



Fondita Fund Management Company Ltd.

SFDR PAI Report

2023

SFDR Annual Report:

Principal Adverse Sustainability Impacts (PASI) Statement

 April 5 2024

Portfolio Name:	Fondita Healthcare
As Of Date:	1st of January to 31st of December 2023
Analysis Date:	5th of April 2024

Financial market participant

Fondita Fund Management Company Ltd.

Summary

Fondita Healthcare considers principal adverse impacts of its investment decisions on sustainability factors. The present statement is the consolidated principal adverse sustainability impacts statement of Fondita Fund Management Company Ltd.

This principal adverse impacts statement covers the reference period from 1st of January to 31st of December 2023.

Principal adverse sustainability impacts statement

INDICATORS APPLICABLE TO INVESTMENTS IN INVESTEE COMPANIES

CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS

Adverse Sustainability Indicator	Metric	Impact	Coverage	Reported	Estimated	Explanation	Actions taken
Greenhouse Gas Emissions							
1. GHG Emissions	Scope 1 GHG emissions	110.33	94.67%	83.56%	11.10%	Sum of portfolio companies' Carbon Emissions - Scope 1 (tCO2e) weighted by the portfolio's value of investment in a company and by the company's most recently available enterprise value including cash.	
	Scope 2 GHG emissions	129.89	94.67%	76.44%	18.23%	Sum of portfolio companies' Carbon Emissions - Scope 2 (tCO2e) weighted by the portfolio's value of investment in a company and by the company's most recently available enterprise value including cash.	
	Scope 3 GHG emissions	4,801.20	94.67%	0.00%	94.67%	Sum of portfolio companies' Scope 3 - Total Emission Estimated (tCO2e) weighted by the portfolio's value of investment in a company and by the company's most recently available enterprise value including cash.	

Principal adverse sustainability impacts statement

INDICATORS APPLICABLE TO INVESTMENTS IN INVESTEE COMPANIES

CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS

Adverse Sustainability Indicator	Metric	Impact	Coverage	Reported	Estimated	Explanation	Actions taken
Greenhouse Gas Emissions							
	Total GHG emissions	5,041.42	94.67%	0.00%	94.67%	The total annual Scope 1, Scope 2, and estimated Scope 3 GHG emissions associated with the market value of the portfolio. Companies' carbon emissions are apportioned across all outstanding shares and bonds (based on the most recently available enterprise value including cash).	
2. Carbon Footprint	Carbon Footprint	102.13	94.67%	0.00%	94.67%	The total annual Scope 1, Scope 2, and estimated Scope 3 GHG emissions associated with 1 million EUR invested in the portfolio. Companies' carbon emissions are apportioned across all outstanding shares and bonds (based on the most recently available enterprise value including cash).	
3. GHG intensity of investee company	GHG Intensity of investee companies	442.73	94.67%	0.00%	94.67%	The portfolio's weighted average of its holding issuers' GHG Intensity (Scope 1, Scope 2 and estimated Scope 3 GHG emissions/EUR million revenue).	

Principal adverse sustainability impacts statement

INDICATORS APPLICABLE TO INVESTMENTS IN INVESTEE COMPANIES

CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS

Adverse Sustainability Indicator	Metric	Impact	Coverage	Reported	Estimated	Explanation	Actions taken
Greenhouse Gas Emissions							
4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	0.00%	92.25%	92.25%	0.00%	The percentage of the portfolio's market value exposed to issuers with fossil fuels related activities, including extraction, processing, storage and transportation of petroleum products, natural gas, and thermal and metallurgical coal.	
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	75.34%	58.19%	58.19%	0.00%	The portfolio's weighted average of issuers' energy consumption and/or production from non-renewable sources as a percentage of total energy used and/or generated.	
6. Energy consumption intensity per high impact climate sector	NACE Code A (Agriculture, Forestry and Fishing)	N/A	87.64%	87.64%	0.00%	The portfolio's weighted average of Energy Consumption Intensity (GwH/million EUR revenue) for issuers classified within NACE Code A (Agriculture, Forestry and Fishing)	
	NACE Code B (Mining and Quarrying)	N/A	87.64%	87.64%	0.00%	The portfolio's weighted average of Energy Consumption Intensity (GwH/million EUR revenue) for issuers classified within NACE Code B (Mining and Quarrying)	

