



*Fondita Fund Management Company Ltd.*

# **Climate Change Policy**

*Presented to the Board, implemented and  
approved by management 12.09.2024.*

## Content

1.	Introduction.....	3
2.	Purpose.....	3
3.	Our commitment.....	3
3.1	Minimum requirement.....	3
3.2	Climate targets.....	3
3.3	Climate-related risks and opportunities.....	4
3.4	Commitment to advance .....	4
4.	Governance.....	4
5.	Approval.....	4

## 1. Introduction

Fondita views climate change as a significant risk to our planet and communities, including a critical issue for the long-term investor. There is no doubt that climate change has become a financially material risk, which can have a significant negative effect on shareholder value. However, climate change also presents new investment opportunities. Fondita has for over 20 years invested in three megatrends, one of them being environment and climate.

## 2. Purpose

The purpose of this policy is to support the [Fondita Responsible Investment Policy](#). The purpose of the policy is to provide additional information about our commitments and our activities as a fund manager. Furthermore, information about the governance structure is provided.

The policy applies to our operations as well as our investment activities.

## 3. Our commitment

### 3.1 Minimum requirement

To manage risk related to certain sectors, Fondita has an [exclusion list](#) which take into account sectors which have a negative impact on climate change such as fossil fuels. Fondita excludes all companies which derive over 5% of their revenues from operations relating to fossil fuels, which significantly reduces the investment universe and excludes companies with a inherit negative impact towards climate change.

### 3.2 Climate targets

Fondita has committed as a company towards Net Zero Asset Managers. Our targets can be reviewed in the [signatories section of the webpage](#). Our targets have been set accordingly to the Net Zero Investment Framework together with scenarios based on IPCC special report on global warming of 1.5 degrees. In our initial commitment of AUM, we have set the target at 70% due to having carbon data of this part of the holdings. As the data landscape develops, we will increase this threshold.

Fondita has set interim targets for 2030 and established a strategy for net-zero emissions for all funds 2050 at the latest. Our interim target for 2030 is to reduce portfolio emissions by -70% in terms of absolute terms and 60% in terms of intensity terms. We aim to have 75% of material sectors considered net zero, aligned or aligning by 2030.

Fondita is on track to meet the targets, which latest version can be reviewed [Annual Review of Responsible Investments](#) for 2023 (page 10). Our emissions have dropped by 54% since the reference year of 2019. We monitor our progress on an annual basis to ensure we reach the targets set as part of the initiative.

Our commitment to Net Zero Asset Managers will have us reporting according to the recommendations of Task Force on Climate Related Financial Disclosures (TCFD) starting 2024.

### 3.3 Climate-related risks and opportunities

As part of the goal towards net-zero Fondita is committed in assessing climate-related risks and opportunities of the operations and investments. The operations are assessed once a year as part of the TCFD aligned Climate Report towards Net Zero Asset Managers, which includes the governance, strategy, metrics and targets and risk management of climate-related risks and opportunities. The climate-related risks and opportunities of the investments are assessed as part of the ESG assessments conducted on the companies with the assistance of external data providers and manual assessments conducted by Fondita.

### 3.4 Commitment to advance

As we have committed as a company towards net-zero emission in all our funds by 2050, which is reflected by that every fund has an emissions reduction target set as part of the sustainability related targets. The progress of the targets can be reviewed in the quarterly ESG report of each fund, found on the homepage.

In our Engagement Policy update for 2024, we have decided to reach out to all our holdings which do not yet have an emissions reduction target to encourage to set one. As a small fund manager, we have identified we can have a significant impact to advance emissions reduction in companies by taking a dialogue with the holdings who do not yet have a policy implemented. The results will report as part of our Annual Review of Responsible Investments which is published annually.

## 4. Governance

The Head of ESG at Fondita with the support of Fondita ESG committee are responsible for drafting and upholding the policy. The final approval is by the management. The policy is reviewed annually.

## 5. Approval

The policy has been approved and implemented by management and presented to the board of Fondita.