MSCI. In case a company is found violating we contact the company to verify and discuss the possible violation, and if concluded the holding is sold. The process is documented in our escalation documentation.

### Sustainable investment objective of the financial product

Fondita has two article 9 funds a) Fondita Healthcare and b) Fondita Sustainable Europe. Sustainable investment objective for the financial products are the following:

#### a) **Fondita Healthcare**

Sustainability indicators, to measure how the fund’s holdings aim at ensuring healthy lives and promote well-being for all, regardless of age (SDG 3) and help achieve gender equality and empower women (SDG 5), are the following:

- 1) At least 90 % of the investments are made in companies that address and prevent current and unmet medical needs. This is done by investing in companies active in innovation, production and distribution of medicines and healthcare equipment, tools and supplies as well as diagnostics- and healthcare services.
- 2) At least 80 % of holdings have a strategy or policy for increased access to medicine or healthcare
  - a. A proprietary framework based on the Access to Medicine index for pharma companies and an internal qualitative framework for other subsectors in the Healthcare sector is applied.
- 3) Diversity, Equality & Inclusion
  - a. At least 75 % of the holdings have a minimum 50 % share of female to male ratio in board composition.
  - b. At least 50 % of holdings have a stated anti-discrimination policy and/or diversity policy.
- 4) Social and environmental responsibility
  - a. No UN Global Compact or OECD Guidelines for Multinational Enterprises breaches allowed (human rights, labor, environment, and anticorruption) Sustainability indicators measure how the sustainable objectives of this financial product are attained.
  - b. At least 75 % have a stated CO2 reduction target.
  - c. All holdings are required to comply with EU Taxonomy DNSH principle.
- 5) All holdings follow good governance practices.

#### b) **Fondita Sustainable Europe**

The sustainable investment objective is to only invest in companies that provide a climate and environmentally smart product and/or service.

- 1) At least 80% of the revenue of the holdings in the financial products need to be EU Taxonomy eligible.
- 2) At least 40% of the revenue of the holdings in the financial products are to be EU Taxonomy aligned.

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## Proportion of investments

The proportion of sustainable investments in our article 9 products is the following:

- a) Fondita Healthcare, 90% sustainable investments and 10% reserved for cash management.
- b) Fondita Sustainable Europe, 90% sustainable investments and 10% reserved for cash management.

## Monitoring of environmental and social characteristics

Monitoring of the financial products environmental and social characteristics is performed in MSCI, complemented with Fondita's internal ESG assessment in case MSCI lacks coverage. The monitoring is performed monthly, and the screening is based on Fondita's exclusion criteria as well as the funds environmental and social characteristics.

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## Attainment of the sustainable investment objective

The attainment of the sustainable investment objective is reported in the SFDR periodic report of the financial product which is available in the annual financial statement of each financial product on the webpage. We monitor monthly that the sustainability investment objective has been attained.