Principal adverse sustainability impacts statement

INDICATORS APPLICABLE TO INVESTMENTS IN INVESTEE COMPANIES

CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS

Adverse Sustainability Indicator	Metric	Impact	Coverage	Reported	Estimated	Explanation	Actions taken
Greenhouse Gas Emissions							
	NACE Code C (Manufacturing)	0.08	87.64%	87.64%	0.00%	The portfolio's weighted average of Energy Consumption Intensity (GwH/million EUR revenue) for issuers classified within NACE Code C (Manufacturing)	
	NACE Code D (Electricity, Gas, Steam and Air Conditioning Supply)	N/A	87.64%	87.64%	0.00%	The portfolio's weighted average of Energy Consumption Intensity (GwH/million EUR revenue) for issuers classified within NACE Code D (Electricity, Gas, Steam and Air Conditioning Supply)	
	NACE Code E (Water Supply; Sewerage, Waste Management and Remediation Activities)	N/A	87.64%	87.64%	0.00%	The portfolio's weighted average of Energy Consumption Intensity (GwH/million EUR revenue) for issuers classified within NACE Code E (Water Supply; Sewerage, Waste Management and Remediation Activities)	
	NACE Code F (Construction)	N/A	87.64%	87.64%	0.00%	The portfolio's weighted average of Energy Consumption Intensity (GwH/million EUR revenue) for issuers classified within NACE Code F (Construction)	

Principal adverse sustainability impacts statement

INDICATORS APPLICABLE TO INVESTMENTS IN INVESTEE COMPANIES

CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS

Adverse Sustainability Indicator	Metric	Impact	Coverage	Reported	Estimated	Explanation	Actions taken
Greenhouse Gas Emissions							
	NACE Code G (Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles)	N/A	87.64%	87.64%	0.00%	The fund's weighted average of Energy Consumption Intensity (GwH/million EUR revenue) for issuers classified within NACE Code G (Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles)	
	NACE Code H (Transportation and Storage)	N/A	87.64%	87.64%	0.00%	The portfolio's weighted average of Energy Consumption Intensity (GwH/million EUR revenue) for issuers classified within NACE Code H (Transportation and Storage)	
	NACE Code L (Real Estate Activities)	N/A	87.64%	87.64%	0.00%	The portfolio's weighted average of Energy Consumption Intensity (GwH/million EUR revenue) for issuers classified within NACE Code L (Real Estate Activities)	

Principal adverse sustainability impacts statement

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	0.00%	97.31%	0.00%	97.31%	The percentage of the portfolio's market value exposed to issuers' that reported having operations in or near biodiversity sensitive areas and have been implicated in controversies with severe or very severe impacts on the environment.
--	--	-------	--------	-------	--------	---

Water

8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	0.01	1.95%	1.95%	0.00%	The total annual wastewater discharged (metric tons reported) into surface waters as a result of industrial or manufacturing activities associated with 1 million EUR invested in the portfolio. Companies' water emissions are apportioned across all outstanding shares and bonds (based on the most recently available enterprise value including cash).
------------------------------	--	------	-------	-------	-------	---

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	1.48	47.08%	47.08%	0.00%	The total annual hazardous waste (metric tons reported) associated with 1 million EUR invested in the portfolio. Companies' hazardous waste is apportioned across all outstanding shares and bonds (based on the most recently available enterprise value including cash).
---	---	------	--------	--------	-------	--

Principal adverse sustainability impacts statement

INDICATORS APPLICABLE TO INVESTMENTS IN INVESTEE COMPANIES

SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS

Adverse Sustainability Indicator	Metric	Impact	Coverage	Reported	Estimated	Explanation	Actions taken
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	0.00%	96.97%	0.00%	96.97%	The percentage of the portfolio's market value exposed to issuers with very severe controversies related to the company's operations and/or products.	
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	0.33%	92.25%	92.25%	0.00%	The percentage of the portfolio's market value exposed to issuers that are not signatories in the UN Global Compact.	
12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	8.52%	16.27%	16.27%	0.00%	The portfolio holdings' weighted average of the difference between the average gross hourly earnings of male and female employees, as a percentage of male gross earnings.	

Principal adverse sustainability impacts statement

INDICATORS APPLICABLE TO INVESTMENTS IN INVESTEE COMPANIES

SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS

Adverse Sustainability Indicator	Metric	Impact	Coverage	Reported	Estimated	Explanation	Actions taken
Social and employee matters							
13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	39.68%	94.33%	94.33%	0.00%	The portfolio holdings' weighted average of the percentage of board members who are female.	
14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0.00%	95.02%	95.02%	0.00%	The percentage of the portfolio's market value exposed to issuers with an industry tie to landmines, cluster munitions, chemical weapons or biological weapons. Note: Industry ties includes ownership, manufacturing and investments. Ties to landmines do not include related safety products.	
Voluntary Adverse Sustainability Indicator							
Emissions							
15. 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	20.33%	94.67%	0.00%	94.67%	The percentage of the portfolio's market value exposed to issuers without a carbon emissions reduction target aligned with the Paris Agreement.	
Human rights							
16. Number of identified cases of severe human rights issues and incidents	Number of cases of severe human rights issues and incidents connected to investee companies on a weighted average basis	0.00	94.33%	0.00%	94.33%	The total number of severe and very severe human rights concerns controversies associated with EUR 1 million invested in the portfolio. It is calculated as the weighted average of Number of Severe and Very Severe Human Rights Concerns Controversies per company divided by the company's most recently available enterprise value including cash (EVIC).	

Principal adverse sustainability impacts statement

Other indicators for principal adverse impact

Fondita Fund Management Company Ltd. does not assess any other PAI specific sustainability impacts other than the ones present in this report. However, Fondita Fund Management Company Ltd conducts an extensive internal ESG assessment (based on external analysis and third-party data) and screening for other sustainability related parameters as part of our investment process. The PAI indicators are integrated in the investment process.

Description of policies to identify and prioritize principal adverse sustainability impacts

Fondita Fund Management Company Ltd. identifies and assess the principle adverse sustainability impacts as part of our responsible investment principles, responsible investment policy, internal ESG framework, internal ESG mapping and ESG assessment process.

Engagement policies

Fondita Fund Management Company Ltd. conducts company specific engagement and collaborative engagement through as an example CDP and Access to Medicine. Our latest collaboration with CDP we reached out to 12 of our holdings as the lead investor to encourage reporting in CDPs Climate, Water and Forest module.

Fondita Fund Management Company Ltd. continues to take dialogues with potential holdings and existing holdings on the topics most important for us, which are carbon reduction targets and equality policies, which are prominent targets in all of our funds.

References to international standards

Fondita Fund Management Company performs monthly screenings for violations of UN Global Compact, DNSH (EU Taxonomy) and OECD guidelines for multinational enterprises. If a company is flagged the holding is escalated through our escalation process and an assessment is conducted to confirm and verify the violation with the company (Investor Relations most likely). This can ultimately lead to the holding being sold if the violation is verified. Fondita Fund Management Company Ltd. is a signatory of UN PRI, UN Global Compact and the Net Zero Asset Manager initiative.

Historical comparison

Fondita Fund Management Company Ltd. PAI indicators has compared to the previous reference year (2022) developed positively in most categories, notably with a lower amount across all emissions categories in line with our ambition to become climate neutral fund managers as part of Net Zero Asset Managers. However, we recognize still the lack of data from companies which makes it difficult to fill all of the data gaps including the issue with coverage for our micro caps, for our external data provider, MSCI.

Notice & Disclaimer

This document and all of the information contained in it, including without limitation all text, data, graphs, charts (collectively, the "Information") is the property of MSCI Inc. or its subsidiaries (collectively, "MSCI"), or MSCI's licensors, direct or indirect suppliers or any third party involved in making or compiling any Information (collectively, with MSCI, the "Information Providers") and is provided for informational purposes only. The Information may not be modified, reverse-engineered, reproduced or disseminated in whole or in part without prior written permission from MSCI. All rights in the Information are reserved by MSCI and/or its Information Providers.

The Information may not be used to create derivative works or to verify or correct other data or information. For example (but without limitation), the Information may not be used to create indexes, databases, risk models, analytics, software, or in connection with the issuing, offering, sponsoring, managing or marketing of any securities, portfolios, financial products or other investment vehicles utilizing or based on, linked to, tracking or otherwise derived from the Information or any other MSCI data, information, products or services.

The user of the Information assumes the entire risk of any use it may make or permit to be made of the Information. NONE OF THE INFORMATION PROVIDERS MAKES ANY EXPRESS OR IMPLIED WARRANTIES OR REPRESENTATIONS WITH RESPECT TO THE INFORMATION (OR THE RESULTS TO BE OBTAINED BY THE USE THEREOF), AND TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, EACH INFORMATION PROVIDER EXPRESSLY DISCLAIMS ALL IMPLIED WARRANTIES (INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTIES OF ORIGINALITY, ACCURACY, TIMELINESS, NON-INFRINGEMENT, COMPLETENESS, MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE) WITH RESPECT TO ANY OF THE INFORMATION.

Without limiting any of the foregoing and to the maximum extent permitted by applicable law, in no event shall any Information Provider have any liability regarding any of the Information for any direct, indirect, special, punitive, consequential (including lost profits) or any other damages even if notified of the possibility of such damages. The foregoing shall not exclude or limit a ny liability that may not by applicable law be excluded or limited, including without limitation (as applicable), any liability for death or personal injury to the extent that such injury results from the negligence or willful default of itself, its servants, agents or sub-contractors.

Information containing any historical information, data or analysis should not be taken as an indication or guarantee of any future performance, analysis, forecast or prediction. Past performance does not guarantee future results.

The Information should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. All Information is impersonal and not tailored to the needs of any person, entity or group of persons.

None of the Information constitutes an offer to sell (or a solicitation of an offer to buy), any security, financial product or other investment vehicle or any trading strategy. It is not possible to invest directly in an index. Exposure to an asset class or trading strategy or other category represented by an index is only available through third party investable instruments (if any) based on that index. MSCI does not issue, sponsor, endorse, market, offer, review or otherwise express any opinion regarding any fund, ETF, derivative or other security, investment, financial product or trading strategy that is based on, linked to or seeks to provide an investment return related to the performance of any MSCI index (collectively, "Index Linked Investments"). MSCI makes no assurance that any Index Linked Investments will accurately track index performance or provide positive investment returns. MSCI Inc. is not an investment adviser or fiduciary and MSCI makes no representation regarding the advisability of investing in any Index Linked Investments.

Index returns do not represent the results of actual trading of investible assets/securities. MSCI maintains and calculates indexes, but does not manage actual assets. Index returns do not reflect payment of any sales charges or fees an investor may pay to purchase the securities underlying the index or Index Linked Investments. The imposition of these fees and charges would cause the performance of an Index Linked Investment to be different than the MSCI index performance.

The Information may contain back tested data. Back-tested performance is not actual performance, but is hypothetical. There are frequently material differences between back tested performance results and actual results subsequently achieved by any investment strategy.

Constituents of MSCI equity indexes are listed companies, which are included in or excluded from the indexes according to the application of the relevant index methodologies. Accordingly, constituents in MSCI equity indexes may include MSCI Inc., clients of MSCI or suppliers to MSCI. Inclusion of a security within an MSCI index is not a recommendation by MSCI to buy, sell, or hold such security, nor is it considered to be investment advice.

Data and information produced by various affiliates of MSCI Inc., including MSCI ESG Research LLC and Barra LLC, may be used in calculating certain MSCI indexes. More information can be found in the relevant index methodologies on www.msci.com.

MSCI receives compensation in connection with licensing its indexes to third parties. MSCI Inc.'s revenue includes fees based on assets in Index Linked Investments. Information can be found in MSCI Inc.'s company filings on the Investor Relations section of www.msci.com.

MSCI ESG Research LLC is a Registered Investment Adviser under the Investment Advisers Act of 1940 and a subsidiary of MSCI Inc. Except with respect to any applicable products or services from MSCI ESG Research, neither MSCI nor any of its products or services recommends, endorses, approves or otherwise expresses any opinion regarding any issuer, securities, financial products or instruments or trading strategies and MSCI's products or services are not intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. Issuers mentioned or included in any MSCI ESG Research materials may include MSCI Inc., clients of MSCI or suppliers to MSCI, and may also purchase research or other products or services from MSCI ESG Research. MSCI ESG Research materials, including materials utilized in any MSCI ESG Indexes or other products, have not been submitted to, nor received approval from, the United States Securities and Exchange Commission or any other regulatory body.

Any use of or access to products, services or information of MSCI requires a license from MSCI. MSCI, Barra, RiskMetrics, IPD and other MSCI brands and product names are the trademarks, service marks, or registered trademarks of MSCI or its subsidiaries in the United States and other jurisdictions. The Global Industry Classification Standard (GICS) was developed by and is the exclusive property of MSCI and Standard & Poor's. "Global Industry Classification Standard (GICS)" is a service mark of MSCI and Standard & Poor's.

MIFID2/MIFIR notice: MSCI ESG Research LLC does not distribute or act as an intermediary for financial instruments or structured deposits, nor does it deal on its own account, provide execution services for others or manage client accounts. No MSCI ESG Research product or service supports, promotes or is intended to support or promote any such activity. MSCI ESG Research is an independent provider of ESG data, reports and ratings based on published methodologies and available to clients on a subscription basis. We do not provide custom or one-off ratings or recommendations of securities or other financial instruments upon request.

Privacy notice: For information about how MSCI collects and uses personal data, please refer to our Privacy Notice at <https://www.msci.com/privacy-pledge>.